
CREDIT NUMBER 7294-ET

Program Agreement

(Additional Financing for Ethiopia Electrification Program)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

ETHIOPIAN ELECTRIC UTILITY

CREDIT NUMBER 7294-ET

PROGRAM AGREEMENT

AGREEMENT between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and ETHIOPIAN ELECTRIC UTILITY (“Program Implementing Entity”) (“Program Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of the Signature Date between FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA (“Recipient”) and the Association, concerning Credit No. 7294-ET.

WHEREAS:

(A) by an agreement of the same date as the Signature Date between the Recipient and the Association (“Financing Agreement”), the Association is agreeing to provide an amount equivalent to SDR 188,200,000 (“Credit”) to assist in the financing of the Program on the terms and conditions of said agreement (“Credit No. 7294-ET”); and

(B) Parts 1, 2, 3(a), 3(c), 3(d), 3(f), 3(g) and 3(h) of the Program will be carried out by the Program Implementing Entity with the Recipient’s assistance and Recipient shall enter into a Subsidiary Agreement with the Program Implementing Entity and the Association shall enter into a Program Agreement with the Program Implementing Entity.

The Association and the Program Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to the Financing Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Financing Agreement or the General Conditions.

ARTICLE II — PROGRAM

- 2.01. The Program Implementing Entity declares its commitment to the objectives of the Program. To this end, the Program Implementing Entity shall carry out Parts 1, 2, 3(a), 3(c), 3(d), 3(f), 3(g), 3(h) and 3(i) of the Program in accordance with the provisions of Article V of the General Conditions and the Schedule to this Agreement, and shall provide promptly as needed, the funds, facilities, services and other resources required for its Respective Parts of the Program.

ARTICLE III — TERMINATION

- 3.01. For purposes of Section 10.05(c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty (20) years after the Signature Date.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

- 4.01. The Program Implementing Entity's Representative is its Chief Executive Officer.

- 4.02. For purposes of Section 11.01 of the General Conditions:

- (a) the Association's address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

- (b) the Association's Electronic Address is:

Telex:	Facsimile:
248423(MCI)	1-202-477-6391

- 4.03. For purposes of Section 11.01 of the General Conditions:

- (a) the Program Implementing Entity's address is:

Piasa, de Gaulle Square
Addis Ababa
Ethiopia
P O Box 1233; and

- (b) the Program Implementing Entity's Electronic Address is:

Facsimile:

+251 11560028

AGREED as of the later of the two dates written below.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Ousmane Dione

Authorized Representative

Name: Ousmane Dione

Title: Country Director

Date: 05-May-2023

ETHIOPIAN ELECTRIC UTILITY

By

Ato Shiferaw Telila

Authorized Representative

Name: Ato Shiferaw Telila

Title: Chief executive officer

Date: 30-May-2023

SCHEDULE

Program Execution

Section I. Implementation Arrangements

A. Program Fiduciary, Environmental and Social Systems

Without limitation on the provisions of Article V of the General Conditions, the Program Implementing Entity shall carry out its Respective Parts of the Program in accordance with financial management, procurement and environmental and social management systems acceptable to the Association which are designed to ensure that:

1. the Financing proceeds for the Program Implementing Entity's Respective Part of the Program are used for their intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability; and
2. the actual and potential adverse environmental and social impacts of the Program Implementing Entity's Respective Part of the Program are identified, avoided, minimized, or mitigated, as the case may be, all through an informed decision-making process.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Program Implementing Entity's Respective Parts of the Program, the Recipient shall make part of the proceeds of the Credit available to the Program Implementing Entity under a subsidiary agreement between the Recipient and the Program Implementing Entity, under terms and conditions approved by the Association ("Subsidiary Agreement").
2. Except as the Association shall otherwise agree, the Program Implementing Entity shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. Other Program Institutional and Implementation Arrangements

1. The Other Program Institutional and Implementation Arrangements shall be identical to those set forth in Sections I.C, I.D and I.E of Schedule 2 to the Original Program Agreement (and related definitions), and are hereby incorporated by reference in this Section and shall apply to this Agreement, *mutatis mutandis*, and the Recipient undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement, subject, however, to the following qualifications (as applicable):

- (a) references to “Financing” shall be construed as references to the “Financing” provided for under this Agreement; and
 - (b) references to “Effective Date” shall be construed as reference to the Effective Date of this Agreement.
2. For greater clarity and the avoidance of doubt, in view of the incorporation of Sections I.C, I.D and I.E of Schedule 1 to the Original Program Agreement into this Agreement pursuant to the preceding paragraph, if the Original Program Agreement terminates prior to the termination of this Agreement, such termination shall have no effect for purposes of this Agreement, and the provisions of the Original Program Agreement incorporated in this Agreement pursuant to the preceding paragraph shall continue in full force and effect between the Recipient and the Bank for purposes of this Agreement following and notwithstanding such termination of the Original Program Agreement.

Section II. Excluded Activities

The Program Implementing Entity shall ensure that its Respective Parts of the Program shall exclude any activities which:

- A. in the opinion of the Association is likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or
- B. involve the procurement of: (1) works, estimated to cost \$50,000,000 equivalent or more per contract; (2) goods, estimated to cost \$30,000,000 equivalent or more per contract; (3) non-consulting services, estimated to cost \$20,000,000 equivalent or more per contract; or (4) consultants’ services, estimated to cost \$15,000,000 equivalent or more per contract.

Section III. Program Monitoring, Reporting and Evaluation

- 1. The Program Implementing Entity shall monitor and evaluate the progress of its Respective Parts of the Program and prepare Program Reports for its Respective Parts of the Program in accordance with the provisions of Section 5.08 of the General Conditions. Each Program Report shall cover the period of one EFY, and shall be furnished to the Recipient not later than four months after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Program Report.
- 2. The Program Implementing Entity shall provide to the Recipient not later than four months, for incorporation in the report referred to in Section 5.08 (c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of that Section.