
FDTF GRANT NUMBER TF0C1543

*Multi-Donor Trust Fund for Forced
Displacement*
Grant Agreement

(Economic Opportunities for Program-Employment, Livelihood and Protection)

between

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as administrator of Multi-Donor Trust Fund for Forced Displacement)

**MULTI-DONOR TRUST FUND FOR FORCED DISPLACEMENT
GRANT AGREEMENT**

AGREEMENT dated as of the Signature Date between FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA (“Recipient”) and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION (“Bank”), acting as administrator of Multi-Donor Trust Fund for Forced Displacement.

The Recipient and the Bank hereby agree as follows:

**Article I
Standard Conditions; Definitions**

- 1.01. The Standard Conditions (as defined in the Appendix to this 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 Standard Conditions or in the Appendix to this Agreement.

**Article II
The Operation**

- 2.01. The Recipient declares its commitment to the objectives of the Operation (defined below). To this end, the Recipient shall carry out the Program and the Project through EIC in accordance with the provisions of Article II of the Standard Conditions and Schedule 2 to this Agreement.

**Article III
The Grant**

- 3.01. The Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, the following grants for the following amounts to assist in financing of the following:
 - (a) an amount of ten million two hundred thousand United States Dollars (USD 10,200,000) (“Program Grant”), to assist in financing the program described in Part 1 (“Program”) of Schedule 1 to this Agreement; and

- (b) an amount of one million eight hundred thousand United States Dollars (USD 1,800,000) (“IPF Grant”), to assist in financing the project described in Part 2 (“Project”) of Schedule 1 to this Agreement, (the Program and the Project hereinafter jointly referred to as the “Operation” and the Program Grant and the Project Grant hereinafter jointly referred to as “Grant”).
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section V of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

**Article IV
Additional Remedies**

- 4.01. The Additional Event of Suspension referred to in Section 4.02(k) of the Standard Conditions consists of the following, namely, a situation has arisen by which the Recipient no longer has an adequate refugee protection framework.

**Article V
Recipient’s Representative; Addresses**

- 5.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Finance and Economic Cooperation.
- 5.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:
 - (a) Ministry of Finance
P. O. Box 1905
Addis Ababa
Federal Democratic Republic of Ethiopia; and
 - (b) the Recipient’s Electronic Address is:

Facsimile:

(251-11) 1551355

5.03. For purposes of Section 7.01 of the Standard Conditions:

(a) the Bank's address is:

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

(b) the Bank's Electronic Address is:

Telex:	Facsimile:
248423 (MCI) or 64145 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

By

Semereta Sewasew

Authorized Representative

Name: Semereta Sewasew

Title: State Minister of Finance

Date: 27-Jun-2023

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as administrator of Multi-Donor Trust Fund for Forced
Displacement**

By

Ousmane Dione

Authorized Representative

Name: Ousmane Dione

Title: Country Director

Date: 23-Jun-2023

SCHEDULE 1

Operation Description

The objective of the Grant is to contribute to the results and activities of the Operation that provides economic opportunities for Ethiopians and Refugees in an environmentally and socially sustainable way.

The Operation consists of the Program and the Project as follows:

Part 1: The Program

The Program consists of the following:

Refugee-Related Employment and Protection: Providing Refugees with access to Economic Opportunities and ensuring integration of refugees in the formal labor market, as well as taking measures to provide related services to refugees, including ensuring Refugees are able to relocate to areas where economic opportunities will be provided.

Part 2: The Project

The Project consists of the following:

- (a) Provision of Program implementation support to EIC for the carrying out of preparation, policy and program activities.
- (b) Provision of operations management capacity support to ARRA for the implementation of the Nine Pledges.

SCHEDULE 2

Operation Execution

Section I. Implementation Arrangements

A. Operation Institutions

1. The Recipient designates EIC as the Recipient's lead agency responsible for implementation of the Program and Project.
2. The Recipient shall maintain, during the period of implementation of the Operation, the following:
 - (a) EOP Steering Committee, which is responsible for providing strategic guidance regarding Operation implementation and is chaired by a MoFEC representative and includes representatives from EIC, ARRA, IPDC and MOLSA.
 - (b) The EOP Technical Committee, which is responsible for providing guidance on Operation implementation as well as reports to the EOP Steering Committee and is chaired by a MoFEC representative and includes representatives from EIC, IPDC, MOLSA, ARRA.

B. Additional Program Implementation Arrangements

1. The Recipient shall:
 - (a) Carry out the Program Action Plan, or cause the Program Action Plan to be carried out, in accordance with the schedule set out in the said Program Action Plan and in a manner satisfactory to the Bank.
 - (b) Continue the implementation of a gender and protection action plan for vulnerable people (such as children and women), in accordance with terms of reference acceptable to the Bank, including focus on discrimination, gender-based violence, related site-specific standard operating procedures, and establishment of women-friendly environment (such as, childcare centers, and a safe transportation plan for women working in industrial parks).
2. The Recipient shall:
 - (a) Appoint and thereafter maintain, at all times during the implementation of the Program, independent verification agents under terms of reference acceptable to the Bank ("Verification Agents"), to verify the data and other evidence supporting the achievement of one or more DLIs as set forth in

Schedule 2 to this Agreement and recommend corresponding payments to be made, as applicable.

- (b) (i) Ensure that the Verification Agents carry out verification and process(es) in accordance with the Verification Protocol; and (ii) submit to the Bank the corresponding verification reports in a timely manner and in form and substance satisfactory to the Bank.
 - (c) In the event there is a need for verification services prior to the appointment of the Verification Agents in accordance with sub-paragraph (a) above, put in place adequate interim arrangement satisfactory to the Bank and approved in writing by the Bank for verification of the DLIs.
3. Without limitation upon the provisions of Article II of the Standard Conditions, the Recipient shall carry out the Program, or cause the Program to be carried out, in accordance with financial management, procurement and environmental and social management systems acceptable to the Bank (“Program Fiduciary, Environmental and Social Systems”) which are designed to ensure that:
- (a) the Program Grant proceeds are used for their intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability; and
 - (b) the actual and potential adverse environmental and social impacts of the Program are identified, avoided, minimized, or mitigated, as the case may be, all through an informed decision-making process.

C. Operations Manual

1. The Recipient shall:
- (a) prepare and furnish to the Bank for its review, an Operations Manual setting out detailed institutional, administrative, financial, technical and operational guidelines and procedures for the implementation of the Program, the Project, the Program Action Plan, and including: (i) detailed safeguards, financial management (including funds flow and budgeting) and procurement arrangements; and (ii) a monitoring and verification system for the Program; and
 - (b) within three (3) months after the Effective Date, through EIC, adopt such Operations Manual as shall have been approved by the Bank and thereafter, implement the Program and Project in accordance with the Operations Manual.

2. The Recipient shall not amend, abrogate or suspend, or permit to be amended, abrogated or suspended any provision of the Operations Manual without the prior written agreement of the Bank.
3. Notwithstanding the foregoing, if any provision of the Operations Manual is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail.

D. Safeguard Requirements for the Project

In carrying out activities under the Project, the Recipient shall ensure that all technical assistance under the Project, application of whose results would have environmental or social implications, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the Bank, such terms of reference to ensure that the technical assistance takes into account, and calls for application of the Bank's environmental and social safeguards policies and the Recipient's own laws relating to the environment and social aspects.

E. Annual Work Plans and Budget for the Project

1. For purposes of implementation of the Project, the Recipient shall:
 - (a) prepare a draft annual work plan and budget ("AWPB") for each EFY, setting forth, *inter alia*: (i) a detailed description of the planned activities under the Project for the following EFY; (ii) the sources and proposed use of funds therefor; (iii) procurement arrangements therefor; and (iv) responsibility for the execution of said Project activities, budgets, start and completion dates, outputs and monitoring indicators to track progress of each activity;
 - (b) not later than April 30 of each EFY, and after considering comments provided by the EOP Steering Committee (referred to in Section I.A.2(a) above), furnish the draft AWPB to the Bank for its review, and promptly thereafter finalize the AWPB, taking into account the Bank's comments thereon; and
 - (c) by June 15 of each EFY, adopt and implement the final AWPB after obtaining the Bank's approval thereon.

Section II. Excluded Activities

The Recipient shall ensure that the Program excludes any activities which:

- (a) in the opinion of the Bank, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or

Section III. Project Monitoring, Reporting and Evaluation

A. Program Reports; Completion Reports

1. The Recipient shall monitor and evaluate the progress of the Program and, more particularly, the progress of the Disbursement Linked Indicators, and to that end, shall prepare regular Program Reports in accordance with the provisions of Section 2.06 of the Standard Conditions. Each Program Report shall cover the period of one calendar semester and shall be furnished to the Bank not later than one month after the end of the period covered by such report.
2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the Bank not later than six (6) months after the Closing Date.

B. Program Financial Management, Financial Reports and Procurement Audit

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. The Recipient shall ensure that interim unaudited financial reports for the Program are prepared and furnished to the Bank not later than forty-five (45) days after the end of each Ethiopian fiscal semester, covering the said semester (6 months), in form and substance satisfactory to the Bank.
3. The Recipient shall have the Financial Statements for the Program audited in accordance with the provisions of Section 2.07(b) of the Standard Conditions by an auditor with qualifications, experience and terms of reference satisfactory to the Bank. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period.

C. Project Reports; Completion Report

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the Bank. Each Project Report shall cover the period of one (1) calendar semester and shall be furnished

to the Bank not later than one (1) month after the end of the period covered by such report.

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the Bank not later than six (6) months after the Closing Date.

D. Project Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the Bank not later than forty-five (45) days after the end of each Ethiopian fiscal quarter, covering the quarter, in form and substance satisfactory to the Bank.
3. The Recipient shall have the Financial Statements for the Project audited in accordance with the provisions of Section 2.07(b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period.

Section IV. Procurement

All goods, small scale works, non-consulting services and consulting services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in the “World Bank Procurement Regulations for IPF Borrowers” dated July 2016, revised November 2017 and August 2018 (“Procurement Regulations”), and the provisions of the Recipient’s procurement plan for the Project (“Procurement Plan”) dated May 27, 2019, provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the Bank.

Section V. Withdrawal of Financing Proceeds

A. General

1. Without limitation upon the provisions of Article III of the Standard Conditions and in accordance with the Disbursement and Financial Information Letter: (a) with respect to the Program, the results (DLRs) achieved by the Implementing Entities, as measured against specific indicators (DLIs) in the amount allocated against Category (1) of the below table in paragraph 2 of this Part A; and (b) with respect to the Project, Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against Category (2) of the below table.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Project Grant (“Category”), the allocations of the amounts of the Project Grant to each Category, including as the case may be: (a) the Program’s DLIs as applicable (“Category”) and DLRs for each Category (as applicable); and (b) the Project’s Eligible Expenditures that may be financed out of the proceeds of the Grant under Category (2), as well as the financing percentages thereof:

Category (including Disbursement Linked Indicator (as applicable))	Disbursement Linked Result (as applicable)	Amount of the Grant Allocated for the Project (expressed in USD)	DLR allocation and Disbursement Formula (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
1. DLI 1: Number of Refugees with access to Economic Opportunities.	DLR 1.2: EFY ending 7 July 2022, 7 July, 2023 and 7 July 2024 of 6,500 refugees received Economic Opportunities. (Baseline: 0)	10,200,000	DLR1.2: 10,200,000 Unit value: 2,190 per Economic Opportunity received	
2. Goods, small scale-works, non-consulting services, consulting services, Training and Operating costs under Part 2 of the Operation.		1,800,000		100%
Total		12,000,000		

B. Withdrawal Conditions for the Program

1. Notwithstanding the provisions of Part A of this Section, with respect to categories under TF0A9714 no withdrawal shall be made:
- (a) for purposes of Section 3.04 of the Standard Conditions (renumbered as such pursuant to Section II of the Appendix to this Agreement and relating

to *Program Expenditures*), on the basis of DLRs achieved prior to the Signature Date; and

- (b) with respect to categories under the Program no withdrawal shall be made for any DLR until and unless the Recipient has furnished evidence satisfactory to the Bank that said DLR has been achieved, including verification reports from the Verification Agent, based on reports prepared by the Recipient certifying the achievement of the DLRs in accordance with the Verification Protocol.
2. Notwithstanding the provisions of Part B.1(b) of this Section, with respect to the Program, if any of the DLR has not been achieved by the date by which the said DLR is set to be achieved, the Bank may, by notice to the Recipient:
- (a) authorize the withdrawal of such lesser amount of the unwithdrawn proceeds of the Program Grant then allocated to said Category which, in the opinion of the Bank, corresponds to the extent of achievement of said DLR, said lesser amount to be calculated in accordance with the Disbursement Formula;
 - (b) reallocate all or a portion of the proceeds of the Program Grant then allocated to said DLR to any other DLR; and/or
 - (c) cancel all or a portion of the proceeds of the Program Grant then allocated to said DLR.
3. Notwithstanding the foregoing provisions of this Section V, if at any time after the Closing Date the Recipient has failed to provide to the Bank evidence satisfactory to the Bank that the amount of the Program Grant withdrawn from the related Grant Account does not exceed the total amount of Program Expenditures, the Recipient shall, upon notice from the Bank, promptly refund to the Bank such excess amount of the Program Grant withdrawn from said Grant Account. The Bank shall cancel the refunded amount of the Program Grant withdrawn from said Grant Account.

C. Withdrawal Condition for the Project

Notwithstanding the provisions of Part A of this Schedule, with respect to categories under the Project, no withdrawal shall be made for payments made in respect of the Project prior to the Signature Date.

E. Operation Withdrawal Period

The Closing Date referred to in Section 3.06(c) of the Standard Conditions is October 31, 2024.

APPENDIX

Section I. Definitions

1. “Anti-Corruption Guidelines” means for purposes of paragraph 2 of the “Guidelines on Preventing and Combating Fraud and Corruption for Program-for-Results Financing,” dated February 1, 2012, and revised July 10, 2015.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, and revised in January 2011, and as of July 1, 2016
3. “ARRA” means the Recipient’s Agency for Refugee and Returnee Affairs, and any successor thereto.
4. “AWPB” means the annual work plan and budget for the Project to be prepared, approved and implemented in accordance with Section I.E.1 of Schedule 2 to this Agreement.
5. “Better Work Compliance Synthesis Report” means the reports produced under the Better Work Program presenting analyses, *inter alia*, of working conditions in factories participating in said program.
6. “Better Work Program” means the joint International Labor Organization and International Finance Corporation program that collaborates with governments to improve labor laws and provides assessment, advisory, and training services to participating factories to improve working conditions and increase compliance with international labor protection standards and local labor laws.
7. “BoLSA” means the Recipient’s Bureau of Labor and Social Affairs (regional), and any successor thereto.
8. “Category” means a category set forth in the table in Section V.A.2 of Schedule 2 to this Agreement.
9. “Community Intervention” means a small-scale program of activities coordinated by the Neighborhood Relations Committee as part of management of refugee-host community relations.
10. “Disbursement Linked Indicator” or “DLI” means in respect of a given Category, the indicator related to said Category as set forth in the table in Section V.A.2 of Schedule 2 to this Agreement.
11. “Disbursement Linked Result” or “DLR” means in respect of a given Category, the result under said Category as set forth in Section V.A.2 of Schedule 2 to this

Agreement, on the basis of the achievement of which, the amount of the Program Grant allocated to said result may be withdrawn in accordance with the provisions of said Section V.

12. “Economic Opportunities” means the right to work in wage earning employment or right to engage in self-employment and commercial activities provided in accordance with the Refugees Proclamation and other applicable legislation and/or regulations.
13. “EFY” means the Ethiopian Fiscal Year, the fiscal year of the Recipient which commences on July 8 and ends on July 7.
14. “EIB Decision” means a decision by the Ethiopia Investment Board on any detailed feasibility study of private sector-led participation in Bole Lemi I, Hawassa, Mekelle, or Kombolcha Industrial Park, which study includes legal, social, environment, financial, and market due diligence, identifies any urban masterplan and gaps and recommendations on urban planning.
15. “Ethiopia Investment Board” or “EIB” means the investment board established pursuant to the "Ethiopian Investment Board and the Ethiopian Investment Commission Establishment Council of Ministers Regulation No. 313/2014" with the responsibility, *inter alia*, to oversee the administration and supervision of industrial parks, and any successor thereto.
16. “Ethiopian Investment Commission” or “EIC” means the autonomous federal government office established pursuant to the "Ethiopian Investment Board and the Ethiopian Investment Commission Establishment Council of Ministers Regulation No. 313/2014" with the objective of implementing a transparent and efficient investment administration system, and any successor thereto.
17. “IFRS” means International Financial Reporting Standards, which is a set of accounting standards developed by an independent, not-for-profit organization called the International Accounting Standards Board.
18. “IPDC” means the Industrial Parks Development Corporation, a federal government public enterprise established pursuant to "Industrial Parks Development Corporation Establishment Council of Ministers Regulation No. 326/2014" for the purpose of, *inter alia*, developing and operating industrial parks, preparing national industrial park master plans, and attracting investors to the industrial parks, and any successor thereto.
19. “MoFEC” means the Recipient’s Ministry of Finance and Economic Development and any successor thereto.

20. “MoLSA” means the Recipient’s Ministry of Labor and Social Affairs, and any successor thereto.
21. “MoLSA Synthesis Inspection Reports” means reports produced by MoLSA synthesizing its factory inspection findings, summarizing the findings across industries/regions and recommending follow-up actions.
22. “NBE Directives” means National Bank of Ethiopia’s NBE External Loan and Supplier’s Credit Directive No. FXD/47/2017 and Retention and Utilization of Export Earnings and Inward Remittances Directive No. FXD/48/2017.
23. “Nine Pledges” means the announcement by the Recipient’s Prime Minister in September 2016, at the United Nations Summit on Refugees in New York of the commitment of the Recipient to nine pledges to improve refugee rights and services in the country (pledges covering out-of-camp policy, education, work and livelihood, documentation, social and basic services, and local integration), becoming one of the first countries to initiate the implementation of the United Nations-backed Comprehensive Refugee Response Framework, which CRRF objectives are to: (a) ease pressure on host countries; (b) enhance refugee self-reliance; (c) expand third-country solutions; and (d) support conditions in countries of origin for return in safety and dignity.
24. “NRC” means a Neighborhood Relations Committee established pursuant to founding documents with defined representative requirements (including refugees, host community local government, and ARRA representatives), responsible for the management of refugee-host community relations and providing funds for small-scale community interventions.
25. “Operating Costs” means the reasonable incremental expenses incurred by EIC to implement the Project, including: (a) allowances of staff; (b) travel expenditures and other travel-related allowances of staff; (c) vehicle rental, operation, maintenance, repair and insurance; (d) media information campaigns and communication expenses (including without limitation, internet and telephone services); (e) translation services, photocopies and publications, materials and office supplies; (f) utilities; and (g) bank charges.
26. “Operation” means, collectively, all activities described under the Program and the Project in Schedule 1 to this Agreement.
27. “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.
28. “Program” means the activities described in Part 1 of the Operation.

29. “Program Action Plan” means the Recipient’s plan dated May 2018 and referred to in Section I.B.1(a) of Schedule 2 to this Agreement, as may be amended from time to time with the agreement of the Bank.
30. “Program Fiduciary, Environmental and Social Systems” means the Recipient’s systems for the Program referred to in Section I.B.3 of Schedule 2 to this Agreement.
31. “Project” means the activities described in Part 2 of the Operation.
32. “Refugee Hosting Community” means community hosting more than three hundred (300) Refugees.
33. “Refugees” means the class of persons declared/recognized as refugees in accordance with the provisions of the Refugees Proclamation.
34. “Refugees Proclamation” means the proclamation passed by the Recipient’s House of Representatives, signed by the Recipient’s President and published in the Recipient’s Federal Negarit Gazette and referred to in Section 5.01(b) of this Agreement.
35. “Signature Date” means the later of the two dates on which the Recipient and the Bank signed this Agreement and such definition applies to all references to “the date of the Grant Agreement” in the Standard Conditions.
36. “Standard Conditions” means:
 - (a) with respect to the Program Grant: the International Bank for Reconstruction and Development and the International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds dated February 25, 2019, with the modifications set forth in Section II of this Appendix; and
 - (b) with respect to the Project Grant: the International Bank for Reconstruction and Development and the International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds dated February 25, 2019.
37. “TIFs” or “Targeted Investment Facilitations” means investment facilitations made by EIC, including: (a) site visits arranged for investors; (b) processed visas; (c) matches made between buyers and suppliers (defined through a contractual relationship between a buyer and supplier); (d) documents prepared on behalf of investors; (e) licenses issued; and (f) after-investment services provided resulting in successful resolution.

38. “Training” means reasonable costs of training under the Project, based on annual work plans approved by the Bank pursuant to Section I.E of Schedule 2 to this Agreement, and attributable to national and international seminars, workshops, and study tours, along with national and international travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.
39. “Verification Agents” means independent entities to be engaged by the Recipient for the purposes of certifying the achievement of the DLRs as referred to in Section I.B.2 of Schedule 2 to this Agreement.
40. “Verification Protocol” means the Recipient’s protocol, acceptable to the Bank, setting forth the means by which the achievement of DLRs will be verified under the Program, as such Verification Protocol may be amended from time to time with the prior written agreement of the Bank.

Section II. Modifications to the Standard Conditions

With respect to the Program Grant, the Standard Conditions are modified as follows:

1. Wherever used throughout the Standard Conditions, the term “the Project” is modified to read “the Program”, the term “Project Report” is modified to read “Program Report”, and the term “Eligible Expenditure” is modified to read “Program Expenditure”.
2. Section 2.11, *Procurement*, is deleted in its entirety, and the subsequent Section 2.12, *Anti-Corruption*, in Article II is renumbered accordingly.
3. Section 3.03, *Special Commitment by the Bank*, is deleted in its entirety, and the subsequent Sections in Article III are renumbered accordingly.
4. In Section 3.03 (originally numbered as Section 3.04), the title is modified to read “*Applications for Withdrawal*” and the phrase “or to request the Bank to enter into a Special Commitment” is deleted.
5. The section originally numbered as Section 3.05, *Designated Accounts*, is deleted in its entirety, and the subsequent Sections in Article III are renumbered accordingly.
6. The last sentence of Section 3.05 (originally numbered as Section 3.07), *Financing Taxes*, is modified to read: “To that end, if the Bank at any time determines that the amount of any such Tax is excessive, or that such Tax is discriminatory or otherwise unreasonable, the Bank may, by notice to the Recipient, exclude such

amount or such Tax from the Program Expenditures to be financed out of the proceeds of the Program Grant.”

7. Section 3.06 (originally numbered as Section 3.08), *Allocation of Grant Amounts*, is modified to read: “If the Bank reasonably determines that in order to meet the purposes of the Program Grant it is appropriate to reallocate Program Grant amounts among withdrawal categories, the Bank may, after consultation with the Recipient, make such modifications, and shall notify the Recipient accordingly.”
8. Section 4.01, *Cancellation by the Recipient*, is modified to read: “The Recipient may, by notice to the Bank, cancel any unwithdrawn amount of the Program Grant.”
9. Paragraph (d) of Section 4.03, *Cancellation by the Bank*, entitled “Misprocurement”, is deleted, and subsequent paragraph (e) is re-lettered accordingly.
10. Section 4.04, *Amounts Subject to Special Commitment Unaffected*, is deleted in its entirety, and subsequent Sections in Article IV and references to such Sections are renumbered accordingly.
11. In the Appendix, *Definitions*, all references to Section numbers are modified, as necessary, to reflect the modifications set forth above. In addition, the definition of the terms “Procurement Plan”, “Procurement Regulations” and “Special Commitment” set forth in paragraphs 19, 20 25, respectively, are deleted in their entirety, and all subsequent paragraphs are renumbered.