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CREDIT NUMBER 7420-ET

# **Financing Agreement**

(Ethiopia Education and Skills for Employability Project)

between

**FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA**

and

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

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**CREDIT NUMBER 7420-ET**

**FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

**ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General 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 General Conditions or in the Appendix to this Agreement.

**ARTICLE II — FINANCING**

- 2.01. The Association agrees to extend to the Recipient a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to one hundred and fifty million, four hundred thousand Special Drawing Rights (SDR 150,400,000) (variously, “Credit” and “Financing”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.
- 2.05. The Payment Dates are January 1 and July 1 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Dollar.

**ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

**ARTICLE IV — EFFECTIVENESS; TERMINATION**

- 4.01. The Additional Condition of Effectiveness consists of the following, namely, that the Recipient has prepared, consulted, approved and disclosed an Environmental and Social Management Framework with respective annexes including labor management procedures; a social assessment with annexes including sexual exploitation and abuse/sexual harassment prevention and response action plan; and a security risk assessment and management plan; all in accordance with the provisions of the Environmental and Social Commitment Plan.
- 4.02. The Effectiveness Deadline is the date one hundred and twenty (120) days after the Signature Date.
- 4.03. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

**ARTICLE V — REPRESENTATIVE; ADDRESSES**

- 5.01. The Recipient's Representative is its minister responsible for finance.
- 5.02. For purposes of Section 11.01 of the General Conditions:

- (a) the Recipient's address is:

Ministry of Finance  
P. O. Box 1905  
Addis Ababa  
Federal Democratic Republic of Ethiopia; and

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

Telex:	Facsimile:	E-mail:
MINFIN	21147	(251-111) 551355

5.03. 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

AGREED as of the Signature Date.

**FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA**

**By**

*H.E. Semereta Sewasew*

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**Authorized Representative**

**Name:** H.E. Semereta Sewasew

**Title:** State Minister of Finance

**Date:** 01-Nov-2023

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By**

*Ousmane Dione*

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**Authorized Representative**

**Name:** Ousmane Dione

**Title:** Country Director

**Date:** 23-Oct-2023

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to improve employment outcomes of the TVET system of Ethiopia with a focus on women and marginalized groups.

The Project consists of the following parts:

#### **Part 1: Strengthening Public Polytechnics for Improved Labor Market Outcomes**

Supporting the development and implementation of Eligible Strategic Investment Plans (“Eligible SIPs”) designed to upgrade selected polytechnic colleges (“Participating PTCs”) into centers of excellence in order to improve the quality of the learning environment in said Participating PTCs and enhance their capacities to serve as cluster leads in their respective Regions and produce high-quality skilled graduates in key sectors of the economy.

#### **Part 2: Skills for Jobs**

Provision of Performance-Based Payments (“PBPs”) to Eligible Participating Institutions (“EPIS”) for development and delivery of short-term in demand skills training programs to targeted beneficiaries nationwide (“Training Subprojects”).

#### **Part 3: System Strengthening**

- 3.1. Development and implementation of a skills management information system.
- 3.2. Establishment of formal TVET coordination mechanisms between public and private stakeholders in priority sectors so as to ensure alignment between skills demand and supply in the marketplace.
- 3.3. (a) Strengthening the capacity of MoLS for creating an enabling policy environment for sustained reforms in the skills development sector through provision of technical assistance; (b) supporting implementation of the new TVET reform policy through building the capacities of MoLS, Regions and Woredas to ensure a resilient, adaptive, inclusive and sustainable skills ecosystem; and (c) Project management costs.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

###### 1. *Project Steering Committee*

The Recipient shall establish, not later than sixty (60) days after the Effective Date, a Project Steering Committee (“PSC”) at the Federal level, and thereafter maintain such PSC at all times during the implementation of the Project, with composition, mandate, resources and functions satisfactory to the Association. The PSC shall be responsible for, *inter alia*: (a) providing overall strategic and policy guidance and oversight on the implementation of the Project; (b) reviewing progress made towards achieving the Project’s objectives; and (c) facilitating coordination of Project activities and removal of any obstacle(s) to the implementation of the Project, subject to such changes as the Recipient and the Association may agree upon from time to time.

###### 2. *Ministry of Labor and Skills (“MoLS”)*

- (a) Without limitation upon the provisions of paragraph 1 of this Section I.A, the Recipient shall designate, at all times during the implementation of the Project, the MoLS to be responsible for prompt and efficient oversight and implementation of activities under the Project.
- (b) To this end, the Recipient, through the MoLS, shall: (i) establish, not later than one hundred and twenty (120) days after the Effective Date, a Delivery Unit within MoLS, and thereafter maintain such Delivery Unit at all times during the implementation of the Project, to be responsible for overall day-to-day execution, coordination, and implementation of activities under Part 3 of the Project, as further elaborated in the Project Implementation Manual; (ii) establish, not later than one hundred and twenty (120) days after the Effective Date, a Project Implementation Team (“PIT”) within each Participating PTC, and thereafter maintain such PIT at all times during the implementation of the Project, to be responsible for overall day-to-day execution, coordination, and implementation of activities under each respective Eligible SIP, in coordination with the *Regional TVET Bureaus* as further elaborated in the Project Implementation Manual; and (iii) designate, at all times during the implementation of the Project, the Entrepreneurship Development Institute (“EDI”), to be responsible for prompt and efficient oversight and

implementation of activities under Part 2 of the Project, as further elaborated in the PBP Manual.

**B. Implementation Arrangements**

1. *Project Implementation Manual for Parts 1 and 3 of the Project*

- (a) The Recipient shall, through MoLS, prepare in accordance with terms of reference acceptable to the Association and furnish to the Association for prior review a Project manual for Parts 1 and 3 of the Project, which shall include provisions on the following matters: (i) capacity building activities for sustained achievement of the Project's objectives; (ii) arrangements on financial management, setting forth the detailed policies and procedures for financial management under the Project; (iii) procurement management procedures; (iv) institutional administration, coordination and day to day execution of Project activities; (v) monitoring and evaluation; (vi) reporting; (vii) information, education and communication of Project activities; (viii) the eligibility criteria, guidelines and detailed procedures for the selection and approval of Participating PTCs and management of Eligible SIPs under Part 1 of the Project; (ix) guidelines for assessing potential environmental and social impacts of Project activities (including Eligible SIPs and Training Subprojects) and designing appropriate mitigation, management and monitoring measures in respect of said impacts; (x) Personal Data collection and processing in accordance with good international practices; (xi) corruption and fraud mitigation measures; (xii) a grievance redress mechanism; and (xiii) such other technical and organizational arrangements and procedures as shall be required for the Project.
- (b) The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on said Project manual, and thereafter, shall consolidate and adopt such Project manual, as shall have been approved by the Association ("Project Implementation Manual" or "PIM").
- (c) The Recipient shall ensure that the Project is carried out in accordance with the PIM; provided, however, that in case of any conflict between the provisions of the PIM and the provisions of this Agreement, the provisions of this Agreement shall prevail. Except as the Association shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the PIM.

2. *PBP Manual for Part 2 of the Project*

- (a) The Recipient shall, through MoLS, prepare in accordance with terms of reference acceptable to the Association and furnish to the Association for prior review a PBP manual for Part 2 of the Project, which shall include provisions on the following matters: (i) eligibility criteria, guidelines and procedures for the selection and approval of EPIs; (ii) eligibility criteria, guidelines and procedures for the selection and approval of Training Subprojects and provision of PBPs; (iii) maximum aggregate amount of all PBPs which may be made during each EFY of the Recipient; (iv) agreed performance targets and indicators for EPIs and methodology for monitoring and evaluating achieved results; (v) designation of the Recipient's team to be responsible for the verification of the quality and quantity of the training programs delivered under each Training Subproject ("Verification Team") and associated verification protocols; (vi) description of the various PBP windows under Part 2 of the Project; (vii) any other technical, administrative, procurement, financial and accounting, environmental and social standards requirements, organizational guidelines and procedures, and other arrangements to ensure proper implementation of activities under Part 2 of the Project; and (viii) a model form of agreement for the provision of a PBP in form and substance satisfactory to the Association ("PBP Agreement").
- (b) The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on said PBP manual, and thereafter, shall consolidate and adopt such PBP Manual, as shall have been approved by the Association ("PBP Manual").
- (c) The Recipient shall ensure that Part 2 of the Project is carried out in accordance with the PBP Manual; provided, however, that in case of any conflict between the provisions of the PBP Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail. Except as the Association shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the PBP Manual.

3. *Annual Work Plan and Budget*

- (a) The Recipient shall, not later than forty-five (45) days after the Effective Date, (and thereafter by June 30 of each subsequent EFY) prepare and furnish to the Association, a work plan and budget containing all activities proposed for implementation in the following calendar year including: (i) a detailed timetable for the sequencing and implementation of said activities; (ii) the types of expenditures required for such activities, including a proposed financing plan; and (iii) a budget establishing the proposed amounts and sources of financing.

- (b) The proposed work plan and budget shall specify any Training activities that may be required under the Project, including: (i) the type of Training; (ii) the purpose of the Training; (iii) the personnel to be trained; (iv) the institution or individual who will conduct the Training; (v) the location and duration of the Training; and (vi) the cost of the Training.
- (c) The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on such proposed work plan and budget by providing a draft annual work plan and budget not later than May 30 of each EFY and thereafter ensure that the Project is implemented with due diligence in accordance with such work plan and budget as shall have been approved by the Association (“Work Plan and Budget”).
- (d) The Recipient shall not make or allow to be made any change to the approved Work Plan and Budget without prior approval in writing by the Association.

**C. Financing of Eligible SIPs under Part 1 of the Project**

Each Eligible SIP shall be approved for financing upon by the Recipient (through the MoLS determination), on the basis of an appraisal conducted in accordance with the criteria, guidelines and detailed procedures set forth in the PIM, that the Eligible SIP satisfies the eligibility criteria specified in the PIM, which criteria shall, *inter alia*, include the following:

1. the Eligible SIP shall be appraised on the basis of technical, economic, financial, environmental and social impact assessments and other guidelines acceptable to the Association (and be accompanied by appropriate environmental and social instruments, if required pursuant to the ESCP);
2. the Eligible SIP and the associated environmental and social instruments, if any, shall be approved by the Recipient (through the respective Regional Council) and the Association, unless with respect to the Association’s approval, the Association has notified the Recipient in writing that its prior approval is not required;
3. the Eligible SIP shall be designed to avoid any involuntary resettlement of persons or loss of their income or productive capacity; and
4. the Eligible SIP shall be included in the Annual Work Plan and Budget.

**D. PBPs for Training Subprojects under Part 2 of the Project**

1. *Eligibility.* In order to ensure the proper implementation of Part 2 of the Project, the Recipient shall, through MoLS, make PBPs to EPIs for Training Subprojects in accordance with eligibility criteria, guidelines and procedures acceptable to the Association, which shall include, *inter alia*, the following:-

- (a) the Recipient, through MoLS, has determined on the basis of an appraisal carried out in accordance with guidelines acceptable to the Association, and elaborated in the PBP Manual, that:
  - (i) the proposed EPI; (A) is a legal entity and a public or a private institution of higher learning or a TVET or a not for profit institution, with the organization, management, technical capacity and financial resources necessary to carry out the proposed Training Subproject; and (B) has prepared a satisfactory Training Subproject proposal and proposed financing plan and budget, and a satisfactory implementation plan for the proposed Training Subproject; and
  - (ii) the proposed Training Subproject is, *inter alia*: (A) technically feasible, and financially and economically sound; and (B) in compliance with the ESCP and relevant sectoral, environmental, and social standards and policies; and
- (b) the: (i) aggregate amount of all PBPs made in a given calendar year to EPIs shall not exceed the limit set out in the Annual Work Plan and Budget; and (ii) maximum amount of each PBP for a Training Subproject shall not exceed 100 percent of the total estimated cost of the Training Subproject minus the amount of other funds allocated to finance such cost.

2. PBP Agreement

- (a) The Recipient shall make each PBP to an EPI under a PBP Agreement on terms and conditions satisfactory to the Association, as further described in the PBP Manual, which shall include the following:
  - (i) a description of the Training Subproject, the applicable rates for the services included thereunder, and applicable performance indicators;
  - (ii) the EPI shall be required to: (A) carry out the Training Subproject with due diligence and efficiency and in accordance with sound technical, financial, administrative, and environmental practices; (B) ensure that the resources required for the Training Subproject

are provided promptly as needed; and (C) maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with indicators acceptable to the Association, the progress of the Training Subproject and the achievement of its objectives;

- (iii) the EPI shall be required to carry out the Training Subproject in accordance with the provisions of the Anti-Corruption Guidelines;
  - (iv) the EPI shall be required to carry out the Training Subproject in accordance with the provisions of the ESCP and any instruments developed thereunder for purposes of the Training Subproject;
  - (v) the goods, consulting services and non-consulting services to be financed out of the proceeds of the PBP shall be used exclusively for the Training Subproject; and
  - (vi) the Recipient shall have the right to: (A) inspect by itself, or jointly with the Association, if the Association shall so request, the goods and sites included in the Training Subproject, the operations thereof, and any relevant records and documents; (B) obtain all information as it, or the Association, shall reasonably request regarding the administration, operation, and financial condition of the Training Subproject; and (C) suspend or terminate the right of the EPI to use the proceeds of the PBP, or obtain a refund of all or any part of the amount of the PBP then withdrawn, as the case may be, upon failure by the EPI to perform any of its obligations under the PBP Agreement; and
- (b) The Recipient shall exercise its rights under the PBP Agreement in such manner as to protect its interests and those of the Association and to accomplish the purposes of the PBP.

**E. Verification of Delivery of Training Subprojects**

The Recipient shall, under terms of reference acceptable to the Association and elaborated in the PBP Manual, ensure that the relevant Verification Team carries out independent verification on a biannual basis, the quality and quantity of the training programs delivered under the Training Subproject, for which a PBP is requested.

**F. Environmental and Social Standards**

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.

2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
  - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail .
4. The Recipient shall ensure that:
  - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
  - (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including, explosions, spills, and any workplace accidents that result in death, serious or multiple injury, pollution, or any violent labor unrest or dispute between the Recipient or security forces (assigned to protect the Project) and local communities, any case of sexual exploitation and abuse, sexual harassment and violence against minors, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.

5. The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.
6. The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

**Section II. Project Monitoring, Reporting and Evaluation**

The Recipient shall furnish to the Association each Project Report not later than one month after the end of each calendar semester, covering the calendar semester.

**Section III. Withdrawal of the Proceeds of the Financing**

**A. General**

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<b>Category</b>	<b>Amount of the Credit Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, consulting services, Training and Operating Costs for Parts 1 and 3 of the Project	90,240,000	100%
(2) PBPs for Training Subprojects under Part 2 of the Project	60,160,000	100%
<b>TOTAL AMOUNT</b>	<b>150,400,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
  - (a) for payments made prior to the Signature Date.
  - (b) under Category (1), unless and until the Recipient has prepared and adopted a Project Implementation Manual for Parts 1 and 3 of the Project in accordance with the provisions of Section I.B.1 of Schedule 2 to this Agreement.
  - (c) under Category (2) unless and until the Recipient has prepared and adopted the PBP Manual in accordance with the provisions of Section I.B.3 of Schedule 2 to this Agreement.
2. The Closing Date is December 31, 2028.

**SCHEDULE 3**

**Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each January 1 and July 1, commencing January 1, 2030, to and including July 1, 2061	<b>1.5625%</b>

\* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05 (b) of the General Conditions.

## APPENDIX

### Definitions

1. “Annual Work Plan and Budget” means the annual work plan and budget referred to in Section I.B.3 of Schedule 2 to this Agreement, as said plan may be modified from time to time with the prior written approval of the Association.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General 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. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “Delivery Unit” means the unit referred to in Section I.A.2(b) of Schedule 2 to this Agreement and/or its successor thereto.
5. “Entrepreneurship Development Institute” or “EDI” means the institute referred to in Section I.A.2 of Schedule 2 to this Agreement and accountable to the MoLS.
6. “Eligible Participating Institution” or “EPI” means the institution referred to in Section I.D.1(a)(i) of Schedule 2 to this Agreement, and “EPIS” means, collectively, two or more such institutions.
7. “Eligible SIP” means each eligible strategic investment plan referred to in Section I.C of Schedule 2 to this Agreement for financing under Part 1 of the Project, and “Eligible SIPs” means, collectively two or more such eligible strategic investment plans.
8. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated September 9, 2023, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
9. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social

Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; and (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.

10. “EFY” means the Recipient’s fiscal year commencing on July 8 each year and ending on July 7 of the subsequent fiscal year.
11. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (last revised on July 15, 2023).
12. “*Kebele*” means the fourth and lowest tier of the Recipient’s administrative system as established under the Recipient’s laws, and “*Kebeles*”, means, collectively, two or more such tiers.
13. “Ministry of Labor and Skills” or “MoLS” means the Recipient’s ministry responsible for labor and skills, or its successor thereto.
14. “Operating Costs” means recurrent costs of the Project, including: (i) operation and maintenance of vehicle, repairs, fuel and spare parts; (ii) computer maintenance, including hardware and software; (iii) communication costs and shipment costs (whenever these costs are not included in the cost of goods); (iv) small office supplies; (v) rent and maintenance for office facilities; (vi) utilities and insurances; (vii) travel and *per diem* costs for technical staff carrying out supervisory and quality control activities; (viii) bank fees and miscellaneous; and (ix) salaries of support staff for the Project, but excluding salaries of the Recipient’s civil servants.
15. “Participating PTCs” means the following public polytechnic colleges with approved strategic investment plans eligible for financing under Part 1 of the Project, namely: Misrak PTC; Akakai PTC; Entoto PTC; Adalade PTC; Debre Markos PTC; Debre Tabor PTC; W/ro Sehin PTC; Assosa PTC; Ethio Italy PTC; Adariat PTC; Opa Pano PTC; Harrar PTC; Wolliso PTC; Jimma PTC; Sebeta PTC; Daye PTC; Wolita PTC; Jinka PTC; Worabiye PTC; Jijjiga PTC; Bonga PTC; Tepi PTC; Axum PTC; and Shire PTC, and/or any other public polytechnic college with an eligible strategic investment plan that may be proposed by the Recipient and

approved by the Association for financing under Part 1 of the Project as an addition or in replacement of any other Participating PTC listed herein.

16. “Performance-Based Payment” or “PBP” means each performance-based payment to be made for a Training Subproject in accordance with the provisions of Section I.D.2 of Schedule 2 to this Agreement, and “Performance-Based Payments” or “PBPs” means, collectively, two or more such performance-based payments.
17. “PBP Agreement” means the agreement referred to in Section I.D.2 of Schedule 2 to this Agreement, and “PBP Agreements” means, collectively, two or more such agreements.
18. “Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.
19. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
20. “Project Implementation Manual” or “PIM” means the Recipient’s manual referred to in Section I.B.1 of Schedule 2 to this Agreement.
21. “Project Implementation Team” or “PIT” means each team referred to in Section I.A.2(b)(ii) of Schedule 2 to this Agreement, or its successor thereto, and “Project Implementation Teams” or “PITs” means, collectively, two or more such teams.
22. “Project Steering Committee” or “PSC” means the committee referred to in Section I.A.1 of Schedule 2 to this Agreement, or its successor thereto.
23. “Region” means the second tier of the Recipient’s administrative system as established under the Recipient’s laws, and “Regions”, means, collectively, two or more such tiers.
24. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
25. “Training” means the reasonable costs associated with training under the Project, based on the relevant Work Plan and Budget, and attributable to study tours, training courses, seminars, workshops and other training activities, not included

under service providers' contracts, including costs of training materials, space and equipment rental, travel, accommodation and *per diem* costs of trainees and trainers, trainers' fees, and other training related miscellaneous costs.

26. "Training Subproject" means each training program referred to under Section I.D.1(a)(ii) of Schedule 2 to this Agreement, and "Training Subprojects" means, collectively, two or more such specific development training programs.
27. "TVET" means technical and vocational education and training.
28. "*Woreda*" means the third tier of the Recipient's administrative system as established under the Recipient's laws, and "*Woredas*" means, collectively, two or more such tiers.