
GRANT NUMBER E256-ET

Financing Agreement

(Eastern Africa Regional Digital Integration Project SOP-II)

between

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

FINANCING AGREEMENT

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

WHEREAS:

- A. the Participating Countries, including the Recipient, and the Regional Bodies, have agreed to participate in the series of regional projects constituting the Eastern Africa Regional Digital Integration Project;
- B. the Recipient, having satisfied itself as to the feasibility and priority of the project, has requested the Association to assist in the financing of the Project described in Schedule 1 to this Agreement (“Project”);
- C. by financing agreements, respectively, entered into on various dates between the Republic of Somalia, Republic of South Sudan, East African Community, Intergovernmental Authority on Development, and the Association, the Association agreed to extend grants to assist in financing costs of activities in respect to first in the series of projects;
- D. by a financing agreement to be entered into on or about the date hereof between the Republic of Djibouti and the Association (the “Djibouti Financing Agreement”), the Association will extend to the Republic of Djibouti financing to assist the Republic of Djibouti in financing the cost of activities related to the Project on the terms and conditions set forth in the Djibouti Financing Agreement;
- E. the Association has decided to provide this financing on the basis, among other things, of the existence of an adequate refugee protection framework; and
- F. the Association has also agreed, on the basis, *inter alia*, of the foregoing, to extend the financing provided for in Article II of this Agreement to the Recipient upon the terms and conditions set forth in this Agreement.

NOW THEREFORE, 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 grant which is deemed as Concessional Financing for purposes of the General Conditions in an amount equivalent to eighty-three million seven hundred thousand Special Drawing Rights (SDR 83,700,000) (“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 Payment Dates are April 1 and October 1 in each year.
- 2.05. 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 through the Ministry of Innovation and Technology (MInT), in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following, namely, that the Recipient no longer has an adequate refugee protection framework.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) the Association is satisfied that the Recipient has an adequate refugee protection framework;
 - (b) the Recipient has prepared and adopted the Project Implementation Manual, in form and substance satisfactory to the Association; and

- (c) the Recipient has updated and redisclosed the Environmental and Social Management Framework (including the Labor Management Procedures and the Underserved Local Communities Planning Framework) and the Resettlement Framework – all in form and substance satisfactory to the Association.

- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 5.03. 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 years after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient’s Representative is its minister responsible for finance.
- 6.02. 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

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

Email: banbesa@mofed.gov.et

- 6.03. 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



Authorized Representative

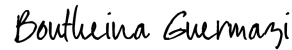
Name: H.E. Ahmed Shide

Title: Minister of Finance Ethiopia

Date: 12-Dec-2023

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Boutheina Guermazi

Title: Director, Regional Integration

Date: 08-Dec-2023

SCHEDULE 1

Project Description

The objective of the Project is to advance digital market integration in the Eastern Africa region by increasing affordable access to regional broadband connectivity, strengthening the enabling environment and policy convergence for cross-border digital trade and data flows, and developing digital skills.

The Project consists of the following parts:

Part 1: Connectivity Market Development and Integration

1.1. Cross-border and national backbone network connectivity

Supporting the deployment of key additional cross-border and backbone fiber links to improve the resilience, coverage, and integration of regional connectivity networks through:

- (a) provision of technical assistance for the preparation of commercial transactions manual (CTM), related bidding documents, and launching and administering of commercial transactions;
- (b) provision of technical assistance for feasibility studies, including surveys and detailed network design, drafting technical specifications for prioritized routes, identifying sites to be connected along priority routes, and leveraging parallel deployment of linear infrastructure; and
- (c) construction, repair, and upgrade of cross-border terrestrial links and national backbone network infrastructure in selected locations through the implementation of Sub-Projects.

1.2. Last mile connectivity, including in borderland areas

Connecting rural and borderland areas, and supporting the rehabilitation of conflict-damaged infrastructure, through:

- (a) rehabilitation and augmentation of digital infrastructure - including cell towers, fiber optic links, transmission networks, and emergency communication facilities - in conflict-affected regions, including Tigray, Afar, and Amhara, Benishangul Gumuz, and Oromia.
- (b) provision of: (i) fiber backhaul and (ii) last mile cellular networks, in borderland areas, including refugee hosting communities and refugee camps, through the: (A) establishment or upgrade of digital infrastructure, including mobile broadband,

emergency response facilities, low cost online access points, e-government equipment, and ICT devices in selected refugee and host communities; and (B) prepurchase of internet capacity to support internet use in refugee hosting communities and refugee camps.

1.3. Enabling legal, regulatory, and institutional ICT environment

Providing capacity building activities, policy and regulatory support, to the telecommunications sector through:

- (a) provision of technical assistance to design effective ICT and broadband frameworks, including policies and plans that integrate inclusion at national and regional levels;
- (b) provision of technical assistance for the development of regional guidelines and national protocols for the greening of digital infrastructure, including the reduction of GHG emissions and adaptation to potential climate impacts;
- (c) provision of technical assistance, capacity building and systems for Ethiopia Communications Authority on options for establishing universal service funds, and to support the effective alignment, implementation, and sustainability of connectivity investments under the project; and
- (d) provision of financing, technical assistance, and capacity building for the expansion of the East Africa Community One Network Area Initiative through the additional membership of Ethiopia and Djibouti, allowing to eliminate roaming charges for mobile phones between Participating Countries.

Part 2: Data Market Development and Integration

2.1. Cybersecurity frameworks, infrastructure, and capacity

Strengthening cybersecurity governance, critical information infrastructure protection, and incident response capabilities through:

- (a) provision of technical assistance to conduct a national Cybersecurity Capacity Maturity Model Assessment, and develop national and sectoral cybersecurity strategies, and related implementation plans;
- (b) provision of technical assistance to enhance critical information infrastructure protection, including through conducting a national cybersecurity risk assessment, identifying key critical information infrastructure, and developing a risk management framework and related cybersecurity baselines;
- (c) provision of technical assistance, capacity building, and systems for strengthening the existing Cybersecurity Incident Response Team (CIRT) through (i) conducting

a CIRT maturity assessment and enhancement plan; and (ii) assessing and enhancing sectoral incident response capabilities;

- (d) provision of technical assistance and support for capacity building activities including cybersecurity training, workshops, and awareness campaigns for public and private sector employees, ICT professionals, and the public.

2.2. *Data exchange, governance, and protection*

Supporting investments in enabling data infrastructure and data governance frameworks that facilitate cost-effective and secure data exchange through:

- (a) provision of technical assistance and support for assessing, inter alia, the regional data hosting and data management needs, options for attracting private sector investment and scope for strategic partnerships;
- (b) certifications for the national IXP; and
- (c) provision of technical assistance and capacity building activities to harmonize the legal, strategic, and institutional frameworks for data sharing with those within the region, based on common principles in the treatment of cross-border data.

Part 3. Online Market Development and Integration

3.1. *Digital enablers for cross-border trade and service delivery*

Supporting regional approach to digital trade through:

- (a) provision of (i) technical assistance for implementing the Recipient's National E-Commerce Strategy, and developing a regulatory framework for e-commerce with a focus on improving readiness to participate in regional trade agreements such as AfCFTA agreement; and (ii) capacity building for the Ministry of Innovation and Technology (MInT), the Ministry of Trade and Regional Integration (MTRI), and the Ministry of Finance.
- (b) provision of technical assistance for the Recipient to prepare an offer on digital services under the General Agreement on Trade in Services (GATS) to facilitate the Recipient's participation in the WTO.

3.2. *Research and education networks and training for digital skills*

Developing digital skills base through:

- (a) support for the Recipient's collaboration with other NRENs in the region including KENET, EthERNET, SomaliREN, through inter alia, regional capacity building initiatives and regional access to open educational resources;

- (b) provision of technical assistance for the development of a long-term business plan for sustainable EthERNet, Ethio ICT Park, and talent centers expansion;
- (c) connection and provision of ICT equipment at selected national universities and TVET regional centers of excellence, including in *woredas* hosting refugees.
- (d) design and implementation of new and expanded digital skills programs aimed at expanding the availability of digital skills trainings through existing higher education institutions, targeting university students and civil servants, with minimum targets for female beneficiaries, refugees, and host communities.

Part 4: Project Management and Implementation Support

Supporting Project management and implementation through, inter alia: strengthening the technical and functional capacity of the existing PIU, including the recruitment of experts and consultants; collaboration between regional and national PIUs, including trainings and missions; independent audits, and monitoring and evaluation; ESF compliance; robust grievance redress mechanism; and Operating Costs.

Part 5: Contingent Emergency Response

Provision of immediate response to an Eligible Crisis or Emergency, as needed.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. Project Steering Committee

- (a) The Recipient shall, not later than ninety (90) days after the Effective Date, establish and thereafter maintain, throughout the implementation of the Project, a project steering committee with composition, mandate, powers, and resources acceptable to the Association (“Project Steering Committee” or “PSC”).
- (b) The PSC shall be chaired by the Minister of Innovation and Technology, and shall include representatives from the MInT, Refugees and Returnee Services, Ethiopia Communications Authority, Ministry of Trade and Regional Integration, EthERNet, Ministry of Finance, and IGAD, to be responsible for, inter alia; (i) approving Annual Workplans and Budgets, (ii) biannual review of Project progress; and (iii) provision of strategic guidance and recommendations to the PIU and other committees related to Project implementation.

2. Project Implementation Unit.

- (a) The Recipient shall maintain throughout the implementation of the Project, the Project implementation unit with composition, mandate, terms of reference and resources satisfactory to the Association (“Project Implementation Unit” or “PIU”);
- (b) The PIU shall be responsible for inter alia, implementing the Project and facilitating collaboration on the design and implementation of common activities with IGAD and EAC, as further set out in the Project Implementation Manual; and
- (c) Without limitation to the provisions of sub-paragraphs (a) and (b) immediately above, the Recipient shall ensure that the PIU is maintained at all times with adequate staff in a manner satisfactory to the Association.

- 3. Notwithstanding the provisions of Section I.A (1) and (2) immediately above, to ensure effective implementation of Parts 1, 2, and 3 of the Project, the Recipient shall, not later than three (3) months after the Effective Date, enter into a memorandum of understanding with Partner Agencies, in form and substance satisfactory to the Association, setting out their roles and responsibilities in the implementation of specific activities under Project, as detailed in the PIM.

B. Common Border Memorandum of Understanding

1. The Recipient shall, not later than ninety (90) days after the latest of the Effective Dates between this Agreement and the Djibouti Financing Agreement, enter into a memorandum of understanding (“Common Border Memorandum of Understanding” or “CBMoU”) with the Republic of Djibouti, in form and substance satisfactory to the Association, setting out inter alia, the modalities for the carrying out of common-border activities between the respective countries under the Project.
2. The Recipient shall exercise its rights and obligations under the CBMoU in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the CBMOU or any provision contained therein.
3. In the event of any conflict between the provisions of the CBMoU and those of this Agreement the provisions of this Agreement shall prevail.

C. Project Implementation Manual

1. The Recipient shall prepare and adopt an implementation manual acceptable to the Association (“Project Implementation Manual” or “PIM”), which shall contain detailed work flow, methods and procedures for the implementation of the Project, including: (i) administration and coordination arrangements, including placement of necessary human resources for Project implementation; (ii) performance indicators of the Project; (iii) disbursement arrangements, reporting requirements, financial management procedures and audit procedures (iv) monitoring and evaluation; (v) financial management guidelines and procedures; (vi) corruption and fraud prevention measures; (vii) roles and responsibilities of various agencies and stakeholders in the implementation of the Project; (viii) Personal Data collection and processing requirements in accordance with good international practice; (ix) environmental and social framework aspect, including a detailed description of the grievance redress mechanism process as well as any process for recording and reporting project-related accidents and incidents; (x) details on approach to operational security including: protocols for assessments of local implementation permissiveness, preparation of site-specific approaches to implement in a secure manner including respective fiduciary and environmental and social requirements of the Association, and decisions of local readiness, and (xi) such other arrangements and procedures as shall be required for the effective implementation of the Project.
2. The Recipient shall exchange views with the Association on the Project Implementation Manual prior to adoption, and thereafter ensure that the Project is carried out in accordance with the Project Implementation Manual. Provided,

however, that in case of any conflict between the provisions of the Project Implementation Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. Except as the Association shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the Project Implementation Manual.

D. Annual Work Plan and Budget

1. Each year the Recipient shall prepare a draft annual work plan and budget containing all activities and expenditures proposed to be included in the Project for the following year of Project implementation, of such scope and detail as the Association shall have reasonably requested, including a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing thereof.
2. The Recipient shall furnish to the Association, as soon as available, but in any case, not later than May 31 of each year, the annual work plan and budget referred to in paragraph 1 above, for their review and approval; except for the annual work plan and budget for the Project for the first year of Project implementation, which shall be furnished no later than one month after the Effective Date. Only the activities included in an annual work plan and budget expressly approved by the Association (each an "Annual Work Plan and Budget") are eligible to a financing from the proceeds of the Financing.
3. The Recipient shall ensure that the Project is carried out in accordance with the Annual Work Plans and Budgets, provided, however, that in case of any conflict between the Annual Work Plan and Budget and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. Except as the Association shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the Annual Work Plan and Budget.

E. Subprojects

1. The Recipient shall ensure that each Sub-Project to be carried out under Parts 1.1(c) and 1.2(b)(i) of the Project is vetted, appraised and approved in accordance with the standards and procedures set forth in the Commercial Transactions Manual. All such Subprojects shall be approved by the Association, as part of the Annual Work Plan and Budget.
2. To facilitate implementation of Sub-Projects each operator shall enter into a Sub-Project Agreement with the Recipient under the terms and conditions provided for in the Commercial Transactions Manual, including: (i) the guidelines for developing the deployment options including public private partnerships or other

models with the operators (in particular for ensuring optimization of the Recipient resources in those partnerships), (ii) the obligations of the operators in return for the contribution from the Recipient (iii) the principles to follow to ensure open and non-discriminatory access to the infrastructure built through the Project (iv) the principles which ensure reasonable prices for the end-user, and (v) the necessary amendments to the regulatory environment and (vi) the template form of the Sub-Project Agreement.

F. Contingent Emergency Response Component

1. In order to ensure the proper implementation of Part 5 of the Project (“Contingent Emergency Response”) (“CERC Part”), the Recipient shall ensure that:
 - (a) a manual (“CERC Manual”) is prepared and adopted in form and substance acceptable to the Association, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;
 - (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Association;
 - (c) the Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
 - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Association.
2. The Recipient shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent

Emergency Response Part, with adequate staff and resources satisfactory to Association.

3. The Recipient shall ensure that:
 - (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Association; and
 - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Association.
4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

G. 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:

- (i) 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
 - (ii) 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, 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 contractor, 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.

H. Procurement Arrangements

Notwithstanding any other provisions in this Agreement, procurement of goods, works, non-consulting services, and consulting services under this Project shall be carried out in accordance with the provisions of the General Conditions, Procurement Regulations, and the Procurement Plan.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar

semester. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Association, in sharing any information, report or document related to the activities described in Schedule 1 of this Agreement, the Recipient shall ensure that such information, report or document does not include Personal Data.

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:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Training and Operating Costs for the Project (except Parts 1.1(c), 1.2(b)(i), and 5)	52,654,280	100%
(2) Sub-Projects under Parts 1.1(c) and 1.2(b)(i) of the Project	31,045,720	100%
(3) Emergency Expenditures under Part 5 of the Project	0	100%
TOTAL AMOUNT	83,700,000	

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; or

- (b) under Category (2) unless and until: (i) the Association has received the Commercial Transactions Manual including: (A) the template form of a Sub-Project Agreement duly adopted by the Recipient, detailing the modalities for Sub-Projects; and (B) draft bidding documents and proposed safeguards to ensure competitive tendering (including the award of licenses to winning bidders) - all in form and substance satisfactory to the Association; and (ii) the Recipient has recruited to the Project Implementation Unit, the following additional specialists - environmental specialist, social specialist, gender-based violence specialist, financial management specialist and procurement specialist - all with qualifications, experience and under terms of reference satisfactory to the Association; or
- (c) for Emergency Expenditures under Category (3) unless and until:
 - (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has requested the Association to address such Eligible Crisis or Emergency under Part 5 of the Project and in accordance with the provisions of this Agreement; and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
 - (ii) the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association.

2. The Closing Date is January 7, 2029.

APPENDIX

Definitions

1. “AfCFTA” means the African Continental Free Trade Area.
2. “Annual Work Plan and Budget” means the work plan and budget prepared annually by the Recipient in accordance with the provisions of Section I.D.2 of Schedule 2 to this Agreement; and “Annual Work Plans and Budgets refer to more than one work plan and budget.
3. “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.
4. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
5. “CERC Manual” means the manual referred to in Section I.F of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Association, and which is an integral part of the Project Implementation Manual.
6. “Common Border Memorandum of Understanding” or “CBMoU” means the agreement to be entered into between the Recipient and the Republic of Djibouti pursuant to Section I.B. of Schedule 2 to this Agreement.
7. “Commercial Transactions Manual” or “CTM” means the manual to be prepared by the Recipient under Parts 1.1(c) and 1.2(b)(i) of the Project, in form and substance satisfactory to the Association, for the implementation of activities under the said Parts of the Project. The CTM will define, inter alia, the guidelines for developing the deployment options including public private partnerships or other models with the operators (in particular for ensuring optimization of the Recipient resources in those partnerships), and the obligations of the operators in return for the contribution from the Recipient including the principles to follow to ensure open and non-discriminatory access to the infrastructure built through the project, the principles which ensure reasonable prices for the end-user, and the necessary amendments to the regulatory environment.
8. “Contingent Emergency Response Part” or “CERC Part” means any activity or activities to be carried out under Part 5 of the Project to respond to an Eligible Crisis or Emergency.

9. “Cybersecurity Incident Response Team” means Ethio CERT.
10. “Djibouti Financing Agreement” means the financing agreement between Djibouti and the Association in relation to the financing of the cost of activities related to the Project on the terms and conditions set forth in the said agreement.
11. "EAC" means the East African Community, which is a regional intergovernmental organization established by Article 2 of the Treaty for the Establishment of the East African Community and comprising of the 6 Partner States, namely the Republics of Burundi, Kenya, Rwanda, South Sudan, the United Republic of Tanzania, and the Republic of Uganda.
12. “EAC Financing Agreement” means the financing agreement (Grant Number E077-SO) entered into between the East African Community (EAC) and the Association, dated June 9, 2023, for the provision of a grant equivalent to eleven million three hundred thousand Special Drawing Rights (SDR 11,300,000), to finance the activities set forth in the said financing agreement, as same may be amended from time to time.
13. “East Africa Community One Network Area Initiative” means an initiative in East Africa which aims to promote regional integration by bringing down the high cost of mobile roaming.
14. “Ethio CERT” means the Recipient’s center established to defend the national cyber space from accidental and deliberate cyber-attacks by conducting proactive and reactive incident response.
15. "Ethiopian Communications Authority” or “ECA” means the authority established and operating pursuant to the Communications Services Proclamation No. 1148/2019 of the laws of the Recipient, and any successor thereto.
16. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.
17. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual referred to in Section I.F of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
18. “Emergency Action Plan” means the plan referred to in Section I.F of Schedule 2 detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
19. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated October 19, 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.

20. “Environmental and Social Management Framework” or “ESMF” means the environmental and social framework to adopted by the Recipient in a manner and substance satisfactory to the Association pursuant to the ESCP, setting out the modalities to be followed in assessing the potential adverse environmental and social impacts of Project activities in accordance with the ESSs, including the risks of gender-based violence, and occupational, health and safety hazards, as well as the measures to be taken to offset, reduce or mitigate such adverse impacts, and the protocols and procedures for preparing site-/activity-specific environmental and social management plans, as such framework may be amended by the Recipient from time to time, with the prior written concurrence of the Association.
21. “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”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
22. “Ethiopian Research and Education Network” or “EthERNet” means a department within the Recipient’s Ministry of Science and Higher Education responsible for delivering highly interconnected and high-performance networks for universities and other educational and research institutions in Ethiopia, or any successor thereto.
23. “General Agreement on Trade in Services” or “GATS” means the treaty of the World Trade Organization (WTO) that entered into force in 1995.

24. “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).
25. “ICT” means information, communication, and technology.
26. “IXP” means internet exchange point.
27. "KENET" means the Kenya education network trust
28. “IGAD” means Intergovernmental Authority on Development, a regional economic community set up through IGAD Constitutive Agreement, responsible for carrying out the Project.
29. “IGAD Constitutive Agreement” means the agreement establishing the Inter-Governmental Authority on Development of March 21, 1996.
30. “IGAD Financing Agreement” means the financing agreement (Grant Number E167-SO) entered into between the Intergovernmental Authority on Development (IGAD) and the Association, dated June 19, 2023, for the provision of a grant equivalent to seven million six hundred thousand Special Drawing Rights (SDR 7,600,000), to finance the activities set forth in the said financing agreement, as may be amended from time to time.
31. “Labor Management Procedures” means the labor management procedures to be adopted by the Recipient in a manner and substance satisfactory to the Association, pursuant to the ESCP, setting out the Project’s approach and requirements to labor in meeting national requirements as well as the objectives of ESS #2 (on labor and working conditions) and ESS #4 (on community health and safety), including procedures on incident investigation and reporting, recording and reporting of non-compliance, emergency preparedness and response procedures, protection of project workers from discrimination, forced labor and child labor, occupational health and safety, codes of conducts and continuous training and awareness for workers, as said instrument may be updated from time to time with the prior written concurrence of the Association.
32. “Ministry of Finance” means the Recipient’s ministry responsible for finance or any successor thereto.
33. "Ministry of Innovation and Technology" or “MInT” means the Recipient’s ministry responsible for information, communication and technology, or any successor(s) thereto.

34. “Ministry of Trade and Regional Integration” or “MTRI” means the Recipient’s ministry responsible for trade and regional integration and any successor(s) thereto.
35. “National E-Commerce Strategy” means the Recipient’s electronic commerce strategy that is being prepared by the Recipient aimed at promoting e-commerce.
36. “National Research Education Network” or “NREN” means a specialized internet service provider dedicated to supporting the needs of research and education.
37. “Operating Costs” means the incremental expenses incurred on account of Project implementation based on the Annual Work Plan and Budget, and consisting of: costs of office rental, vehicle rental, fuel, routine repair and maintenance of equipment and vehicles, communication costs, internet costs, stationery and other office supplies, utilities, office consumables, travel costs, costs of translation, printing, photocopying and advertising, *per diem*, accommodation expenses, and salaries of Project staff as agreed through the Annual Work Plans and Budgets, but excluding the salaries of the Recipient’s civil servants, meeting allowances, other sitting allowances, and all honoraria to Recipient’s civil servants or contracted consultants.
38. “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.
39. “Participating Countries” means the Recipient, Republic of Somalia, Republic of South Sudan, and the Republic of Djibouti.
40. “Partner Agencies” include the ECA, MTRI, EthERNet, and RRS, each responsible for the implementation of certain activities under the Project, as may be detailed in the PIM.
41. “Procurement Plan” means the plan for procurement under the Project, dated October 19, 2023, as may be amended from time to time.
42. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023.

43. “Project Implementation Manual” or “PIM” means the manual referred to in Section I.C of Schedule 2 to this Agreement, as may be amended from time to time with the concurrence of the Association.
44. “Project Implementation Unit” or “PIU” means the unit established within the MInT pursuant to the Ethiopia Digital Foundations Project, for which a financing agreement (Credit No. 6856-ET) was signed between the Recipient and the Association dated May 7, 2021; referred to in Section I.A.2 of Schedule 2 to this Agreement.
45. “Project Steering Committee” or “PSC” means the committee referred to in Section I.A.1 of Schedule 2 to this Agreement.
46. “Refugees and Returnee Services” means the Recipient’s leading office in protecting refugees and coordinating assistance efforts in Ethiopia, working closely with various stakeholders.
47. “Regional Bodies” mean the East African Community and the Intergovernmental Authority on Development, responsible for implementation of regional activities as outlined in the EAC Financing Agreement and IGAD Financing Agreement respectively, for the benefit of the countries under the series of project.
48. “Resettlement Framework” means the framework to be adopted by the Recipient, in a manner and substance satisfactory to the Association, pursuant to the ESCP, as such instrument may be updated from time to time with the prior written concurrence of the Association.
49. “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.
50. “SomaliREN” means Somalia research and education network
51. “Sub-Project” means a project taken on by an operator(s) under Parts 1.1(c) and 1.2(b)(i) of the Project in order to contribute to, inter alia, the building of the cross-border terrestrial links and national backbone network infrastructure of the Recipient, as detailed in a Commercial Transaction Manual.
52. “Subproject Agreement” means the agreement to be entered into by qualifying operators and the Recipient with respect to Sub-Projects under Parts 1.1(c) and 1.2(b)(i) as described in the PIM and the Commercial Transactions Manual.
53. “Training” means the costs of training under the Project, based on the Annual Work Plans and Budgets as approved by the Association, and attributable to seminars, and workshops, along with travel and subsistence allowances for training participants, services of trainers, rental of training facilities/ workshop venues,

preparation and reproduction of training materials (including costs of translation, printing, photocopying and advertising), food and materials provided at workshop, or seminars and other activities directly related to course preparation and implementation.

54. "Treaty for the Establishment of the East African Community" means the Treaty for the Establishment of the East African Community (1999) (as amended on 14th December 2006 and 20th August 2007), and any Annexes and Protocols thereto.
55. "TVET" means technical and vocational education and training
56. "Underserved Local Communities Planning Framework" means the framework to be adopted by the Recipient, in a manner and substance satisfactory to the Association, pursuant to the ESCP, in compliance with ESS 7, as such framework may be updated from time to time with the prior written concurrence of the Association.
57. "Woreda" means the regional authority established and operating pursuant to the relevant regional legislation, and "Woredas" means, collectively, more than one such Woreda.
58. "WTO" or "World Trade Organization" means the organization which came into force in 1995, committed to providing a forum for negotiating agreements aimed at reducing obstacles to international trade and ensuring a level playing field for all, thus contributing to economic growth and development.