



Date: 05-Feb-2023

H.E Ato Ahmed Shide
Minister
Ministry of Finance
Federal Democratic Republic of Ethiopia

***Re: ETHIOPIA: General Education Quality Improvement Program for Equity
MDTF Grant Number TF0A8352
Additional Financing for General Education Quality Improvement Program
for Equity for Refugees Integration
MDTF Grant Number TF0B5501***

Amendment to the MDTF Grant Agreement and Additional MDTF Grant Agreement

Excellency,

We refer to (i) the grant agreement between the Recipient and the International Bank for Reconstruction and Development and the Association (together, the “World Bank”) acting as administrator of the General Education Quality Improvement Program for Equity Multi-Donor Trust Fund (“MDTF”), dated July 12, 2019 (“MDTF Grant Agreement”) for the Program, and (ii) the grant agreement between the Recipient and the World Bank acting as administrator of the MDTF dated July 1, 2021 for the MDTF Grant Number TF0B5501 (the “Additional MDTF Grant Agreement”).

We also refer to your letter of I.F.R.E 4/2/296 dated October 10, 2022 requesting specific amendments to the MDTF Grant Agreement and the Additional MDTF Grant Agreement.

We are pleased to inform you that (i) the Bank agrees to amend the MDTF Grant Agreement as set forth in Annex 1, and (ii) the Additional MDTF Grant Agreement as set forth in Annex 2 to this letter (the “Amendment Letter”).

Please note that the capitalized terms used in the Amendment Letter and not defined herein have the meanings ascribed to them in the MDTF Grant Agreement, the First Additional GPE Grant Agreement, the Additional MDTF Grant Agreement, and the Second Additional GPE Grant Agreement, respectively.

All other provisions of the MDTF Grant Agreement and of the Additional MDTF Grant Agreement, except as amended herein, shall remain in full force and effect.

Please confirm your agreement with the foregoing, on behalf of the Recipient, by signing this Amendment Letter. This Amendment Letter shall become effective as of the date of countersignature.

Very truly yours,

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION**

By: *Ousmane Dione*

Ousmane Dione

Country Director for Eritrea, Ethiopia, Sudan, and South Sudan
Eastern and Southern Africa Region

AGREED:

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

By: *H.E. Ms. Semerita Sewasew*

Date: 06-Feb-2023

Name: H.E. Ms. Semerita Sewasew

Title: State Minister of Finance

MDTF Grant Agreement
(Grant Number TF0A8352)

I. Article III

1. Section 3.01 of the MDTF Grant Agreement is deleted in its entirety and is replaced with the following (*emphasis added*):

“3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in the amount not to exceed ***one hundred and one million eighty-eight thousand four hundred and twenty-two United States Dollars and five Cents (USD 101,088,422.05)*** (“Grant”) to assist in financing the Program described in Part 1 of Schedule 1 to this Agreement.”

II. SCHEDULE 1

- Paragraph (c) of sub-part 1.1 under “Part 1: The Program” of Schedule 1 is amended as follows (*emphasis added*):

“(c) Improving access, equity and internal efficiency in General Education by: (i) increasing access to pre-primary education; (ii) increasing access to, and equity and internal efficiency of primary education; (iii) providing access to ***General Education*** including through school construction; and (iv) providing special support programs for the Emerging Regions.”

2. Paragraph (a) under “Part 2: The Project” of Schedule 1 is deleted in its entirety and replaced with the following (*emphasis added*):

“(a) Enhancing capacity for delivering sustained results in the Program by providing technical assistance to MoE for: (i) development of a national policy framework for expansion of early childhood education; (ii) integration of information communication technology (“ICT”) to improve education service delivery, including carrying out a study to review challenges, and assess the impact of introducing ICT in secondary schools, and making recommendations for policy reform and future interventions; (iii) provision of assistive technologies to support education of children with disabilities; (iv) provision of mobile phones/tablets to support the work of cluster supervisors and key teachers for improved teacher instructional activities; (v) ICT infrastructure for enhancing digital skills and content knowledge of teachers, online examination and licensing system; (vi) capacity building of Colleges of Teacher Education (CTEs) and Centers of Excellence at universities to deliver digital skills teacher training; ***(vii) supporting the introduction of the new curriculum in primary education through teacher training and support; and (viii) development and implementation of a learning recovery program for students affected by COVID-19 closures and conflict.***”

2. Paragraph (b) under “Part 2: The Project” of Schedule 1 is deleted in its entirety and replaced with the following:

“(b) Carrying out the following activities to enhance emergency response preparedness: (i) Provision of technical assistance to enhance the capacity of the Ministry of Education and of the relevant regional and Woreda offices to prepare and implement an emergency strategy and plan for schools to cope with drought and other disasters.”

3. Paragraph (c) under “Part 2: The Project” of Schedule 1 is deleted in its entirety and replaced with the following (*emphasis added*):

“(c) Provision of technical assistance to MoE, and responsible agencies in the Regions and *Woredas*, (i) to implement the new Environmental and Social Framework (ESF); (ii) to improve Program management, implementation, monitoring and evaluation, and third-party validation, as well as Project evaluations (including mid-term and end of Program evaluations); and (iii) to manage construction of and expansion of schools *and inclusive education resource centers*.”

4. A new paragraph (g) under “Part 2: The Project” is added as follows:

“(g) Provision of psychosocial support for teachers, students and other school community members affected by the conflict.”

III. SCHEDULE 2

1. Section IV.A of Schedule 2 is deleted in its entirety and replaced with the following (*emphasis added*):

1. Without limitation upon the provisions of Article III of the Standard Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Grant in accordance with the provisions of Article III of the Standard Conditions, this Section, and such additional instructions as the Bank may specify from time to time by notice to the Recipient to finance, with respect to the Program results (“Disbursement Linked Results” or “DLRs”) achieved by the Recipient, as measured against specific indicators (“Disbursement Linked Indicators” or “DLIs”) in the amount allocated against *Categories (1) through (14)* of the table below:

Category (including Disbursement Linked Indicator (DLI), as applicable)	Disbursement Linked Result (DLR)	DLI Allocation of MDTF Grant (expressed in USD)	DLR Allocation of MDTF Grant (expressed in USD)	Disbursement Calculation Formula for the scalable DLRs
(1) DLI #1: Quality Enhancement and Assurance Program (“QEAP”) for O-Class	DLR #1.0: Quality enhancement materials developed and translated; and Training of trainers completed	19,621,808.05 14,062,363.05	DLR #1.0: 0	Not applicable
	DLR #1.1: Inspection framework developed for O-Class, validated and approved		DLR # 1.1: 5,000,000	Not applicable

Category (including Disbursement Linked Indicator (DLI), as applicable)	Disbursement Linked Result (DLR)	DLI Allocation of MDTF Grant (expressed in USD)	DLR Allocation of MDTF Grant (expressed in USD)	Disbursement Calculation Formula for the scalable DLRs
	DLR #1.2: QEAP for O-Class implemented in 100% of Phase 1 schools (Scalable 21-100%) (Baseline: 0)		DLR #1.2: 9,000,000 4,709,705	Not applicable
	DLR #1.3: 20% of Level 1 Performance O-Classes in Phase 1 Schools upgraded to higher level (Scalable: 1-20%) (Baseline: 0)		DLR #1.3: 5,621,808.05 4,352,658.05	Not applicable
	DLR #1.4: 70% of Level 1 Performance O-Classes in Phase I Schools upgraded to higher level (Scalable: 21-70%) (Baseline: 20%)		DLR #1.4: 0	Not applicable
	DLR #1.5: Enhancement program implemented in 6,300 Phase 2 Schools (70% of Phase 2 Schools) (Baseline: 0)		DLR #1.5: 0	Disbursement will be pro-rated on the number of schools (US\$2,381 per school up to the ceiling allocated for the DLR).
	DLR #1.6: Quality Assurance program implemented in 6,300 Phase 2 Schools (70% of Phase 2 Schools) (Baseline: 0)		DLR #1.6: 0	Disbursement will be pro-rated based on the number of schools (US\$ 477 per school up to the ceiling allocated for the DLR).
	DLR#1.7 Enhancement program implemented in 4,900 Phase 3 Schools (70% of Phase 3 Schools) (Baseline: 0)		DLR #1.7: 0	Disbursement will be pro-rated based on the number of schools (US\$ 2,347 per school up to the ceiling allocated for the DLR).
	DLR #1.8: Quality Assurance program implemented in 4,900 Phase 3 Schools (70% of Phase 3 Schools) (Baseline: 0)		DLR #1.8: 0	Disbursement will be pro-rated based on the number of schools (US\$ 511 per school up to the ceiling allocated for the DLR).
	DLR#1.9: Improvement in G2/G1 enrollment ratio in treatment schools (Baseline to be established in 2022)		DLR #1.9: 0	Disbursement will be pro-rated based on the percentage point increase in G2/G1 enrollment ratio (US\$ 500,000 per percentage point increase up to the ceiling allocated for the DLR).
			DLR #2.1:	

Category (including Disbursement Linked Indicator (DLI), as applicable)	Disbursement Linked Result (DLR)	DLI Allocation of MDTF Grant (expressed in USD)	DLR Allocation of MDTF Grant (expressed in USD)	Disbursement Calculation Formula for the scalable DLRs
(2) DLI#2: Performance-based Awards to school on a timely basis to improve internal efficiency	DLR #2.1: 60% of Best-performing Schools receive Performance-based awards by March 31, 2019	10,000,000.00 11,996,614	0	Disbursement will be pro-rated based on the percentage achieved on time.
	DLR #2.2: 70% of Best-performing Schools receive Performance-based awards by March 31, 2020 (Scalable: 61-70%)		DLR#2.2: 10,000,000	Disbursement will be pro-rated based on the percentage achieved on time.
	DLR #2.3: 80% of Best-performing primary schools receive performance-based awards on time (Scalable: 71-80%)		DLR #2.3 1,996,614	Disbursement will be pro-rated based on the percentage achieved on time.
	DLR #2.4: 90% of Best-performing Schools receive Performance-based awards by March 31, 2022 (Scalable: 81-90%)		DLR #2.4: 0	Disbursement will be pro-rated based on the percentage achieved on time.
	(3) DLI #3: Improved girls-to-boys ratio in Grade 8 in Afar, Ethiopia Somali and Benishangul-Gumuz Regions	DLR #3.1: Gender-sensitive SIP Framework and Improved Girls' Clubs Guidelines approved by MoE	15,000,000	DLR #3.1: 0
DLR #3.2: Girls-to-boys ratio in Grade 8 in Afar, Ethiopia Somali and Benishangul-Gumuz Regions increases to 64% (Baseline: 63%)		DLR #3.2: 10,000,000		Not applicable
DLR #3.3: Girls-to-boys ratio in Grade 8 in Afar, Ethiopia Somali and Benishangul-Gumuz Regions increases to 68% (Scalable: 65-68%) (Baseline: 64%)		DLR #3.3: 5,000,000		Disbursement will be pro-rated based on the percentage achieved on time.
DLR #3.4: Girls-to-boys ratio in Grade 8 in Afar, Ethiopia Somali and Benishangul-Gumuz Regions increases to 71% (Scalable: 69-71%) (Baseline: 68%)		DLR #3.4: 0		Disbursement will be pro-rated based on the percentage achieved on time.

Category (including Disbursement Linked Indicator (DLI), as applicable)	Disbursement Linked Result (DLR)	DLI Allocation of MDTF Grant (expressed in USD)	DLR Allocation of MDTF Grant (expressed in USD)	Disbursement Calculation Formula for the scalable DLRs
(4) DLI #3a: Increased student enrollment in disadvantage areas	<i>DLR #3a.1: Costed-plans for identified schools in line with Minimum Standards by January 31, 2023</i>		DLR #3a.1: 0	Disbursement will be pro-rated based on the number of plans (US\$10,000 per school up to the ceiling allocated for the DLR).
	<i>DLR #3a.2: 500 new classrooms comply to Minimum Standards by December 31, 2023 (Baseline: 0 new classrooms)</i>		DLR #3a.2: 0	Disbursement will be pro-rated based on the number of plans (US\$ 20,000 per classroom up to the ceiling allocated for the DLR).
	<i>DLR #3a.3: 22,500 students enrolled in Disadvantaged Areas (Baseline: 0 students in the new classrooms, with 50 students in G1-4 and 40 students in G5-8)</i>		DLR #3a.3: 0	Disbursement will be pro-rated based on the number of students (US\$644.44 per student up to the ceiling allocated for the DLR)
(5) DLI#4: Improved availability of Basic School Grants (“Basic SG”) and Additional School Grants (“Additional SG”) in emerging regions	DLR # 4.0: Formulas for Additional SG and revised School Grant guidelines developed and adopted	10,000,000.00 21,500,000	DLR #4.0: 0	Not applicable
	DLR #4.1: 55% of schools receive Basic SG and Additional SG by June 30, 2019 (Baseline: 50%)		DLR #4.1: 5,000,000	Disbursement will be pro-rated based on the percentage achieved on time.
	DLR #4.2: 60% of schools receive Basic SG and Additional SG by December 31, 2019 (Scalable: 56-60%)		DLR #4.2: 5,000,000	Disbursement will be pro-rated based on the percentage achieved on time.
	DLR #4.3: 65% of schools receive Basic SG and Additional SG by April 30, 2021 (Scalable: 61-65%)		DLR #4.3: 5,000,000	Disbursement will be pro-rated based on the percentage achieved on time.
	DLR #4.4: 70% of schools receive Basic SG and Additional SG by December 31, 2021 (Scalable: 66-70%)		DLR #4.4: 0	Disbursement will be pro-rated based on the percentage achieved on time.
	<i>DLR #4.5: 80% of schools receive Basic SG and Additional SG by December 31, 2022 (Scalable: 70-80%)</i>		DLR #4.5: 6,500,000	<i>Disbursement will be pro-rated based on the percentage achieved on time.</i>

Category (including Disbursement Linked Indicator (DLI), as applicable)	Disbursement Linked Result (DLR)	DLI Allocation of MDTF Grant (expressed in USD)	DLR Allocation of MDTF Grant (expressed in USD)	Disbursement Calculation Formula for the scalable DLRs
(6) DLI #4a: Number of children with disabilities and special needs in IERCs cluster schools	<i>DLR #4a.1: Additional 300 IERCs within the Cluster Center Schools with community outreach activities and support of special needs children in cluster schools (Baseline: 800)</i>		<i>DLR #4a.1: 0</i>	Disbursement will be pro-rated based on the number of new IERC (US\$16,667 per IERC up to the ceiling allocated for the DLR).
	DLR #4a.2: Enrollment of 21,000 children with disabilities and special needs in new IERC cluster schools (Baseline: 28,000)		DLR #4a.2:	Disbursement will be pro-rated based on the number of students (US\$ 239 per student up to the ceiling allocated for the DLR).
(7) DLI #5: Improved teachers' instructional activities	DLR #5.0: Framework for school-based continuous teacher professional development approved by the State Minister for General Education	13,000,000.00 8,005,963	DLR #5.0: 0	Not applicable
	DLR #5.1: 95% of supervisors and key teachers in Phase 1 Schools are trained		DLR #5.1: 5,000,000	Not applicable
	DLR #5.2: 85% of Phase 1 Schools are visited by cluster supervisors and key teachers at least three times a year for school-based continuous teacher professional development (Scalable: 51-85%)		8,000,000 3,005,963	Disbursement will be pro-rated based on the percentage achieved on time.
	DLR #5.3: 90% of Phase 1 Schools are visited by cluster supervisors and key teachers at least three times a year for school-based continuous teacher professional development by June 30, 2023 (Scalable: 81-90%)		DLR #5.3: 0	Disbursement will be pro-rated based on the percentage achieved on time.

Category (including Disbursement Linked Indicator (DLI), as applicable)	Disbursement Linked Result (DLR)	DLI Allocation of MDTF Grant (expressed in USD)	DLR Allocation of MDTF Grant (expressed in USD)	Disbursement Calculation Formula for the scalable DLRs
	DLR #5.4: Score of a Composite Index of School Inspection Standards on teaching practices in Phase 1 schools reaches 62% (Scalable: 55-62%) (Baseline: 54%)		DLR #5.4: 0	Disbursement will be pro-rated based on the percentage achieved on time.
	DLR #5.5: 95% of Phase 1 Schools are visited by cluster supervisors and key teachers at least three times a year for school-based continuous teacher professional development (Scalable: 86-95%)		DLR #5.5: 0	Disbursement will be pro-rated based on the percentage achieved on time.
	DLR #5.6: Score of a Composite Index of School Inspection Standards on teaching practices in Phase 1 schools reaches 70% (Scalable: 63-70%)		DLR #5.6: 0	Disbursement will be pro-rated based on the percentage achieved on time.
(8) DLI #5a: Improved Digital competencies of teachers (IR 6.2 and 6.3)	DLR #5a.1: Teacher licensing assessment updated to include a digital skills module and piloted	-	DLR #5a.1: 0	Disbursement will be made as a lump-sum once the results is achieved.
	DLR #5a.2: Digital skills teacher Training program-developed and piloted		DLR #5a.2: 0	Disbursement will be pro-rated based on the number of teachers trained (US\$1,000 per teacher up to the ceiling allocated for the DLR).
(9) DLI #5b: Improved child development and learning	DLR #5b.1: MELQO and EGRA adapted and piloted for remaining main languages of instruction with procedures for nationwide assessments approved.	-	DLR #5b.1: 0	Disbursement will be pro-rated (50 per cent for MELQO and 50 per cent for EGRA)
	DLR #5b.2: Nation-wide baseline data on child development and learning collected using MELQO and EGRA.		DLR #5b.2: 0	Disbursement will be pro-rated (50 per cent for MELQO and 50 per cent for EGRA)
	DLR #5b.3: MELQO and EGRA reports prepared, published, disseminated, and used to guide the development of classroom-based assessments.		DLR #5b.3: 0	Disbursement will be pro-rated (50 per cent for MELQO and 50 per cent for EGRA)

Category (including Disbursement Linked Indicator (DLI), as applicable)	Disbursement Linked Result (DLR)	DLI Allocation of MDTF Grant (expressed in USD)	DLR Allocation of MDTF Grant (expressed in USD)	Disbursement Calculation Formula for the scalable DLRs
	DLR #5b.4: Improved child development and learning as measured by the percentage of Q-class students which correctly respond to MELQO preliteracy test items (Baseline to be established in 2022)		DLR #5b.4: 0	Disbursement will be pro-rated (US\$ 2.4 million for reach percentage points increase up to the ceiling allocated for the DLR).
(10) DLI #6: Timely availability of textbooks	DLR #6.1: Required textbooks are at regional centers or Woreda Education Office by March 31, 2020 (Scalable: 0-70%)	5,000,000.00 8,615,000	DLR #6.1: 0	Not applicable
	<i>DLR #6.2: Students in Target Grades have Target Textbooks by May 31, 2021 (Baseline: 58%) (Scalable: 0-65%)</i>		<i>DLR# 6.2: 5,000,000 3,615,000</i>	Not applicable
	<i>DLR #6.3: New curriculum framework developed for all subjects and all grade levels (O-Class to Grade 12) by June 30, 2021</i>		<i>DLR #6.3: 5,000,000</i>	Not applicable
	DLR #6.4: Textbooks for Targeted Grades meeting contract quality standards are utilized in selected Phase 1 Schools by June 30, 2022 (Scalable: 80-100%)		DLR #6.4: 0	Not applicable
	DLR #6.5: Online textbook distribution and inventory management system piloted by June 30, 2023		DLR #6.5: 0	Not applicable
(11) DLI#7: Improved availability, quality and use of data	DLR #7.0: School identification (“ID”) guideline validated, approved by Minister of Education and notified to all regions and directorates and Unique School IDs issued by EMIS	2,000,000.00 3,000,000	DLR #7.0: 0	Not applicable
	DLR #7.1: EGRA report of raw student test scores available by June 30, 2018		DLR #7.1: 0	Not applicable
	DLR #7.2: ESAA reports and Annual Inspection Reports, using the new unique IDs, approved by the Minister and published by October 31, 2019		DLR #7.2: 1,000,000	Not applicable

Category (including Disbursement Linked Indicator (DLI), as applicable)	Disbursement Linked Result (DLR)	DLI Allocation of MDTF Grant (expressed in USD)	DLR Allocation of MDTF Grant (expressed in USD)	Disbursement Calculation Formula for the scalable DLRs
	DLR #7.3: NLA report of raw student test scores available by September 30, 2019		DLR #7.3: 1,000,000	Not applicable
	DLR #7.4: Joint report published by EMIS, GEID and NEAEA on learning gaps by June 30, 2020		DLR #7.4: 0	Not applicable
	DLR #7.5: EGRA report of raw student test scores available by June 30, 2021		DLR #7.5: 1,000,000	Not applicable
	DLR #7.6: NLA report of raw student test scores available by September 30, 2022		DLR #7.6: 0	Not applicable
	DLR #7.7: EGRA report of raw student test scores available by June 30, 2023.		DLR#7.7 0	Not applicable
	(12) DLI#8: Improved pre-service teacher Training for English and Mathematics Grades 5-8		DLR #8.0: Strategic framework for concurrent program approved and adopted by the Minister of Education	1,000,000
DLR #8.1: Teacher Training curriculum for the Concurrent Program approved and adopted by the Minister of Education		DLR #8.1: 1,000,000	Not applicable	
(13) DLI#9: Strengthened linkage between funding for Regional Education Bureaus ("REBs") and results achieved by each region	DLR #9.0: MoE and REBs sign Memorandum of Understandings setting out roles, responsibilities and accountabilities and DLI regional performance incentives	6,000,000	DLR #9.0: 2,000,000	Not applicable
	DLR #9.1: First annual report on REB performance of DLI #1 and DLI #5 approved by MoE.		DLR #9.1: 4,000,000	Not applicable
	DLR #9.2: Second annual report on REB performance of DLI #1 and DLI #5 approved by MoE.		DLR #9.2: 0	Not applicable
(14) DLI #14: MoE's endorsement of the regional level recovery plans	DLR #14: MoE endorsed the regional recovery plans Tigray, Amhara, Afar and Benishangul-Gumuz by July 31, 2023	11,908,482	11,908,482	Not applicable
Sub-total		72,621,808.05 101,088,422.05		

Additional MDTF Grant Agreement
(Grant Number TF0B5501)

I. SCHEDULE 1

1. The Operation Description under Schedule 1 is deleted in its entirety and replaced by the following:

“The objective of the Operation is to assist the Recipient in improving internal efficiency, equitable access, and quality in general education (O-Class to Grade 12).

The Operation consists of the Original Operation.”

II. APPENDIX

1. Item 3 of the Appendix is deleted and replaced by the following:

‘3. “ARRA” means the Recipient’s Refugees and Returnees Service established and operating, and to which the rights and obligations of the Recipient’s Agency for Refugee and Returnee Affairs (ARRA) were transferred, pursuant to the Definition of Powers and Duties of the Executive Organs of the Federal Democratic Republic of Ethiopia Proclamation No. 1263/2021, or any successor thereto.’

2. Item 48 of the Appendix is deleted and replaced by the following (*emphasis added*):

‘48. “Original Financing Agreement” means the financing agreement for General Education Quality Improvement Program for Equity dated December 21, 2017, *as amended* (Grant No. D262-ET).’

3. Item 50 of the Appendix is deleted and replaced by the following:

‘50. “Original Operation” means the Operation described in Schedule 1 to the Original Financing Agreement.’