PROGRAM CONTRIBUTION AGREEMENT

Between the United States of America, acting through the United States Agency for International Development ("USAID") and the International World Bank for Reconstruction and Development and the International Development Association ("Recipient")

I. Activity Title: Ethiopia Productive Safety Nets Partnership Multi-donor Trust Fund (TF No. 055287).

II. USAID Activity Number: 663-MDTF-055287-12-001

III. Purpose: USAID and the Recipient hereby agree that USAID will contribute to Trust Fund No. TF055287 referred to as the Ethiopia Productive Safety Nets Partnership (PSNP) Multi-donor Trust Fund (MDTF). The MDTF supports the Government of Ethiopia's (GoE) efforts to implement the Productive Safety Nets Program (Program) through improved donor coordination and providing analytical and advisory resources.

A significant purpose of this Grant is for USAID to support the MDTF as it is the only major multi-donor platform that brings together key development partners and provides a vehicle for effective and coordinated engagement to improve implementation of the Program. Use of the MDTF will strengthen collaboration and partnership with bilateral donors, multilateral and international organizations to increase synergies and avoid duplication which unnecessarily burden the GoE.

A more detailed description of the activities of the PSNP MDTF is attached as Annex 1.

IV. USAID Grant "Contribution": Pursuant to its authorities under the Foreign Assistance Act of 1961, as amended, USAID hereby grants to the Recipient USD $800,000 to be expended as described in this Agreement.

V. Estimated Completion Date: October 31, 2015.

VI. This Agreement consists of (a) this Program Contribution Agreement, (b) Annex 1 - Description of the Operation, and (c) Annex 2 - Standard Provisions Applicable to the Trust Fund

VII. Disbursement. Promptly following the last signature to this agreement and submission of a payment request by World Bank, USAID will disburse the grant amount to the Recipient in U.S. Dollars by electronic funds transfer to a World Bank account which will be provided by the Recipient.
VIII. Reports and Financial Management

a. The Recipient agrees to furnish USAID the financial reports as provided in Section 5 of Annex 2 - Standard Provisions Applicable to the Trust Fund.

b. The Recipient confirms that this award will be administered according to the established financial guidelines of the Recipient. The expenditure will be recorded in the accounts of the Recipient, which follow generally accepted accounting principles and will be subject to audit in accordance with the Recipient’s standard audit procedures for trust funds and the provisions of Section 5 of Annex 2 – Standard Provisions Applicable to the Trust Fund.

IX. Termination of Agreement and Disbursement of Uncommitted Funds.

Termination of this Agreement and Disbursement of Uncommitted Funds is subject to Section 7, Annex 2 - Standard Provisions Applicable to the Trust Fund.

X. Information and Marking

Recipient, in consultation with the appropriate GoE authorities, will promote visibility of the contributions of the Trust Fund and Donors on materials pertaining to the Program, at Program sites, and through public events.

XI. Other Provisions.

The Contribution shall be administered in accordance with the World Bank’s applicable policies and procedures, as the same may be amended from time to time, including its framework to prevent and combat fraud and corruption and its screening procedures to prevent the use of World Bank resources to finance terrorist activity, in line with the World Bank’s obligations to give effect to the relevant decisions of the Security Council, taken under Chapter VII of the Charter of the United Nations. USAID acknowledges that this provision does not create any obligations of the World Bank under the anti-terrorist financing and asset control laws, regulations, rules and executive orders of an individual member country that may apply to USAID, nor shall it be deemed a waiver, express or implied, of any of the privileges and immunities of the Bank.
XII. USAID Mailing Addresses:

USAID’s technical representative for this Agreement by account is:

Scott Hocklander  
U.S. Agency for International Development  
American Embassy  
Entoto Road  
Addis Ababa, Ethiopia  
Tel: (251) 111 306500  
Fax: (251) 111 242438  
Email: shocklander@usaid.gov

USAID’s financial management representative for this Agreement is:

Office of Financial Management  
U.S. Agency for International Development  
American Embassy  
Entoto Road  
Addis Ababa, Ethiopia  
Tel: (251) 111 306500  
Fax: (251) 111 242438  
Email: AddisFinancialAnalysts@usaid.gov

XIII. Recipient Mailing Address:

The Recipient’s representative for this Agreement is:

Wolter Soer  
Coordinator (Task Team Leader)  
AFTSP  
World Bank Country Office  
Bole Road  
Addis Ababa, Ethiopia  
Tel: (251) 11 517 6057  
E-mail: wsoer@worldbank.org
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<td>Signature: [Signature]</td>
<td>Signature: [Thomas H. Staal]</td>
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<td>Name: Guang Z. Chen</td>
<td>Name: Thomas H. Staal</td>
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<td>Title: Country Director</td>
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ANNEX 1

Description of Activities and Expenditures under the Multi-Donor Trust Fund for the Ethiopia Productive Safety Nets Partnership

Objectives and Scope

The objectives of the program supported by the Multi-Donor Trust Fund for the Ethiopia Productive Safety Nets Partnership is to: (a) improve donor coordination with respect to the Ethiopia Productive Safety Nets Program (the Program), and (ii) support analytical, advisory and knowledge sharing.

Activities

(a) Coordination/Facilitation

A full time coordinator/facilitator will: (i) support the Chair of the Donor Working Group and will facilitate the work of the Joint Coordination Committee (Government of Ethiopia/Donors); (ii) provide management of technical assistance activities; and (iii) identify and develop opportunities for enhancing harmonization.

(b) Analytical/Advisory

Support for analytical, advisory and knowledge sharing activities for the Program.

Categories of Expenditures

Staff Costs (Salary & Benefits), Staff Field Benefits, Associated Overheads, Short Term Consultant Fees, Contractual Services, Extended Term Consultants, Temporary Staff Costs, Travel Expenses, and Media and Workshops.
ANNEX 2

Standard Provisions Applicable to the Multi-Donor Trust Fund for the Ethiopia Productive Safety Nets Partnership

The following provisions (hereinafter referred to as the “Standard Provisions”) will be applicable to and form an integral part of all arrangements entered into between the International Development Association (“IDA”) and donor countries and/or organizations (hereinafter referred to as the “Donors”) that provide grants (referred to as the “Contributions”) to be administered by IDA for the Multi-Donor Trust Fund for the Ethiopia Productive Safety Nets Partnership (the “Project”).

1. Administration of the Contributions

IDA will be responsible only for performing those functions specifically set forth in this Agreement and will not be subject to any other duties or responsibilities to the Donors, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in this Agreement will be considered a waiver of any privileges or immunities of the IBRD and IDA under their Articles of Agreement or any applicable law, all of which are expressly reserved.

2. Commingling, Exchange and Investment of the Contributions

2.1. The Contribution funds will be accounted for as a single trust fund and will be kept separate and apart from the funds of IDA. The Contribution funds may be commingled with other trust fund assets maintained by IDA.

2.2. The Contribution funds may be freely exchanged by IDA into other currencies as may facilitate their disbursement.

2.3. IDA will invest and reinvest the Contribution funds pending their disbursement in accordance with IDA’s policies and procedures for the investment of trust funds administered by IDA. IDA will credit all income from such investment to the trust fund established under this Agreement to be used for the same purposes as the Contribution funds.

3. Administrative Cost Recovery

In order to assist in the defrayment of the costs of administration and other expenses incurred by IDA under this Agreement, IDA may, following deposit of Contribution funds, deduct from such funds and retain for IDA’s own account an amount equal to five percent (5 %) of the Contributions.
4. **Employment of Consultants**

The employment and supervision of consultants financed by the Contributions will be the responsibility solely of IDA and will be carried out in accordance with its applicable policies and procedures.

5. **Accounting and Financial Reporting**

5.1. IDA will maintain separate records and ledger accounts in respect of the Contributions deposited in the trust fund account and disbursements made therefrom.

5.2. Within ninety (90) days of each March 31, June 30, September 30, and December 31, IDA will furnish to the Donors an unaudited cash-based statement of receipts, disbursements and fund balance in United States Dollars with respect to the Contributions. Within six (6) months of the final disbursement date specified in paragraph 7.1 after all commitments and liabilities under this trust fund have been satisfied and the trust fund has been closed, IDA will furnish to the Donors a final unaudited cash-based statement of receipts, disbursements and fund balance in United States Dollars with respect to the Contribution funds.

5.3. IDA will provide to the Donors, within six (6) months following the end of each World Bank fiscal year, a management assertion together with an attestation from IDA’s external auditors concerning the adequacy of internal control over cash-based financial reporting for trust funds as a whole. The cost of such attestations will be borne by IDA.

5.4. If a Donor wishes to request, on an exceptional basis, a financial statement audit by IDA’s external auditors of the trust fund established under this Agreement, the Donor and IDA will consult as to whether such an external audit is necessary. IDA and the Donor will agree on the most appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, IDA will arrange for such external audit. The costs of any such audit, including the internal costs of IDA with respect to such audit, will be paid by the Donor.

6. **Coordination and Project Reporting**

IDA will provide the Donors with an annual report on the progress of activities financed by the Contributions. Within six (6) months of the final disbursement date specified in paragraph 7.1, IDA will furnish to the Donors a final report on the Project activities.

7. **Disbursement Deadline; Cancellation; Refund**

7.1. It is expected that the Contribution funds will be fully disbursed by IDA in accordance with the provisions of this Agreement by October 31, 2015. IDA will only disburse Contribution funds for the purposes of this Agreement after such date with the written approval of the Donors.

7.2. Any Donor or IDA may, upon three (3) months’ prior written notice, cancel all or part of the Donor’s pro rata share of any remaining balance of the Contribution funds that is not
committed pursuant to any arrangements entered into between IDA and any consultants and/or other third parties for the purposes of this Agreement prior to the receipt of such notice.

7.3. Upon the final disbursement date specified in paragraph 7.1, IDA will return any remaining balance of the Contribution funds to the Donors on a pro rata basis. In the event of a cancellation of an individual Donor’s pro rata share of uncommitted Contribution funds in accordance with paragraph 7.2, IDA will return such cancelled balance to the Donor.

8. Disclosure

IDA may disclose this Agreement and information on this trust fund in accordance with IDA’s policy on disclosure of information.