Ref: WB/CD/149/30/04/2014

Ms. Melanie Robinson
Head, DFID Ethiopia
British Embassy
Addis Ababa

Dear Ms. Robinson:

Administration Arrangement between the United Kingdom Department for International Development
And the International Development Association concerning the Multi Donor Trust Fund for the Ethiopia
General Education Quality Improvement Project II
(TF No. 072206)
DFID Aries Code: (203396)

1. The International Development Association ("IDA" or the "Bank") acknowledge that the United
Kingdom Department for International Development ("DFID" or the "Donor", and together with the Bank,
the "Parties" and each a "Party") agrees to provide the sum of one hundred nineteen million eight hundred
fifty thousand Pounds Sterling (£119,850,000) (the "Contribution") for the Multi-Donor Trust Fund for the
Ethiopia General Education Quality Improvement Project II (TF072206) (the "Trust Fund") established for
the benefit of the Federal Democratic Republic of Ethiopia ("Recipient") in accordance with the terms of this
Administration Arrangement. Other donors are also expected to contribute to the Trust Fund on the terms
and conditions specified in the Annexes and Attachment to this Administration Arrangement.

2. The Contribution will be used to finance the activities set forth in the “Multi-Donor Trust Fund for
the Ethiopia General Education Quality Improvement Project II” attached hereto as Annex I, and will be
administered by the Bank on behalf of the Donor in accordance with the terms of this Administration
Arrangement, including the “Standard Provisions” attached hereto as Annex 2 (including the Attachment
thereto).

3. The Donor will deposit the Contribution in accordance with the following schedule and in the
currency specified in Section 1 above ("Contribution Currency") into such bank account designated by the
Bank (each amount deposited hereinafter referred to as an “Installment”) upon submission of a payment
request by the Bank:

   (A) By May 2014, £30,000,000
   (B) By May 2015, £30,000,000
   (C) By May 2016, £30,000,000
   (D) By May 2017, £29,850,000

4. The Contribution is being provided in Installments on the basis of financial needs of the Trust Fund,
such that if the speed of the implementation of the activities to be financed by the Trust Fund makes it
necessary either to bring Installments forward or to delay them, the Installment schedule will be amended as
agreed by the Bank and the Donor.
5. When making any deposit, the Donor will instruct its bank to include in its deposit details information (remittance advice) field of its SWIFT deposit message, information indicating: the amount deposited, that the deposit is made by the Donor for TF072206 (the Multi-Donor Trust Fund for the Ethiopia General Education Quality Improvement Project II), and the date of the deposit (the “Deposit Instructions”). In addition, the Donor will provide a copy of the Deposit Instructions to the Bank’s Accounting Trust Funds Division by e-mail sent to tremeitadvice@worldbank.org or by fax sent to +1 (202) 614-1315.

6. Except with respect to the Deposit Instructions, any notice, request or other communication to be given or made under this Administration Arrangement will be in writing and delivered by mail, fax or e-mail to the respective Party’s address specified below or at such other address as such Party notifies in writing to the other Party from time to time:

For the Bank (the “Bank Contact”):

    Thanh Thi Mai
    Senior Education Specialist
    AFTEE
    Addis Ababa
    Ethiopia
    Tel: +251-517-6000/01
    E-mail: Mthanh1@worldbank.org

For the Donor (the “Donor Contact”):

    Melanie Robinson
    Head of Office
    DFID Ethiopia
    Comoros Street
    Tel: +251 (0)116180601
    E-mail: m-robinson@dfid.gov.uk

7. In the event any amounts are to be returned to the Donor under this Administration Arrangement, the Bank will transfer such amounts to the Donor’s applicable donor balance account with the Bank, unless otherwise agreed with the Bank.

8. All annexes here to constitute an integral part of this Administration Arrangement, whose terms taken together will constitute the entire agreement and understanding between the Donor and the Bank. Unless otherwise specified in an annex hereto, this Administration Arrangement may be amended only by written amendment between the Bank and the Donor; provided, however, that any annexes to this Administration Arrangement may be amended only by written amendment of all donors contributing to the Trust Fund.

9. DFID will not be responsible for the activities of any person employed by the World Bank as a result of this Administration Arrangement, nor will DFID be liable for any costs incurred by the World Bank in terminating the engagement of any such person, except as a sole and direct result of a failure by DFID to provide the funds committed under the Administrative Arrangement.
10. Each of the undersigned represents, by confirming its acceptance below, that it is authorized to enter into this Administration Arrangement and act in accordance with its provisions. The Bank and the Donor are each requested to sign and date this Administration Arrangement, and upon possession by the Bank of this fully signed Administration Arrangement, this Administration Arrangement will become carried out as of the date of the last signature. All references made in the Annexes and related documents to “Administration Agreement” and “shall” will have the same meaning as the term “Administration Arrangement” and “will” used herein.

11. It is understood that this Administration Arrangement, including any annexes, is not an international treaty. It is an administrative arrangement between the Bank and the Donor.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: [Signature]

Name: Guang Z. Chen

Title: Country Director for Ethiopia, Africa Region

Date: April 30, 2014

UNITED KINGDOM DEPARTMENT FOR INTERNATIONAL DEVELOPMENT - DFID

By: [Signature]

Name: M Robinson

Title: Head, DFID Ethiopia

Date: 5 May 2014
ANNEX 1

Description of Objective and Activities

Multi Donor Trust Fund for the Ethiopia General Education Quality Improvement Project II

This Annex shall be applicable to and form an integral part of all administration agreements for the Trust Fund (collectively, the “Administration Agreements” and each an “Administration Agreement”) between the Bank and any entities that provide any funds to the Trust Fund (collectively, the “Donors”).

1. Objectives

The objective of the General Education Quality Improvement Project II (“the Project”) supported by the Trust Fund is improving learning conditions in primary and secondary schools and strengthening of institutions at different levels of educational administration.

2. Activities

The activities to be financed by the Trust Fund are:

2.1 Bank-executed Trust Fund component for which the Bank has implementation responsibility:

Carrying out an enhanced supervision for the management and coordination of GEQIP and the Project through, inter alia: (i) regularly monitoring the Project activities and providing progress reports to the contributing partners on implementation of Trust Fund and GEQIP at a technical and financial level, all in agreement with Ethiopia and the contributing partners; (ii) carry out jointly with the Bank and the contributing partners a mid-term review of the Trust Fund which shall cover overall progress in the implementation of the Project in meeting the objectives of the GEQIP and the results of the monitoring and evaluation; (iii) ensuring fiduciary compliance via regular financial and procurement reviews on behalf of the contributing partners and provision of no-objection letters, managing regular transactions, and ensuring timely disbursement of funds to Ethiopia.

2.2 Recipient-executed Trust Fund components for which the Recipient has implementation responsibility:

The Project constitutes the second series of GEQIP, and consists of the following parts:

Part 1: Curriculum, Textbooks, Assessment, Examinations and Inspection

Supporting General Education curriculum reform through provision of technical assistance for, inter alia: (i) improving the quality and relevance of the curriculum; (ii) maintaining and increasing the supply of textbooks and supplementary reading materials for primary schools; (iii) developing a robust national assessment and examinations system, and (iv) ensure curriculum implementation by developing an effective schools inspectorate.

Part 2: Teacher Development Program

(a) Enhancing the training of pre-service teachers in teacher education institutions through: (i) improved selection of entrants to teacher training; (ii) provision of teaching materials in the teacher education institutions (TEIs); (iii) enhanced practicum for teacher candidates; (iv) in-service pedagogical training for teacher educators; (v) enhanced English language supports in the TEIs; and (vi) provision of a training program for ABE facilitators.
(b) Improving the quality of in-service teacher training through: (i) enhancing the provision of continuous professional development at Schools; (ii) providing English language training for teachers of English and developing a cadre of school-based English mentors who will support all teachers using English as a medium of instruction; (iii) developing a teacher career structure, licensing and re-licensing system which recognizes professional development and behavior, and (iv) upgrading primary teachers from a certificate qualification to a diploma qualification.

Part 3: School Improvement Plan

(a) Improving the capacity of Schools to identify problem areas, develop priorities based on identified problems and prepare a School Improvement Plan to address the prioritized needs through: (i) providing training on linking SIPs with student learning, (ii) developing a simplified SIP framework for rural, isolated schools, smaller schools and ABE’s, (iii) creating information campaigns for parents and communities to strengthen community support to improved learning through the SIP’s, and (iv) encouraging activities focused specifically on reading.

(b) Provision of School Grants to improve basic teaching and learning conditions in Schools. The impact of the School Grants on learning outcomes will be made more efficient by: (i) revision of school grant guidelines to encourage use of funds for appropriate learning and teaching materials, (ii) additional per capita incentives for the most disadvantaged regions and disadvantaged students, (iii) introduction of performance based incentives, (iv) strengthening the social accountability mechanisms, and (v) strengthening the grievance redress and complaint management mechanisms to ensure efficient and equitable management of the grants.

Part 4: Management and Capacity Building, including EMIS

(a) Enhancing the capacity for strategic planning and budget analysis in the education sector, at national, Regional and Woreda level, and strengthening resource allocation and transfer systems.

(b) Enhancing the capacity for participatory school planning, leadership, management and monitoring to improve effectiveness and accountability in school performance.

(c) Assisting the Ministry of Education to enhance its capacity for policy analysis and planning and assisting the Ministry of Education and Regional Education Bureaus in strengthening existing EMIS.

Part 5: Improving the Quality of Learning and Teaching through the use of Information and Communications Technology (“ICT”)

(a) Developing an integrated Monitoring, Evaluation and Learning System for the ICT.

(b) Developing a national policy and institutions for ICT in general education.

(c) Developing a national ICT infrastructure improvement plan for general education through strengthening the specification, procurement, distribution and management of ICT in secondary education and developing a capacity for producing digital learning content.
(d) Teacher professional development in the use of ICT through: (i) developing an Ethiopian-relevant ICT competency framework for teachers; (ii) supporting continuing professional development and training programs for teachers; (iii) and developing a professional development and training program that encourages teachers to use technology solutions.

(e) Piloting the use of e-Braille display readers in select schools.

Part 6: Program Coordination, Monitoring and Evaluation and Communication

(a) Strengthening the Recipient’s institutional capacity for coordinating and implementing the GEQIP Program at federal, Regional and Woreda levels.

(b) Supporting the development of a monitoring and evaluation system for the Project at federal, Regional and Woreda levels.

3. Eligible Expenditures

3.1 For Bank-executed activities, the Trust Fund funds may be used to finance:

(a) Associated Overheads
(b) Consultant Fees Individuals and Firms
(c) Contractual Services
(d) Equipment and Office Premises Lease Cost
(e) Extended Term Consultants
(f) Extended Term Consultants – No Indirect Costs
(g) Field Assignment Benefits
(h) Media, Workshop, Conference and Meeting
(i) Staff Costs – with Indirect Costs
(j) Staff Costs – No Indirect Costs
(k) Temporary Support Staff Costs
(l) Temporary Staff Costs – No indirect
(m) Travel Expenses

3.2 For Recipient-executed activities, the Trust Fund funds may be used to finance:

(a) Goods
(b) Non-Consulting Services
(c) Consultants’ Services
(d) Operating Costs
(e) School Grants
(f) Training

4. Taxes

4.1 The foregoing activities and categories of expenditures may include the financing of taxes in accordance with the Bank’s applicable policies and procedures.
Standard Provisions
Multi Donor Trust Fund for the Ethiopia General Education Quality Improvement Project II

This Annex shall be applicable to and form an integral part of all Administration Agreements between the Bank and the respective Donors.

1. Administration of the Contributions

1.1 The Bank shall be responsible only for performing those functions specifically set forth in this Administration Agreement and shall 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 Administration Agreement shall be considered a waiver of any privileges or immunities of the Bank under its Articles of Agreement or any applicable law, all of which are expressly reserved.

1.2 Each Donor’s Contribution (collectively, the “Contributions”) shall be administered in accordance with the Bank’s applicable policies and procedures, as the same may be amended from time to time, including its procurement, financial management, disbursement and safeguard policies, its framework to prevent and combat fraud and corruption and its screening procedures to prevent the use of Bank resources to finance terrorist activity, in line with the Bank’s obligations to give effect to the relevant decisions of the Security Council taken under Chapter VII of the of Charter of the United Nations. The Donors acknowledge that this provision does not create any obligations of the Bank under the anti-terrorist financing and asset control laws, regulations, rules and executive orders of an individual member country that may apply to a Donor.

2. Management of the Contributions

2.1 The funds deposited in the Trust Fund shall be accounted for as a single trust fund and shall be kept separate and apart from the funds of the Bank. The funds deposited in the Trust Fund may be commingled with other trust fund assets maintained by the Bank. The Bank, in its capacity as trustee, has legal title to the funds deposited in the Trust Fund.

2.2 The currency in which the funds in the Trust Fund shall be held is the United States Dollars (the “Holding Currency”).

2.3 Donors agree to deposit their Contributions in the Contribution Currency stated in their respective Administration Agreements. In the case of deposits received in a Contribution Currency other than the Holding Currency, promptly upon the receipt of such amounts and the accompanying Deposit Instructions, the Bank shall convert such amounts into the Holding Currency at the exchange rate obtained by the Bank on the date of the conversion. Where deposits prove to be insufficient to complete activities as a result of exchange rate fluctuations, neither the Bank nor the Donor shall bear any responsibility for providing any additional financing.

2.4 The funds deposited in the Trust Fund may be freely exchanged by the Bank into other currencies as may facilitate their disbursement at the exchange rate obtained by the Bank on the date of the conversion.

2.5 The Bank shall invest and reinvest the funds deposited in the Trust Fund pending their disbursement in accordance with the Bank’s applicable policies and procedures for the investment of trust funds administered by the Bank. The Bank shall credit all income from such investment to the Trust Fund to be used for the same purposes as the Contributions.
3. **Trust Fund Fees and Costs**

3.1 The Bank shall deduct and retain for its own account, as a deduction from each Installment, an amount equal to one percent (1%) per Installment as an administrative fee for the Trust Fund. In addition, costs incurred by the Bank for other expenses, such as for Trust Fund administration, that are: (i) not covered by the percentage deduction specified above as an administrative fee; and (ii) not included under Annex I of the Administration Arrangements in accordance with the Bank’s applicable policies and procedures shall be charged to the Trust Fund on an actual basis up to a maximum of zero point five one percent (0.51%) of the total Contributions under all Administration Arrangements.

3.2 In order to assist the Bank for enhanced supervision for the management and coordination of GEQIP, including the Trust Fund activities funded by this Trust Fund, the Bank may charge the Trust Fund’s aggregate contributions from all donors, costs directly attributed to such activities in an amount not to exceed zero point nine three percent (0.93%) of Donor contributions. This allocation reflects the current requirements for enhanced supervision for the management and coordination of GEQIP, including the Trust Fund. It may be amended, from time to time, in agreement with all Trust Fund Donors to address any additional requirements for program supervision.

3.3 Each Donor acknowledges and agrees that the percentage deductions for fees in this Trust Fund Fees and Costs section are estimated on the basis of anticipated Contributions. If actual Contributions significantly differ from what was originally anticipated at the time of signature of the first Administration Agreement, or if other circumstances affecting Trust Fund fees or costs change, the Bank reserves the right to request a change to the terms of this Trust Fund Fees and Costs section, which would be effectuated by amendments made to the Administration Agreements of all Donors and which would thereafter be applicable to all new Contributions that are provided either as amendments to supplement existing Administration Agreements or from new Donors under new Administration Agreements.

4. **Accounting and Financial Reporting**

4.1 The Bank shall maintain separate records and ledger accounts in respect of the funds deposited in the Trust Fund and disbursements made therefrom.

4.2 The Bank shall furnish to the Donors current financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions via the World Bank’s Trust Funds Donor Center secure website. Within six (6) months after all commitments and liabilities under the Trust Fund have been satisfied and the Trust Fund has been closed, the final financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions shall be made available to the Donors via the World Bank’s Trust Funds Donor Center secure website.

4.3 The Bank shall provide to the Donors via the World Bank’s Trust Fund Donor Center secure website, within six (6) months following the end of each Bank fiscal year, an annual single audit report, comprising (i) a management assertion together with an attestation from the Bank’s external auditors concerning the adequacy of internal control over cash-based financial reporting for all cash-based trust funds as a whole; and (ii) a combined financial statement for all cash-based trust funds together with the Bank’s external auditor’s opinion thereon. The cost of the single audit shall be borne by the Bank.

4.4 If a Donor wishes to request, on an exceptional basis, a financial statement audit by the Bank’s external auditors of the Trust Fund, the Donor and the Bank shall first consult as to whether such an external audit is necessary. The Bank and the Donor shall agree on the appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, the Bank shall arrange for such external audit. The costs of any such audit, including the internal costs of the Bank with respect to such audit, shall be borne by the requesting Donor.
4.5 The Bank shall make available to the Donors copies of all financial statements and auditors’ reports received by the Bank from Recipients pursuant to any Grant Agreements (as defined below) in accordance with the Bank’s Access to Information Policy.

5. **Progress Reporting**

5.1 The Bank shall provide the Donors with quarterly reports on the progress of activities financed by the Contributions. Within six (6) months of the End Disbursement Date (as defined below), the Bank shall furnish to the Donors a final report on the activities financed by the Trust Fund.

5.2 Any Donor may review or evaluate activities financed by the Trust Fund at any time up to six (6) months following the End Disbursement Date. The Donor and the Bank shall agree on the scope and conduct of such review or evaluation, and the Bank shall provide all relevant information within the limits of the Bank’s applicable policies and procedures. All associated costs, including any costs incurred by the Bank, shall be borne by the Donor. It is understood that any such review or evaluation will not constitute a financial, compliance or other audit of the Trust Fund.

6. **Disbursement; Cancellation; Refund**

6.1 It is expected that the funds deposited in the Trust Fund will be fully disbursed by the Bank by January 31, 2019 (the “End Disbursement Date”). The Bank shall only disburse funds deposited in the Trust Fund for the purposes of this Administration Agreement (other than returns to Donors) after such date to the extent such date is changed in accordance with amendments made to the Administration Agreements of all the Donors. Following the End Disbursement Date, the Bank shall return any remaining balance of the Trust Fund to each Donor in the Holding Currency in the manner specified in its respective Administration Agreement on a pro rata basis with regard to the total funds deposited in the Trust Fund by such Donor relative to the total funds deposited in the Trust Fund by all Donors, all calculated as Holding Currency amounts.

6.2 Any Donor may cancel all or part of such Donor’s pro rata share, and the Bank may cancel all or any Donors’ pro rata shares, upon three (3) months’ prior written notice, of any Contributions (paid and not yet paid) that are not committed pursuant to any agreements entered into between the Bank and any consultans and/or other third parties for the purposes of this Administration Agreement, prior to the receipt of such notice. In the event of a cancellation, the Bank shall return to the Donor its pro-rata share in the Holding Currency as specified in the Administration Agreement; unless otherwise agreed between the Bank and the Donor.

7. **Disclosure; Dispute Resolution**

7.1 The Bank shall disclose the Administration Agreements and related information on this Trust Fund in accordance with the Bank’s Policy on Access to Information. By entering into Administration Agreements, the Donors consent to such disclosure of their respective Administration Agreements and such related information.

7.2 The Donors and the Bank shall use their best efforts to amicably settle any dispute, controversy, or claim arising out of or relating to the Administration Agreements.
8. **Grants to Recipients**

8.1 The Bank shall, as administrator of the Trust Fund on behalf of the Donors, enter into one or more grant agreements (the "Grant Agreements") with recipients (the "Recipients") consistent with the purposes of this Administration Agreement and on the terms and conditions set forth in the Grant Agreements. Grant Agreements may be entered into up to the maximum amount of the Contributions that all Donors have agreed to make available under the Administration Agreements between the Bank and the Donors.

8.2 The Bank shall be responsible for the supervision of the activities financed under any Grant Agreements. Subject to the consent of any relevant Recipients, representatives of the Donors may be invited by the Bank to participate in Bank supervision missions related to the Trust Fund.

8.3 The Bank shall promptly inform the Donors of any significant modification to the terms of any Grant Agreements and of any contractual remedies that are exercised by the Bank under any Grant Agreements. To the extent practicable, the Bank shall afford the Donors the opportunity to exchange views before effecting any such modification or exercising any such remedy.
Definitions

1. “ABE” means Alternative Basic Education.


3. “General Education” means formal education offered at grade KG1–12 including ABE centers in the education system of the Recipient.

4. “GEQIP Program” and “GEQIP” means the Recipient’s strategic plan designed to improve the quality of General Education throughout the Recipient’s territory, as referred to in a letter from the Recipient, dated November 4, 2008.

5. “Ministry of Education” or “MoE” means the Recipient’s Ministry of Education, or any successor thereto.

6. “Region” means the second tier of government in the Recipient’s administrative system as established under the Recipient’s constitution.

7. “Regional Education Bureau” and “REB” mean the Education Bureau of any Region which is participating in the Project.

8. “School” means a public educational institution offering General Education (Grade KG–12) in the territory of the Recipient, including ABE centers.

9. “School Grant” means a grant proposed to be made to Schools under Part 3 of the Project.

10. “School Improvement Plan” or “SIP” means a plan for improving quality of education focusing on *inter alia*: (i) teaching and learning conditions; (ii) student environment; (iii) leadership and management of Schools; and (iv) community involvement by a School, prepared by a School which is seeking or has been awarded a School Grant.

11. “Woreda” means the lowest administrative unit of government in the Recipient’s territory as established under relevant Regional legislation.