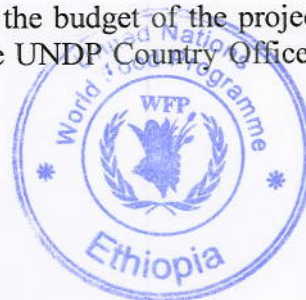


**LETTER OF AGREEMENT BETWEEN THE GOVERNMENT OF ETHIOPIA AND
UNITED NATIONS WORLD FOOD PROGRAMME UNDER NATIONAL
IMPLEMENTATION**

Dear Mr Gomez,

1. Reference is made to consultations between officials of the Ethiopia Environmental Protection Authority (hereinafter referred to as "EPA") and officials of the World Food Programme, (hereinafter referred to as "WFP"), in collaboration with the United Nations Development Programme (UNDP), with respect to the participation of the WFP in the UNDP support to project ATLAS ID ETH -00072706, "*Building Capacity for Integrated and Comprehensive Approaches to Climate Change Adaptation in Ethiopia*", (hereinafter referred to as the Ethiopia African Adaptation Programme (AAP)), to be managed by the Government. The latter shall be represented for the purpose of such management by EPA.
2. EPA recognises that WFP enjoys privileges and immunities under the Convention on the Privileges and Immunities of the Specialised Agencies, to which the Government of Ethiopia became a signatory on and under the Basic Agreement between the Government of Ethiopia and the World Food Programme signed on 29th September 2005.
3. In accordance with the programme support document or project document and with the following terms and conditions, we confirm our acceptance of the services to be provided by WFP towards this programme or project. Close consultations will be held between the WFP and the EPA on all aspects of the services to be rendered as described in Attachment 1: Description of services of this letter of agreement.
4. WFP shall provide the services and facilities described in Attachment 1: Description of services of this letter of agreement.
5. The EPA shall retain overall responsibility for the UNDP support to the project and shall designate a project co-ordinator, i.e. the Department Director of EPA who in turn will be assisted by a Project Support Team.
6. The personnel assigned by WFP to the project, and under contract with the WFP shall work under the guidance of the project co-ordinator. The supervisory arrangements shall be determined in mutual consultation and described in the relevant terms of reference of the personnel. These personnel shall remain accountable to WFP for the manner in which assigned functions are discharged and will be fully administered under WFP Rules and Regulations.
7. In the event of disagreement between the project co-ordinator and the project personnel of the WFP, the project co-ordinator shall refer the matter under dispute to WFP for the purpose of finding a satisfactory solution. In the interim, the decisions of the project co-ordinator shall prevail.
8. Upon signature of this letter of agreement and pursuant to the budget of the project document and the work plan, EPA agrees that at the request of EPA the UNDP Country Office in Ethiopia



will advance funds to WFP via WFP headquarters, according to the schedule of payments specified in Attachment 2: Schedule of services, facilities and payments.

9. WFP shall submit a cumulative statement of expenditure each quarter (31 March, 30 June, 30 September and 31 December). The statement will be submitted to EPA through the UNDP Resident Representative within 30 days following those dates. The format will follow the standard expenditure report of WFP, unless otherwise agreed between the parties. EPA will include the expenditure reported by WFP in the financial report.

10. WFP shall re-cost and re-phase the schedule of services and facilities described in Attachment 2, as necessary, when submitting the statement of expenditure to EPA. WFP may incur expenditures that exceed its assigned annual budget by four per cent whichever is higher, in order to cover differences between actual and pro-forma costs. EPA shall adjust its financial records and confirm the revision submitted by WFP.

11. WFP shall submit such reports relating to the project as may reasonably be required by the project co-ordinator in the exercise of his or her duties.

12. WFP shall provide the EPA with an annual report of non-expendable equipment purchased by WFP for the project. The report shall be submitted within 30 days following 31 December, and shall be included by the EPA in the main inventory for the project.

13. Without prejudice to WFP's full authority in respect to recruitment of personnel, WFP shall submit job descriptions and candidates for the posts foreseen in section 1 of Attachment 2 and consult with EPA regarding personnel to be assigned to the project.

14. Any changes to the programme support document or project document which would affect the work being performed by WFP in accordance with Attachment 1 shall be recommended only after consultation with WFP. Any changes to these arrangements shall be effected by mutual agreement through an amendment to this letter of agreement.

15. The arrangements described in this agreement will remain in effect until the end of the project, or the completion of activities of WFP according to Attachment 2, or until terminated in writing by either party. The schedule of payments specified in Attachment 2 remains in effect based on continued performance by WFP unless UNDP receives written indication to the contrary by EPA.

16. For any matters not specifically covered by this agreement, the appropriate provisions of the project document and revisions thereof and the appropriate provisions of the financial regulations and rules of WFP shall apply.

17. All further correspondence regarding this agreement, other than signed letters of agreement or amendments thereto should be addressed to the Director of EPA.

18. EPA and WFP shall keep UNDP Resident Representative fully informed of all actions undertaken by them in carrying out this agreement.

19. Except as provided in paragraph 6 above, any dispute between WFP and EPA arising out of or relating to this letter which is not settled by negotiation or other agreed mode of settlement, shall, at the request of either party, be submitted to a Tribunal of three arbitrators. Each party shall appoint one arbitrator, and the two arbitrators so appointed a third arbitrator, who shall be the chairperson of the Tribunal. If, within 15 days of the appointment of two arbitrators, the third arbitrator has not been appointed, either party may request the President of the International Court of Justice to appoint the arbitrator referred to. The Tribunal shall determine its own procedures, provided that any two arbitrators shall constitute a quorum for all purposes, and all decisions shall require the agreement of any two arbitrators. The expenses of the Tribunal shall be borne by the Parties as assessed by the Tribunal. The arbitral award shall contain a statement of the reasons on which it is based and shall be final and binding on the parties.

20. EPA shall handle and be responsible for any third-party claim or dispute arising from operations under this agreement against UNDP or WFP, their officials or other persons performing services on their behalf, and shall hold them harmless in respect of such claims or disputes. The foregoing provision shall not apply where the parties agree that a claim or dispute arises from the gross negligence or wilful misconduct of the above-mentioned individuals.

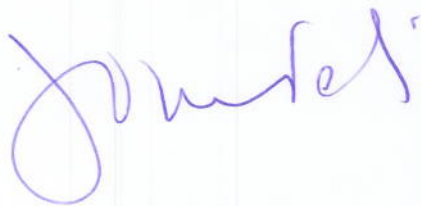
If you are in agreement with the provisions set forth above, please sign below. Your acceptance shall thereby constitute the basis for your organisation's participation in the project.

Yours sincerely,
For EPA of Ethiopia



Dessalegne Mesfin
Deputy Director General

Deputy Director General, Environmental Protection Agency
5 November, 2010



Signed on behalf of the World Food Programme
Felix Gomez, Country Director a.i.

5 November, 2010-11-11

Attachment 1

DESCRIPTION OF SERVICES

Project number: 00071466

Project title: **Building Capacity for Integrated and Comprehensive Approaches to Climate Change Adaptation in Ethiopia.**

Work to be performed by WFP:

The overall objective of the described Ethiopia AAP project is: To enhance Ethiopia's existing climate initiatives by strengthening capacity for long term investment in, and management of, climate-resilient sustainable development. As one of the implementing agencies, WFP will be responsible for coordinating the execution of local level activities as the technical partner and assume accountability for financial management in respect of the activities. These activities and associated results are outlined in the Ethiopia AAP and are defined below:

Output 1 ACTIVITY RESULT 4: Capacity built for managing climate change risks and opportunities at local level.

- 4.1 As part of the base-line survey, identify vulnerable groups that should be eligible to construct, and should benefit from, a carbon neutral, climate resilient economy. (Conduct vulnerability assessment and identify beneficiary households within the selected woredas)
- 4.3 Identify capacity constraints for climate change planning at woreda level and implement building capacity plan (conduct field level needs assessment in the selected woredas and conduct training)
- 4.4 Prepare local-level environmental management plans in a selected sample of woredas that fully align with the strategy for the construction of a climate resilient economy
- 4.5. Establish woreda-level LEAP (Link to Output 3).

Output 3, ACTIVITY RESULT 1: Identify available technologies & best practices on climate change adaptation.

- 1.1 Identify technologies from national and international sources, evaluate them, prioritise and prepare a portfolio of appropriate technologies and good practices needed for the implementation of concrete projects validated for the construction of a climate resilient economy
- 1.2 Assessment of technology needs and local adaptation capacity needs and identify suitable demonstration interventions in priority sectors in a maximum of 50 selected woredas (Implement resilient building measures like income generation activities; degraded ecosystem rehabilitation)
- 1.3 In conjunction with relevant sectors of industry and private enterprise, create a portfolio of appropriate technologies and good practices that will support the creation of a CNCR economy
- 1.4 Identify and map communication pathways for delivery of and feedback on early warning information for improved seasonal responsiveness at local (Woreda) level (Strengthen the existing early warning system with DRMFSS)

- 1.5 Identify vulnerable economic sectors and seek to define quick-win projects that adequately demonstrate social, economic and ecological benefits arising from the construction of a carbon neutral , climate-resilient economy. (focusing on the agricultural sector, implement resilient building measures like watershed management and income generation activities)
- 1.6 Based on the identified vulnerable groups and proposed projects, develop a multi-sectoral action learning programme and agree an integrated action plan with priority sectors.

Activity result 2: Identification of the economic potential of adaptation measures that support the attainment of a carbon neutral, climate resilient economy

- 2.1 Complete a market chain analysis and design market systems in order to establish entrepreneurship and to foster a market for goods and services produced through the implementation of suitable projects in the course of constructing a climate resilient economy

ACTIVITY RESULT 3: A set of integrated policy measures (adaptation approaches) tested in specific AEZ to deliver learning & best practice.

- 3.1 In selected sites integrate top-down climate (early warning) information with local level environmental planning to deliver climate resilient environmental and agricultural practices.
- 3.2 Use demonstration sites as sample observational network by feeding back ground level weather and impact observation to NMSA to improve downscaling capacity and impact assessments.
- 3.3 Assess local knowledge systems for environmental management in selected Woredas and integrate with best practices and climate information.
- 3.4 Empower local communities, working with the industrial sector and private enterprise, to develop their environmental action plan.
- 3.5 Empower local communities, working with the industrial sector and private enterprise, to develop their environmental action plan.
- 3.6 Establish environmental clubs in schools in action learning areas and support local clubs to contribute to local environmental planning and action.
- 3.7 Train teachers to train club members to monitor local environmental plans and action research.
- 3.8 In the selected sites, use school learners to extend the lessons of climate change adaptation to their parents and carers

ACTIVITY RESULT 4: Generate an evidence base for refining policy measures and informing long-term planning.

- 4.2 Using action learning evidence base:
 - Produce a detailed and budgeted programme plan to upscale early warning system to improve adaptive capacity.
 - Draw adaptation lessons and produce/revise best practice recommendations.
 - Draw out evidence for informing long-term planning processes

Output 5: Knowledge on adjusting national development processes to fully incorporate climate change risks and opportunities generated and shared across all levels

ACTIVITY RESULT 1: Build a detailed knowledge base on climate change impacts in priority sectors.

- 1.1 Knowledge management systems established with advice of knowledge management specialists and shared with the ALM.
- 1.2 Establish databank of all CCA projects and initiatives in Ethiopia.
- 1.3 Technical and financial support for the generation of evidence from target demonstration areas for assessing the: vulnerability of communities in different agro-ecological zones and climate variability and risk assessments.

Description of services:

EPA and WFP are responsible for coordinating the execution of local level activities as described in the annual and quarterly work plans, as the technical partner and assume accountability for financial management in respect of the activities. The WFP will provide technical expertise, procure necessary equipment and services, and will contract third parties to achieve the above mentioned activities and outputs in collaboration with the implementing parties.

Attachment 2

SCHEDULE OF SERVICES, FACILITIES AND PAYMENTS

Section	Total Costs	Estimated expenditure by year		Schedule of Payments	
		Year 1	Year 2	Year 1	Year 2
Total	\$2,928,660	\$726,458	\$2,202, 202	Quarterly according to approved AAP quarterly work plans	

Note:

- Expenditures for personnel services may be limited to salary, allowances and other entitlements, including the reimbursement of income taxes due and travel costs on appointment to the project, duty travel within the programme country or region and repatriation costs.
- EPA shall be responsible for providing miscellaneous services such as secretarial assistance; postage and cable services and transportation as may be required by the United Nations agency personnel in carrying out their assignment.
- Adjustments within each of the sections may be made in consultation between EPA and WFP. Such adjustments may be made if they are in keeping with the provisions of the programme support document or project document and if they are found to be in the best interest of the programme or project.