Re: GPSA Grant No.TF018163

Transparency and Accountability in Mongolian Education (TAME) Project

Dear Ms. Khashkhuu:

In response to the request for financial assistance made on behalf of Globe International Center ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development and the International Development Association ("World Bank"), acting as administrator of grant funds provided by multiple donors ("Donors") under the Global Partnership for Social Accountability Multi-Donor Trust Fund (the "GPSA Trust Fund"), proposes to extend to the Recipient for activities in Mongolia ("Member Country"), a grant from the GPSA Trust Fund in an amount not to exceed six hundred and fifty thousand United States Dollars (U.S.$650,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the GPSA Trust Fund for which the World Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors under the GPSA Trust Fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within ninety (90) days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.
Very truly yours,
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By
Bert Hofman
Country Director, Mongolia
East Asia and Pacific Region

AGREED:
Globe International Center

By:
Authorized Representative
Name: MẢI NAM TUYÊN
Title: PRESIDENT/CEO
Date: 09/10/2014

Enclosures:


(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
Article I
Standard Conditions; Definitions


1.02. Definitions. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement, including:

- "AFE Agreement" means the agreement to be entered into between the Recipient and AFE (as hereinafter defined) pursuant to Section 2.03(a)(i) of this Agreement, satisfactory to the World Bank.

- "AFE" means the All for Education, a not-for-profit corporation, with legal personality and an established and effective relationship with the Recipient, registered and operating pursuant to the Member Country’s Law on the State Registration of Legal Entities, enacted on 23 May 2003, as amended, under registration no.8071454 dated 16 January 2012.

- "Aimag" means a province of the Member Country.

- "CSO" means a legal entity that falls outside the public or for-profit sector, such as nongovernment organizations, not-for-profit media organizations, charitable organizations, faith-based organizations, professional organizations, labor unions, associations of elected local representatives, foundations, and policy development and research institutes, and CSOs means jointly and indistinctively more than one such CSO.

- "Globe International Center" means a non-profit association, with legal personality and duly registered and operating pursuant to the Member Country’s Law on the State Registration of Legal Entities, enacted on 23 May 2003, as amended, established in March 1999 under registration no.000041071, NGO ID No.1022733 and re-registration dated October 16, 2012 with State registration no.9071031081.

- "Milestone" means any of the milestones set forth in the additional instructions referred to in Section 3.01(c) of this Agreement.

- "PTA" means a Parent Teacher Association, comprising of teachers, parents and an independent observer, referred to in Section 2.01(a) of this Agreement, and PTAs means jointly and indistinctively more than one such PTA.
“PTF Agreement” means the agreement to be entered into between the Recipient and PTF (as hereinafter defined) pursuant to Section 2.03(a)(ii) of this Agreement, satisfactory to the World Bank.

“PTF” means the Partnership for Transparency Fund Inc., a not-for-profit corporation, with legal personality and an established and effective relationship with the Recipient, formed under Section 402 of the Not-for-Profit Corporation Law of the State of New York, May 22, 2000.

“Soum” means a rural district of the Member Country.

Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to strengthen civic engagement in the education sector to improve transparency of budgeting and procurement processes for the delivery of better quality education services in western and central Mongolia. The Project consists of the following parts:

(a) Part 1. Organization of PTAs at the Soum level

Strengthening capacities of students, parents, teachers/school officials to form and manage effective PTAs and engage with district level officials to improve local education environment, by: (i) training of PTA representatives on current education legislation, government reform initiatives and social accountability tools such as participatory school environment assessments, public hearings, participatory budgeting, focus group interviews, and community scorecards; (ii) designing of and implementation of social accountability tools, such as community score cards, good governance school assessment using focus group interviews, public hearings to participate in decision making to monitor availability of school supplies, budget and general school environment; (iii) preparation and dissemination of news programs and articles on the results of the monitoring using community and mainstream radio and newspapers; and (iv) dissemination of the results of the Project activities and establishment of a national PTA network.

(b) Part 2. Monitoring of education budget and procurement at the Aimag level

Strengthening capacity of national and regional level CSOs, media organizations and relevant government staff to analyze and monitor government budget allocation and procurement in education, by: (i) training CSOs to analyze and monitor allocation of education budget and procurement at regional level; (ii) training journalists from community and national radio stations, Aimag and national mainstream media outlets on relevant education and social accountability issues; (iii) generation of quarterly project progress reports to be shared and discussed with stakeholders; and (iv) support for public-private dialogue activities to influence national level policy making bodies.

(c) Part 3. Managing knowledge and learning

 Provision of support for: (i) establishment of a monitoring and evaluation system for the Project; (ii) development of case studies, lessons learned and good practices; (iii) production and dissemination of manuals, guidebooks, training modules related to...
the Project activities; (iv) preparation of project operating guidelines; (v) capacity building and knowledge and learning sharing program for replication to other provinces of the Member Country; and (vi) carrying out of dissemination activities and building a web-based dedicated portal for the Project’s knowledge and learning products.

(d) **Part 4. Project Coordination**

Activities providing supplemental Project support, including through coordination, monitoring, evaluation (including audits) of Project activities, as well as efforts to maximize dissemination of and access to information and data derived from Project activities.

2.02. **Project Execution Generally.** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) 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 (“Anti-Corruption Guidelines”); (c) this Article II; (d) the AFE Agreement; and (e) the PTF Agreement.

2.03. **Institutional and Other Arrangements.** The Recipient has sole fiduciary responsibility under the Project, including for procurement and financial management. In order to facilitate the implementation of the Project activities, the Recipient shall:

(a) enter into an agreement with: (i) AFE, under terms and conditions acceptable to the World Bank (the AFE Agreement), which shall include, *inter alia*: (A) AFE’s undertaking to perform certain roles and responsibilities under the Project; and (B) the conditions for the Recipient’s payment, out of the proceeds of the Grant, of certain Operating Costs related to AFE for discharge of its roles and responsibilities; and (ii) PTF, under terms and conditions acceptable to the World Bank (the PTF Agreement), which shall include, *inter alia*: (A) PTF’s undertaking to perform certain roles and responsibilities under the Project; and (B) the conditions for the Recipient’s payment, out of the proceeds of the Grant, of certain Operating Costs related to PTF for discharge of its roles and responsibilities;

(b) exercise its rights and carry out its obligations under the AFE Agreement and the PTF Agreement, in such manner as to protect the interest of the Recipient and the World Bank to accomplish the purposes of the Grant;

(c) not assign, amend, abrogate, terminate, waive or fail to enforce the AFE Agreement or the PTF Agreement or any of the provisions thereof, unless the World Bank shall otherwise agree;

(d) ensure, at all times during the implementation of the Project, that it maintains competent staff in adequate numbers, including a program manager, a financial manager, a monitoring and evaluation specialist and procurement specialists with experience in projects financed by international financial institutions; and

(e) in a manner satisfactory to the World Bank, carry out a social assessment, and through a process of free, prior and informed consultations and participation, ensure that the benefits received by any ethnic minority communities under the Project are in harmony with their economic, social and cultural preferences and protect their customary user rights to land and natural resources.
2.04. **Donors Visibility and Visit.** (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors' support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, take all measures required on its part to enable the representatives of the Donors to visit any part of the Member Country’s territory for purposes related to the Project.

2.05. **Project Monitoring, Reporting and Evaluation.** (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth below in paragraph (b) of this Section. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

(b) The performance indicators referred to above in sub-paragraph (a) consist of the following:

(i) An increase in the number of PTAs and CSOs that contributed to the disclosure and accountability in the budgeting and procurement process.

(ii) An increase in the number of public schools with improved level of citizen satisfaction on education inputs.

(iii) An increase in the number of government policies/instruments on disclosure and accountability on public education spending.

(c) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than four (4) months the Closing Date.

2.06. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07(b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period. The Recipient shall ensure that the audited financial statements are made publicly available in a timely fashion and in a manner acceptable to the World Bank.
2.07. **Procurement.** All goods, non-consulting services, and/or consulting services required for the Project and to be financed, fully or partially, out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 and revised July 2014; (“Procurement Guidelines”), and the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers”, dated January 2011 and revised July 2014 (“Consultant Guidelines”).

2.08. Any contract for Eligible Expenditures to be financed in full or in part out of the proceeds of the Grant shall be included in the procurement plan prepared by the Recipient and approved by the World Bank in accordance with the Procurement Guidelines and the Consultant Guidelines, prior to initiating the procurement process for any such contract.

**Article III**

**Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance 100% of Eligible Expenditures directly relating to the achievement of the Milestones for each Part of the Project and consisting of goods, consultants’ services (including audits), Training, and Operating Costs, inclusive of Taxes, and excluding works, art, furniture, carpets, vehicles and generators.

For the purposes of this paragraph, the terms:

(i) “Training” means expenditures incurred by the Recipient to finance the delivery of training (including tuition), travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course and workshop preparation and implementation; and

(ii) “Operating Costs” means the expenditures incurred by the Recipient and PTF to finance the incremental expenses, as shall have been approved by the World Bank, on account of Project implementation, consisting of vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office (and office equipment) maintenance, utilities, document duplication/printing, consumables, travel cost and per diem for Project staff for travel linked to the implementation of the Project, and salaries of contractual staff for the Project (but excluding consultants’ services), and any other reasonable expenditures as may be agreed upon by the World Bank.

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made:

(a) for payments made prior to the date of countersignature of this Agreement by the Recipient; or
(b) until the Recipient has entered into: (i) the AFE Agreement, referred to in Section 2.03(a)(i) of this Agreement, on terms and conditions satisfactory to the World Bank; and (ii) PTF Agreement referred to in Section 2.03(a)(ii) of this Agreement, on terms and conditions satisfactory to the World Bank.

3.03. Withdrawal Period. The Closing Date referred to in Section 3.06(c) of the Standard Conditions is four (4) years after the date of countersignature of this Agreement by the Recipient.

Article IV
Recipient's Representative; Addresses

4.01. Recipient's Representative. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its President and CEO.

4.02. Recipient's Address. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Chingeltei duureg, Khoroo No.4
Diplomat 95 Complex
Entrance No 3, # 32
Ulaanbaatar 15141, Mongolia

Facsimile:
Telephone: 97611324764 / 97611324627
E-mail: hnaran@globeinter.org.mn

4.03. World Bank’s Address. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development/
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Facsimile:
1-202-477-6391

With a copy to:

Program Manager
GPSA Secretariat
Mail Stop: J 4-403
World Bank Institute (WBI)

Telephone: +1 202 458-7173
E-mail: rsenderowitsch@worldbank.org