Global Partnership for Education
Grant Agreement

(Access to Quality Education Project)

between

REPUBLIC OF DJIBOUTI

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
acting as Supervising Entity for the Global Partnership for Education Fund

Dated April 13, 2014
GLOBAL PARTNERSHIP FOR EDUCATION
GRANT AGREEMENT

AGREEMENT dated 1 March 2014, entered into between:

REPUBLIC OF DJIBOUTI (“Recipient”); and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“World Bank”), acting as Supervising Entity for the Global Partnership for Education Fund.

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions


1.02. 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.

Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out the Project through the MENFOP in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

Article III
The Grant

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 an amount equal to three million eight hundred thousand United States Dollars ($3,800,000) (“Grant”) to assist in financing the Project.
3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, 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 abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Recipient’s Representative; Addresses

4.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Minister of Economy and Finance in charge of Industry.

4.02. The Recipient’s Address is:

Ministry of Economy and Finance in charge of Industry
BP 13
Djibouti City
Republic of Djibouti

Facsimile:
(253) 21 35 6501/ (253) 21 35 5085

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

World Bank
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable: INDEVAS
Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391
AGREED at Washington DC, United States of America, as of the day and year first above written.

REPUBLIC OF DJIBOUTI

By

Authorized Representative

Name: Ilyas Moussa Dawaleh

Title: Minister

WORLD BANK
acting as Supervising Entity for the Global Partnership for Education Fund

By

Authorized Representative

Name: Inger Andersen

Title: Regional Vice President
SCHEDULE 1

Project Description

The objective of the Project is to improve the learning environment and instructional practices of teachers in the first three years of primary education.

The Project consists of the following parts:

Part 1. Access to Primary Education

 Provision of works, goods, non-consulting services and consultants’ services to MENFOP to promote equitable access to quality primary education while improving physical learning environment in selected rural schools in Targeted Areas, through:

(a) the construction and equipping of a new primary school in Tawaoco Chiniley (Dikhil); and

(b) the rehabilitation and extension of approximately six existing school facilities in Targeted Areas.

Part 2. Quality of Primary Education

 Provision of consultants’ services, including Training, and goods to MENFOP to improve learning outcomes for students in a sustainable manner, including the most vulnerable children, through inter alia:

(a) providing support for the pre-service training and in-service professional development to teachers, inspectors, pedagogical counselors and school directors;

(b) providing support for the assessment of learning outcomes; and

(c) providing support for pre-school education.

Part 3. Project Monitoring and Management

 Support the Project Implementation Unit’s capacity for Project management and supervision through, inter alia, provision of goods, consultants’ services, including audit and Training, and financing of Incremental Operating Costs.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. Project Steering Committee

(a) The Recipient, through MENFOP, shall maintain, at all times during the implementation of the Project, a Project Steering Committee with a mandate, composition and resources satisfactory to the World Bank ("Project Steering Committee").

(b) Without limitation upon the provisions of paragraph (a) of Section I.A.1 of this Schedule 2, the Recipient shall ensure that the Project Steering Committee shall be headed by the Secretary General of MENFOP and composed of, inter alia, the different directors of the MENFOP, representative of MENFOP Inspection Générale, representative of MENFOP Secrétariat Exécutif, MENFOP technical advisors and the Project Implementation Unit Director.

(c) The Recipient shall ensure that the Project Steering Committee shall be responsible for Project oversight, including, inter alia: (i) ensuring consistency of Project activities with sectoral policies; (ii) validating annual programs and following their progress as well as the implementation of Project activities; (iii) examining difficulties in Project implementation and proposing appropriate solutions; and (iv) taking measures to ensure effective Project implementation.

2. Project Implementation Unit

(a) The Recipient, through MENFOP, shall maintain, at all times during the implementation of the Project, a Project Implementation Unit with composition, terms of reference and resources satisfactory to the World Bank (the "Project Implementation Unit").

(b) The Recipient, through MENFOP, shall strengthen the procurement, monitoring and evaluation, accounting and auditing capacities of the Project Implementation Unit with staff, responsibilities, and qualifications satisfactory to the World Bank.
The Recipient shall cause the Project Implementation Unit to carry out overall coordination and implementation of the Project, including all fiduciary aspects and monitoring and reporting of project progress and to carry out the Project in accordance with the provisions of the Manual of Operational Procedures (the “MOP”), and, except as the World Bank shall otherwise agree, the Recipient shall not permit the MENFOP or the Project Implementation Unit to amend or waive any provision of the MOP if, in the opinion of the World Bank, such amendment or waiver may materially and adversely affect the carrying out of the Project or the achievement of the objectives thereof.

Without prejudice to the provisions of sub-paragraph (b) of this paragraph, the Recipient shall cause the Project Implementation Unit to implement the Project through the collaboration among various units within MENFOP, as described in the MOP.

Without prejudice to the provisions of sub-paragraph (b) of this paragraph, the Recipient shall cause the Directorate for Housing and Urbanism (Direction de l’Habitat et de l’Urbanisme), under the Ministry of Housing, Environment and Urbanism (Ministère de l’Habitat, de l’Urbanisme, de l’Environnement et de l’Aménagement du Territoire) to carry out supervision of school construction sites under Part I of the Project.

Without prejudice to the provisions of sub-paragraph (b) of this paragraph, the Recipient shall cause the Directorate of Environment within the Ministry of Housing, Environment and Urbanism (Ministère de l’Habitat, de l’Urbanisme, de l’Environnement et de l’Aménagement du Territoire) to implement the environmental safeguards measures for activities under Part I of the Project, as described in the Environmental Management Plan (the “EMP”).

B. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of 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. Safeguards

1. The Recipient shall cause the Project Implementation Unit to ensure that the Project is carried out in accordance with the provisions of the Environmental Management Plan (the “EMP”).
Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. 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 indicators acceptable to the World Bank. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the World Bank not later than one (1) month after the end of the period covered by such report.

2. 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 three (3) months after the Closing Date.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall ensure that interim unaudited financial reports for the Project are: (i) prepared and furnished to the World Bank not later than forty-five days (45) after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank; and (ii) audited annually by an external auditor selected based on qualifications satisfactory to the World Bank. Each interim unaudited financial report shall include: (a) a statement of funding sources and uses for the period covered and cumulative figures, including a statement of the bank project account balances; (b) a statement of use of funds by component and by expenditure category; (c) a reconciliation statement for the Designated Account; and (d) a budget analysis statement indicating forecasts and discrepancies relative to the actual budget.

3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be: (i) furnished to the World Bank not later than six (6) months after the end of such period; (ii) include (a) a cash flow statement; (b) a closing statement of financial position; (c) a statement of ongoing commitments; and (d) an analysis of payments and withdrawals from the grant account; and (iii) audited annually by
an external auditor selected based on qualifications satisfactory to the World Bank.

4. In order to ensure the timely carrying out of the audits referred to in Section II.B.2 and Section II.B.3 of this Schedule, not later than six (6) months after the date of this Agreement, the Recipient shall recruit an external auditor in accordance with the provisions of Section III of this Schedule, with qualifications, experience and terms of reference acceptable to the World Bank.

Section III. Procurement

A. General

1. Procurement and Consultant Guidelines. All goods, works, non-consulting-services and consultants' services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(a) Section I of 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 (“Procurement Guidelines”), in the case of goods, works, and non-consulting services, and Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Consultant Guidelines”) in the case of consultants’ services; and

(b) the provisions of this Section III, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).

2. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) Limited International Bidding; (b) National Competitive Bidding subject to the following additional provisions subject to the additional provisions specified in Section 3 below and to the use of bidding documents acceptable to the World Bank; (c) Shopping; (d) Procurement under Framework Agreements in accordance with procedures which have been found acceptable to the World Bank; (e) Direct Contracting; (f) Force Account; (g) Procurement from UN Agencies; (h) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the World Bank and (i) Community Participation procedures which have been found acceptable to the World Bank.

3. **Additional Provisions for National Competitive Bidding.** The Additional Provisions for National Competitive Bidding (NCB) are as follows:

3.01. In the Standard Bidding Documents, as enacted by the by Law n°2010-349/PRE, dated May 8, 2010, the “Fraud and Corruption” clause shall be revised to read as follows for all contracts financed by the present Financing Agreement:

“IT is the World Bank’s policy to require that Borrowers (including beneficiaries of World Bank administered Financing Agreements), bidders, suppliers, contractors and their agents (whether declared or not), subcontractors, sub-consultants, service providers or suppliers, and any personnel thereof, observe the highest standard of ethics during the procurement and execution of World Bank-financed contracts. In pursuance of this policy, the World Bank:

(a) defines, for the purposes of this provision, the terms set forth below as follows:

(i) “corrupt practice” is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;

(ii) “fraudulent practice” is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;

(iii) “collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
(iv) "coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;

(v) "obstructive practice" is:

(aa) deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a World Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or

(bb) acts intended to materially impede the exercise of the World Bank’s inspection and audit rights provided for under paragraph (e) below.

(b) will reject a proposal for award if it determines that the bidder recommended for award, or any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;

(c) will declare misprocurement and cancel the portion of the loan/agreement allocated to a contract if it determines at any time that representatives of the Borrower or of a recipient of any part of the proceeds of the loan/agreement engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices during the procurement or the implementation of the contract in question, without the Borrower having taken timely and appropriate action satisfactory to the World Bank to address such practices when they occur, including by failing to inform the World Bank in a timely manner at the time they knew of the practices;

(d) will sanction a firm or individual, at any time, in accordance with the prevailing Bank’s sanctions procedures, including by publicly declaring such firm or individual ineligible, either indefinitely or for a stated period of time: (i) to be awarded a World Bank-financed contract; and (ii) to be a nominated sub-contractor, consultant, supplier, or service provider of an otherwise eligible firm being awarded a World Bank-financed contract;
(e) hereby requires that a clause be included in bidding documents and in contracts financed by a World Bank loan/agreement, requiring bidders, suppliers and contractors, and their sub-contractors, agents, personnel, consultants, service providers, or suppliers, to permit the World Bank to inspect all accounts, records, and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the World Bank; and

(f) will require that, when a Borrower procures goods, works or non-consulting services directly from a United Nations (UN) agency under an agreement signed between the Borrower and the UN agency, the above provisions regarding sanctions on fraud or corruption shall apply in their entirety to all suppliers, contractors, service providers, consultants, sub-contractors or sub-consultants, and their employees that signed contracts with the UN agency.

As an exception to the foregoing, (d) and (e) will not apply to the UN agency and its employees, and paragraph (e) will not apply to the contracts between the UN agency and its suppliers and service providers. In such cases, the UN agencies will apply their own rules and regulations for investigating allegations of fraud or corruption subject to such terms and conditions as the World Bank and the UN agency may agree, including an obligation to periodically inform the World Bank of the decisions and actions taken. The World Bank retains the right to require the Borrower to invoke remedies such as suspension or termination. UN agencies shall consult the World Bank’s list of firms and individuals suspended or debarred. In the event a UN agency signs a contract or purchase order with a firm or an individual suspended or debarred by the Bank, the World Bank will not finance the related expenditures and will apply other remedies as appropriate.”

3.02. Bidders shall sign, as part of their bids, the ethical charter Form enacted as Annex 3 by the Decree # 2010-0085PRE dated May 8, 2010;

3.03. No preference shall be granted for domestic bids;

3.04. The NCB procedures shall include, further to public opening of bids, publication of results of evaluation and of the award of contract as per paragraph 7 of Appendix I of the Procurement Guidelines; and

3.05. Recipient shall have an effective and independent complaint mechanism in place allowing bidders to complain and have their complaint handled in a timely manner.
C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those assignments which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the World Bank; (g) Selection of UN Agencies; (h) Selection of consultants under Indefinite Delivery Contract or Price Agreement; (i) Selection of Individual Consultants; and (j) Single-source procedures for the Selection of Individual Consultants.

D. Review by the World Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Section IV. Withdrawal of Grant Proceeds

A. General

1. 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 Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services, training and incremental operating costs under the project</td>
<td>3,800,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>3,800,000</td>
<td></td>
</tr>
</tbody>
</table>

B. **Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2017.
APPENDIX

1. “EFA-FTI” or “EFA-FTI Project” means the Education for All – Fast Track Initiative Project financed under the Grant Agreement between the Recipient and the World Bank, dated October 19, 2010, (Grant No. TF098073).

2. “Environmental Management Plan” or “EMP” means the Recipient’s plan, acceptable to the World Bank, dated August 1, 2013, prepared under EFA-FTI Project and revised and disclosed for the purposes of this Project in-country on the MENFOP website on August 26, 2013 and in the World Bank Infoshop on August 23, 2013, and giving details of the environmental impacts, and mitigation, enhancement, monitoring, and institutional responsibilities and measures identified by the Recipient to eliminate any adverse environmental and social impacts of Project activities, offset them, or reduce them to acceptable levels, or enhance positive impacts, as the same may be modified from time to time with the prior written concurrence of the World Bank.

3. “Incremental Operating Costs” means expenditures incurred by the Recipient under the Project for maintenance of office equipment and vehicles, office utilities and supplies and office administration including printing and advertising, communication costs, commercial bank charges, fuel costs, domestic travel (transportation and per diem), and other Project management support costs as may be agreed between the Recipient and the World Bank from time to time, but excluding salaries of the Recipient’s civil servants.

4. “Manual of Operational Procedures” or “MOP” means the manual describing the implementation, financial management, procurement, disbursement, monitoring and evaluation, and reporting arrangements for the Project adopted by the Recipient through an official letter from the Minister of MENFOP dated January 10, 2012, and referred to in Section I.A.2 (c) of Schedule 2 to this Agreement.

5. “MENFOP” means the Recipient’s Ministry of National Education and Vocational Training (Ministère de l’éducation nationale et de la formation professionnelle) or any successor thereto.

6. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated December 11, 2013, and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in agreement with the World Bank.

7. “Project Implementation Unit” means the Project management team (Service de Gestion des Projets) referred to in Section I.A.2 of Schedule 2 to this Agreement as established within the MENFOP, maintained by the Recipient for purposes of Project coordination and management, and strengthened, pursuant to Section
I.A.2 (b) of Schedule 2 to this Agreement, as evidenced by the letter from the Secretary General of MENFOP dated March 2, 2104 and its attachments.

8. “Project Steering Committee” means the committee established by the Recipient through *Note de Service* No. 2012-247/PR/MTRA dated March 3, 2012, and referred to in Section I.A.1 of Schedule 2 to this Agreement.

9. “Targeted Areas” means Dikhil (Sankal) Arta (Omar Djagga and Wea), Ali Sabieh (Ali Addeh) and Tadjourah (Dorra and Adaillou) or any other area to be included in the Project as agreed with the World Bank.

10. “Training” means the reasonable cost of training under the Project, including costs associated with seminars, workshops, conference and study tours, travel and subsistence costs for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials and other activities directly related to course preparation and implementation.