Global Partnership for Education
Grant Agreement

(Improving Pre-Primary and General Secondary Education Project)

between

REPUBLIC OF UZBEKISTAN

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as administrator of the Global Partnership for Education Trust Fund)

Dated October 23, 2014
GLOBAL PARTNERSHIP FOR EDUCATION TRUST FUND
GRANT AGREEMENT

AGREEMENT dated **October 23**, 2014, entered into between REPUBLIC OF UZBEKISTAN ("Recipient") and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION (collectively, the "World Bank" or "Bank"), acting as administrator of the GLOBAL PARTNERSHIP FOR EDUCATION TRUST 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 I to this Agreement ("Project"). To this end, the Recipient shall carry out the Project, through the Ministry of Public Education ("MOPE"), in accordance with the provisions of (a) 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 forty nine million nine hundred thousand United States Dollars ($49,900,000) ("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
Additional Remedies

4.01. The Additional Events of Suspension referred to in Section 4.02(k) of the Standard Conditions consist of the following, namely that the World Bank has determined, after the Effective Date referred to in Section 5.03 of this Agreement, that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the World Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.

Article V
Effectiveness

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied:

(a) the Project Management Team has been established within MOPE and staffed with personnel in sufficient numbers and with experience and qualifications satisfactory to the Bank;

(b) the Project Operational Manual has been adopted by the Recipient in form and substance satisfactory to the Bank; and
the execution and delivery of this Agreement on behalf of the Recipient has been duly authorized or ratified by all necessary governmental and corporate action.

5.02 As part of the evidence to be furnished pursuant to Section 5.01 of this Agreement, there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel satisfactory to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Recipient.

5.03 Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 of this Agreement ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.04 This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article VI
Recipient's Representative; Addresses

6.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the Minister of Finance.

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

Ministry of Finance
Mustaqillik Square 5
Tashkent 100008
Republic of Uzbekistan

Telex: 11 6360 IK BOL
Facsimile: (998-71) 233 7073
(998-71) 239-1259
6.03. 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

Cable: INTBAFRAD  
Telex: INDEVAS 248423 (MCI) or INTBAFRAD 1-202-477-6391  
Facsimile: 64145 (MCI)

AGREED at Urgench, Republic of Uzbekistan, as of the day and year first above written.

REPUBLIC OF UZBEKISTAN

By

Authorized Representative  
Name: Mr. R. Azimov  
Title: DPM and Minister of Finance

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION  
acting as administrator of the Global Partnership for Education Trust Fund

By

Authorized Representative  
Name: Mr. Sasej Kumar Jha  
Title: Regional Director
SCHEDULE 1
Project Description

The objectives of the Project are to: (i) increase access of children aged 3-6 to quality early childhood care and education in rural pre-primary institutions; and (ii) to improve conditions for better learning outcomes of students of rural General Educational Secondary Schools.

The Project consists of the following parts:

Part 1: Improving Access to Quality Early Childhood Education Opportunities

Provision of Training, goods, and technical assistance, as applicable, to improve access to quality early childhood education opportunities through:

Part 1.1. The development and subsequent assessment of flexible forms of early childhood care and education service provision, including, *inter alia*: (i) the design of the Half-day School Readiness Program; and (ii) the carrying out of communication campaigns aimed to, *inter alia*, emphasize the critical role of parents in promoting early childhood education and learning and raise awareness on child and forced labor issues and regulations.

Part 1.2. The implementation of quality early childhood education opportunities through, *inter alia*: (i) the implementation of the Half-day School Readiness Program in selected education institutions located in rural areas; (ii) a nationwide distribution of storybooks to parents of children aged 3 to 6; (iii) the carrying out of training activities for teachers; and (iv) the provision of furniture, outdoor and indoor recreation equipment, teaching and learning materials.

Part 2: Improving Conditions for Better Learning Outcomes in General Educational Secondary Schools

Provision of Training, goods and technical assistance, as applicable, to improve conditions for better learning outcomes in selected General Educational Secondary Schools located in rural areas through:

Part 2.1. The improvement of the conditions of training and retraining institutes for teacher and school personnel (including methodologists, school principals and pedagogical staff) through, *inter alia*: (i) the development of a training management information system and teaching materials; (ii) the revision of the contents and current regulatory framework of in-service training for teachers and school managers; (iii) the provision of equipment to carry out training activities; and (iv) the preparation and delivery of specific training programs (on, *inter alia*, education management, pedagogic techniques and distance learning, child and forced labor issues and regulations).
Part 2.2. The implementation of minimum learning standards for General Educational Secondary Schools through, *inter alia*, the provision of teaching and learning materials and ICT equipment.

**Part 3: Strengthening the Capacity to Monitor the Education System**

Provision of goods, technical assistance, Training and Incremental Operating Costs, as applicable, to strengthen the capacity to monitor the Recipient’s education system through, *inter alia*:

Part 3.1. (i) The development and carrying out of standardized assessments of students in grades 4 and 9; (ii) the analysis and dissemination of said assessments’ results; (iii) the improvement of MOPE’s current management information systems and capacity on education quality monitoring; and (iv) the provision of ICT equipment to selected education departments and MOPE.

Part 3.2. The support of project management and implementation activities (including auditing services).
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. The Recipient shall carry out the Project in accordance with this Agreement, appropriate social standards and practices and any applicable laws and regulations on child and forced labor.

2. At all times during Project implementation, the Recipient, through MOPE, shall ensure that the PMT is maintained with adequate funds, suitably qualified staff in sufficient numbers, facilities, services and other resources, including an adequate financial management system, all satisfactory to the World Bank.

B. Operational Manual

1. The Recipient shall carry out the Project in accordance with the provisions of the Project Operational Manual, which shall include, inter alia: (a) the Project financial management, disbursement (including the flow of Grant funds) arrangements and procedures which shall be consistent with the additional instructions referred to in Section IV.A.1 of this Schedule; (b) the procedures for the monitoring and evaluation of the Project, including the Project monitoring indicators; (c) the procedures for the procurement of goods, consultant’s services and non-consulting services for the Project as set forth in the Procurement Plan; and (d) the criteria and procedures for the selection of the education institutions under Part 1.2(i) of the Project and the General Educational Secondary Schools under Part 2.2 of the Project.

2. In the case of any conflict between the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.

C. TPM and Feedback Mechanism

1. The Recipient, through MOPE, shall take all necessary actions, and ensure that necessary actions are taken, to enable the TPM Consultant to perform monitoring activities in accordance with the applicable terms of reference, including, but not limited to allowing and facilitating for the TPM Consultant to visit sites where the Project is being carried out, collect relevant data and communicate with Project stakeholder and participants.

2. The Recipient shall: (a) review and discuss with the Bank monitoring reports prepared by the TPM Consultant; and (b) promptly take any actions, as may be
requested by the Bank upon its review of said reports, with respect to compliance with the undertakings relating to child and/or forced labor as set forth in this Agreement and the Project Operational Manual.

3. The Recipient: (a) shall and shall cause respective local authorities to fully collaborate with the TPM Consultant in developing an effective grievance redress mechanism in connection with the Project activities, as set forth in the TPM Consultant's terms of reference; (b) shall review biannual reports of the TPM Consultant on grievances received, redress mechanism and any feedback provided; and (c) shall promptly implement or cause relevant local authorities to implement the recommendations provided in said reports.

D. 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”).

E. Donor Visibility and Visit

1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor’s support for the Project.

2. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, enable the representatives of the Donor to visit any part of the Recipient’s territory for purposes related to the Project.

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 calendar quarter, 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.

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 six 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 prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

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 such 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 furnished to the World Bank not later than six months after the end of such period.

Section III. **Procurement**

A. **General**

1. **Procurement and Consultant Guidelines.** All goods, 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 and revised in July 2014 ("Procurement Guidelines"), and in the case of goods 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 and revised in July 2014 (“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 and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive, subject to the additional provisions set forth in Annex to Schedule 2 to this Agreement; (b) Shopping; and (c) Direct Contracting.

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) Selection of consultants under Indefinite Delivery Contract or Price Agreement; (g) Selection of Individual Consultants; and (h) 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 Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to the Category, and the percentage of expenditures to be financed for Eligible Expenditures in the Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (exclusive of Taxes except Withheld Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods, consultants’ services, non-consulting services, Training and Incremental Operating Costs under the Project</td>
<td>49,900,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>49,900,000</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 January 31, 2018.
ANNEX TO
SCHEDULE 2

National Competitive Bidding

National Competitive Bidding procedures of the Recipient may be used for procurement under the Project provided that the following provisions are complied with:

1. General

The Recipient represents that the procedures to be followed for National Competitive Bidding under Section III, Part B, paragraph 2, of Schedule 2 to the Grant Agreement shall be those set forth in Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 456 dated November 21, 2000, with the clarifications set forth in the following paragraphs required for compliance with the provisions of the Procurement Guidelines.

2. Registration

(a) Bidding shall not be restricted to pre-registered firms.

(b) Where registration is required, bidders: (i) shall be allowed a reasonable time to complete the registration process; and (ii) shall not be denied registration for reasons unrelated to their capability and resources to successfully perform the contract, which shall be verified through post-qualification.

(c) Foreign bidders shall not be precluded from bidding. If a registration process is required, a foreign bidder shall be given a reasonable opportunity to register.

3. Advertising

Invitations to bid shall be advertised in at least one widely circulated national daily newspaper allowing a minimum of thirty (30) days for the preparation and submission of bids.

4. Pre-qualification

When pre-qualification shall be required for large or complex works, invitations to pre-qualify for bidding shall be advertised in at least one widely circulated national daily newspaper a minimum of thirty (30) days prior to the deadline for the submission of pre-qualification applications. Minimum experience, technical and financial requirements shall be explicitly stated in the pre-qualification documents.
5. **Participation by Government-owned enterprises**

Government-owned enterprises in the Republic of Uzbekistan shall be eligible to participate in bidding only if they can establish that they are legally and financially autonomous, operate under commercial law and are not a dependent agency of the contracting authority. Furthermore, they will be subject to the same bid performance security requirements as other bidders.

6. **Bidding Documents**

Purchasers shall use the appropriate standard bidding documents for the procurement of goods, works or services, acceptable to the World Bank.

7. **Bid Opening and Bid Evaluation**

   (a) Bids shall be opened in public, immediately after the deadline for submission of bids.

   (b) Evaluation of bids shall be made in strict adherence to the monetarily quantifiable criteria declared in the bidding documents.

   (c) Contracts shall be awarded to the qualified bidder having submitted the lowest evaluated substantially responsive bid and no negotiation shall take place.

   (d) Price verification should not be applied to the World Bank-financed contracts.

8. **Price Adjustment**

Civil works contracts of long duration (e.g. more than eighteen (18) months) shall contain an appropriate price adjustment clause.

9. **Rejection of Bids**

   (a) All bids shall not be rejected and new bids solicited without the World Bank’s prior concurrence.

   (b) When the number of bids received is less than three, re-bidding shall not be carried out without the World Bank’s prior concurrence.
APPENDIX

Definitions


2. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


5. “FBM” or “Feedback Mechanism” means the system aimed to receive grievances on alleged child and forced labor occurrences that might be associated with the Project activities, to be carried out by the TPM Consultant in accordance with the relevant terms of reference approved by the Bank.

6. “General Educational Secondary Schools” means schools offering grades 1st to 9th of the Recipient’s public education system.

7. “Half-day School Readiness Program” is the half-day, year-round school readiness program for children aged 5 to 6 to be implemented under Part I of the Project.

8. “Incremental Operating Costs” means the incremental expenses incurred by the PMT on account of Project implementation, management, monitoring and supervision (as such expenditures are set forth in the PMT annual budget acceptable by the World Bank), including office supplies, office equipment maintenance, utility bills, communication, advertisement of procurement bids, reasonable commercial bank charges, software maintenance, local travel, and salaries of the PMT support staff (including the uniform social charges and the applicable income tax retained at the source but excluding salaries of civil servants of the Recipient), and any other incremental expense incurred by the PMT on account of Project implementation, provided that all said expenses are deemed acceptable to the Recipient.

9. “ICT equipment” means information and communication technology equipment.
10. “MOPE” means the Ministry of Public Education of the Recipient, or its legal successor.

11. “PMT” or “Project Management Team” means the project management team to be established within MOPE pursuant to Article 5.01(a) of this Agreement.


13. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated September 8, 2014, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

14. “Project Operational Manual” means the manual to be adopted by the Recipient pursuant to Article 5.01(b), which shall include, inter alia, the fiduciary, financial management, procurement, anti-corruption, safeguard, monitoring and reporting, and auditing provisions related to the Project, as said manual may be amended from time to time with the Bank’s prior approval.


16. “TPM” or “Third Party Monitoring” means monitoring activity (including, inter alia, periodic site visits; assessments of local context and conditions; interviews, awareness raising and training preparation of report) to be carried out by the TPM Consultant with the purpose of detecting any occurrence of child and forced labor in connection with the Project activities, and confirming compliance with applicable laws and regulations on child and forced labor, all in accordance with the relevant terms of reference approved by the Bank.

17. “TPM Consultant” means an entity with internationally recognized expertise in social audit and monitoring and evaluation of development projects, to be procured by the Bank for carrying out the TPM and FBM in accordance with relevant terms of reference approved by the Bank.

18. “Training” means the reasonable expenses incurred by the Recipient in connection with study tours, training courses, seminars, workshops, learning group exercises, and other training-related activities under the Project including travel costs and per diem for participants, trainers and trainees, trainers’ fees, rental of training facilities, preparation and reproduction of training materials and other activities incidental to the preparation and implementation of training activities.
19. "US Dollars" and "US$" mean the lawful currency from time to time of the United States of America.

20. "Withheld Taxes" means the following taxes withheld at source: taxes for social charges; income taxes for residents and non-residents; and custom registrations duties withheld at the source.