Agreement Providing for Amendment and Restatement of the Afghanistan Reconstruction Trust Fund Grant Agreement

(Second Education Quality Improvement Project)

between

ISLAMIC REPUBLIC OF AFGHANISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated Aug 15, 2012
AGREEMENT PROVIDING FOR AMENDMENT AND RESTATEMENT OF THE AFGHANISTAN RECONSTRUCTION TRUST FUND GRANT AGREEMENT

AGREEMENT dated 2012, between ISLAMIC REPUBLIC OF AFGHANISTAN (the "Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION acting as administrator (the "Administrator") of grant funds contributed by various donors to the Afghanistan Reconstruction Trust Fund ("Agreement").

WHEREAS the Recipient and the Administrator have agreed to amend and restate the Afghanistan Reconstruction Trust Fund Grant Agreement dated April 14, 2009 as amended to date between the Recipient and the Administrator ("ARTF Grant Agreement"), in the manner hereinafter set forth.

NOW, THEREFORE the parties hereto agree as follows:

ARTICLE I

Section 1.01. As of, and with effect from the effective date of this Agreement pursuant to Section 1.02 hereof, the ARTF Grant Agreement shall be, and is hereby, amended and restated as set out in the Annex hereto.

Section 1.02. This Agreement shall become effective upon execution and delivery hereof by the parties hereto.

AGREED at Kabul, Islamic Republic of Afghanistan, as of the day and year first above written.
ISLAMIC REPUBLIC OF AFGHANISTAN

By

Authorized Representative

Name: DR. OMAR ZAKHILWAL
Title: MINISTER OF FINANCE

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as Administrator of the Afghanistan Reconstruction Trust Fund)

By

Robert J. Saum
Country Director
Annex

GRANT NUMBER TF 093962-AF

Amended and Restated Afghanistan Reconstruction Trust Fund Grant Agreement

(Second Education Quality Improvement Project)

between

ISLAMIC REPUBLIC OF AFGHANISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated April 14, 2009 as Amended and Restated on Aug 15, 2012
ARTF GRANT AGREEMENT

AGREEMENT originally dated April 14, 2009 as amended and restated on August 15, 2012 between ISLAMIC REPUBLIC OF AFGHANISTAN (the “Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION acting as administrator (the “Administrator”) of grant funds (the “Grant Funds”) contributed by various donors (collectively the “Donors”) to the Afghanistan Reconstruction Trust Fund (“ARTF”) for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement).

The Recipient and the Administrator 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 (the “Project”), and the Program. To this end, the Recipient shall carry out the Project through MOE 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 Administrator 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 Administrator agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an aggregate amount equal to two hundred eighty-three million United States Dollars (US$283,000,000) (the “Grant”) to assist in financing the Project; said aggregate amount consisting of a grant of one hundred fifty-eight million United States Dollars (US$158,000,000) extended through the Original Grant Agreement, and an additional grant of one hundred twenty-five million United States Dollars (US$125,000,000).

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 above mentioned trust fund for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions, the Recipient may withdraw the Grant proceeds 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 Finance.

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

Ministry of Finance
Pashtunistan Watt
Kabul
Islamic Republic of Afghanistan

Facsimile:

93-20-210-3258

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

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America
Cable: Telex: Facsimile:
INDEVAS 248423 (MCI) or 1-202-477-6391
Washington, D.C. 64145 (MCI)

AGREED at Kabul, Islamic Republic of Afghanistan, as of the day and year first above written.

ISLAMIC REPUBLIC OF AFGHANISTAN

By

/s/ Dr. Mohammed Omar Zakhilwal
Minister of Finance
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as Administrator of the Afghanistan Reconstruction Trust Fund)

By

/s/ Robert J. Saum
Country Director
Authorized Representative
SCHEDULE 1
Project Description

The objective of the Project is to assist the Recipient in increasing equitable access to quality basic education, especially for girls.

The Project consists of the Original Project with the amendments incorporated below as follows:

Part 1: School Grants

(a) Supporting the improvement of teaching and learning by facilitating the creation of enabling school environments and the improvement of basic school facilities at existing government registered primary, middle and secondary schools, through the provision of Quality Enhancement School Grants to eligible schools to finance, inter alia: (i) the purchase of education materials, supplies, supplementary readers and toolkits; (ii) workshops, seminars and meetings; and (iii) transportation costs for teachers and School Shura and PTA members to participate in appropriate school meetings.

(b) Rehabilitation and construction of schools through the provision of Infrastructure Development School Grants.

(c) Mobilization and strengthening of School Shuras to manage their schools including: (i) carrying out of social mobilization to enable communities to implement activities under the Project; (ii) development of training modules for training and support to DEDs, PEDs, P-DOCs and MOE staff at the central level so as to strengthen their ability to support, train and mobilize School Shuras; and (iii) organization of community and provincial level dissemination of Project information.

Part 2: Teacher and Principal Training and Education

(a) Supporting the creation of sustainable systems to increase the level of professional knowledge and skills of educators, through:

(i) the provision of training at the district level to teachers in, inter alia, pedagogy and basic knowledge training, content-knowledge training and training to educate under-qualified female teachers and teachers in under served schools;

(ii) the rehabilitation and construction of district education offices to provide appropriate facilities to support teacher training activities; and

(iii) monitoring and evaluating the performance of the district teacher training.
(b) Equipping principals in government registered schools with the most needed administrative and leadership tools for improving schools, and establishing a system of professional development networks for principals, through: (i) the provision of training to principals in leadership and school management; (ii) facilitating the discussion and exchange of ideas among principals for improvement in teaching and learning in schools; and (iii) monitoring and evaluating the performance of the principal training.

(c) Supporting the increase in female enrollments in teacher training colleges (TTCs), through: (i) carrying out of a program aimed at hiring and placing qualified female individuals to teach in rural and underserved TTCs and schools around the country; (ii) establishment and implementation of a nation wide household scholarship program for girls entering TTCs; and (iii) construction of classrooms in TTCs with a priority for classrooms for females.

Part 3: Project Management, Monitoring and Evaluation

(a) Enhancement of MOE’s Project management capacity through the provision of training and the carrying out of workshops, and supporting the day-to-day implementation of the Project.

(b) Establishment of a monitoring and evaluation system that will enable communities, NGOs and Third Party Entities to monitor the achievement of progress under the Project against a defined set of indicators and disseminate such data at the district, provincial and national level.

(c) Supporting the verification of information collected at the community level and measurement of the achievement of the key performance indicators of the Project so as to allow for better planning and programming of the Project.

(d) Enhancement of MOE’s capacity at provincial level, for transparent planning, budgeting, implementing, and monitoring of education related projects, inter alia through provision of training.

(e) Supporting continued school attendance by girls in grades 6-12, through (i) the provision on a pilot basis of Girl Retention Cash Grants to eligible low-income families with girl students in pilot provinces and districts, and (ii) evaluation of retention trends and the effectiveness of said pilot.

(f) Design and implementation of a pilot Operation and Maintenance System within MOE including: (i) development of a comprehensive database for tracking operation and maintenance needs to ensure that investments made in rehabilitated and new facilities are maintained; (ii) provision of equipment, and (iii) repairs and maintenance.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall vest in MOE responsibility for the implementation of the Project including: (i) overall coordination of the implementation, monitoring and reporting of progress under the Project and carrying out the day-to-day administrative oversight of the Project, through the EQUIP Coordination Unit; (ii) coordination of the preparation of annual work plans through MOE’s budget committee; (iii) performing the procurement, financial management, disbursement and audit functions for the Project through MOE’s financial management and procurement departments; (iv) overseeing the carrying out of all construction activities under Part 1 of the Project including providing technical guidance on institute rehabilitation and construction, through MOE’s Infrastructure Services Department; (v) overseeing the technical aspects of human resource development under Part 2 of the Project, through the MOE Teacher Education Department; (vi) continued development of EMIS and other relevant policy initiatives under the Project through the MOE department of planning; and (vii) liaising with the relevant central, provincial and district departments and units on progress reporting through the EQUIP Coordination Unit.

2. The MOE senior management group, consisting of, among others, the Minister, Deputy Ministers, heads of MOE’s financial management and procurement departments, the EQUIP Coordinator and other senior MOE staff, shall be responsible for overseeing the implementation of the Project and providing strategic and policy guidance, reviewing overall implementation progress, and reviewing annual work plans and budgets.

3. The EQUIP Coordination Unit shall work with Regional EQUIP Coordinators (RECs) who shall be responsible for coordinating the implementation of the Project in the regions that they are assigned to, through constant interface with the relevant Provincial EQUIP Team.

4. The Provincial Education Departments (PEDs) shall be responsible for the overall management and implementation of the Project at the provincial level and for coordinating district level tasks, including reviewing and approving/rejecting SIPs, reviewing and compiling quarterly monitoring reports and plans submitted by School Shuras, NGOs and DEDs of all Project activities in the respective provinces, and submitting them to the EQUIP Coordination Unit. In carrying out
5. At the district level, DEDs shall be responsible for: (i) supporting School Shuras in the preparation of SIPs and submitting them to PEDs and Provincial EQUIP Teams for review; (ii) tracking school needs and providing support to schools applying for Infrastructure Development School Grants; (iii) assembling district teacher trainers for the provision of training and other follow-up activities for teachers; (iv) reviewing quarterly progress reports from district teacher trainers and submitting them to PEDs and Provincial EQUIP Teams; and (v) receiving, reviewing and submitting monitoring results from School Shuras and NGOs to PEDs and Provincial EQUIP Teams.

6. The MOE shall, where it deems necessary, contract with NGOs and Third Party Entities in accordance with terms of reference and eligibility criteria satisfactory to the Administrator, to, in coordination with DEDs, PEDs and the EQUIP Coordination Unit, assist in, inter alia: (i) providing technical assistance to School Shuras in designing and preparing SIPs; (ii) supporting School Shuras and schools in the implementation of Sub-Projects including providing training in book-keeping, procurement and contracting; (iii) ensuring construction quality control; (iv) providing teacher and principal training and follow-on activities; (v) implementing teacher training college scholarship activities and placements; and (vi) conducting monitoring, evaluation and reporting with School Shuras and schools and submitting progress reports to DEDs.

7. With the assistance of PEDs, DEDs and Provincial EQUIP Team personnel, School Shuras shall be formed at the local community level to be responsible for, inter alia: (i) preparation of SIPs and for the administrative, procurement and financial management of Quality Enhancement School Grants; (ii) participating in the selection of construction designs for Infrastructure Development School Grants; (iii) providing support to district teacher training personnel and NGOs as needed; (iv) carrying out social mobilization activities; and (v) conducting monitoring, evaluation and reporting with NGOs and Third Party Entities and submitting monitoring data and results to DEDs.

B. Sub-projects

1. Quality Enhancement School Grants

(a) To be eligible for a Quality Enhancement School Grant, a School Shura shall, with the assistance of DEDs, prepare a School Improvement Plan (SIP) that fully satisfies the criteria specified in the Project Implementation Manual and the Environmental and Social Management Framework.
(b) Quality Enhancement School Grants may be first generation or second generation, the former being given to schools that have not previously received any Quality Enhancement School Grant, and the latter being given to schools that have successfully utilized the first generation Quality Enhancement School Grant and are eligible based on a per capita formula set out in the Project Implementation Manual.

(c) In evaluating each SIP, consideration shall be given to the School Shura’s capacity to carry out, manage and maintain the Sub-Project in conformity with appropriate administrative, financial, technical, environmental and managerial standards.

(d) The Recipient, through MOE, shall make appropriate amounts of the proceeds of the Grant available to the School Shura under a School Grant Agreement. The School Grant Agreement shall provide for rights adequate to protect the interests of the Administrator and the Recipient, including to the extent that it shall be appropriate to:

(i) require the School Shura to carry out the Sub-Project with due diligence and efficiency and in accordance with sound administrative, financial, technical, environmental and managerial standards including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Grant proceeds other than the Recipient;

(ii) require the School Shura to maintain adequate records and accounts for the Sub-Project concerned and to permit the audit of its records and accounts;

(iii) require that all goods, works and services required for the Sub-Project shall be procured in accordance with the provisions of Section III of Schedule 2 to this Agreement and that such goods, works and services shall be used exclusively in the carrying out of the Sub-Project;

(iv) allow the Recipient to inspect, by itself or jointly with representatives of the Administrator, if the Administrator shall so request, any goods and construction works included in the Sub-Project, the operation thereof, and any relevant records and documents;

(v) require that the Sub-Project complies with the environmental and social safeguard standards set forth in the Environmental and Social Management Framework; and

(vi) suspend or terminate the right of the School Shura to the use of the proceeds of the Quality Enhancement School Grant upon the failure by
the School Shura to perform any of its obligations under the School Grant Agreement.

2. **Infrastructure Development School Grants**

(a) Infrastructure Development School Grants shall be provided to eligible schools, based on priority criteria for new construction of school facilities as set out in the Project Implementation Manual, or as a replacement of damaged and unusable facilities for schools already registered with MOE.

(b) DEDs shall track school needs based on the criteria set out in the Project Implementation Manual, and encourage schools to apply to MOE for Infrastructure Development School Grants.

(c) In deciding on the provision of Infrastructure Development School Grants, MOE shall give priority to: (i) girls' schools; (ii) schools with both boys' and girls' sections/shifts; and (iii) boys' schools which plan to open up sections/shifts for girls.

(d) Schools, with the technical support of MOE’s department of construction through PEDs, shall prepare designs and construct school facilities in accordance with the Environmental and Social Management Framework. Schools shall liaise with School Shuras in the selection of construction designs.

(e) Infrastructure Development School Grants where community participation will be used shall not exceed the amount of one hundred thousand United States Dollars (US$100,000) and shall be made available to eligible schools by the Recipient, through MOE, under a School Grant Agreement. The School Grant Agreement shall provide for rights adequate to protect the interests of the Administrator and the Recipient, including to the extent that it shall be appropriate to:

(i) require the school to carry out the Sub-Project with due diligence and efficiency and in accordance with sound administrative, financial, technical, environmental and managerial standards including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Grant proceeds other than the Recipient;

(ii) require the school to maintain adequate records and accounts for the Sub-Project concerned and to permit the audit of its records and accounts;

(iii) require that all goods, works and services required for the Sub-Project shall be procured in accordance with the provisions of Section III of Schedule 2 to this Agreement and that such goods, works and services shall be used exclusively in the carrying out of the Sub-Project;
(iv) allow the Recipient to inspect, by itself or jointly with representatives of the Administrator, if the Administrator shall so request, any goods and construction works included in the Sub-Project, the operation thereof, and any relevant records and documents;

(v) require that the Sub-Project complies with the environmental and social safeguard standards set forth in the Environmental and Social Management Framework; and

(vi) suspend or terminate the right of the school to the use of the proceeds of the Infrastructure Development School Grant upon the failure by the school to perform any of its obligations under the School Grant Agreement.

3. The Recipient shall ensure that all Sub-Projects are carried out in accordance with the Mine Risk-Management Procedures.

C. Pilot for Improving Girl Retention through Girl Retention Cash Grants

1. The Recipient, through MOE, shall make appropriate amounts of the proceeds of the Grant available as Girl Retention Cash Grants to eligible low-income families, selected in accordance with the eligibility criteria; the rules and procedures, and under terms and conditions, all set for in the Project Implementation Manual.

2. The Recipient shall track school enrollment and retention of girls based on the relevant criteria set out in the Project Implementation Manual.

D. Manuals

1. The Recipient shall, no later than October 31, 2012, update the Project Implementation Manual in form and substance acceptable to the Administrator, in order to include therein: detailed rules and procedures for the implementation of Parts 3 (d) through (f) of the Project, including, inter alia: a description of institutional arrangements and responsibilities, eligibility criteria, terms and conditions, and monitoring and evaluation arrangements for the provision of Girl Retention Cash Grants.

2. (a) The Recipient shall implement the Project in accordance with the Project Implementation Manual which sets out the guidelines and procedures agreed with the Administrator for the implementation, supervision, and monitoring and evaluation, of the Project, including: (i) implementation arrangements, along with the criteria, and terms and conditions, for the selection of Sub-projects to be carried out under the Project, including the criteria for the preparation and approval of SIPs; (ii) reporting
requirements; (iii) monitoring and evaluation procedures; (iv) financial management and disbursement guidelines and procedures; (v) audit procedures; and (vi) procurement procedures.

(b) The Recipient shall not amend or waive any provision of the Project Implementation Manual if, in the opinion of the Administrator, such amendment or waiver may materially and adversely affect the implementation of the Project.

2. (a) The Recipient shall, through MOE, carry out the Project in accordance with the Financial Management Manual that has been approved by the Administrator and adopted by the Recipient. The Recipient shall not amend the Financial Management Manual without the prior approval of the Administrator.

(b) The Recipient shall ensure that an adequate number of qualified financial management and procurement staff with terms of reference satisfactory to the Administrator are retained throughout the implementation of the Project.

E. Safeguards

1. The Recipient shall carry out the Project in accordance with the Environmental and Social Management Framework.

2. The Recipient shall not amend or waive any provision of the Environmental and Social Management Framework if, in the opinion of the Administrator, such amendment or waiver may materially and adversely affect the implementation of the Project.

3. The Recipient shall ensure that in the event that any land is to be acquired for the Project or any resettlement is to be carried out, such land shall be obtained and such resettlement carried out after prior consultation with the Administrator and in accordance with plans agreed with the Administrator.

F. 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”).
Section II.  Project Monitoring, Reporting and Evaluation

A. Project Reports

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 agreed with the Administrator. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Administrator not later than forty-five (45) days after the end of the period covered by such report.

2. Notwithstanding paragraph A.1 of this Section II, the Recipient, shall prepare, under terms of reference satisfactory to the Administrator, and, no later than December 30, 2013, or such later date as agreed with the Administrator, furnish to the Administrator for review and comment, a mid-term review report integrating results of the monitoring and evaluation activities performed under the Project including those performed under paragraph I of this Section, on the progress achieved in the carrying out of the Project during the period preceding the date of such report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date.

3. For purposes of Section 2.06 of the Standard Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Administrator not later than six (6) months after the Closing Date.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Administrator not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Administrator.

3. The Recipient shall have its Financial Statements 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 furnished to the Administrator not later than six (6) months after the end of such period.

Section III. **Procurement**

A. **General**

1. **Procurement and Consultant Guidelines.** All goods, works and 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;

   (b) 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

   (c) 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 (the “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 Works**

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

2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:
Procurement Method

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>National Competitive Bidding*</td>
</tr>
<tr>
<td>(b)</td>
<td>Shopping</td>
</tr>
<tr>
<td>(c)</td>
<td>Direct Contracting</td>
</tr>
<tr>
<td>(d)</td>
<td>Community Participation**</td>
</tr>
</tbody>
</table>

*National Competitive Bidding* procedures shall be subject to the following additional procedures:

(i) Standard bidding documents approved by the Administrator shall be used.

(ii) Invitations to bid shall be advertised in at least one (1) widely circulated national daily newspaper and bidding documents shall be made available to prospective bidders, at least twenty eight (28) days prior to the deadline for the submission of bids.

(iii) Bids shall not be invited on the basis of percentage premium or discount over the estimated cost.

(iv) Bidding documents shall be made available, by mail or in person, to all who are willing to pay the required fee.

(v) Foreign bidders shall not be precluded from bidding.

(vi) Qualification criteria (in case pre-qualifications were not carried out) shall be stated on the bidding documents, and if a registration process is required, a foreign firm determined to be the lowest evaluated bidder shall be given reasonable opportunity of registering, without any hindrance.

(vii) Bidders may deliver bids, at their option, either in person or by courier service or by mail.

(viii) All bidders shall provide bid security or a bid security declaration form as indicated in the bidding documents. A bidder’s bid security or the declaration form shall apply only to a specific bid.

(ix) Bids shall be opened in public in one place preferably immediately, but no later than one hour, after the deadline for submission of bids.
(x) Evaluation of bids shall be made in strict adherence to the criteria disclosed in the bidding documents, in a format, and within the specified period, agreed with the Administrator.

(xi) Bids shall not be rejected merely on the basis of a comparison with an official estimate without the prior concurrence of the Administrator.

(xii) Split award or lottery in award of contracts shall not be carried out. When two (2) or more bidders quote the same price, an investigation shall be made to determine any evidence of collusion, following which: (A) if collusion is determined, the parties involved shall be disqualified and the award shall then be made to the next lowest evaluated and qualified bidder; and (B) if no evidence of collusion can be confirmed, then fresh bids shall be invited after receiving the concurrence of the Administrator.

(xiii) Contracts shall be awarded to the lowest evaluated bidders within the initial period of bid validity so that extensions are not necessary. Extension of bid validity may be sought only under exceptional circumstances.

(xiv) Extension of bid validity shall not be allowed without the prior concurrence of the Administrator: (A) for the first request for extension if it is longer than four (4) weeks; and (B) for all subsequent requests for extensions irrespective of the period in case of prior review.

(xv) Negotiations shall not be allowed with the lowest evaluated or any other bidders.

(xvi) Re-bidding shall not be carried out without the Administrator’s prior concurrence in case of prior review.

(xvii) All contractors or suppliers shall provide performance security as indicated in the contract documents. A contractor’s or a supplier’s performance security shall apply to a specific contract under which it was furnished.

**Community Participation** shall be carried out in accordance with paragraph 3.19 of the Procurement Guidelines and the procedures set out in the Project Implementation Manual.

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 table specifies methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<table>
<thead>
<tr>
<th>Procurement Method</th>
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<tbody>
<tr>
<td>(a) Quality-Based Selection</td>
</tr>
<tr>
<td>(b) Single-Source Selection</td>
</tr>
<tr>
<td>(c) Least-Cost Selection</td>
</tr>
<tr>
<td>(d) Selection Based on the Consultants’ Qualifications</td>
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<tr>
<td>(e) Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(f) Selection of Individual Consultants</td>
</tr>
</tbody>
</table>

D. **Review by the Administrator 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 Administrator.

E. **Record Keeping; Database and Complaints Handling**

The Recipient shall cause MOE to establish, no later than October 31, 2012, and thereafter maintain throughout the period of implementation of the Project:

(a) a fully operational procurement documentation and record keeping system, satisfactory to the Administrator, including a freely and publicly accessible database with an interface (link) with MOE’s website, showing all Project-related procurement notices, invitations to bid, bidding documents and requests for proposals, as well as the procurement status of various contracts financed under the Project, including status of evaluation, complaints and actions taken, contract awards and contractors’ performance. The Recipient shall cause MOE to maintain such system and website updated on a monthly basis throughout the period of implementation of the Project; and

(b) a system for the handling of procurement complaints, acceptable to the Administrator, which system shall include, *inter alia*, the maintenance of a Project-related complaint database, a standard protocol setting forth triggers for carrying out investigations, and a sanctions regime. Notwithstanding the foregoing, for any procurement carried out through
International Competitive Bidding, the Administrator’s prescribed complaint redress mechanism shall apply.

Section IV. Withdrawal of the Proceeds of the Grant

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of Article III of the Standard Conditions, this Section, and such additional instructions as the Administrator shall 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 Administrator 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, consultants’ services, School Grants, training and Incremental Operating Costs* for the Project</td>
<td>281,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Girl Retention Cash Grants</td>
<td>1,500,000</td>
<td>100% of amounts disbursed</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>283,000,000</td>
<td></td>
</tr>
</tbody>
</table>

* For purposes of this Agreement, “Incremental Operating Costs” means Project-related incremental expenses incurred on account of project implementation support and management including the rental of office space; the operation, maintenance, rental and insurance of vehicles; fuel; communications supplies and charges; advertisements; books and periodicals; office administration and maintenance costs; bank transaction charges; utility charges; domestic travel and
per diem but excluding salaries of officials and staff of the Recipient’s civil service.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

   (a) for payments made prior to the date of this Agreement; or

   (b) for any payments under Category 2 unless the Project Implementation Manual has been revised in accordance with Section I.D.1 of Schedule 2 of this Agreement.

2. The Closing Date is August 15, 2014.

Section V. Other Undertakings

1. The Recipient shall retain, until completion of the Project: (i) a Finance Director; (ii) a Budget Manager; (iii) a Manager Payroll; (iv) a Finance Manager Budget and Accounting; (v) a Finance Assistant; (vi) a Procurement Director; (vii) a Senior Procurement Specialist; (viii) a Procurement Specialist; (ix) a Procurement Officer; and (x) a Procurement Coordinator, all at MOE, and (x) a Provincial Finance Officer in each of the participating provinces.
APPENDIX

Definitions

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

2. “CDC” or “Community Development Council” means a community-based decision making body.

3. “DED” means the District Education Department of each district of the Recipient responsible for the planning, implementation, coordination, management, and supervision of education activities carried out at the district level.


5. “Environmental and Social Management Framework” means the Recipient’s framework document dated November 19, 2007, for environment and social safeguards management acceptable to the Administrator, setting out the guidelines and codes of practice for environmental mitigation measures to be incorporated in the design, contracting and monitoring of civil works, along with an implementation structure assigning responsibilities to implementing agencies and their consultants, a capacity building program for social and environmental management, and the Mine Risk-Management Procedures, as such Environmental and Social Management Framework may be amended from time to time by agreement between the Recipient and the Administrator.

6. “EQUIP” means the Recipient’s Education Quality Improvement Program financed in part by International Development Association (IDA) Grant number H119-AF, ARTF Grant number TF054730, and IDA Grant Number H354-AF, which forms part of the Program.

7. “EQUIP Coordination Unit” means the unit established and operating in MOE pursuant to the laws of the Recipient for purposes of coordinating the implementation of the Program.

8. “Financial Management Manual” means the manual prepared and adopted by MOE in form and substance acceptable to the Administrator and included in the Project Implementation Manual, setting out the financial management arrangements and procedures for the Project including the roles and responsibilities of all financial management staff, documentation and approval procedures for payments, reporting requirements and quality assurance measures, as such manual may be amended from time to time by agreement between the Recipient and the Administrator.
9. “Girl Retention Cash Grant” means a small grant made under Part 3(e) of the Project, in accordance with the rules, procedures and criteria and on the conditions set forth in the Project Implementation Manual. “Infrastructure Development School Grants” means a grant made, or proposed to be made by MOE to a school out of the proceeds of the Grant under Part 1(b) of the Project.

10. “Mine Risk-Management Procedures” means the Procedures for Land Mine Risk Management set out in the Environmental and Social Management Framework, a framework document that prescribes various measures and procedures to be followed for carrying out activities under the Project that could involve, or could potentially involve, exposure or contact with mines.

11. “MOE” means the Recipient’s Ministry of Education or any successor thereto.

12. “NGO” means a non-governmental organization operating in accordance with the laws of the Recipient.

13. “Original Grant Agreement” means the ARFT Grant Agreement dated April 14, 2009 for a Second Education Quality Improvement Project between the Recipient and the Administrator, dated April 14, 2009 as amended to the date of this Agreement (Trust Fund No. TF 093962-AF).

14. “Original Project” means the Project described in Schedule 1 of the Original Grant Agreement, and co-financed by ARTF Grant TF093962-AF and a grant from the International Development Association with reference No. H354-AF.

15. “Part” means a part of the Project as described in Schedule 1 to this Agreement.

16. “P-DOC” means a Provincial Department of Construction within MOE.

17. “PED” means the Provincial Education Department of each province of the Recipient responsible for the planning, implementation, coordination, management, and supervision of education activities carried out at the provincial level.

18. “Procurement Plan” means the Recipient’s procurement plan for the Original Project, dated March 30, 2009, 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.

19. “Program” means the Recipient’s National Education Strategic Plan of 2007, setting out the Recipient’s strategic vision for education which plan includes EQUIP.
20. "Project Implementation Manual" means the Project implementation and operation manual adopted and updated by the Recipient under EQUIP, and subsequently updated under the Original Project, setting forth the procedures governing the operation of the Project, as the same may be amended from time to time, and such term includes any schedules to the Project Implementation Manual, provided however, that in the event of a conflict between this Agreement and the Project Implementation Manual, the provisions of this Agreement shall prevail.

21. "Provincial EQUIP Team" means the team of officers located in a PED to assist in the implementation of the Project, which team shall consist of an EQUIP officer, social mobilization officers, engineers and a financial management officer.

22. "Quality Enhancement School Grants" means a grant made, or proposed to be made, by MOE to a School Shura out of the proceeds of the Grant under Part 1(a) of the Project.


24. "School Grant Agreement" means a written agreement to be entered into between MOE and a School Shura in the case of Quality Enhancement School Grants, and a school in the case of Infrastructure Development School Grants, in accordance with terms and conditions satisfactory to the Administrator, including those set forth in Section I paragraphs B.1(d) and B.2(e) of Schedule 2 to this Agreement.

25. "School Shura" means a group of individuals in a community in which a school is located, including a principal/head teacher, an assistant teacher, a representative of a Shura, a representative of the Imam Community, a parent representative, a female representative, and a member of a CDC, established or to be established for the purpose of representing a school community in the implementation of activities under the Project that benefit schools.

26. "SIP" means a School Improvement Plan, a school-based decision making and resource management plan prepared by a School Shura under Part 1(a) of the Project, with terms and conditions satisfactory to the Administrator.

27. "Sub-project" means a quality enhancement and infrastructure development project or scheme to be carried out by a School Shura under Part 1(a) or by a school under Part 1(b) of the Project, as the case may be, which meets the eligibility criteria set out in the Project Implementation Manual.