February 3, 2014

Mr. Shiva Aryal  
Country Director  
Helvetas  
Dhobighat  
Lalitpur, Nepal

Dear Mr. Aryal:

Re: AGI Grant No. TF016296  
Adolescent Girls Employment Initiative II Project

In response to the request for financial assistance made on behalf of Helvetas ("Recipient"), I am pleased to inform you that the International Development Association ("World Bank"), acting as administrator of grant funds provided by various donors under the Adolescent Girls Initiative (AGI) Multi Donor Trust Fund, proposes to extend to the Recipient for the benefit of Nepal ("Member Country" / "Nepal") a grant in an amount not to exceed five hundred and eighty thousand United States Dollars (U.S.$580,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

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

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

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Johannes Zutt  
Country Director
AGREED:
Helvetas

By

Authorized Representative
Name
Ara
Title
Director
Date: February 3, 2014

Enclosures:
(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
(3) “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
ANNEX

Article I
Standard Conditions; Definitions


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

a) "Adolescent Girls Employment Initiative Project" or "AGEI Project" means the project financed by the AGI Multi-donor Trust Fund under an agreement entered into between Helvetas and the World Bank, as administrator of the AGI Multi-donor Trust Fund, dated March 16, 2010 (Grant No. TF096287).

b) "Employment Fund" means a fund established by the Government of Nepal and the Swiss Development Cooperation of the Government of Switzerland for the purposes of, inter alia, providing vocational training and employment opportunities for youth in Nepal, for which the Recipient serves as the Secretariat and the implementing agency.

c) "Enhanced Vocational Education and Training Project" or "EVENT Project" means World Bank supported project under an agreement entered into between Nepal and the World Bank, dated June 30, 2011 (Credit No. 4924-NP; Grant No. H673-NP).

d) "EVENT Project Secretariat" means the secretariat established under the EVENT Project, headed by a project director and comprising staff with qualifications, experience, terms of reference, powers and resources satisfactory to the World Bank, and entrusted with the day-to-day implementation of the EVENT Project.

e) "Indigenous Peoples Plan" means the plan publicly disclosed on December 20, 2013, acceptable to the World Bank, setting out actions and measures to protect the indigenous population that are likely to be impacted by the Project, including prior, informed and consultation in a culturally appropriate manner and translation of manuals and documents in local languages as necessary, as said plan may be revised from time to time with the prior agreement of the World Bank.

f) "Memorandum of Understanding" or "MoU" means the memorandum of understanding dated November 6, 2012, signed between the Employment Fund and EVENT Project Secretariat for the purposes of, inter alia, knowledge sharing in the areas of short term training and monitoring short term training events.
Article II

Project Execution

2.01. Project Objectives and Description. The objective of the Project is to document and support scale up of lessons from AGEI, in order to enhance women's access to skills training in Nepal.

The Project consists of the following parts:

Part 1. Knowledge Management and Learning

   Documenting and disseminating lessons learned from AGEI implementation, including, inter alia: (a) preparing and disseminating studies documenting key processes and lessons learned from AGEI implementation; (b) finalizing and printing best practice manuals developed during the implementation of AGEI Project; and (c) developing female trainers in selected non-traditional trades through provision of level II training and training of trainers programs.

Part 2. Scaling Up Best Practices of AGEI

   Capacity building and technical assistance to support EVENT Project Secretariat including, inter alia, (a) to improve monitoring and assessment systems to ensure high quality of training; and (b) to improve women’s access to skills training.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. Institutional and Other Arrangements.

   A. Institutional Arrangements

   The Recipient shall be responsible for the overall implementation of the Project. For the purposes of the Part 2 of the Project, the Recipient shall collaborate with EVENT Project Secretariat in accordance with the MoU, and in a manner acceptable to the World Bank.

   B. Safeguards

   The Recipient shall carryout the Project in accordance with the Indigenous Peoples Plan.

2.04. Donor Visibility and Visit. (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors’ support for the Project.

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

2.05. Project Monitoring, Reporting and Evaluation. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators set forth below in paragraph (b) of this section. The borrower shall submit quarterly reports to the World Bank and shall be furnished no later than one (1) month after the end of the period covered by such report.

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

   (i) Number of AGEI innovations in improving women’s access to skills training introduced in the skills training policy dialogue in Nepal; and
(ii) Additional number of women trainers qualified to train in non-traditional trades.

(c) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

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

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

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

2.07. Procurement. All goods and non-consulting services, and/or consulting services required for the Project and to be financed, fully or partially, out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in the “Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers”, dated January 2011 (“Procurement Guidelines”), and the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers”, dated January 2011 (“Consultant Guidelines”).

2.08. Any contract for Eligible Expenditures to be financed in full or in part out of the proceeds of the Grant shall be included in the procurement plan prepared by the Recipient and approved by the Bank in accordance with the Procurement Guidelines and the Consultant Guidelines, prior to initiating the procurement process for any such contract. Procurement of all goods and non-consulting services under National Competitive Bidding (NCB) will be carried out as per the Public Procurement Act (2007), its associated Regulations, and additional Word Bank instructions as may be necessary, and as set out in the Procurement Plan. Procurement of all NCB contracts will follow model bidding documents reviewed by the World Bank.

2.09 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.

Article III
Withdrawal of Grant Proceeds

3.01. Eligible Expenditures. (a) The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (i) Article III of the Standard Conditions; (ii) this Section; and (iii) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance 100% of Eligible Expenditures consisting of goods, non-consulting services, consultants’ services, Training and Workshops, and Operating Costs, inclusive of taxes.
(b) For the purposes of this Section, the term: (i) “Training and Workshops” means the reasonable costs, as shall have been approved by the World Bank, for training and workshops conducted under the Project, including, travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course and workshop preparation and implementation (but excluding goods); and (ii) “Operating Costs” means the reasonable costs, as shall have been approved by the World Bank, for the incremental expenses incurred on account of Project implementation, consisting of vehicle rental, operation and maintenance, communication and insurance costs, banking charges, office building expenses including rent, utilities and fuel for generator, office (and office equipment) maintenance, stationeries, document duplication/printing consumables, travel cost and per diem for Project staff for travel linked to the implementation of the Project, and salaries and allowances of staff of the Recipient assigned to Project implementation, support and oversight.

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient for Eligible Expenditures.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2014.

**Article IV**

**Recipient's Representative; Addresses**

4.01. **Recipient's Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Country Director of Helvetas.

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

Helvetas
Dhobighat, Lalitpur
Kathmandu, Nepal

4.03. **World Bank's Address.** The World Bank’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

Facsimile:
1-202-477-6391