Global Partnership for Education
Grant Agreement

(EQRA Project)

between

ISLAMIC REPUBLIC OF AFGHANISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as Administrator of the Global Partnership for Education

Dated April 02, 2019
GLOBAL PARTNERSHIP FOR EDUCATION
GRANT AGREEMENT

AGREEMENT dated April 02, 2019, entered into between:

ISLAMIC REPUBLIC OF AFGHANISTAN ("Recipient"); and

INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank"), acting as administrator of the Global Partnership for Education ("GPE").

WHEREAS:

(A) under a grant agreement, dated October 23, 2018, entered into between the Recipient and the Association, acting as an administrator of the Afghanistan Reconstruction Trust Fund ("Grant Agreement"), the Association intends to provide the Recipient with a grant ("Grant") in an amount not to exceed one hundred million United States Dollars (USD 100,000,000) to assist in financing the Project; and

(B) under a financing agreement, dated October 23, 2018, entered into between the Recipient and the Association ("Financing Agreement"), the Association intends to provide the Recipient with a grant ("Financing") in the amount of seventy one million two hundred thousand Special Drawing Rights (SDR 71,200,000) to assist in financing the Project;

NOW THEREFORE the Recipient and the World Bank hereby agree as follows:

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 its MOE and MRRD 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 not to exceed ninety-eight million United States Dollars ($98,000,000) ("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 V
Effectiveness

4.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been fulfilled.

4.02. 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
("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 if this Agreement had been effective, 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.

Article V
Recipient’s Representative; Addresses

5.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Finance.

5.02. 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:
+93202103259

5.03. 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
AGREED at Kabul, Islamic Republic of Afghanistan, as of the day and year first above written.

**ISLAMIC REPUBLIC OF AFGHANISTAN**

By

![Signature]

Authorized Representative

Name: Rameez Sanafi

Title: DM, Policy and Acting Minister of Finance

**INTERNATIONAL DEVELOPMENT ASSOCIATION**
acting as administrator of the
Global Partnership for Education

By

![Signature]

Authorized Representative

Name: Shubham Chaudhuri

Title: Country Director
SCHEDULE 1  
Project Description

The objectives of the Project are to increase equitable access to primary and secondary education, particularly for girls, in selected lagging provinces, and to improve learning conditions in Afghanistan.

The Project consists of the following parts:

Part 1:  Equitable Access to Basic Education

(a) Improving school infrastructure in rural areas in selected provinces through: (i) construction of new school buildings; (ii) provision of Missing Essential Elements for rehabilitation of existing school buildings; and (iii) strengthening MRRD’s capacity, including with respect to school construction under sub-paragraphs (i) and (ii) above.

(b) Providing School Grants to eligible schools to finance, inter alia: (i) school supplies; (ii) access to hygienic products for girls; (iii) transport facilities for female students and female teachers; (iv) bridge courses; and (v) O&M expenditures.

(c) Supporting CBE through: (i) strengthening MOE’s capacity to develop an implementation plan for the CBE Policy; and (ii) expanding CBE classes in selected provinces.

Part 2:  Improving Learning Conditions

(a) Supporting subject knowledge training of teachers of selected grades and developing standardized examination for TTCs.

(b) Supporting a pilot program, including its evaluation, to strengthen: (i) coaching and training of teachers; and (ii) classroom observation.

(c) Supporting: (i) development of new curriculum and relevant learning materials for schools; and (ii) delivery of textbooks from PEDs to schools.

Part 3:  Strengthening Education Sector Planning Capacity and Transparency

(a) Improving EMIS via: (i) refining datasets; (ii) integrating fragmented systems; and; (iii) strengthening data verification processes through: (A) monitoring of data reported in EMIS with respect to CBE; (B) conducting monthly phone surveys for schools; (C) conducting physical verification of data among a random sample of schools; and (D) data comparison with Citizen Scorecards.
(b) Improving teacher recruitment and management via: (i) establishing a personnel database; and (ii) supporting MOE in clarifying and communicating relevant regulations, policies, guidelines, norms, and targets.

(c) Improving budget planning and introducing results-based reporting via: (i) developing norms for the annual O&M budget allocation for provinces; and (ii) introducing a basic performance management system for PEDs and DEDs.

Part 4: Technical Assistance

Supporting: (i) technical assistance to strengthen MOE’s capacity; (ii) a pilot of early childhood education; and (iii) third party verification.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements.

1. The Recipient shall:

(a) vest in MOE the overall responsibility for implementing Parts 2, 3, 4(i) and (ii), and 1 (b) and (c) of the Project;

(b) vest in MRRD the overall responsibility for implementing Part 1(a) of the Project;

(c) vest in MOF the overall responsibility for implementation of Part 4(iii) of the Project; and

(d) through MOE and MRRD, establish, by not later than two (2) months after the Effective Date, and thereafter maintain throughout the period of the implementation of the Project, the Task Force, composed of MOE’s Deputy Minister for General Education, MOE’s Deputy Minister for Finance and Administration, MOE’s directors for relevant directorates, MRRD’s Deputy Minister for Programs, MRRD’s Director General for the CCAP, as well as MRRD’s relevant directorates, with such mandate, resources, and terms of reference as acceptable to the World Bank, to be responsible for, inter alia, overall guidance and oversight of the Project including monitoring progress towards achievement of the DLRs and assisting in producing internal reports on DLR achievement to be submitted for verification in accordance with the Verification Protocols.

2. The Recipient, through MOE, shall:

(a) maintain, throughout the period of implementation of the Project, the National Education Plan Steering Committee, chaired by MOE, with mandate, composition, resources, and terms of reference acceptable to the World Bank, to be responsible for overall Project oversight, policy guidance and inter-agency coordination of the Project;

(b) appoint, a focal point within MOE, with qualifications, mandate and terms of reference acceptable to the World Bank, to be responsible for day-to-day operations of the Project, including coordinating with MRRD regarding the implementation of its respective parts of the Project. In carrying out his/her functions, such focal point shall report to MOE’s Deputy Minister for General Education; and
(c) employ, by no later than three (3) months after the Effective Date, a qualified and experienced consultant, with qualifications and under terms of reference satisfactory to the World Bank, to support MOE in contract management and administration.

3. The Recipient, through MRRD, shall:

(a) maintain, throughout Project implementation, the General Directorate for the Citizens’ Charter, adequately staffed with professional and administrative staff with the necessary experience and qualifications acceptable to the World Bank, and operating under terms of reference satisfactory to the World Bank, to fulfil its responsibilities under this Agreement; and

(b) employ, by not later than three (3) months after the Effective Date: (i) two (2) qualified and experienced consultants, with qualifications and under terms of reference satisfactory to the World Bank, to support capacity building of MRRD’s relevant staff in issues related to internal audit; (ii) two (2) qualified and experienced consultants, with qualifications and under terms of reference satisfactory to the World Bank, to support MRRD in financial management issues; and (iii) qualified and experienced technical staff, with qualifications and under terms of reference satisfactory to the World Bank, to support MRRD in completing the school construction.

4. To facilitate efficient implementation of the Project at the provincial level, the Recipient shall, through MOE and MRRD, establish, by not later than two months after the Effective Date, and thereafter maintain at all times during the implementation of the Project, the Provincial Coordination Committees (one per province covered by the Project), co-chaired by the Provincial Education Director and CCAP’s Provincial Manager with mandate, composition, resources, and terms of reference acceptable to the World Bank, to be responsible for overall coordination and guidance of the Project at the provincial level, including coordination between PEDs, DEDs, and CCAP’s provincial and district offices with respect to activities under Part 1(a)(i) and (ii) of the Project.

5. The Recipient shall, through MOF, recruit, by not later than six (6) months after the Effective Date, an independent third-party verification agency, with qualifications and experience satisfactory to the World Bank and operating under terms of reference acceptable to the World Bank, to review and evaluate the achievement of the DLRs and verify fulfillment of disbursement conditions.

6. The Recipient shall, through MOE, prepare and adopt, by not later than three (3) months after the Effective Date, a Project Procedure Manual, in form and substance satisfactory to the World Bank, which shall include, as annexes, a
Procurement Manual, an Engineering Manual, and a Construction Plan for Part 1(a) of the Project prepared by MRRD, a Procurement Plan for all the remaining Parts of the Project other than Part 1(a), as well as a School Grants Manual for Part 1(b) of the Project, setting forth the procedures governing the operation of the Project, including, inter alia: (i) detailed monitoring and evaluation protocols; (ii) the specific roles and responsibilities of the MOE and the MRRD and other entities participating in the implementation of the Project, and arrangements for ensuring coordination among them; (iii) the list of schools supported under the Project; (iv) procurement arrangements for the Project; (v) reporting requirements; and (vi) such other technical and organization arrangements and procedures as may be required for the Project.

7. The Recipient shall through MOE and MRRD carry out the Project in accordance with the principles and practices set forth in the Financial Management Manual and the Project Procedure Manual, including its respective annexes in accordance with paragraph six (6) of this section.

8. The Recipient shall not, amend, abrogate or waive the Financial Management Manual and the Project Procedure Manual, including any of its annexes, or any provisions thereof. Without prejudice to the foregoing, if any provision of the Financial Management Manual and the Project Procedure Manual, including its annexes, are inconsistent with this Agreement, the provisions of this Agreement shall prevail.

B. Annual Work Plan and Budget

With respect to Part 4 of the Project, the Recipient shall:

1. prepare and furnish to the World Bank for review and approval, by not later than end of January each year, during Project implementation, a detailed annual work plan and budget (the “Annual Work Plan and Budget”) for the following Fiscal Year in a manner and substance satisfactory to the World Bank, which plan and budget shall identify the activities under Part 4 of the Project, together with their related expenditures and financing sources. Notwithstanding the foregoing, the first such Annual Work Plan and Budget for the first year of Project implementation shall be prepared by not later than two (2) months after the Signature Date of this Agreement; and thereafter;

2. carry out the Part 4 of the Project through for the corresponding Fiscal Year pursuant to such Annual Work Plan and Budget.

C. 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 and as of July 1, 2016 (“Anti-Corruption Guidelines”).

D. School Grants Program

1. The Recipient shall, through its MOE, provide School Grants from the proceeds of the Financing to eligible schools in accordance with the provisions of this Agreement, the provisions of the School Grants Manual, and other eligibility criteria and procedures acceptable to the World Bank.

2. The Recipient shall, through MOE, make the proceeds of the School Grant available to a school in accordance with a School Grant Agreement entered into between the respective school and the MOE on terms and conditions approved by the World Bank and outlined in the School Grants Manual, which shall include the following:

   (a) the Recipient shall retain rights adequate to protect its interests and those of the World Bank, including the right to: (i) suspend or terminate the right of the respective school to access or use the proceeds of the School Grant or obtain refund of all or any part of the amount of the School Grant then withdrawn, upon the school’s failure to perform any of its obligations under the School Grant Agreement; and (ii) require each school to:

   A. carry out its School Grant with due diligence and efficiency in accordance with sound administrative, economic, financial, accounting, technical, managerial, environmental and social standards and practices satisfactory to the World Bank, including in accordance with the provisions of the Safeguard Instruments, the School Grants Manual, and the Anti-Corruption Guidelines applicable to recipients of financing proceeds other than the Recipient;

   B. (1) maintain adequate records and accounts for the School Grant concerned; and (2) at the World Bank’s or the Recipient’s request, have such records and accounts audited in accordance with the provisions of this Agreement and in a manner satisfactory to the World Bank;

   C. provide promptly as needed, the resources required for the purpose;

   D. procure the goods, works, and services to be financed out of the School Grant in accordance with the provisions of this Agreement and use any such goods, works and services exclusively in the carrying out of the School Grant;

   E. enable the Recipient to monitor and evaluate in accordance with indicators acceptable to the World Bank, the progress of the School Grant and the achievement of its objectives;
F. enable the Recipient and the World Bank to inspect the School Grant, its operation, and any relevant records and documents;

G. prepare and furnish to the Recipient and the World Bank all such information as the Recipient and World Bank shall reasonably request relating to the foregoing; and

H. ensure that the activities to be financed out of the proceeds of the School Grant: (1) are used for education related productive purposes; and (2) will not finance or support the cultivation of poppy.

3. The Recipient shall exercise its rights and carry out its obligations under each School Grant Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Financing. Unless the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any School Grant Agreement or any of its provisions.

E. Safeguards.

1. The Recipient shall through MOE and MRRD:

(a) ensure that the Project is carried out in accordance with the Safeguards Instruments, including the preparation of the RAP and ESMP, where needed, in a manner and substance satisfactory to the World Bank; and

(b) refrain from amending, suspending, waiving, abrogating, and/or voiding any provision of the Safeguards Instruments, in whole or in part, without the prior written agreement of the World Bank.

2. The Recipient shall through MOE and MRRD:

(a) take all necessary actions to avoid or otherwise minimize to the extent possible, and to mitigate, any involuntary loss by persons of shelter, productive assets or access to productive assets or income or means of livelihood, temporarily or permanently, and the displacement of said people; and

(b) whenever a new or revised RAP or ESMP or any additional or revised Safeguards Instrument is required for any proposed activity under the Project in accordance with the provisions of the RPF and ESMF, respectively:

(i) prior to the commencement of such activity, proceed to have such ESMP or RAP (as the case may be): (i) prepared in accordance with the provisions of the ESMF and the RPF, respectively; (ii) furnished to the
World Bank for review and approval; and (iii) thereafter adopted and disclosed as approved by the World Bank, in a manner acceptable to the World Bank; and

(ii) thereafter take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such ESMP or RAP (as the case may be).

3. The Recipient shall, through MOE and MRRD, maintain, throughout the period of the implementation of the Project, a grievance redress mechanism for the Project, with staffing and operating procedures acceptable to the World Bank, for monitoring and addressing the concerns of people affected by the Project and building public and stakeholder support for the Project.

4. The Recipient shall, through MOE and MRRD, maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with guidelines acceptable to the World Bank, the implementation of the ESMF and RPF, including the preparation of the ESMP and RAP, where needed. Without limiting its other reporting obligations under this Agreement, the Recipient shall take all necessary measures to collect, compile and submit to the World Bank, as part of the Project Reports, information on the status of compliance with the ESMF and RPF, giving details of:

(a) measures taken in furtherance of the Safeguards Instruments;

(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the ESMF and RPF, particularly related to the preparation of ESMPs or RAPs where needed; and

(c) remedial measures taken or required to be taken immediately to address such conditions.

5. In the event of any inconsistency between the provisions of any of the Safeguards Instruments and the provisions of this Agreement, the provisions of this Agreement shall prevail.

F. Verifications.

The Recipient shall:

(1) undertake, at least once per calendar year, a verification process, in accordance with the Verification Protocols and terms of reference agreed with the World Bank, and through an independent third-party verification entity engaged pursuant to Section I.A(5) of this Agreement, to ascertain whether the DLRs have been achieved for the period under review; and
(2) furnish to the World Bank corresponding verification reports, in form and 
substance acceptable to the World Bank.

G. 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 Donors’ 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 Donors to visit 
any part of the Recipient’s territory for purposes related to the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Documents; Records

In addition and without limitation to the obligations set forth in Section 2.05 of the 
Standard Conditions, the Recipient shall ensure that:

(a) all records evidencing expenditures under the Project are retained for 
seven years and six months after the Closing Date, such records to include: 
(i) this Agreement, all addenda thereof, and any amendments thereto; (ii) 
the Recipient’s financial and narrative progress reports submitted to the 
World Bank; (iii) the Recipient’s financial information related to the 
Grant, including audit reports, invoices and payroll records; (iv) the 
Recipient’s implementation documentation (including sub-agreements, 
procurement files, contracts, purchase orders); and (v) the corresponding 
supporting evidence referred to in Section 3.04 of the Standard Conditions; and

(b) the representatives of the World Bank are: (i) able to examine all records 
referred to above in paragraph (a); (ii) provided all such information 
concerning such records as they may from time to time reasonably request; 
and (iii) able to disclose such records and information to the Donor(s).

B. 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 semester, and shall be 
furnished to the World Bank not later than one 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 six (6) 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 semester, covering the semester, 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 (6) months after the end of such period.

Section III. Procurement

All goods, works, non-consulting services and consulting 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 the “World Bank Procurement Regulations for IPF Borrowers” dated July 2016, revised November 2017 (“Procurement Regulations”), and the provisions of the Recipient’s procurement plan for the Project (“Procurement Plan”) dated June 12, 2018 provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with 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 “Disbursement Guidelines for Investment Project Financing” dated February 2017, 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.
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 Financing Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, consulting services, Training, and Incremental Operating Costs for Part 1(a) of the Project</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, works, consulting services, Training, and Incremental Operating Costs for Part 1(a) of the Project</td>
<td>42,000,000</td>
<td>100% in 2020, as allocated pursuant to part B.1(b) of this Section IV</td>
</tr>
<tr>
<td>(3) Goods, works, consulting services, Training, and Incremental Operating Costs for Part 1(a) of the Project</td>
<td>7,000,000</td>
<td>100% in 2021, as allocated pursuant to part B.1(c) of this Section IV</td>
</tr>
<tr>
<td>(4) School Grants under Part 1(b) of the Project</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(5) School Grants under Part 1(b) of the Project</td>
<td>1,000,000</td>
<td>100% in 2021, as allocated pursuant to part B.1(d) of this Section IV</td>
</tr>
<tr>
<td>(6) Good, consulting services and Incremental Operating Costs under Part 1(c) of the Project</td>
<td>4,000,000</td>
<td>100% in 2021, as allocated pursuant to part B.1(e) of this Section IV</td>
</tr>
<tr>
<td>(7) (a) Eligible Expenditures Program under Part 2 of the Project</td>
<td>16,000,000</td>
<td>100% as allocated pursuant to part B.1(f) of this Section IV</td>
</tr>
</tbody>
</table>
B. Withdrawal Conditions; Withdrawal Period

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

   (a) for payments made prior to the Signature Date; or

   (b) under Category 2 until and unless, to the satisfaction of the World Bank, the Recipient shall have, by December 31, 2020: (i) completed the construction of at least four hundred (400) schools; (ii) provided Missing Essential Elements to at least two hundred (200) existing schools; and (ii) furnished to the World Bank details of funds used and verified; or

   (c) under Category 3 until and unless, to the satisfaction of the World Bank, the Recipient shall have, by December 31, 2021: (i) completed the construction of at least a cumulative number of one thousand (1000) schools; (ii) provided Missing Essential Elements to at least a cumulative number of five hundred (500) existing schools; and (iii) furnished to the World Bank details of funds used and verified and funds required for under-construction schools; or

   (d) under Category 5 until and unless, to the satisfaction of the World Bank, the Recipient shall have, by December 31, 2021, demonstrated satisfactory use of the funds allocated for Category 4 under Section IV.A.2 of Schedule 2 to the Grant Agreement and Section III.A.2 of Schedule 2 to the Financing Agreement and at least four percent (4%) increase in female students’ attendance in fifty percent (50%) of schools which have received School Grants under Category 4 in said sections of the Grant Agreement and the Financing Agreement, as measured from the time of receipt by such schools of those School Grants; or

---

<table>
<thead>
<tr>
<th>(7) (b) Eligible Expenditures Program under Part 3 of the Project</th>
<th>17,000,000</th>
<th>B.1(g) of this Section IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>(8) Goods, Non-Consulting Services, Consulting Services, Incremental Operating Costs for Part 4 of the Project</td>
<td>11,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>98,000,000</td>
<td></td>
</tr>
</tbody>
</table>
(e) under Category 6 until and unless, to the satisfaction of the World Bank, the Recipient shall, for the purpose of implementing the CBE policy, have, by December 31, 2021, developed CBE operating manual in a manner satisfactory to the World Bank, containing a mapping of CBE needs as well as guidelines on a harmonized approach to content, institutional setup, teacher salaries, operating costs, and data collection and reporting; or

(f) under Category 7(a) on account of Allocated Amount for DLIs #1 and #2, until and unless the Recipient has:

(i) complied with the additional instructions referred to in Section IV.A.1 of this Schedule, including the submission to the World Bank of the applicable IUFR detailing the expenditures incurred under the Eligible Expenditures Program up to the date of the applicable withdrawal application; and

(ii) furnished evidence, in accordance with the Verification Protocols and acceptable to the World Bank, of MOE’s satisfactory achievement of the respective DLRs at any time during the respective Calendar Year as set forth in Schedule 3 to this Agreement; or

(g) under Category 7(b) on account of Allocated Amount for DLIs #3, #4, #5, #6 and #7, until and unless the Recipient has:

(i) complied with the additional instructions referred to in Section IV.A.1 of this Schedule, including the submission to the World Bank of the applicable IUFR detailing the expenditures incurred under the Eligible Expenditures Program up to the date of the applicable withdrawal application; and

(ii) furnished evidence, in accordance with the Verification Protocols and acceptable to the World Bank, of MOE’s satisfactory achievement of the respective DLRs at any time during the respective Calendar Year as set forth in Schedule 3 to this Agreement.

2. Notwithstanding the foregoing, if the World Bank determines in its sole discretion that one or more of the DLRs set forth in Schedule 3 to this Agreement has/have not been achieved, or were no longer achievable, by the end of the respective Calendar Year and/or the Closing Date, the World Bank may, at any time, by notice to the Recipient, decide, at its sole discretion, to:
(a) for the DLR #1 of the DLI #2, authorize the withdrawal of such lesser amount of the unwithdrawn proceeds of the Financing then allocated to Category 7(a) which, in the opinion of the World Bank, corresponds to the extent of achievement of said DLR in accordance with the formulae set out with respect to said DLR in Schedule 3 to this Agreement; and/or

(b) withhold all or a portion of the proceeds of the Financing corresponding to the Allocated Amounts for the unmet DLR(s) until such DLR(s) is/are, in the opinion of the World Bank, satisfactorily achieved; and/or

(c) cancel all or a portion of the proceeds of the Financing corresponding to the Allocated Amounts then allocated to unmet DLR(s).

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2023.
## SCHEDULE 3

**Disbursement Lined Indicators, Disbursement Linked Results and Allocated Amounts**

<table>
<thead>
<tr>
<th>DISBURSEMENT LINKED INDICATORS</th>
<th>DISBURSEMENT-LINKED RESULTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RESULTS TO BE ACHIEVED IN CY 2018 (YEAR 1)</td>
</tr>
<tr>
<td>1. Improved teaching quality rating based on classroom observations</td>
<td>#1. Baseline data on teaching quality collected among sample of teachers using classroom observation tools (TEACH) by December 31, 2019</td>
</tr>
<tr>
<td>Allocated Amounts</td>
<td>USD3,500,000</td>
</tr>
<tr>
<td>2. Existing textbooks distributed and teaching and learning materials for the new curriculum developed for all grades</td>
<td>#1. 45 million textbooks from the existing curriculum for core subjects of mathematics, science, and language distributed to public</td>
</tr>
<tr>
<td>DISBURSEMENT LINKED INDICATORS</td>
<td>DISBURSEMENT-LINKED RESULTS</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td></td>
<td>RESULTS TO BE ACHIEVED IN CY 2018 (YEAR 1)</td>
</tr>
<tr>
<td>schools, covering at least 90 percent of districts</td>
<td>1, 4, 7, and 10</td>
</tr>
<tr>
<td>Allocated Amounts</td>
<td>USD4,000,000 (distribution of 11.25 million textbooks as the minimum requirement for payment of $1,000,000. Additional 1,000,000 to be disbursed for distribution of additional 11.25 million textbooks until the total distribution of textbooks reached 45 million)</td>
</tr>
<tr>
<td>3. Improved EMIS data collection and quality assurance procedures implemented</td>
<td>#1. A call center established within MOE and operational protocols for managing data</td>
</tr>
<tr>
<td>DISBURSEMENT LINKED INDICATORS</td>
<td>RESULTS TO BE ACHIEVED IN CY 2018 (YEAR 1)</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>------------------------------------------</td>
</tr>
<tr>
<td>phone surveys to schools for EMIS data collection established in consultation with local stakeholders</td>
<td>collection and entry into EMIS completed; and (iii) outreach and capacity building of principals and School Shuras to prepare for monthly data collection completed</td>
</tr>
<tr>
<td><strong>Allocated Amounts</strong></td>
<td>USD1,000,000</td>
</tr>
<tr>
<td>4. Development and implementation of a teacher policy for prioritization in the hiring and allocation of teachers based on need</td>
<td>#1. A teacher policy, comprising step by step procedures for prioritization, needs-based allocation and criteria for redeployment of teachers, developed</td>
</tr>
<tr>
<td></td>
<td>#2. (i) At least ninety (90) percent of newly hired permanent teachers and at least seventy-five (75) percent of newly hired temporary teacher hired based on the methods and criteria identified in the teacher policy; and (ii) at least ninety (90)</td>
</tr>
<tr>
<td>DISBURSEMENT LINKED INDICATORS</td>
<td>RESULTS TO BE ACHIEVED IN CY 2018 (YEAR 1)</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>------------------------------------------</td>
</tr>
<tr>
<td>5. Integrated personnel database for education staff established</td>
<td>#1. (i) organizational mapping of all education Tashkeel staff completed; and (ii) agreed minimum information on staff, as described in the Project Procedure Manual, including biometric</td>
</tr>
<tr>
<td>Allocated Amounts</td>
<td>USD3,000,000</td>
</tr>
<tr>
<td>percent of new teacher positions filled through a transparent recruitment process using the IARCSC’s hiring procedures and at least forty percent (40%) of the new hires are women</td>
<td></td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>DISBURSEMENT LINKED INDICATORS</th>
<th>RESULTS TO BE ACHIEVED IN CY 2018 (YEAR 1)</th>
<th>RESULTS TO BE ACHIEVED IN CY 2019 (YEAR 2)</th>
<th>RESULTS TO BE ACHIEVED IN CY 2020 (YEAR 3)</th>
<th>RESULTS TO BE ACHIEVED IN CY 2021 (YEAR 4)</th>
<th>RESULTS TO BE ACHIEVED IN CY 2022 (YEAR 5)</th>
<th>RESULTS TO BE ACHIEVED IN CY 2023 (YEAR 6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocated Amounts</td>
<td>USD(1,000,000)</td>
<td>USD(1,000,000)</td>
<td>USD(400,000)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Annual results based reports implemented between MOE, PEDs and DEDs</td>
<td>#1. By December 2018, standard templates for annual results reporting developed</td>
<td>#2. By December 2020, 2019, annual results-based reports completed per template, submitted by MOE for fifteen (15) PEDs and related DEDs, and published on MOE's website</td>
<td>#3. By December 2021, 2020 annual results-based reports completed per template, submitted by MOE for all PEDs and DEDs, and published on MOE's website</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allocated Amounts</td>
<td>USD(1,000,000)</td>
<td>USD(1,000,000)</td>
<td>USD(600,000)</td>
<td>USD(300,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DISBURSEMENT LINKED INDICATORS</td>
<td>RESULTS TO BE ACHIEVED IN CY 2018 (YEAR 1)</td>
<td>RESULTS TO BE ACHIEVED IN CY 2019 (YEAR 2)</td>
<td>RESULTS TO BE ACHIEVED IN CY 2020 (YEAR 3)</td>
<td>RESULTS TO BE ACHIEVED IN CY 2021 (YEAR 4)</td>
<td>RESULTS TO BE ACHIEVED IN CY 2022 (YEAR 5)</td>
<td>RESULTS TO BE ACHIEVED IN CY 2023 (YEAR 6)</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-------------------------------------------</td>
<td>-------------------------------------------</td>
<td>-------------------------------------------</td>
<td>-------------------------------------------</td>
<td>-------------------------------------------</td>
<td>-------------------------------------------</td>
</tr>
<tr>
<td>7. NESP III operational plan on management and budgeting cycle developed and its results reported</td>
<td>#1. By December 2018: (i) new O&amp;M budget allocation formula established for PEDs and DEDs; (ii) annual operational plan based on actual on-budget allocations and projected off-budget allocations for 2019 completed as per template, and endorsed by Development Partners; and (iii) progress report template jointly developed with Development Partners</td>
<td>#2. (i) by February 2019, progress on results toward 2018 annual plan reported as per template by MOE; and (ii) by June 2019, annual operational plan based on actual on-budget allocations and projected off-budget allocations for 2020 completed as per the template and endorsed by Development Partners</td>
<td>#3. (i) by February 2020, progress on results toward 2019 annual plan reported as per template by MOE; and (ii) by June 2021, annual operational plan based on actual on-budget allocations and projected off-budget allocations for 2021 completed as per the template and endorsed by Development Partners</td>
<td>#4. (i) by February 2021, progress on results toward 2020 annual plan reported as per template; and (ii) by June 2021, 2022 annual operational plan developed with budget codes specified for on-budget projected off-budget allocations for 2022 completed as per the template and endorsed by Development Partners</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Allocated Amounts**

<table>
<thead>
<tr>
<th></th>
<th>USD1,000,000</th>
<th>USD400,000</th>
<th>USD400,000</th>
<th>USD400,000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
APPENDIX

Definitions

1. “Allocated Amount” means the amount allocated to each individual DLR, or determined for each DLR pursuant to Schedule 3 to this Agreement, as such amount might be increased and/or cancelled (whether partially or in its entirety) by the World Bank, from time to time as the case may be, in accordance with the provisions of Section IV.B. 2 of Schedule 2 to this Agreement.

2. “Calendar Year” or “CY” means the calendar year beginning on January 1st of each calendar year and ending on the end of December of said calendar year.

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


5. “CBE Policy” or “Community Based Education Policy” means Recipient’s policy governing community-based education, as approved on January 2018.


7. “Citizens’ Charter” means a program launched by the Recipient in September 2015, as part of its twelve national priority programs, with the objective of setting a threshold of core services to be provided to all communities and help make CDCs inclusive and representative bodies.

8. “Citizen Scorecards” means the citizen scorecards developed under CCAP.

9. “Community-Based Education” or “CBE” is an outreach class of a formal hub-school undertaken jointly by the MOE, the communities, and facilitating partners, to provide educational opportunities in remote rural areas for students who are unable to attend formal schools due to, inter alia, insecurity and distance.

10. “Construction Plan” means Recipient’s plan for school construction under the Project to be prepared by its MRRD, containing detailed information on school construction under Part I(a)(i) and (ii) of the Project, including the list of schools to be constructed in selected provinces and construction schedules.

11. “Da Afghanistan Bank” means the Recipient’s central bank or any successor thereto.

12. “Development Partners” means Recipient’s international development partners as predicted under MOE’s NESP III.
13. “DED” or “District Education Department” means any Recipient’s MOE’s department, or successor thereto, responsible for planning, implementation, coordination, management, and supervision of education activities carried out at the district level.

14. “Disbursement Linked Indicator” or “DLI” means each of the disbursement-linked indicators set forth in the first column of the matrix set forth in Schedule 3 to this Agreement.

15. “Disbursement Linked Result” or “DLR” means each of the disbursement-linked targets/results set forth in Schedule 3 to this Agreement in the columns entitled “Results to be Achieved in CY2018 (Year 1)”, Results to be Achieved in CY2019 (Year 2)”, “Results to be Achieved in CY2020 (Year 3)”, “Results to be Achieved in CY2021 (Year 4)”, “Results to be Achieved in CY2022 (Year 5)”, or “Results to be Achieved in CY2023 (Year 6)”, as applicable, on the basis of the achievement of which, the amount of the Financing allocated to said result may be withdrawn in accordance with the provisions of Section III of Schedule 2 to this Agreement.

16. “Displaced Persons” means persons who, on account of the implementation of the Project, have experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; (iii) loss of income source or means of livelihood, whether or not such persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such persons.

17. “Effective Date” means the date on which the World Bank dispatches to the Recipient notice confirming it is satisfied that the conditions specified in section 4.01 of this Agreement have been met.

18. “Eligible Expenditures Program” means the eligible expenditures program under Parts 2 and 3 of the Project, specified in the Project Procedure Manual, whose budget code numbers for such expenditure items may be changed from time to time: (a) goods and services (code 22); and (b) assets (code 25).


21. “Environmental and Social Management Framework” or “ESMF” means the environmental and social management framework adopted by the Recipient and disclosed on June 12, 2018, acceptable to the World Bank, setting out the principles, standards, processes and tools to be applied to assess potential adverse
environmental and social impacts associated with Project activities and the ways to avoid, minimize and/or mitigate them, with related public consultation, disclosure, reporting and grievance redress procedures, including for the preparation of Environmental and Social Management Plan, as may be required for Project activities, as said framework may be modified from time to time by agreement between the Recipient and the World Bank.

22. "Environmental and Social Management Plan" or "ESMP" means, individually, each environmental and social management plan, as may be required to be prepared in accordance with the ESMF and Section 1.E.2(b) of the Schedule 2 to this Agreement, setting forth mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, to eliminate any adverse environmental impacts of activities to be implemented under the Project, 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 agreement of the World Bank, and such term includes any annexes or schedules to such plan, and "Environmental and Social Management Plans" and "ESMPs" means, collectively, all such plans.


24. "Fiscal Year" means the fiscal year of the Recipient beginning on December 22 of each calendar year and ending on December 21 of said calendar year.

25. "General Directorate for the Citizens' Charter" means the department within MRRD responsible for oversight and management of the Citizens' Charter in rural areas.

26. "GPE" means the Global Partnership for Education.

27. "IARCSC" means Recipient’s Independent Administrative Reform and Civil Service Commission or any successor thereto.

28. "Incremental Operating Costs" means the reasonable costs incurred by the Recipient for implementation and management of the Project, including those under Community Based Education, on the account of, inter alia, operations and maintenance of equipment and vehicles, hiring of vehicles, office rent, costs of consumables, fuel, office utilities and supplies, bank charges, advertising expenses, salaries of local contractual and temporary staff (other than consultants procured under the Project) and travel and per diem for Project staff, as necessary, but excluding salaries, allowances, bonuses or honoraria of members of the Recipient’s civil service.

30. “Missing Essential Elements” refers, for the purpose of the Project, to missing classrooms, boundary walls, water points, and latrines of a school building.

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

32. “MRRD” means the Recipient’s Ministry of Rural Rehabilitation and Development or any successor thereto.

33. “National Education Plan Steering Committee” means the steering committee referred to in Section I.A.2(a) of the Schedule 2 to this Agreement, established, under NESP III in 2017, and maintained, until completion of the Project, and be responsible for overall Project oversight, policy level guidance and inter-agency coordination.

34. “NESP III” means Recipient’s third National Education Strategic Plan, endorsed to guide its education sector during the period of 2015-2021.

35. “O&M” means operations and maintenance.

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

37. “Procurement Manual” means the procurement and contracts management manual utilized under CCAP, as updated for the purposes of the Project and attached to the Project Procedure Manual as an annex, containing all procurement arrangements necessary for effective implementation of school construction as referred to under Part I(a)(i) and (ii) of the Project.

38. “Project Procedure Manual” means the Recipient’s manual referred to in Section I.A.6 of the Schedule 2 to this Agreement, containing details of arrangements and procedures for the implementation of the Project.

39. “Provincial Coordination Committee” means committee referred to in Section I.A(4) of the Schedule 2 to this Agreement, to be established and maintained until completion of the Project, for the purposes of providing general Project oversight, guidance, and inter-agency coordination at the provincial level.

40. “Resettlement Action Plan” or “RAP” means, individually, each of the Recipient’s resettlement action plans, as may be required to be prepared in accordance with the RPF and Section I.E.2(b) of Schedule 2 to this Agreement, acceptable to the World Bank, setting out: (i) principles and procedures governing the acquisition of land required for the Project; (ii) identification of Displaced Persons as a result of
Project activities; (iii) actions and measures for the payment of compensation to Displaced Persons and for their resettlement and rehabilitation; (iv) criteria and procedures for developing and implementing actions and measures for mitigating the adverse social impacts resulting from the implementation of Project activities; and (v) principles and procedures for consultation, grievance redress, reporting and monitoring requirements, as said plan may be revised from time to time by agreement between the Recipient and the World Bank; and “Resettlement Action Plans” and “RAPs” means, collectively, all such plans.

41. “Resettlement Policy Framework” or “RPF” means the framework adopted by the Recipient and disclosed on June 14, 2018, acceptable to the World Bank, which sets out the policies and procedures for addressing adverse temporary or permanent social impacts resulting, or likely to result, form the carrying out the Project, including for the preparation of Resettlement Action Plans as may be required for Project activities, as said may be revised from time to time by agreement between the Recipient and the World Bank.

42. “Safeguards Instruments” means the Environmental and Social Management Framework, the Resettlement Policy Framework, the Environmental and Social Management Plan(s), and the Resettlement Action Plan(s).

43. “School Grant” means a grant made, or proposed to be made, by the Recipient, through MOE, to an eligible school out of the proceeds of the Financing, and “School Grants” mean, collectively, more than one “School Grant.”

44. “School Grant Agreement” means a written agreement for the provision of the School Grant, to be entered into between MOE and a school in accordance with terms and conditions satisfactory to the World Bank.

45. “School Grants Manual” means the manual to be adopted by the Recipient as an annex to the Project Procedure Manual, setting out policies and procedures for the implementation of the School Grants, as the same may be updated from time to time.

46. “School Shura” means school management council, composed of students’ parents, respective village elders, and teachers.

47. “Signature Date” means the later of the two dates on which the Recipient and the World Bank signed this Agreement and such definition applies to all references to “the date of the Grant Agreement” in the Standard Conditions.

48. “Tashkeel” means the Recipient’s regular organization structure, including the government official slots.
49. "Task Force" means the task force referred to in Section I.A.1(d) of Schedule 2 to this Agreement, to be established and maintained until completion of the Project, to be responsible for, inter alia, overall guidance and oversight of the Project, including monitoring progress towards achievement of the DLIs.

50. "TEACH" means the World Bank's corporate teacher observation tool.

51. "Training" means the reasonable costs of training, workshops, conferences, and field visits conducted in the territory of the Recipient or, subject to the prior no-objection of the World Bank, attended overseas by Project staff, including the purchase and publication of materials, rental of facilities, course fees and travel and subsistence allowances for trainers and/or trainees.

52. "TTC" means Teacher Training Colleges, and "TTCs" mean, collectively, more than one "Teacher Training College."

53. "Verification Protocols" means the protocols to be adopted by the Recipient in a manner and substance satisfactory to the World Bank and referred to in Section I.F(1) of Schedule 2 to this Agreement, containing the technical standards and procedures for assessing the achievement of DLRs, as such protocol may be revised from time to time with the prior written concurrence of the World Bank.