Global Partnership for Education
Grant Agreement
(Early Education Project)

between
KYRGYZ REPUBLIC

and
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
AND
INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as i) Trustee of the Global Partnership for Education Fund
and
ii) administrator of the Education for All Fast Track Initiative Catalytic Trust Fund
(EFA-FTI Catalytic Trust Fund)

Dated May 10, 2014
AGREEMENT dated May 10, 2014, entered into between the KYRGYZ REPUBLIC ("Recipient"); and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and the INTERNATIONAL DEVELOPMENT ASSOCIATION (collectively, the “World Bank”), acting as trustee of the GLOBAL PARTNERSHIP FOR EDUCATION FUND and as administrator of the EDUCATION FOR ALL FAST TRACK INITIATIVE CATALYTIC TRUST FUND.

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions


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

Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry out the Project, through the Ministry of Education and Science ("MOES") in accordance with the provisions of: (a) Article II of the Standard Conditions; and (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 (“Anti-Corruption Guidelines”).

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, grants in the following amounts to assist in financing the Project:

(a) the amount of four million seven hundred thousand United States Dollars (US$4,700,000) ("Grant A") identified by trust fund number TF016209 from the Education for All, Fast Track Initiative, Catalytic Fund; and

(b) the amount of eight million United States Dollars (US$8,000,000) ("Grant B") identified by trust fund number TF016201 from the Global Partnership for Education.

3.02. The Recipient may withdraw the proceeds of Grant A and Grant B in accordance with Section IV of Schedule 2 to this Agreement.

3.03. Grant A and Grant B are funded out of the abovementioned trust funds for which the World Bank receives periodic contributions from the donors to the respective trust funds. 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 funds, and the Recipient's right to withdraw Grant A and Grant B proceeds is subject to the availability of such funds.

Article IV
Additional Remedies

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

Article V
Effectiveness; Termination

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the execution and delivery of this Agreement on behalf of the Recipient has been duly authorized by all necessary governmental actions and that the following conditions have been satisfied:
(a) The Recipient has provided evidence to the World Bank that the Project Coordination Unit ("PCU") has been established by the MOES in a manner and with the composition and terms of reference satisfactory to the World Bank, and that such PCU has an adequate financial management system;

(b) The Sector-wide Steering Committee has been established with representation from MOES and development partners in a manner and with the composition and terms of reference satisfactory to the World Bank; and

(c) the Project Operational Manual, satisfactory to the World Bank, has been adopted by the Recipient.

5.02. Except as the Recipient and the World Bank shall otherwise agree, the date on which this Agreement shall enter into effect shall be the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 of Article V of this Agreement.

5.03. The Effectiveness Deadline is the date one hundred eighty (180) days after the signing date of this Agreement.

**Article VI**

**Recipient’s Representative; Addresses**

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

6.02. The Recipient’s Address is:

Ministry of Finance  
58 Erkindik Blvd.  
Bishkek City, 720040  
Kyrgyz Republic

Telex: Facsimile:

245-156 NUR KH (996-312) 661645
6.03. The Association’s Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable: Telex: Facsimile:
INDEVAS 248423 (MCI) 1-202-477-6391
Washington, D.C.

AGREED at Bishkek, Kyrgyz Republic, as of the day and year first above written.

KYRGYZ REPUBLIC

By: 

Authorized Representative

Name: ____________________
Title: ____________________

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as (i) Trustee of the Global Partnership for Education Fund and (ii) administrator of the Education for All Fast Track Initiative Catalytic Trust Fund (EFA-FTI Catalytic Trust Fund)

By: 

Authorized Representative

Name: ____________________
Title: ____________________
SCHEDULE 1

Project Description

The objective of the Project is to increase equitable access to pre-school education and to establish conditions for improving its quality.

The Project consists of the following parts:

Part I: Expansion of Quality Pre-Primary Education

Provision of works, goods, Training, and technical assistance to increase access to pre-school education through:

(a) expanding school preparation program through development and implementation of an in-service training program for teachers and school management staff; and provision of educational materials, furniture, and equipment to primary and kindergarten classrooms; and

(b) supporting interested Ayil Okmotu to develop proposals on establishing up to one hundred (100) community-based kindergartens, strengthening the capacity of selected pre-school institutions, provision of education materials, furniture, and rehabilitation of sanitary facilities; and

(c) piloting an initiative to integrate children with special education needs into kindergarten and primary schools in one district, design and delivery of an in-service training program for teachers on how to work with children with special education needs, strengthening the capacity of the local institution responsible for screening children with special education needs, and carrying out outreach activities, and tracking the children with special education needs selected for the pilot initiative and evaluating said initiative.

Part II: Improved Policy, Programs, and System Effectiveness

Provision of goods, educational materials, technical assistance and Training to improve policies, programs, and system effectiveness aimed at enhancing the quality of pre-school education programs, through revising the pre-school curriculum; reviewing of legal and regulatory framework governing pre-school education; publishing and disseminating the early learning and development standards and materials resulting from the revision of the pre-school curriculum; and introducing a pilot early development instrument and a classroom observation of pre-school pedagogical practices.

Part III: Communications and Implementation Support
Provision of goods and technical assistance to carry out communications and outreach activities through:

(a) engaging and informing stakeholders on early childhood development and reforms in the education sector;

(b) carrying out independent monitoring and evaluation of the Project; and

(c) supporting the establishment and operation of the PCU, including financing Incremental Operating Costs.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

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

2. The Recipient shall ensure that the Project is carried out in accordance with the Project Operational Manual, EMF, and, as the case may be, site-specific EMPs. The Recipient shall not amend or waive, or permit to be amended or waived, the Project Operational Manual and EMF except with the prior written approval of the World Bank.

3. The Recipient, through MOES, shall ensure that site-specific EMPs, satisfactory to the World Bank, shall be prepared as needed and in accordance with the Project Operational Manual and EMF.

4. For the purposes of carrying out Part I(b) of the Project, the Recipient shall select proposals for establishment or expansion of kindergartens based on criteria set forth in the Project Operational Manual. Such criteria shall include, inter alia, the following:

   (a) a confirmation that the facilities meet national pedagogical, safety, hygiene and sanitation standards;
   (b) a confirmation that the facilities legally belong to Ayil Okmotu;
   (c) a presence of a qualified teacher or teachers to teach in the kindergarten;
   (d) financing all recurrent costs of operating the pre-school institution for at least five years; and
   (e) a policy to ensure that the poorest members of the community will not be financially excluded from sending their children to the kindergarten.

B. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”,...
C. **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. **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 forty-five (45) days after the end of the period covered by such report.

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

3. The Recipient shall carry out the monitoring and evaluation of the Project through contracting an independent consultant.

B. **Financial Management; Financial Reports; Audits**

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

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

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

Section III. Procurement

A. General

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

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

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

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

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

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

2. Other Methods of Procurement of Goods, Works and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan:
(a) Limited International Bidding;

(b) National Competitive Bidding, subject to the following additional provisions:

1. **Eligibility:** Eligibility of bidders to participate in a procurement process and to be awarded the World Bank-financed contract shall be as defined under Section I of the Procurement Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the World Bank for reasons other than those provided in Section I of the Procurement Guidelines.

2. **Domestic Preference:** No domestic preference may be applied in bid evaluation on the basis of bidder nationality, the origin of goods, services or labor, and/or preferential programs.

3. **Registration and Licensing:** Registration shall not be used to assess bidders' qualifications. A foreign bidder shall not be required to register or obtain a license as a condition for submitting its bid, and a foreign bidder recommended for contract award shall be given a reasonable opportunity to register or obtain a license, with the reasonable cooperation of the Recipient, prior to contract signing.

4. **Bidding Documents:** Procuring entities shall use the appropriate standard bidding documents acceptable to the World Bank, which documents shall be prepared so as to ensure economy, efficiency, transparency, and broad consistency with the provisions of Section I of the Procurement Guidelines.

5. **Bid Validity:** The bid validity period required by the bidding documents shall be sufficient to account for any period that may be required for the approval and registration of the contract as contemplated in the Public Procurement Law (PPL). An extension of bid validity, if justified by exceptional circumstances, may be requested in writing from all bidders before the original bid validity expiration date, provided that such extension shall cover only the minimum period required to complete the evaluation, award a contract, and/or complete the contract registration process. No further extensions shall be requested without the prior written concurrence of the World Bank.
6. **Qualification:** Qualification criteria shall be clearly specified in the bidding documents. All criteria so specified, and only such specified criteria, shall be used to determine whether a bidder is qualified. Qualification shall be assessed on a "pass or fail" basis, and merit points shall not be used. Such assessment shall be based entirely upon the bidder's or prospective bidder's capability and resources to effectively perform the contract, taking into account objective and measurable factors, including: (a) relevant general and specific experience, and satisfactory past performance and successful completion of similar contracts over a given period; (b) financial position; and where relevant, (c) capability of construction and/or manufacturing facilities.

Prequalification procedures and documents acceptable to the World Bank shall be used for large, complex and/or specialized works contracts. Verification of the information upon which a bidder was prequalified, including current commitments and the bidder's capability with respect to personnel and equipment, shall be carried out at the time of contract award.

In the procurement of goods and works where prequalification is not used, the qualification of the bidder who is recommended for award of contract shall be assessed by post-qualification, applying the qualification criteria stated in the bidding documents.

7. **Cost Estimates and State Unit Costs:** Cost estimates shall be confidential and shall not be disclosed to prospective bidders. No bids shall be rejected on the basis of comparison with the cost estimates and/or budget ceiling without the World Bank's prior written concurrence. State unit costs shall not be used for contract budgeting and/or for evaluation for civil works contracts.

8. **Bid Submission and Bid Opening:** Prospective bidders shall be given at least thirty (30) days from the date of publication of the invitation to bid or the date of availability of the bidding documents, whichever is later, to prepare and submit bids. Bids shall be opened in public, immediately after the deadline for their submission. No bids shall be rejected at bid opening. A copy of the bid opening minutes shall be promptly provided to all bidders who submitted bids, and to the World Bank with respect to contracts subject to the World Bank's prior review.
9. **Rejection of Bids and Re-bidding:** No bids shall be rejected solely because they exceed the estimated cost. All bids (or the sole bid if only one bid is received) shall not be rejected, the procurement process shall not be cancelled, and new bids shall not be solicited without the World Bank’s prior written concurrence.

10. **Bid Evaluation:** Evaluation criteria shall be clearly specified in the bidding documents. Evaluation of bids shall be made in strict adherence to the evaluation criteria specified in the bidding documents. All bid evaluation criteria other than price shall be quantifiable in monetary terms. Merit points shall not be used, and no minimum point or percentage value shall be assigned to the significance of price, in bid evaluation. Bidders shall not be eliminated on the basis of minor, nonmaterial deviations.

Contracts shall be awarded to the qualified bidder whose bid has been determined: (i) to be substantially responsive to the bidding documents; and (ii) to offer the lowest-evaluated cost. No negotiations shall be permitted in connection with the bid evaluation or the contract registration process.

11. **Guarantees:** Guarantees shall be in the format specified in the bidding documents. The bid guarantee shall be valid for twenty-eight days (28) beyond the original validity period of the bid, or beyond any period of extension if requested.

12. **Contract Modifications:** With respect to contracts subject to the World Bank’s prior review, the Recipient shall obtain the World Bank’s no objection before agreeing to: (i) a material extension of the stipulated time for performance of a contract; (ii) any substantial modification of the contract scope of services or other significant changes to the terms and conditions of the contract; (iii) any variation order or amendment (except in cases of extreme urgency) which, singly or combined with all variation orders or amendments previously issued, increases the original contract amount by more than fifteen percent (15%); or (iv) the proposed termination of the contract. A copy of all contract amendments shall be provided to the World Bank.

13. **Fraud and Corruption:** The bidding documents and contract as deemed acceptable by the World Bank shall include provisions stating the World Bank’s policy to sanction firms or individuals, found to have engaged in fraud and corruption as defined in the Procurement Guidelines.
14. **Inspection and Audit Rights:** In accordance with the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Financing shall provide that bidders, suppliers and contractors, and their subcontractors, agents, personnel, consultants, service providers, or suppliers, shall permit the World Bank to inspect all accounts, records, and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the World Bank. Acts intended to materially impede the exercise of the World Bank’s inspection and audit rights provided for in the Procurement Guidelines constitute an obstructive practice as defined in the Procurement Guidelines.

(c) Shopping; and
(d) Direct Contracting.

C. **Particular Methods of Procurement of Consultants’ Services**

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

2. **Other Methods of Procurement of Consultants’ Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants’ services for those assignments which are specified in the Procurement Plan:

(a) Quality-based Selection;
(b) Selection under a Fixed Budget;
(c) Least Cost Selection;
(d) Selection based on Consultants’ Qualifications;
(e) Single-Source Selection; and
(f) Selection of Individual Consultants

D. **Review by the World Bank of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.
Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of Grant A and Grant B in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds and allocations of the amounts of Grant A and Grant B, and the percentage of expenditures to be financed for Eligible Expenditures:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant A - TF016209 (expressed in USD)</th>
<th>Amount of the Grant B - TF016201 (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes and Social Charges)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods, works, non-consulting services, and consultants’ services, Training and Incremental Operating Costs under the Project</td>
<td>4,700,000</td>
<td>8,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>4,700,000</td>
<td>8,000,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals from Grant A up to an aggregate amount not to exceed one hundred thousand United States Dollars (US$100,000) equivalent may be made for payments made prior to this date but on or after March 1, 2014, for Eligible Expenditures under Category (1).

2. The Recipient shall ensure that funds under Grant A are fully disbursed by October 31, 2015. The undisbursed balance under Grant A shall be cancelled unless otherwise agreed by the World Bank.
3. The Closing Date of Grant B referred to in Section 3.06(c) of the Standard Conditions is June 30, 2017.
APPENDIX

Definitions

1. “Ayil Okmotu” means the Recipient’s municipal local government(s), established pursuant to the Recipient’s Law on Local Governments, No. 101, dated July 15, 2011.


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


5. “EMF” means the Environmental Management Framework, dated April 1, 2013, prepared and adopted by the Recipient, disclosed on April 1, 2013, in the World Bank’s InfoShop on December 19, 2013, referred to in Schedule 2, Section I, Part A of this Agreement, and satisfactory to the World Bank, describing the rules, guidelines and procedures to assess environmental impacts of the Project’s activities and defining measures to reduce, mitigate or offset adverse environmental impacts and enhance the positive impacts of the Project’s activities, as the same shall be amended from time to time with the prior approval of the World Bank.

6. “EMPs” means the site-specific Environmental Management Plans to be prepared and adopted by the Recipient pursuant to the Schedule 2, Section I, Part A of this Agreement, in accordance with the Project Operational Manual, EMF, all satisfactory to the World Bank, wherein defining specific details of measures to manage potential environmental risks and mitigate, reduce and/or offset adverse environmental impacts associated with the implementation of activities under the Project, together with an environmental and social baseline for each site, details of the relevant environmental legislative framework, adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with its terms, as the same may be amended and supplemented from time to time with the World Bank’s prior written approval;

7. “Grant A” means grant proceeds made available by the Education for All Fast Track Initiative Catalytic Trust Fund (TF051061).
8. "Grant B" means grant proceeds made available by the Global Partnership for Education Fund (TF071827).

9. "Incremental Operating Costs" shall mean the expenses incurred by the PCU for the incremental expenses on account of Project implementation, management, monitoring, including salaries and Social Charges for PCU staff, utilities, supplies, communications, maintenance costs, advertising expenses, travel and per diems for employees of the PCU, but excluding salaries of officials or employees of the Recipient’s civil service, as well as any contributions by these officials or employees to any social fund, all based on a semi-annual budget acceptable to the World Bank.


11. "PCU" means the Project Coordination Unit to be established by the Recipient pursuant to Section 5.01(a) of this Agreement.


13. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated February 27, 2013, 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.


15. "Sector-wide Steering Committee" is a committee to be established by the recipient pursuant to Article V of this Agreement and be responsible for sector-wide coordination and general oversight of the Project.

16. "Social Charges" means any payments, premia, or contributions for health benefits, unemployment benefits, disability insurance, workers’ compensation benefits, retirement (pension or social security) benefits, and life insurance, which constitute payment for the drawdown of future benefits to the staff concerned.

18. "Training" means the expenses incurred by the Recipient or the PCU in connection with study tours, training courses, seminars, workshops and other training-related activities under the Project including travel costs and per diem for participants, trainers and trainees, trainers' fees, rental of training facilities, preparation and reproduction of training materials and other activities incidental to the preparation and implementation of training activities, all based on a semi-annual budget acceptable to the World Bank.

19. "US Dollars" and "US$" mean the lawful currency from time to time of the United States of America.