Global Partnership for Education
Grant Agreement

(Global Partnership for Education – Balochistan Education Project)

Between

ISLAMIC REPUBLIC OF PAKISTAN

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT /
INTERNATIONAL DEVELOPMENT ASSOCIATION

acting as administrator of the Global Partnership for Education Trust Fund

Dated MARCH 25, 2015
GLOBAL PARTNERSHIP FOR EDUCATION
GRANT AGREEMENT

AGREEMENT dated March 25th, 2015, entered into between the ISLAMIC REPUBLIC OF PAKISTAN ("Recipient"), and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank"), acting as administrator of the Global Partnership for Education Trust Fund.

The Recipient and the World Bank hereby agree as follows:

**Article I**

Standard Conditions; Definitions

1.01. The Standard Conditions constitute an integral part of this Agreement.

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. To this end, the Recipient shall cause the Project to be carried out by Balochistan in accordance with the provisions of Article II of the Standard Conditions and the agreement dated the same date as this Agreement between the World Bank and Balochistan, as such agreement may be amended from time to time ("Project Agreement").

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

**Article III**

The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to thirty
four million United States Dollars ($34,000,000) ("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 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:

(a) BESP has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of Balochistan to achieve the objective of the Project and/or perform any of its obligations under the Project Agreement; or

(b) A situation has arisen which shall make it improbable that the BESP, or a significant part of the core activities thereof, will be carried out; or

(c) The Recipient and/or Balochistan have taken any action that would have the effect of materially reversing the objectives of BESP.

Article V
Recipient's Representative; Addresses

5.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the Secretary to the Government of Pakistan, Economic Affairs Division ("EAD") or any Additional Secretary, Joint Secretary, Deputy Secretary or Section Officer in EAD.
5.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

The Secretary
Economic Affairs Division
Government of Pakistan
Islamabad,
Pakistan

Facsimile:

(92-51) 9202417

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

Cable: Telex: Facsimile:

INDEVAS 248423 (MCI) or 1-202-477-6391
Washington, D.C. 64145 (MCI)
AGREED at Islamabad, Islamic Republic of Pakistan, as of the day and year first above written.

ISLAMIC REPUBLIC OF PAKISTAN

By

Authorized Representative

Name: Muhammad Seth
Title: Secretary INTAD

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

By

Authorized Representative

Name: Rachid Bermemsaad
Title: Country Director
SCHEDULE 1

Project Description

The objective of the Project is to increase school enrollment and retention in Project-supported schools, with a special focus on girls' participation, and to develop mechanisms for information collection and use for improved management of education.

The Project consists of the following parts:

Part 1: Access and Equity

1.1 Expanding access to school through a community-based process for the establishment of new schools, merit-based recruitment of local teachers, the establishment and mobilization of related Parent-Teacher School Management Committees ("PTSMC"), and the construction of transitional school spaces.

1.2 Upgrading certain primary girls' schools to middle schools and certain middle girls' schools to high schools, selected with community participation and on the basis of, inter alia, availability of teaching staff for specific subjects.

Part 2: Quality and Increased Accountability

2.1 Promoting early childhood education through teacher training and teacher learning materials, including, inter alia: (i) the development of a policy framework, a customized curriculum, and teaching, learning and planning materials; (ii) the provision of teacher training and (iii) the improvement of mechanisms for selecting teachers for early grades.

2.2 Strengthening school information collection, dissemination and use for improved planning and decision making, through, inter alia: (i) strengthening the quality of existing data collection tools and methods; (ii) training on use of data for planning and decision making; (iii) improving presentation of data; and (iv) introducing innovative ICT techniques for data collection on selected indicators and generating regular reports.

Part 3: Technical Assistance for Improved Capacity for Management and Monitoring

Strengthening the institutional framework for the planning, implementation and monitoring of Project activities through, inter alia: (i) the capacity building of PMU staff, PTSMCs and selected district officials for monitoring and effective
community mobilization; (ii) the capacity building of education policy makers and other relevant education departments; (iii) the development of active communication mechanisms; (iv) the use of third party mechanisms, sample based surveys and new technologies for monitoring and supervision; and (v) coordination with relevant stakeholders.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. On-granting Budgetary Arrangements

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Grant available to Balochistan in accordance with the provisions of this Agreement and the Recipient’s on-granting policies and budgetary procedures, and under the same terms and conditions as shall have been received from the World Bank.

2. Notwithstanding paragraph 1 above, in the event that any of the provisions of this Agreement, including the instructions that the World Bank shall have specified by notice to the Recipient pursuant to Section IV.A.1 of this Schedule, are inconsistent with the budgetary procedures of the Recipient, the provisions of this Agreement shall govern.

3. The Recipient shall exercise its rights under its on-granting policies and budgetary procedures in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant.

B. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Safeguards

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the MDTF Environmental and Social Screening and Assessment Framework (“MDTF-ESSAF”), the Environmental and Social Impact Assessment (“ESIA”) and the Environmental and Social Management Plan (“ESMP”), and, except as the World Bank may otherwise agree in writing, the Recipient shall not amend, abrogate, suspend or waive, or permit Balochistan to amend, abrogate, suspend or waive, any of the provisions thereof.

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 (1) calendar quarter, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (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 quarter, covering the expenditures incurred during the said quarter and providing a forecast of the eligible expenditures to be incurred during the semester immediately following, 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 (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.

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 the Grant shall be procured in accordance with the requirements set forth or referred to in:

(a) Section I of the Procurement Guidelines in the case of goods, works and non-consulting services, and Sections I and IV of the 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.

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) National Competitive Bidding, subject to the additional provisions set forth in paragraph 3 below; (b) Shopping; (c) Direct Contracting; and (d) Community Participation procedures which have been found acceptable to the World Bank and specified in the Operations Manual.

3. Additional Procedures for National Competitive Bidding. When procuring goods, works and/or non-consulting services pursuant to national competitive bidding procedures as agreed to with the World Bank, the Recipient shall ensure, and/or cause Balochistan to ensure, that the following additional provisions be applied in order to align such procedures with the Procurement Guidelines the provision of:

(i) Invitations to bid will be advertised in at least one (1) national newspaper with a wide circulation, at least fifteen (15) days prior to the deadline for the submission of bids.

(ii) Bid documents will be made available, by mail or in person, to all who are willing to pay the required fee.

(iii) Foreign bidders will not be precluded from bidding and no preference of any kind will be given to national bidders in the bidding process.

(iv) Bidding will not be restricted to pre-registered firms.

(v) Qualification criteria will be stated in the bidding documents.

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

(vii) Single bids will also be considered for evaluation.
(viii) Bids will not be rejected merely on the basis of a comparison with an official estimate without the prior concurrence of the World Bank.

(ix) Before rejecting all bids and soliciting new bids, the World Bank's prior concurrence will be obtained.

(x) Contracts will not be awarded on the basis of nationally negotiated rates.

(xi) Contracts will be awarded to the lowest evaluated and qualified bidder.

(xii) Post-bidding price negotiations will not be allowed with the lowest evaluated or any other bidders.

(xiii) Bids will be solicited and works contracts will be awarded on the basis of unit prices and not on the basis of a composite schedule of rates.

(xiv) Draft NCB contract would be reviewed by the World Bank in accordance with the prior review procedures.

(xv) A firm declared ineligible by the World Bank, based on a determination by the World Bank that the firm has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for or in executing a World Bank-financed contract, will be ineligible to be awarded a World Bank-financed contract during the period of time determined by the World Bank.

(xvi) Each contract financed from the proceeds of the Grant will provide that the suppliers, contractors and subcontractors will permit the World Bank, at its request to inspect their account and records audited by auditors appointed by the World Bank. The deliberate and material violation by the supplier, contractor or subcontractor of such provision may amount to obstructive practice.

(xvii) State-owned enterprises will be eligible to bid only if they can establish that they are legally and financially autonomous, operate under commercial law, and are not a dependent agency of the Recipient.

(xviii) The World Bank will declare a firm ineligible, either indefinitely or for a stated period, to be awarded a contract financed by the World Bank, if it at any time determines that the firm has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for or executing a contract financed by the World Bank.
C. **Particular Methods of Procurement of Consultants' Services**

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

2. **Other Methods of Procurement of Consultants’ Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms; (f) Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

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

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

Section IV. **Withdrawal of Grant Proceeds**

A. **General**

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

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants' services, Teachers' Payroll, Training and Workshops, and Incremental Operating Costs under the Project</td>
<td>34,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>34,000,000</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 up to an aggregate amount not to exceed $200,000 equivalent may be made for payments made prior to this date but on or after July 1, 2014, for Eligible Expenditures.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 30, 2018.
APPENDIX

Definitions

1. "Annual Work Plans" means the work plan of activities, associated resources, procurement packages and budgetary allocations required for a given fiscal year of the Recipient for Project implementation, to be prepared pursuant to Section I.B.4 of the Schedule to the Project Agreement.


3. "Balochistan" means the Recipient's Province of Balochistan, which is the Project Implementing Entity.


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


7. "Environmental and Social Impact Assessment" and the acronym "ESIA" means the environmental and social impact assessment, dated August 2012, and revised in March 2015, screening the environmental and social impact of the Project activities.

8. "Environmental and Social Management Plan" and the acronym "ESMP" means environmental and social plan, dated August 2012, and revised in March 2015, setting forth the mitigation or deterrent measures against any foreseeable adverse social and/or environmental effects of the Project.

9. "FD" means the Finance Department of Balochistan, or any successor thereto.

11. auditing, disbursement/withdrawals and reporting procedures required for the proper flow of Grant funds, but excluding its Section 8 ‘Procurement of Goods and Services’.

12. "Incremental Operating Costs" means the reasonable incremental expenditures for the Project, including: consumable material and supplies; office rental costs; utilities fees; insurance; communications; advertising and newspaper subscriptions; printing and stationary costs; vehicle and/or office equipment operation and maintenance; charges for opening and operating bank accounts required for the Project; travel, lodging and per diem allowances for Project staff; salaries of contractual staff (other than consultants), but excluding salaries, fees, honoraria, bonuses and any other supplements of the Recipient or Balochistan's civil servants.

13. “MDTF Environmental and Social Screening and Assessment Framework” and the acronym “MDTF-ESSAF” mean the Recipient’s environmental and social screening framework, dated December 2010, for the implementation of projects financed out of the KP/FATA/Balochistan Multi-Donor Trust Fund, and adopted by the Recipient and Balochistan for the carrying out of this Project.

14. “Operations Manual” means the manual adopted by Balochistan, dated May 2014, setting forth: (a) the detailed description of the Project implementation activities, their sequencing and the prospective timetable and benchmarks in relation thereto; (b) the qualifications, experience, functions, responsibilities of key staff and structure of the PCC, the PMU and the PTSMC; (c) the detailed terms of reference of the DCS Consultant; (d) the proposed criteria for the selection of schools for Project interventions; and (e) the procedural steps for: (i) the update of the Procurement Plan; (ii) procurement clearances and internal approvals; and (iii) the preparation and approval of the Annual Work Plans; and a description of the protocols for the collection and processing of the education sector monitoring data required for the administration of the Project, including third party validation mechanisms for the verification of selected schools, the carrying out of sample assessments of teacher attendance; and spot-check assessments of the progress in implementation of civil works and the quality thereof.

15. “Parent-Teacher School Management Committee” and the acronym “PTSMC” mean any of the groups to be constituted pursuant to the provisions of the Operations Manual, in order to: (i) represent the members of the community whose children are enrolled in a school selected under the Project, as well as the teachers/head teacher of said school; and (ii) undertake certain school governance responsibilities and functions.

17. "Procurement Plan" means the Recipient's procurement plan for the Project, dated December 2014, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

18. "PDD" means the Planning and Development Department of Balochistan, or any successor thereto.

19. "Project-Affected Persons" means the persons who, on account of the execution of the Project have experience 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; or (iii) loss of income sources or means of livelihood, whether or no 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.

20. "Project Agreement" means the agreement, of same date as this Agreement, between the World Bank and Balochistan relating to the implementation of the Project; as such agreement may be amended from time to time.


22. "Project Management Unit" and the acronym "PMU" mean Balochistan's unit, established and operating pursuant to its Notification SVI-2 (1) Gen/2012-S&GAD, dated July 2012.

23. "Project-supported schools" means the schools to be supported under the Project, in accordance with the criteria set forth in the Operations Manual.

24. "Project Coordination Committee" and the acronym "PCC" mean Balochistan's committee, established and operating pursuant to its Notification No. E-O(Dev)2012/490-50, dated April 10, 2012, and which will provide oversight and support for Project implementation.

25. "SED" means the Secondary Education Department of Balochistan, and/or any successor thereto, acceptable to the World Bank.

27. "Standard Operating Procedures" means the procedures to be prepared and adopted by Balochistan, pursuant to the provisions of Section I.F of the Schedule to the Project Agreement.

28. "SQ&A Consultant" means the supervision and quality assurance consulting firm to be hired pursuant to Section I.A.2 of the Schedule to the Project Agreement.

29. "Teachers' Payroll" means the reasonable costs of salaries, allowances, and related costs of teachers of Project-supported schools to be recruited under Part 1 of the Project, in accordance with the Operations Manual.

30. "Training and Workshops" means the reasonable costs of training, workshops and conferences conducted in the territory of the Recipient or attended overseas (subject to the prior approval of the World Bank), including the purchase and publication of materials, rental of facilities, course fees, and travel and subsistence of trainees.