Global Partnership for Education Fund
Grant Agreement

(Lesotho Basic Education Improvement Project)

between

Kingdom of Lesotho

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as a Grant Agent for the Global Partnership for Education Fund)

Dated July 20, 2017
GRANT NUMBER TF0A5372

GLOBAL PARTNERSHIP FOR EDUCATION FUND
GRANT AGREEMENT

AGREEMENT dated July 20, 2017 entered into between:
KINGDOM OF LESOTHO ("Recipient"); and INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT
ASSOCIATION ("World Bank"), acting as grant agent for the Global Partnership for
Education Fund ("Trust Fund").

The Recipient and the World Bank hereby agree as follows:

**Article I**

**Standard Conditions; Definitions**

1.01. The "Standard Conditions for Grants Made by the World Bank Out of Various
Funds", dated February 15, 2012 ("Standard Conditions"), with the modifications
set forth in Section 1 of the Appendix to this Agreement, 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 described
in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry
out the Project through MoET 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 two million one hundred thousand United States Dollars ($2,100,000) ("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
Recipient’s Representative; Addresses

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

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

Ministry of Finance
P.O. Box 395
Maseru 100, Lesotho
Facsimile:
(266) 2231 1041

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

International Bank for Reconstruction and Development/International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America
Telex: Facsimile:
248423 (MCI) or 64145 (MCI)

AGREED at Maseru, Lesotho, as of the day and year first above written.

KINGDOM OF LESOTHO

By

Authorized Representative

Name: Moekeiti Majako (Dr.)

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT/INTERNATIONAL
DEVELOPMENT ASSOCIATION (acting as a Grant Agent
for the Global Partnership for Education Fund)

By

Janet K. Olstine
Authorized Representative

Name: Janet Entwistle

Title: Country Representative
SCHEDULE 1
Project Description

The objective of the Project is to improve basic education service delivery and student retention in targeted schools.

The Project consists of the following parts:

Part A: Improving the Teaching and Learning Environment in Targeted Primary Schools and Associated Pre-Primary and Junior Secondary Schools

1. Strengthening primary (Grades 1-7) and pre-primary school teaching and learning, including provision of teaching and learning resources and training of Grades 1-7 teachers and pre-primary teachers/caregivers.

2. Demonstrating the PMI-PSI in selected junior secondary schools; school support staff and teachers training; and provision of teaching materials.

Part B: Strengthening School Accountability for Student Learning and Retention in Targeted Schools

1. School improvement planning including the training of facilitators and schools boards on the SIP; provision of facilitator fees; and printing of SIPs.

2. Provision of SIP Grants to selected primary and junior secondary schools.

3. Strengthening the Recipient's capacity for reporting, monitoring of results, and oversight mechanisms, including the training of facilitators and school boards on the school report card; printing of school report cards; and provision of support to facilitate participating school management and enhanced oversight by the selected district education officers, district resource teachers, and inspectors.

Part C: Strengthening Institutional Capacity and Project Management

1. Carrying out analytical work including reviews of early child-hood care and development (ECCD) curriculum, curriculum and assessment of policy for primary and secondary schools and other selected studies.

2. Development of a management course/program for school principals (including pre- and post-tests) and an induction and mentorship policy for new teachers.

3. Project management, administration, evaluation support through the provision of Operating Costs, Training and Workshops, technical advisory services, and acquisition of goods.
SCHEDULE 2
Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Coordination Committee

   (a) The Recipient shall at all times during the implementation of the Project maintain the Coordination Committee, with a composition, mandate, functions and resources satisfactory to the World Bank, as set forth in the Project Implementation Manual.

   (b) Without limitation to sub-paragraph 1(a) immediately above, the Coordination Committee shall be responsible for, inter alia: (i) providing strategic guidance; (ii) taking key policy decisions to ensure smooth implementation of the Project and achievement of its objective; (iii) facilitating the coordination of Project activities, and making recommendations for removal of any obstacles to the implementation of the Project; and (iv) reviewing and approving the Project reports prepared by the Project Facilitation Unit.

2. MoET and Project Facilitation Unit

   (a) The Recipient shall at all times during the implementation of the Project, maintain the MoET with functions, staffing, resources and responsibilities satisfactory to the World Bank.

   (b) Without limitation upon the provisions of paragraph 2(a) immediately above, the MoET shall be responsible for management and implementation of the Project, including: (i) day-to-day administration of overall planning, coordination, monitoring, evaluation, reporting and communication of the activities under the Project; (ii) efficient communication and coordination of Project implementation with participating schools and relevant departments and agencies; (iii) fiduciary (i.e., procurement, disbursement and financial management), environmental and social safeguards compliance and coordination under the Project; and (iv) monitoring overall progress of implementation on a monthly basis and evaluating Project performance.
(c) Without limitation upon the provision of paragraph 2(b) immediately above, the Recipient shall maintain within the MoET a facilitation unit (Project Facilitation Unit) with functions, staffing, resources and terms of reference satisfactory to the World Bank, for the purpose of supporting the MoET in the day-day management, coordination and implementation of the Project.

3. Inspectorate of Schools

(a) Without limitation upon the provision of Section I.A.2 of this Schedule, the Recipient shall at all times during the implementation of the Project, maintain the Inspectorate of Schools with functions, staffing, resources and responsibilities satisfactory to the World Bank.

(b) The Inspectorate of Schools shall be responsible for, *inter alia*: (i) reviewing and approving the SIP Grants, in accordance with the SIP Manual; and (ii) acting as the main focal point for communication with the schools, and relevant departments and agencies, all in accordance with the provisions of this Agreement and the Project Implementation Manual.

B. Implementation Arrangements


(a) The Recipient shall carry out the Project (except Part B.2 of the Project) in accordance with the provisions of the Project Implementation Manual, containing, *inter alia*, detailed arrangements and procedures for: (i) institutional coordination and day-to-day execution of the Project; (ii) Project budgeting, disbursement and financial management; (iii) procurement; (iv) monitoring, evaluation, reporting and communication; and (v) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

(b) The Recipient shall carry out Part B.2 of the Project in accordance with the provisions of the SIP Manual, containing, *inter alia*: (i) detailed arrangements and procedures for management, supervision, monitoring, evaluation and reporting of the respective SIPs; (ii) disbursement and funds flow arrangements; (iii) procedures for procurement and financial management setting forth, *inter alia*, the procurement and financial management responsibilities of the respective schools receiving the SIP Grant; and (iv) guidelines for the carrying out of the respective SIPs, including, the eligibility criteria for determining the schools receiving SIP Grants, and detailed procedures for the selection, approval and implementation of respective SIPs.
(c) The Recipient shall not amend, abrogate, waive or fail to enforce any provision of the Project Implementation Manual, or the SIP Manual, without the prior written agreement of the World Bank; provided, however, that in case of any conflict between the arrangements and procedures set out in any of said manuals and the provisions of this Agreement, the provisions of this Agreement shall prevail.

2. Annual Work Plans and Budgets

(a) No later than May 1st in each Fiscal Year of the Recipient (or one month after the Effective date for the first year of Project implementation), the Recipient shall prepare and furnish to the World Bank a draft annual work plan and budget for the Project for the subsequent Fiscal Year of Project implementation, of such scope and detail as the World Bank shall have reasonably requested.

(b) Each such proposed annual work plan and budget shall include a proposed budget and financing plan for respective SIPs.

(c) The Recipient shall exchange views with the World Bank on each such proposed annual work plan, and shall thereafter adopt, and carry out such program of activities for such following Fiscal Year as shall have been agreed with the World Bank, as such plan may be subsequently revised during such following Fiscal Year with the prior written agreement of the World Bank (“Agreed Annual Work Plan”).

C. SIP Grants

1. The Recipient shall appraise, approve and monitor SIPs and administer the SIP Grants in accordance with the provisions and procedures set forth or referred to in more detail in the SIP Manual.

2. The Recipient shall cause the Inspectorate of Schools to carry out an appraisal of the compatibility of the SIP in accordance with the eligibility criteria and the technical, financial and procurement guidelines and procedures set forth in the SIP Manual and, based on such appraisal, and approve the SIP in accordance with the SIP Manual.

3. A SIP shall be carried out pursuant to programmed activities agreed to between the MoET and respective schools, prior to commencement of any activity under such SIP, all under terms and conditions described or referred to in more detail in the SIP Manual and satisfactory to the World Bank, which, inter alia, shall include following:
(a) the description of the activities to be implemented, including the outputs and performance targets to be achieved, and the arrangements for monitoring, evaluating and reporting on the implementation of the SIP;

(b) the modalities for the transfer of funds by the MoET to the respective schools;

(c) the obligation of the respective schools to: (i) carry out the SIP with due diligence and efficiency and in accordance with sound technical, engineering, environmental, financial, and managerial practices, and in accordance with the provisions of the Anti-corruption Guidelines and the pertinent provisions of this Agreement; and (ii) maintain adequate records to reflect, in accordance with sound accounting practices, the operations, resources and expenditures relating to the SIP;

(d) the requirement that the goods and consultants' services to be financed from the proceeds of the SIP Grant shall be procured in accordance with procedures ensuring efficiency and economy and in accordance with the provisions of Section III of this Schedule, and shall be used exclusively in the carrying out of the SIP; and

(e) the right of the MoET, on behalf of the Recipient, to: (i) inspect by itself, or jointly with the World Bank, if the World Bank shall so request, the goods, included in the SIP, the operations thereof and any relevant records and documents; (ii) obtain all information as the Recipient, or the World Bank, shall reasonably request regarding the administration, operation and financial conditions of the respective SIP; and (iii) suspend or terminate the right of the pertinent school to use the proceeds of the SIP Grant upon failure by said school to perform any of its obligations under the SIP.

D. 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").

E. 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. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one (1) 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.
C. 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

All goods, 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 Borrowers under Investment Project Financing” dated July 1, 2016, and the provisions of the Recipient’s procurement plan for the Project (“Procurement Plan”) dated January 26, 2017 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 “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, non-consulting services, and consultants' services, Operating Costs, and Training and Workshops under the Project</td>
<td>1,989,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, non-consulting services and consultants’ services, Training and Workshops, and Operating Costs required for SIPs under SIP Grants for Part B.2 of the Project</td>
<td>111,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>2,100,000</td>
<td></td>
</tr>
</tbody>
</table>

For the purpose of the table set forth immediately above:

(a) "Operating Costs" means the incremental expenses incurred on account of Project implementation, based on Annual Work Plans approved by the World Bank pursuant to Section I.B.2 of Schedule 2 to this Agreement, including office equipment and supplies, vehicle operation and maintenance, communication and insurance costs, office administration costs, utilities, travel, per diem and supervision costs of locally contracted employees, excluding the salaries of the Recipient’s civil service.

(b) "Training and Workshops" means the cost associated with the training, workshops and study tours, based on Annual Work Plans approved by the World Bank pursuant to Section I.B.2 of Schedule 2 to this Agreement, for reasonable expenditures (other than expenditures for consultants’ services), including: (a) travel, room, board and per diem expenditures incurred by trainers and trainees in connection with their training and by non-consultant training facilitators; (b) course fees; (c) training facility rentals; and (d) training material preparation, acquisition, reproduction and distribution expenses.
B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
   
   (a) for payments made prior to the date of this Agreement; and except that withdrawals up to an aggregate amount not to exceed $100,000 may be made for payments made prior to this date but on or after June 15, 2017, for Eligible Expenditures under Category (1) and

   (b) in respect of any SIP Grant under Category (2), unless the Recipient has adopted the SIP Manual, in a manner acceptable to the Association.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is August 31, 2020.
APPENDIX

Section I. Definitions


2. "Annual Work Plan and Budget" means a plan and budget referred to in Section I.B.2 of Schedule 2 to this Agreement.

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

4. "Coordination Committee" means the committee referred to in Section I.A.1 of Schedule 2 to this Agreement.

5. "Fiscal Year" means the fiscal year of the Recipient commencing on April 1 of each year and ending on March 31.

6. "Inspectorate of Schools" means a department within the MoET, charged with the responsibilities for monitoring effective curriculum delivery and assessment and compliance to the MoET's policies.


8. "Project Implementation Manual" means the Recipient’s manual, dated April 5, 2016 referred to in Section I.B.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written agreement of the World Bank, and such term includes any annexes or schedules to such Manual.


10. "PSI" means progressive science initiative.

11. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated January 26, 2017, 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.

12. "SIP Grant" means a grant made or proposed to be made out of the proceeds of the Grant by the Recipient to a selected school for the purpose of financing a School Improvement Plan in accordance with the provisions of Section I.D of Schedule 2 to this Agreement.
13. “SIP Manual” means the Recipient’s manual, in form and substance satisfactory to the World Bank, and referred to in Section 1.B.1 of Schedule 2 to this Agreement, as said manual may be amended from time to time with the agreement of the World Bank.

14. “School Improvement Plan” or “SIP” means a set of specific activities carried out or to be carried out by a selected school under Part B.2 of the Project, and financed or proposed to be financed out of the proceeds of the Grant through a SIP Grant.