Global Partnership for Education Fund
Grant Agreement

(Uganda Teacher and School Effectiveness Project)

between

REPUBLIC OF UGANDA

and

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

Dated August 19, 2014

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 objective 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 Sports ("MoES") 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 equal to
one hundred million United States Dollars ($100,000,000) ("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, namely, that:

(a) as a result of events which have occurred after the date of this Agreement, a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out; and

(b) 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 Grant Account if this Agreement had been effective on the date such event occurred.

4.02. The Additional Event of Acceleration consists of the following, namely, that the event specified in paragraph 4.01(b) occurs and is continuing for a period of sixty (60) days after notice of the event has been made by the World Bank to the Recipient.

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 conditions specified below have been satisfied:

(a) the execution and delivery of this Agreement on behalf of the Recipient has been duly authorized or ratified by all necessary governmental action;
(b) the Recipient has prepared and adopted the Project Implementation Manual in accordance with the provisions of Section I.B.1 of Schedule 2 to this Agreement;

(c) the Recipient has prepared and adopted the Annual Work Plan and Budget for Fiscal Year 2014-2015 in accordance with the provisions of Section I.B.2 of Schedule 2 to this Agreement; and

(d) the Recipient has established a fully operational Project coordination team in accordance with the provisions of Section I.A.1 of Schedule 2 to this Agreement.

5.02. As part of the evidence to be furnished pursuant to Section 5.01(a), there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Member Country, showing the following matters, namely, on behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms.

5.03. 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.

5.04. Termination for Failure to Become Effective. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date one hundred and twenty (120) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article VI
Recipient’s Representative; Addresses

6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its minister responsible for finance.
6.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance, Planning and Economic Development
P.O. Box 8147
Kampala
Republic of Uganda

Telephone 256-414-707000
Facsimile 256-414-230163

6.03. 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: INDEVAS
Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391
AGREED at Kampala, Republic of Uganda, as of the day and year first above written.

REPUBLIC OF UGANDA

By

[Signature]

Authorized Representative

Name: Maria Kiwanuka

Title: [Position]

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as administrator of the Global Partnership for Education Fund)

By

[Signature]

Authorized Representative

Name: Ahmadou Moustapha N'Diaye

Title: Country Manager.
SCHEDULE 1

Project Description

The objective of the Project is to support the Recipient in improving teacher and school effectiveness in the public primary education system.

The Project consists of the following parts:

Part 1. Effective Teachers

Implementing a program of actions designed to strengthen effectiveness of early grade literacy instruction at the classroom levels, including:

(a) Improving teacher and instructor competencies (content, knowledge, skills and pedagogy) and practices for the delivery of the early grade numeracy and literacy primary school curriculum, targeting:

(i) primary teachers and instructors, through, inter alia: (A) scaling up the early grade reading program for primary grades 1-3; and (B) strengthening in-service teacher training, through: (a) conducting a national assessment of progress in education among in-service teachers and graduate teacher trainees; and (b) implementing activities designed to improve in-service tutors' performance, such as: scaling up of the certification for teacher education proficiency program; development of a strategic plan for the rollout of a continuous assessment framework for teacher trainees; alignment of coordinating centers with administrative and primary teachers college zoning systems; and strengthening the capacities of coordinating centers; and

(ii) early childhood education ("ECE") providers and caregivers, through, inter alia: (A) rolling out of the community child care program; and (B) preparation of ECE instructors' proficiency program.

(b) Provision of: (i) instructional materials and teacher guides for said early grade reading program; (ii) literacy and numeracy instructional materials (including non-textbook materials for primary grades 1-3 and textbooks for primary grades 4-7) and teacher reference materials; (iii) copies of curricula and teacher guides for public and private schools; and (iv) brail and other learning materials for children with disabilities.

(c) Strengthening the capacity of the Directorate of Education Standards for teacher supervision with a view to enhancing accountability, in particular: (i) design, development and implementation (including related training) of an appropriate ICT-based teacher inspection reporting system; (ii) strengthening the capacities
of district inspectors for carrying out school inspections; and (iii) scaling up of the associate assessor’s school inspection model in selected districts.

Part 2. Effective Schools

(a) Carrying out of a program of activities designed to strengthen school governance, leadership, management and accountability, in particular: (i) implementation of a comprehensive training program targeting head-teachers; and (ii) strengthening the capacity and effectiveness of school management committees, all through the provision of training and acquisition of goods for the purpose.

(b) Provision of Performance and Needs-based School Facility Grants to District Local Governments for implementation of Subprojects designed to enhance the quality of learning environments in priority schools.

Part 3. Implementation Support and Capacity Building

(a) Improving the enabling environment for provision of quality ECE, in particular: (i) carrying out of a comprehensive review of ECD policy and operational standards and developing an implementation plan; (ii) enhancing the capacities of staff at the national and district levels as well as centre management committees for implementation, supervision, monitoring and evaluation of the revised ECD policy; and (iii) dissemination of said revised ECD policy.

(b) Developing and implementing an efficient ICT-based integrated school data management system so as to enhance monitoring and evaluation, accountability, transparency and planning at the local and national levels, all through the provision of technical advisory services, training, operating costs and acquisition of goods for the purpose.

(c) Strengthening management of the teacher payroll system, implementation of the scheme of service and teacher management, all through the provision of technical advisory services, training, operating costs and acquisition of goods for the purpose.

(d) Strengthening the capacity of MoES for day to day implementation, coordination and management of Project activities (including procurement, financial management, environmental and social safeguards, monitoring and evaluation, supervision and reporting aspects) and verification of results, all through the provision of technical advisory services, training, operating costs and acquisition of goods for the purpose.

(e) Preparation of an education sector strategic plan.
Section I. Institutional and Implementation Arrangements

A. Institutional Arrangements

1. Ministry of Education and Sports ("MoES")

(a) The Recipient shall designate, at all times during the implementation of the Project, the MoES to be responsible for prompt and efficient oversight of implementation of activities under the Project, and shall take all actions, including, the provision of funding, personnel and other resources necessary to enable the MoES to perform said functions. To this end, the MoES shall maintain, at all times during Project implementation, a fully operational Project coordination team comprising a Project coordinator, a deputy Project coordinator, a procurement specialist, a financial management specialist, a civil engineer, an early grade reading specialist, a monitoring and evaluation specialist, a quantity surveyor, and such other staff as may be agreed with the World Bank, all with qualifications and experience, and terms of reference acceptable to the World Bank.

(b) The Recipient shall: (i) engage not later than the Effective Date, and thereafter assign to the Project coordination team at all times during implementation of the Project, the said deputy Project coordinator, procurement specialist, financial management specialist, civil engineer, monitoring and evaluation specialist, quantity surveyor, and early grade reading specialist, all with qualifications and experience, and terms of reference acceptable to the World Bank; and (ii) engage not later than six (6) months of the Effective Date, or such other date as may be agreed with the World Bank, and thereafter assign to the Project coordination team at all times during implementation of the Project, an environmental specialist and a social safeguards specialist with qualifications, experience, and terms of reference satisfactory to the World Bank.

(c) Without limitation upon the generality of the provisions of sub-sections (a) and (b) of this section 1, the Project coordination team shall be responsible for day to day implementation, coordination and management of activities (including procurement, financial management, environmental and social safeguards, monitoring and evaluation, supervision and reporting aspects, as the case may be), under the Project.
2. **District Local Governments**

Without limitation upon the provisions of paragraph 1 of this Section I.A, the Recipient shall designate, at all times during the implementation of the Project, the respective District Local Governments, to be responsible for, *inter alia*, implementation of respective Subprojects under Part 2(b) of the Project, all in accordance with the provisions of the Project Implementation Manual (including the School Facilities Grant Guidelines). The Recipient shall cause to be taken all actions including the provision of funding, personnel and other resources necessary to enable said District Local Governments to perform said functions.

B. **Implementation Arrangements**

1. **Project Implementation Manual**

   (a) The Recipient shall prepare, in accordance with terms of reference acceptable to the World Bank and furnish to the World Bank for review, a Project implementation manual, which shall include provisions on the following matters: (i) capacity building activities for sustained achievement of the Project's objectives; (ii) arrangements on financial management, setting forth the detailed policies and procedures for financial management under the Project; (iii) procurement management procedures; (iv) institutional administration, coordination and day to day execution of Project activities; (v) monitoring and evaluation; (vi) reporting; (vii) information, education and communication of Project activities and results; (viii) the eligibility criteria and detailed procedures for the selection and approval of Subprojects under Part 2(b) of the Project, and for provision of Performance and Need-based School Facility Grants for said Subprojects ("School Facilities Grant Guidelines"); (ix) guidelines for assessing potential environmental and social impacts of Project activities and designing appropriate mitigation, management, and monitoring measures in respect of said impacts; and (x) such other technical and organizational arrangements and procedures as shall be required for the Project.

   (b) The Recipient shall afford the World Bank a reasonable opportunity to exchange views with the Recipient on said Project implementation manual, and thereafter, shall adopt such Project implementation manual, as shall have been approved by the World Bank ("Project Implementation Manual").

   (c) The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Project Implementation Manual, provided, however, that in case of any conflict between the provisions of the
Project Implementation Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.

(d) Except as the World Bank shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the Project Implementation Manual.

2. Annual Work Plan and Budget

(a) The Recipient shall prepare and furnish to the World Bank not later than May 30 of each Fiscal Year during the implementation of the Project, a work plan and budget containing all activities (including all Subprojects) proposed to be included in the Project during the following Fiscal Year (including Safeguard Instruments applicable to said activities in accordance with the provisions of Section 1.E of this Schedule 2 and the measures proposed to be carried out under each of said Safeguard Instruments), and a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing.

(b) Each such proposed work plan and budget shall specify any Training activities that may be required under the Project, including: (i) the type of Training; (ii) the purpose of the training; (iii) the personnel to be trained; (iv) the institution or individual who will conduct the Training; (v) the location and duration of the training; and (vi) the cost of the Training.

(c) The Recipient shall afford the World Bank a reasonable opportunity to exchange views with the Recipient on each such proposed work plan and budget and thereafter ensure that the Project is implemented with due diligence during said following Fiscal Year in accordance with such work plan and budget as shall have been approved by the World Bank (“Annual Work Plan and Budget”).

(d) The Recipient shall not make or allow to be made any material change to the approved Annual Work Plan and Budget without prior approval in writing by the World Bank.

C. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
D. **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, take all measures required on its part to enable the representatives of the Donors to visit any part of the Recipient's territory for purposes related to the Project.

E. **Safeguards**

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Safeguards Frameworks and Safeguards Instruments. To this end, the Recipient shall ensure that the following actions are taken in a manner acceptable to the World Bank:

   (a) if any Project activity would, pursuant to the Environmental and Social Management Framework ("ESMF"):
       (i) require the carrying out of an Environmental and Social Impact Assessment ("ESIA"), the Recipient shall ensure that an ESIA for such activity is:
           (A) carried out, in accordance with the requirements of the ESMF and furnished to the World Bank for review and approval; and (B) disclosed as required by the ESMF and approved by the World Bank; and
       (ii) require the preparation of an Environmental and Social Management Plan ("ESMP"), such ESMP is prepared in accordance with the ESMF and furnished to the World Bank for review and approval, and is disclosed as required by the ESMF and approved by the World Bank; and

   (b) if a Resettlement Action Plan ("RAP") would be required for any Project activity on the basis of the Resettlement Policy Framework ("RPF"):
       (i) said RAP shall be prepared in accordance with the requirements of the RPF, furnished to the World Bank for review and approval, and disclosed as required by the RPF and approved by the World Bank; and
       (ii) no works under said activity shall be commenced until all measures required to be undertaken under said RAP prior to the initiation of said works have been undertaken.

   (c) if an Indigenous Peoples Plan ("IPP") would be required for any Project activity on the basis of the Indigenous Peoples Planning Framework ("IPPF"):
       (i) such IPP shall be prepared in accordance with the requirements of the IPPF, furnished to the World Bank for review and approval, and is disclosed as required by the IPPF and approved by the World Bank; and
       (ii) no activity shall be commenced until all measures
required to be undertaken under said IPP prior to the commencement of said activity has been undertaken.

2. Without limitation upon its other reporting obligations under this agreement and under Section 2.06 of the Standard Conditions, the Recipient shall include in the Project Reports referred to in Section II.A of this Schedule, adequate information on the implementation of the Safeguards Frameworks and the Safeguards Instruments, giving details of: (a) measures taken in furtherance of such Safeguards Frameworks and such Safeguards Instruments; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguards Frameworks and such Safeguards Instruments; and (c) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of such Safeguards Frameworks and such Safeguards Instruments.

F. Subprojects under Part 2 (b); Performance and Need-based School Facility Grants

1. Eligibility. In order to ensure the proper implementation of Part 2(b) of the Project, the Recipient shall make Performance and Need-based School Facility Grants to District Local Governments for Subprojects in accordance with eligibility criteria and procedures acceptable to the World Bank, as elaborated in the School Facilities Grant Guidelines, which shall include, inter alia, the following:

(a) the Recipient, through MoES, has determined on the basis of an appraisal carried out in accordance with guidelines acceptable to the World Bank, that:

(i) the proposed District Local Government: (A) has the organization, management, technical capacity and other resources necessary to carry out the proposed Subproject; and (B) has prepared a satisfactory financing plan and budget, and a satisfactory implementation plan for the proposed Subproject; and

(ii) the proposed Subproject: (A) is technically feasible, and financially and economically sound; and (B) if, pursuant to the Safeguards Frameworks, one or more Safeguards Instruments are required, such Safeguards Instruments have been prepared and approved by the World Bank and disclosed in accordance with the provisions of Section I.F of this Schedule 2, and all measures required to be taken in accordance with said Section I.F prior to commencement of the activities covered by the Safeguards...
Instrument have been taken; and (C) does not involve any involuntary resettlement; and

(b) the Recipient shall make each Performance and Need-based School Facility Grant to a District Local Government on terms and conditions satisfactory to the World Bank, which shall include the following:

(i) the Performance and Need-based School Facility Grant shall be made on non-reimbursable grant basis;

(ii) the District Local Government shall be required to: (A) carry out the Subproject with due diligence and efficiency and in accordance with sound technical, financial, economic, managerial, environmental and social standards and practices satisfactory to the World Bank including in accordance with the provisions of the Safeguards Frameworks and the Safeguards Instruments, and the Anti-Corruption Guidelines applicable to recipients of Grant proceeds other than the Recipient; (B) ensure that the resources required for the Subproject are provided promptly as needed; (C) procure goods, works, non-consulting services and services required for the Subproject in accordance with the provisions of Section III of this Schedule 2; (D) maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with indicators acceptable to the World Bank, the progress of the Subproject and the achievement of its objectives; and (E) (i) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect its operations, including the operations, resources and expenditures related to the Subproject; and (ii) at the request of the World Bank or the Recipient, have such records audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the records as so audited to the Recipient and the World Bank;

(iii) the District Local Government shall be required to carry out the Subproject in accordance with the provisions of the School Facilities Grant Guidelines; and

(iv) the Recipient shall have the right to: (A) inspect by itself, or jointly with the World Bank, if the World Bank shall so request, the goods and sites included in the Subproject, the operations thereof, and any relevant records and documents; (B) obtain all
information as it, or the World Bank, shall reasonably request regarding the administration, operation, and financial condition of the District Local Government; and (C) suspend or terminate the right of the District Local Government to use the proceeds of the Performance and Need-based School Facility Grant, or obtain a refund of all or any part of the amount of the Performance and Need-based School Facility Grant then withdrawn, as the case may be, upon failure by the District Local Government to perform any of its obligations under the School Facilities Grant Guidelines.

2. The Recipient shall exercise its rights in accordance with the above terms and conditions in such manner as to protect its interests and those of the World Bank (including, the right to suspend or terminate the right of the District Local Government to use the proceeds of the Performance and Need-based School Facility Grant, or obtain a refund of all or any part of the amount of the Performance and Need-based School Facility Grant then withdrawn, upon the District Local Government's failure to perform any of its obligations in accordance with the above terms and conditions) and to accomplish the purposes of the Performance and Need-based School Facility Grant, and, except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision 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 semester, and shall be furnished to the World Bank not later than one (1) 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.

3. The Recipient shall, not later than one (1) month prior to the mid-term review referred to in paragraph 4 of this Section II.A, furnish to the World Bank for comments, a report, in such detail as the World Bank shall reasonably request, on the progress of the Project, and giving details of the various matters to be discussed at such review.
4. The Recipient shall, not later than twenty (20) months after the Effective Date, undertake, in conjunction with all agencies involved in the Project, a comprehensive mid-term review of the Project during which it shall exchange views with the World Bank and implementing agencies generally on all matters relating to the progress of the Project, the performance by the Recipient of its obligations under this Agreement and the performance by said implementing agencies, having regard to the performance indicators referred to in paragraph 1 of this Section II.A.

5. Following the mid-term review, the Recipient shall act promptly and diligently in order to take any corrective action deemed necessary to remedy any shortcoming noted in the implementation of the Project, or to implement such other measures as may be required in furtherance of the objectives of the Project.

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 (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.

4. Internal Audits. Without limitation upon the provisions of sub-paragraph 3 immediately above, the Recipient shall carry out internal audits on terms and conditions satisfactory to the World Bank. Each such internal audit shall cover the period of one calendar semester. The reports on said internal audits shall be furnished to the World Bank not later than two (2) months after the end of the period to which said internal audits relate.

C. Verification of Payments

The Recipient shall, in each Fiscal Year during the implementation of the Project and prior to disbursing any payment for Eligible Program Expenditures (against the achievement of Disbursement Linked Indicators ("DLIs"), carry out or cause to be carried out, in accordance with terms of reference acceptable to the World
Bank and elaborated in the Project Implementation Manual, an independent verification of the delivery of said DLIs for which payment is requested.

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 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) National Competitive Bidding, subject to the additional provisions in paragraph 3 immediately below; (b) Shopping, subject to the additional provision in paragraph 4 immediately below; and (d) Direct Contracting, subject to the additional provision in paragraph 5 immediately below.

3. National Competitive Bidding shall be subject to the following:
(a) Domestic preferences shall not be applicable;

(b) The charging of fees for dealing with bidder complaints at procuring entity level shall not be permitted;

(c) In accordance with paragraph 1.16(e) of the Procurement Guidelines, each bidding document and contract shall provide for the following: (i) the bidders, suppliers, contractors and subcontractors shall, on request, permit the World Bank to inspect the accounts and records relating to the bid submission and performance of the contract, and shall have the accounts and records audited by auditors appointed by the World Bank; and (ii) any deliberate and/or material violation of such provision by any bidder, supplier, contractor or subcontractor may amount to an obstructive practice provided for in paragraphs 1.16(a) and (v) of the Procurement Guidelines;

(d) Firms or individuals debarred or suspended by the World Bank shall not be eligible (in addition to firms or individuals suspended by PPDA);

(e) Disqualification of bidders for not purchasing bidding documents from the Recipient shall not apply;

(f) Contract amendments where justified shall not be restricted to an aggregate amount of 25 percent of the original contract amount; and

(g) Bid securing declarations may be applied for National Competitive Bidding.

4. Shopping shall follow the request for quotations procedures (as defined in the PPDA Act and attendant regulations) subject to the provisions in sub-paragraphs (a) to (g) immediately above. Thresholds for Shopping under PPDA Act shall not apply.

5. Direct Contracting shall be subject to the following, namely, that micro-procurement (as defined in the PPDA Act) shall only apply for contracts estimated to cost the equivalent of 150 Dollars or less.

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.

E. **Procurement Audit**

The Recipient shall: (1) not later than eighteen (18) months after the Effective Date; (2) not later than thirty (30) months after the Effective Date; and (3) not later than forty-two (42) months after the Effective Date, respectively, carry out under terms of reference satisfactory to the World Bank, respectively, an audit of contracts procured in the preceding Fiscal Year ("FY"), respectively, and furnish reports on said audit to the World Bank not later than six (6) months after the end of the FY to which said audit relates, respectively. In order to assist the Recipient in preparing said audits, the Recipient shall engage consultants in accordance with the provisions of Section III of this Schedule 2.

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) Eligible Program Expenditures under Parts 1 and 2 of the Project</td>
<td>77,200,000</td>
<td>100% of the Eligible Program Expenditures Withdrawal Application</td>
</tr>
<tr>
<td>(2) Goods, consulting services, non-consulting services, Training and Operating Costs under Part 3 of the Project</td>
<td>14,900,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Unallocated</td>
<td>7,900,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>100,000,000</strong></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:
   
   (a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed US$3,000,000 equivalent may be made for payments made prior to this date but on or after July 1, 2014, for Eligible Expenditures under Category 2; or
   
   (b) under Category (1), in any Fiscal Year commencing in Fiscal Year 2014/2015, unless and until the Recipient has furnished to the World Bank: (i) evidence, in form and substance satisfactory to the World Bank, that the respective DLIs specified in the table in Schedule 3 have been met and verified in accordance with Section II.C of Schedule 2 to the Agreement; (ii) furnished evidence of actual expenditures under the Program of Eligible Expenditures to which the DLIs are attributed to and evidence that the expenditures have been verified in accordance with the PIM and the provisions of with Section II.C of Schedule 2 to the Agreement ; and (iii) an Eligible Program Expenditures Withdrawal Application for said DLIs, in form and substance satisfactory to the World Bank.

2. Notwithstanding the provisions of Part B.1(b) of this Section, the Recipient may withdraw: (a) an amount not to exceed US$19,000,000 as an advance under Category (1); provided, however, that if the DLIs for said Category (1) in the opinion of the World Bank, are not achieved (or are only partially achieved) by
the Closing Date, the Recipient shall refund such advance (or portion of such advance as determined by the World Bank) to the World Bank promptly upon notice thereof by the World Bank. Except as otherwise agreed with the Recipient, the World Bank shall cancel the amount so refunded. Any further withdrawals requested as an advance under any Category shall be permitted only on such terms and conditions as the World Bank shall specify by notice to the Recipient.

3. The Closing Date referred to in Section 3.06(c) of the Standard Conditions is June 30, 2018.
## SCHEDULE 3

### Disbursement Linked Indicators

<table>
<thead>
<tr>
<th>Disbursement Linked Indicator (“DLI”)</th>
<th>Action to be Completed (Disbursement Linked Result (“DLR”))</th>
<th>Amount of the Financing Allocated Per DLI (expressed in USD)</th>
<th>Amount Allocated per DLR for the Disbursement Calculation (expressed in USD)</th>
</tr>
</thead>
</table>
| DLI 1: Enhanced effectiveness of early grade instruction through provision of training to in-service teachers. | DLR 1.1: Terms of reference for training firm developed for C-TEP, and training content and plan finalized for early grade reading and ECD care givers  
DLR 1.2: Training firm contract awarded for C-TEP, training materials procured for early grade reading and ECD care givers.  
DLR 1.3: In-service teachers (early grade reading and C-TEP), ECD care givers trained and names published on MoES website. | 13,700,000 | DLR 1.1: 1,500,000  
DLR 1.2: 1,500,000  
DLR 1.3: 10,700,000 (of which US$637 per teacher trained) |
| DLI 2: Provision of instructional materials for literacy and numeracy on the new thematic primary curriculum. | DLR 2.1: Invitation for bids for the first cycle for instructional materials issued to bidders following issuance of no-objection.  
DLR 2.2: Procurement contracts for instruction materials concluded and signed.  
DLR 2.3: Delivery of textbooks and any additional items such as storage boxes published online. | 14,800,000 | DLR 2.1: 500,000  
DLR 2.2: 500,000  
DLR 2.3: 13,800,000 (of which US$2.12 per textbook delivered) |
| DLI 3: Enhanced effectiveness and frequency of inspections. | DLR 3.1: ICT system designed.  
DLR 3.2: Schools in targeted districts inspected and reports filed in the system and published online for the previous term. | 2,900,000 | DLR 3.1: 1,000,000  
DLR 3.2: 1,900,000 (of which US$475 per report filed in the system) |
| DLI 4: Strengthening the capacity of head-teachers and SMCs and stakeholders. | DLR 4.1: Term of reference for consulting firm developed and approved.  
DLR 4.2: Contracts of training providers signed; training content and beneficiary school list agreed and published online; and MoES, LGs, and schools informed and list published online. | 2,000,000 | DLR 4.1: 250,000  
DLR 4.2: 250,000 |
<table>
<thead>
<tr>
<th>Disbursement Linked Indicator (&quot;DLI&quot;)</th>
<th>Action to be Completed (Disbursement Linked Result (&quot;DLR&quot;))</th>
<th>Amount of the Financing Allocated Per DLI (expressed in USD)</th>
<th>Amount Allocated per DLR for the Disbursement Calculation (expressed in USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DLI 5: Provision of Performance and Need-based School Facility Grants to help meet prioritized basic input standards at the school level.</td>
<td><strong>DLR 4.3:</strong> Schools with head teachers and SMCs trained; and information on universal primary education grants (revenue and expenditures) publically displayed at school.</td>
<td>1,500,000</td>
<td>DLR 4.3: 1,500,000 (of which US$750 per school)</td>
</tr>
<tr>
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<td><strong>DLR 5.1:</strong> Schools identified and communicated to LGs and regional workshops carried out.</td>
<td>40,800,000</td>
<td>DLR 5.1: 2,000,000</td>
</tr>
<tr>
<td></td>
<td><strong>DLR 5.2:</strong> Pre-construction site visits carried out to confirm ground conditions and site layout, all contractors procured and awarded.</td>
<td>4,080,000</td>
<td>DLR 5.2: 4,080,000 (of which: US$14,571 per school with a contractor procured and awarded)</td>
</tr>
<tr>
<td></td>
<td><strong>DLR 5.3:</strong> Schools with construction progress certified and reported online.</td>
<td>34,680,000</td>
<td>DLR 5.3: 34,680,000 (of which: US$51,000 per school when construction reaches 30% completion; an additional US$29,143 per school when construction reaches 70% and 90% completion; and an additional US$14,571 per school when construction reaches 100% completion)</td>
</tr>
<tr>
<td>DLI 6: Strengthened financial management and timely reporting</td>
<td><strong>DLR 6:</strong> Adequate quarterly financial reports, including reporting on SFG and inspection, published online for the last two fiscal quarters by participating districts within 61 days after each quarter ends.</td>
<td>3,000,000</td>
<td>DLR 6: 63,000,000 (of which US$5,714 per district financial report)</td>
</tr>
</tbody>
</table>
APPENDIX

1. “Affected Persons” means persons who, on account of the execution of the Project would suffer direct economic and social impacts resulting in: (a) relocation or loss of shelter; (b) loss of assets or access to assets; (c) loss of income sources or means of livelihood, whether or not the affected persons must move to another location; and (d) adverse impacts on the livelihoods of the affected persons.

2. “Annual Work Plan and Budget” means the work plan and budget prepared annually by the Recipient in accordance with the provisions of Section I.B.2 of Schedule 2 to this Agreement.


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


6. “Directorate of Education Standards” means the Recipient’s directorate responsible for education standards within MoES.

7. “Disbursement-Linked Indicator” or “DLI” means, any disbursement-linked value set forth in Schedule 3 to this Agreement for which disbursements are expected to be made to the extent such value is achieved; and “DLIs” means, collectively, two or more such values.

8. “Disbursement-Linked Result” or “DLR” means, any disbursement-linked result set forth in Schedule 3 to this Agreement for which disbursements are expected to be made to the extent such result is achieved; and “DLRs” means, collectively, two or more such results.

9. “District Local Government” means any participating district of the Recipient as defined by the Local Governments Act; and specifically elaborated in the Project Implementation Manual from time to time, and “District Local Governments” means, collectively, all such District Local Governments.


12. “Eligible Program Expenditures” means a set of defined eligible expenditures for goods, works, consulting services, non-consulting services, Training and Operating Costs incurred by the Recipient under Parts 1 and 2 of the Project, and for which respective DLIs have been met, including: (a) Performance and Need-based School Facility Grants (Votes 500-850); (b) Instructional Materials (Vote 013); and (c) Employee related expenses of Primary and Pre-primary education functions of all District Local Governments (Votes 500-850), and such term includes such respective and/or alternative Votes (as may be reviewed by the Recipient from time to time).

13. “Eligible Program Expenditures Withdrawal Application” means, with respect to Eligible Program Expenditures, each application for withdrawal of Grant proceeds under Category (1) of the table set forth in Section IV of Schedule 2 to this Agreement.

14. “Environmental and Social Impact Assessment” or “ESIA” means, with respect to each activity under the Project pursuant to which the ESMF requires an environmental and social impact assessment, such assessment carried out pursuant to the provisions of Section I.E of Schedule 2 to this Agreement.

15. “Environmental and Social Management Framework” or “ESMF” means the framework of the Recipient dated September 16, 2013, and disclosed on September 18, 2013, setting forth the modalities for environmental screening and procedures for the preparation and implementation of environmental assessments and management plans under the Project, and such term includes all schedules and annexes to the ESMF, as the same may be amended from time to time with the written agreement of the World Bank.

16. “Environmental and Social Management Plan” or “ESMP” means a plan prepared in accordance with the ESMF and the provisions of Section I.E of Schedule 2 to this Agreement for the purposes of a Project activity.

17. “Fiscal Year” or “FY” means the Recipient’s twelve month period starting July 1 and ending June 30 of the following year.

18. “ICT” means information and communications technology.

19. “Indigenous People’s Plan” or “IPP” means a plan prepared in accordance with the IPPF and the provisions of Section I.E of Schedule 2 to this Agreement for the purposes of a Project activity.

20. “Indigenous People’s Planning Framework” or “IPPF” means the framework of the Recipient dated September 16, 2013, and disclosed on September 18, 2013, and such term includes all schedules and annexes to the IPPF, as the same may be amended from time to time with the written agreement of the World Bank.
21. "Local Governments Act" means Chapter 243 of the laws of the Recipient, as the same may be amended from time to time.

22. "MoES" means the Recipient’s ministry responsible for education, and any successor thereto.

23. "Operating Costs" means the incremental expenses incurred on account of Project implementation, based on the Annual Work Plan and Budget, and consisting of expenditures for office supplies, vehicle operation and maintenance, maintenance of equipment, communication and insurance costs, office administration costs, utilities, rental, consumables, accommodation, travel and per diem, and salaries of Project staff, but excluding the salaries of the Recipient’s civil service, meeting and other sitting allowances and honoraria to said staff.

24. "Performance and Need-based Linked School Grant" means a grant made or proposed to be made by the Recipient to a District Local Government under Part 2(b) of the Project.


26. "Procurement Audit" means the audit referred to in Section III.E of Schedule 2 to this Agreement.


28. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated July 11, 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.

29. "Project Implementation Manual" means the manual referred to in Section I.B.1 of Schedule 2 to this Agreement.


31. "Resettlement Action Plan" or "RAP" means a resettlement plan, prepared and implemented in accordance with the RPF and the provisions of Section I.E of Schedule 2 to this Agreement and approved by the World Bank.
32. "Resettlement Policy Framework" or "RPF" means the framework of the Recipient dated September 16, 2013, and disclosed on September 18, 2013, setting forth the modalities for resettlement and compensation of Affected Persons under the Project, as the same may be amended from time to time with the written agreement of the World Bank.

33. "Safeguards Framework" means, the ESMF, RPF or IPPF, as the context may require; and "Safeguards Frameworks" means, collectively, two or more such frameworks.

34. "Safeguards Instrument" means an ESIA, ESMP, a RAP or an IPP for a Project activity; and "Safeguards Instruments" means, collectively, two or more such instruments.

35. "School Facilities Grant Guidelines" means the Recipient’s guidelines included in the Project Implementation Manual and referred to in Section 1.B.1 (a) of Schedule 2 to this Agreement.

36. "Subproject" means a specific development activity to be carried out by a Local Government under Part 2(b) of the Project, and “Subprojects” means, collectively, two or more such specific development activities.

37. “Training” means the costs associated with training, workshops and study tours provided under the Project, based on the Annual Work Plan and Budget, consisting of reasonable expenditures (other than expenditures for consultants’ services) for: (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.

38. "Verification Protocol" means the DLI verification protocol specifying the means by which the achievement of each DLI will be verified under the Project, and further set forth in the Project Implementation Manual.