Financing Agreement

(Ghana Secondary Education Improvement Project)

between

REPUBLIC OF GHANA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 28, 2014
CREDIT NUMBER 5452-GH

FINANCING AGREEMENT

AGREEMENT dated JULY 30, 2014, entered into between REPUBLIC OF GHANA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in 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 General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to one hundred one million Special Drawing Rights (SDR 101,000,000) (variously, "Credit" and "Financing"), to assist in financing the project described in Schedule I to this Agreement ("Project").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.

2.06. The Payment Dates are April 15 and October 15 in each year.
2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.08. The Payment Currency is Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the Ministry of Education in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association 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 IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Events of Suspension consist of the following:

(a) The Ghana Education Service Act 1995 (Act 506) of the laws of the Recipient has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Ghana Education Service to participate in the Project.

(b) The National Council for Tertiary Education Act 1993 (Act 454) of the laws of the Recipient has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the National Council for Tertiary Education to participate in the Project.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:

(a) The Recipient has prepared and adopted the Project Implementation Manual, in form and substance satisfactory to the Association.

(b) The Recipient has established the Project Steering Committee with mandate, composition, functions and resources satisfactory to the Association.
The Recipient has established within the Ministry of Education, a Project Technical Implementation Committee with staffing of adequate qualifications and experience, resources, and terms of reference satisfactory to the Association.

5.02. The Effectiveness Deadline is the date one hundred and twenty (120) days after the date of this Agreement.

5.03. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is its Minister responsible for finance.

6.02. The Recipient’s Address is:

Ministry of Finance
P.O. Box MB40
Accra, Ghana

Facsimile:
233-30-2667069

6.03. The Association’s Address is:

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

Cable: INDEVAS
Telex: 248423 (MCI)
Facsimile: 1-202-477-6391
AGREED at Accra, Republic of Ghana, as of the day and year first above written.

REPUBLIC OF GHANA

By

[Signature]

Authorized Representative

Name: Hon. Seth E. Terkper
Title: Minister of Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative

Name: Yusufa Credifes
Title: Country Director
SCHEDULE 1

Project Description

The objective of the Project is to increase access to senior secondary education in underserved Districts and improve quality in low-performing senior high schools within the Recipient’s territory.

The Project consists of the following parts:

PART A: Support to Increase Access with Equity and Quality in Senior High Schools

1. Increasing access to senior high school education in underserved districts within the Recipient’s territory through: (a) carrying out the construction of new senior high schools in selected districts; (b) improving existing senior high schools through expansion and rehabilitation of existing structures and facilities; and (c) providing scholarships to students from low income families, especially girls, and other demand side investments to enhance equity.

2. Improving the quality of education in selected low-performing senior high schools with a focus on mathematics, science and ICT education:

   (a) strengthening school management, leadership and accountability to, *inter alia*: (i) enhance results, efficiency and optimum use of school resources, through the provision of training to head of schools and assistant heads of schools from the low-performing Beneficiary Schools; and (ii) encourage the print and online publication and dissemination of annual school performance reports and data, and carry out sensitization campaigns in underserved areas;

   (b) introducing school performance partnerships (SPPs) on the basis of school performance partnership plans (SPPPs);

   (c) improving the quality of mathematics and science education, including: (i) the refurbishment of existing facilities and provision of new equipment in low-performing schools; and (ii) building the capacity of teachers to increase competency; and

   (d) facilitating access to internet connectivity and ICT support, including: (i) development of an education portal for teachers and students; (ii) providing wireless networks in selected schools; (iii) capacity building for teachers and educational leaders; and (iv) developing digital educational content.
PART B: Management, Research and Monitoring and Evaluation

Strengthening the capacity of the MOE, GES and other relevant implementing agencies to: (a) ensure effective Project implementation, including management and coordination of Project activities, planning and communications, and fiduciary (i.e., financial management and procurement) and safeguards management; (b) monitor and evaluate Project results and sector performance, including carrying out independent verification of DLIs and DLRs; and (c) support the development and implementation of effective policies for senior high schools and research and diagnostic activities, all through the provision of technical advisory services, incremental operating costs, training, and acquisition of goods.
SCHEDULE 2

Project Execution

Section 1. Implementation and Other Arrangements

A. Institutional Arrangements

1. Project Steering Committee

(a) The Recipient shall maintain, at all times during the implementation of the Project, the Project Steering Committee (PSC) with mandate, composition, functions and resources satisfactory to the Association.

(b) Without limitation to the provisions of sub-paragraph (a) of this paragraph, the PSC shall be responsible for, inter alia: (i) providing strategic guidance and overseeing Project implementation; (ii) reviewing progress made in implementation of the Project; (iii) facilitating the prompt resolution of implementation challenges and obstacles; (iv) ensuring coordination among key implementing agencies; and (v) such other functions as provided in detail in the Project Implementation Manual.

2. Ministry of Education (MOE)

(a) The Recipient shall, at all times during the implementation of the Project, ensure that resources satisfactory to the Association are available to the MOE for purposes of ensuring prompt and efficient implementation and overall coordination of Project activities.

(b) Without limitation to the provisions of sub-paragraph (a) of this paragraph, the Recipient shall maintain at all times during the implementation of the Project, the Technical Implementation Committee ("TIC") referred to in Section 5.01 (c) of this Agreement with staffing, resources and terms of reference satisfactory to the Association, with the responsibility for day-to-day management, coordination and monitoring of Project activities, including: (i) ensuring coordination and support of all relevant ministries, departments and agencies in the implementation of the Project; (ii) reporting on the progress of the Project on the basis of respective DLls, DLRs and EEPs; (iii) ensuring timely and comprehensive reporting of results for disbursements; (iv) procurement; (v) overseeing financial management aspects of the Project under the GES; (vi) ensuring compliance with the applicable Safeguard Instruments; (vii) planning and communication of Project activities; and
(viii) such other technical, administrative, organizational and financial functions as set forth in the Project Implementation Manual.

(c) Without limitation to the provisions of sub-paragraph (a) of this paragraph, the Project Civil Works Team and Infrastructure Coordination Unit within the MOE's planning, budgeting, monitoring and evaluation division shall be responsible for coordinating all construction, rehabilitation and refurbishment activities under the Project.

3. **Ghana Education Service (GES)**

(a) The Recipient shall, at all times during the implementation of the Project, maintain the GES with staffing, resources and terms of reference satisfactory to the Association to ensure the prompt and efficient implementation of activities under the Project, including ensuring and managing timely financial reporting and audits.

(b) Without limitation to the provisions of sub-paragraph (a) of this paragraph, the GES shall, *inter alia*, be responsible for coordinating activities related to the improvement of the quality of teaching and learning in the selected low-performing senior high schools, including: (i) teacher training; (ii) institutional leadership training; (iii) preparation of school performance partnership plans; (iv) resource management programs; (v) improvement of mathematics and science teaching; (vi) improvement of senior high school programs and ICT interventions; and (vii) ensuring timely implementation of Project activities at the district and school levels, and ensuring compliance with school standards and quality assurance.

4. **National Council for Tertiary Education (NCTE)**

Without limitation to the provisions of Section I.A.1 of this Schedule, the Recipient shall, at all times during the implementation of the Project, maintain the NCTE with staffing, resources and terms of reference satisfactory to the Association. To this end, the NCTE shall be responsible for oversight of Part A.2 (c) (ii) of the Project, in accordance with the provisions of the Project Implementation Manual.

B. **Implementation Arrangements**

1. **Project Implementation Manual**

(a) The Recipient shall carry out the Project in accordance with the provisions of the Project Implementation Manual referred to in Section 5.01 (a) of this Agreement, which shall set forth detailed arrangements
and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) fiduciary arrangements including procurement, disbursement and financial management; (c) environmental and social safeguard guidelines and procedures, including the Safeguard Instruments; (d) monitoring, evaluation, reporting and communications; (e) implementation modalities for each Project component and activity; (f) eligible activities, expenditure categories, and respective DLIs and corresponding DLRs; and (g) such other administrative, financial, technical and organizational arrangements as required for Project implementation.

(b) The Recipient shall not amend, abrogate, waive or fail to enforce any provision of the Project Implementation Manual without the prior written agreement of the Association; provided, however, that in the event of any conflict between the provisions of the Project Implementation Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.

2. Annual Work Plan and Budget

(a) The Recipient shall prepare and furnish to the Association for its approval, not later than November 30 of each year during the implementation of the Project, a proposed annual work plan and budget containing all activities proposed to be carried out under the Project in the following fiscal year.

(b) The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on each such proposed annual work plan and budget, and thereafter, shall implement the Project with due diligence in accordance with such annual work plan and budget as shall have been approved by the Association (“Annual Work Plan and Budget”).

(c) Only those activities which are included in an Annual Work Plan and Budget shall be financed under the Project. Notwithstanding the foregoing, the Annual Work Plan and Budget may be amended from time to time to include new activities with the prior and written concurrence of the Association.

C. External Controls

1. Independent Verification

(a) The Recipient shall, by no later than three (3) months after the Effective Date, appoint external monitoring and evaluation experts (“Independent
Verifiers”), to act as third-party verifiers of the proper fulfillment of the
DLIs and DLRs set forth in Schedule 4 to this Agreement.

(b) The Recipient shall cause the Independent Verifiers to carry out, prior to
each Withdrawal, an assessment of the performance of a School
Beneficiary vis-à-vis the level of fulfillment of DLIs and DLRs set forth
in Schedule 4 to this Agreement, and provide to the Recipient and the
Association, an EEP Spending Report containing, inter alia, said
assessment on the fulfillment of the DLIs and DLRs and a proposal for
disbursement under each Withdrawal.

2. EEP Spending Reports

(a) The Recipient shall cause the Independent Verifiers to furnish to the
Association every calendar semester starting six months after the
Effective Date, regular reports (“EEP Spending Reports”) prepared in
accordance with the provisions of the Project Implementation Manual.

(b) The Recipient shall furnish to the Association every calendar semester
starting six months after the Effective Date, Procurement Plan Progress
Report describing the status of all procurement activities under Part A of
the Project as described in the Procurement Plan, as well as expected
changes to the Procurement Plan.

(c) The EEPs shall comply with the eligibility criteria and procedures set
forth in the Project Implementation Manual.

(d) If, at any time, the Association determines that any portion of the
financing under the Project: (i) was used for items improperly procured
in violation of Section III of this Schedule; (ii) was not used for Eligible
Expenditures; or, (iii) in case of the EEPs of Part A of the Project, was
not supported by evidence of actual spending by the Recipient under said
EEP and/or by evidence of satisfaction of other criteria set forth in this
Agreement or in the Project Implementation Manual, the Recipient shall
refund any such portion to the Association as the Association shall
specify by notice to the Recipient.

(e) The Recipient shall not later than December 31 of each year during the
implementation of the Project, furnish to the Association information
regarding the approved EEP budget codes for the Project.

D. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the
provisions of the Anti-Corruption Guidelines.
E. School Performance Partnerships (SPPs)

1. To facilitate the carrying out of Part A.2 (b) of the Project, the Recipient shall make part of the proceeds of the Financing allocated from time to time to Category (1) of the table set forth in Section IV.A.2 of this Schedule available to eligible Beneficiary Schools under a contract between the Recipient and said Beneficiary School under terms and conditions approved by the Association, as further described in the Project Implementation Manual (“School Performance Partnership”).

2. The Recipient shall exercise its rights under each School Performance Partnership in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, waive or fail to enforce the School Performance Partnership or any of the provisions thereof.

F. Safeguards

1. The Recipient shall carry out the Project in accordance with the Safeguard Instruments, including the ESMF and RPF.

2. To ensure compliance with the respective Safeguard Instruments, the Recipient shall take the following measures:

   (a) if any activities included in a proposed Annual Work Plan and Budget would, pursuant to the ESMF, require the carrying out of an ESIA, no such activities shall be implemented unless:

      (i) an ESIA for such activities has been: (A) prepared, in accordance with the ESMF and furnished to the Association as part of the Annual Work Plan and Budget; (B) disclosed locally as required by the ESMF; and (C) approved by the Association and publicly disclosed; and

      (ii) if said ESIA would require the preparation of an ESMP, such ESMP has been: (A) prepared in accordance with such ESIA and furnished to the Association as part of the Annual Work Plan and Budget; (B) disclosed locally as required by the ESMF; and (C) approved by the Association and publicly disclosed.

   (b) If any activities included in a proposed Annual Work Plan and Budget would, pursuant to the RPF, require the preparation of a RAP, no such activities shall be implemented unless and until:
(i) a RAP for such activities has been: (A) prepared in accordance with the requirements of the RPF and furnished to the Association as part of the proposed Annual Work Plan and Budget; (B) disclosed locally as required by the RPF; and (C) approved by the Association and publicly disclosed; and

(ii) (A) all measures required to be taken under said RAP prior to the initiation of said activities have been taken, including, without limitation to the above, providing funds for resettlement compensation when and if required under a RAP; (B) a report, in form and substance satisfactory to the Association, on the status of compliance with the requirements of said RAP has been prepared and furnished to the Association; and (C) the Association has confirmed that said activities may be commenced.

(c) The Recipient shall ensure that the relevant provisions of the ESIA, ESMP or RAP, as the case may be, are appropriately included in each School Performance Partnership and that they are implemented in the carrying out of all activities under Part A.2 (b) of the Project.

3. (a) Without limitation upon its other reporting obligations under this Agreement, the Recipient shall regularly collect, compile and submit to the Association, in form and substance satisfactory to the Association, bi-annual reports on the status of compliance with the Safeguard Instruments, giving details of: (i) measures taken in furtherance of such Safeguard Instruments; (ii) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguard Instruments; and (iii) remedial measures taken or required to be taken to address such conditions.

(b) The Recipient shall afford the Association a reasonable opportunity to review and exchange views with the Recipient on the reports prepared under paragraph (a) immediately above, and thereafter, shall carry out, or cause to be carried out, with due diligence, all remedial measures agreed with the Association so as to ensure the proper implementation of the Project in accordance with the Safeguard Instruments.

4. The Recipient shall ensure that:

(a) no activities involving the use of land shall be carried out prior to the screening of the legal status of the land in form and substance acceptable to the Association; and
(b) No activities shall be carried out involving land, for which there is legal uncertainty over ownership and use rights.

5. The Recipient shall not amend, suspend, abrogate or waive, or permit to be amended, suspended, abrogated or waived, the ESMF or RPF, or any provision thereof without the prior written approval of the Association.

6. In the event of a conflict between the provisions of any of the Safeguards Instruments and the provisions of this Agreement, the provisions of this Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than forty five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than forty five (45) days after the end of each six (6) calendar months, interim unaudited financial reports for the Project covering the six months, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each 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 Association not later than nine (9) months after the end of such period.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for the Project and to be financed out of the proceeds
of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. **Consultants’ Services.** All consultants’ services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association 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) Direct Contracting, subject to the Association’s no objection; (b) Shopping; and (c) National Competitive Bidding in accordance with the provisions of the Public Procurement Act, subject to the following additional provisions: (i) foreign bidders shall be allowed to participate in National Competitive Bidding procedures; (ii) bidders shall be given at least one month to submit bids from the date of the invitation to bid or the date of availability of bidding documents, whichever is later; (iii) no domestic preference shall be given for domestic bidders and for domestically manufactured goods; and (iv) in accordance with paragraph 1.16 (e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Financing shall provide that: (A) the bidders, suppliers, contractors and subcontractors shall permit the Association, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract, and to have said accounts and records audited by auditors appointed by the Association; and (B) the deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to an obstructive practice as defined in paragraph 1.16 (a) (v) of the Procurement Guidelines.
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 contracts 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) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Association of Procurement Decisions

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

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall 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 Association 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 Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Eligible Expenditure Program under Part A of the Project, for the:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) First scheduled disbursement (on or about October 1, 2014 or on the Effective Date, if said date is later than October 1, 2014)</td>
<td>18,000,000</td>
<td>100% of DLR values for FY 2014</td>
</tr>
<tr>
<td>(b) Second scheduled disbursement (on or about January 15, 2015)</td>
<td>9,100,000</td>
<td>50% advance of DLR values for FY 2015</td>
</tr>
<tr>
<td>(c) Third scheduled disbursement (on or about October 1, 2015)</td>
<td>9,100,000</td>
<td>50% balance of DLR values for FY 2015</td>
</tr>
<tr>
<td>(d) Fourth scheduled disbursement (on or about January 15, 2016)</td>
<td>9,100,000</td>
<td>50% advance of DLR values for FY 2016</td>
</tr>
<tr>
<td>(e) Fifth scheduled disbursement (on or about October 1, 2016)</td>
<td>9,100,000</td>
<td>50% balance of DLR values for FY 2016</td>
</tr>
<tr>
<td>(f) Sixth scheduled disbursement (on or about January 15, 2017)</td>
<td>9,100,000</td>
<td>50% advance of DLR values for FY 2017</td>
</tr>
<tr>
<td>(g) Seventh scheduled disbursement (on or about October 1, 2017)</td>
<td>9,100,000</td>
<td>50% balance of DLR values for FY 2017</td>
</tr>
<tr>
<td>(h) Eighth scheduled disbursement (on or about January 15, 2018)</td>
<td>9,100,000</td>
<td>50% advance of DLR values for FY 2018</td>
</tr>
<tr>
<td>(i) Ninth scheduled disbursement (on or about October 1, 2018)</td>
<td>9,100,000</td>
<td>50% balance of DLR values for FY 2018</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, consultants’ services, Training and Operating Costs under Part B of the Project</td>
<td>10,200,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>101,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section:

(a) 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 three million, one hundred and eighty thousand United States Dollars (US$3,180,000) equivalent may be made for payments made prior to this date but on or after January 1, 2014, for Eligible Expenditures under Category 2.

(b) under Category 1(a) unless the Recipient shall have:

(i) submitted to the Association, in form and substance satisfactory to the Association, the applicable IUFR and EEP Spending Report detailing the expenditures incurred under the EEP from the date of this Agreement up to and including the date six (6) months after the Effective Date; and

(ii) by no later than August 31, 2014, furnished evidence satisfactory to the Association of the achievement all six (6) DLRs for FY 2014, which actions are set forth in the table in Schedule 4 to this Agreement ("DLI and DLR Table");

(c) under Category 1 (b) unless the Recipient shall have:

(i) submitted to the Association, in form and substance satisfactory to the Association, the applicable IUFR and EEP Spending Report detailing the expenditures incurred under the EEP up to January 15, 2015 or the date of the WA, whichever is later; and

(ii) by no later than December 15, 2014, furnished evidence satisfactory to the Association of the achievement of all six (6) DLRs for the actions to be achieved in FY 2014, which actions are set forth in the DLI and DLR Table;

(d) under Category 1 (c) unless the Recipient shall have:

(i) submitted to the Association, in form and substance satisfactory to the Association, the applicable IUFR and EEP Spending Report detailing the expenditures incurred under the EEP up to October 1, 2015 or the date of the WA, whichever is later; and

(ii) by no later than August 31, 2015, furnished evidence satisfactory to the Association of the achievement of not less than six (6)
DLRs for the actions to be achieved in FY 2015, which actions are set forth in the DLI and DLR Table;

(e) under Category 1 (d) unless and until the Recipient shall have:

(i) submitted to the Association, in form and substance satisfactory to the Association, the applicable IUFR and EEP Spending Report detailing the expenditures incurred under the EEP up to January 15, 2016 or the date of the WA, whichever is later; and

(ii) by no later than December 15, 2015, furnished evidence satisfactory to the Association of the achievement of not less than six (6) DLRs for FY 2015, which actions are set forth in the DLI and DLR Table;

(f) under Category 1 (e) unless the Recipient shall have:

(i) submitted to the Association, in form and substance satisfactory to the Association, the applicable IUFR and EEP Spending Report detailing the expenditures incurred under the EEP up to October 1, 2016 or the date of the WA, whichever is later; and

(ii) by no later than August 31, 2016, furnished evidence satisfactory to the Association of the achievement of all six (6) DLRs for FY 2015 and not less than five (5) DLRs for FY 2016, which actions are set for in the DLI and DLR Table;

(g) under Category 1 (f) unless the Recipient shall have:

(i) submitted to the Association, in form and substance satisfactory to the Association, the applicable IUFR and EEP Spending Report detailing the expenditures incurred under the EEP up to January 15, 2017 or the date of the WA, whichever is later; and

(ii) by no later than December 15, 2016, furnished evidence satisfactory to the Association of the achievement of not less than five (5) DLRs for FY 2016, which actions are set forth in the DLI and DLR Table;

(h) under Category 1 (g) unless the Recipient shall have:

(i) submitted to the Association, in form and substance satisfactory to the Association, the applicable IUFR and EEP Spending Report detailing the expenditures incurred under the EEP up to October 1, 2017 or the date of the WA, whichever is later; and
(ii) by no later than August 31, 2017, furnished evidence satisfactory to the Association of the achievement of all six (6) DLRs for FY 2016 and not less than five (5) DLRs for FY 2017, which actions are set forth in the DLI and DLR Table;

(i) under Category 1 (h) unless the Recipient shall have:

(i) submitted to the Association, in form and substance satisfactory to the Association, the applicable IUFR and EEP Spending Report detailing the expenditures incurred under the EEP up to January 15, 2018 or the date of the WA, whichever is later; and

(ii) by no later than December 15, 2017, furnished evidence satisfactory to the Association of the achievement of not less than five (5) DLRs for FY 2017, which actions are set forth in the DLI and DLR Table; and

(j) under Category 1 (i) unless the Recipient shall have:

(i) submitted to the Association, in form and substance satisfactory to the Association, the applicable IUFR and EEP Spending Report detailing the expenditures incurred under the EEP up to October 1, 2018 or the date of the WA, whichever is later; and

(ii) by no later than August 31, 2018, furnished evidence satisfactory to the Association of the achievement of all six (6) DLRs for FY 2017 and all six (6) DLRs for FY 2018, which actions are set forth in the DLI and DLR Table.

2. Notwithstanding the provisions of Section IV.B.1 (b) through (j) of this Schedule 2:

(a) if one or more of the DLRs set forth in the DLI and DLR Table has/have not been achieved, or was/were no longer achievable by its/their due date(s) and/or by the Closing Date, then the Association shall effect a partial release of the amount(s) allocated to the respective Category 1 (b), 1 (c), 1 (d), 1 (e), 1 (f), 1 (g), 1 (h) or 1 (i), withholding the amount(s) allocated to the respective unmet DLR(s);

(b) with respect to withdrawals under Categories 1(c), 1(e), 1(g), and 1(i), if one or more DLR(s) for the pertinent FY, and which was/were advanced under Category 1(b), 1(d), 1(f) or 1(h), was/were not achieved by the date of WA, the Association shall deduct the amount of the advance disbursed, and/or the amount(s) allocated to and advanced for the respective unmet DLR(s) from the amount(s) to be disbursed under said
Category 1(c), 1(e), 1(g), or 1(i), as the case may be; provided that any amount(s) not disbursed under a pertinent FY may be carried forward and disbursed during a subsequent FY, if evidence satisfactory to the Association has been furnished to the Association that the respective unmet DLR(s) has/have been achieved; and

(c) notwithstanding the provisions of paragraphs 2(a) and 2(b) immediately above, no advances shall be made under Category 1(b), 1(d), 1(f) or 1(h) unless, in each case, evidence satisfactory to the Association has been furnished to the Association that the Recipient has achieved all but one DLR under the preceding FY.

3. In the event that the Association has withheld, or is entitled to withhold, part of the Financing pursuant to paragraphs 2(a) and 2(c) of this Section IV.B.2, the Association may, at its sole discretion, authorize, at a later date, the full release of the amount(s) so withheld, if and when the Association is satisfied that the respective DLR(s) has/have been achieved.

4. The Closing Date is November 30, 2019.
SCHEDULE 3
Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each October 15 and April 15:</td>
<td></td>
</tr>
<tr>
<td>commencing October 15, 2019 to and including April 15, 2029</td>
<td>1.65%</td>
</tr>
<tr>
<td>commencing October 15, 2029 to and including April 15, 2039</td>
<td>3.35%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.
## SCHEDULE 4

Disbursement Linked Indicators (DLIs) and Disbursement-Linked Results (DLRs)

<table>
<thead>
<tr>
<th>DLIs</th>
<th>Actions to be Completed DLRs</th>
<th>Amount of the Financing Allocated per DLI (expressed in SDR)</th>
<th>Amount Allocated per DLR for the Disbursement Calculation (expressed in SDR)</th>
</tr>
</thead>
</table>
| **DLI 1:** Targeting of school expansion in underserved Districts | FY 2014  
DLR 1.1: Agreed targeting criteria applied to identify list of Districts and schools for expansion and improvement under the Project as set forth in the PIM | 3,800,000 | DLR 1.1: 3,800,000 |
| **DLI 2:** Increase in new seats for SHS students in underserved Districts | FY 2014  
DLR 2.1: Pre-construction requirements met for new construction in 23 Districts |  | DLR 2.1: 3,000,000 |
| | FY 2015  
DLR 2.2: About 30% of all construction works completed (aggregate) |  | DLR 2.2: 3,000,000 |
| | FY 2016  
DLR 2.3: About 80% of all construction works completed (aggregate) | 15,000,000 | DLR 2.3: 3,000,000 |
| | FY 2017  
DLR 2.4: About 5,000 new seats created in underserved Districts (cumulative) |  | DLR 2.4: 3,000,000 |
| | FY 2018  
DLR 2.5: About 15,000 new seats created in underserved Districts (cumulative) |  | DLR 2.5: 3,000,000 |
<table>
<thead>
<tr>
<th>DLI 3: Increase in number of seats utilized in existing low-performing schools</th>
<th>FY 2014</th>
<th>DLR 3.1: Pre-construction requirements met for upgrading of selected schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015</td>
<td>DLR 3.2: About 500 seats utilized (cumulative)</td>
<td></td>
</tr>
<tr>
<td>FY 2016</td>
<td>DLR 3.3: About 1,000 seats utilized (cumulative)</td>
<td>15,000,000</td>
</tr>
<tr>
<td>FY 2017</td>
<td>DLR 3.4: About 3,000 seats utilized (cumulative)</td>
<td></td>
</tr>
<tr>
<td>FY 2018</td>
<td>DLR 3.5: About 5,000 utilized seats (cumulative)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DLI 4: Increased enrolment in SHS in targeted Districts and schools (for students from low-income families, especially girls)</th>
<th>FY 2014</th>
<th>DLR 4.1: Selection and contracting of implementing partner to administer scholarships completed and criteria for selection of beneficiaries of scholarships developed</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015</td>
<td>DLR 4.2: At least 2,000 SHS students in selected schools are receiving scholarships (cumulative)</td>
<td></td>
</tr>
<tr>
<td>FY 2016</td>
<td>DLR 4.3: At least 4,000 SHS students in selected schools are receiving scholarships</td>
<td>15,000,000</td>
</tr>
<tr>
<td>DLI 5: Annual publication of school performance report</td>
<td>FY 2015</td>
<td>DLR 5.1: School mapping of all SHS completed</td>
</tr>
<tr>
<td></td>
<td>FY 2016</td>
<td>DLR 5.2: Publication of school performance data for FY 2016 online and in brochure</td>
</tr>
<tr>
<td></td>
<td>FY 2017</td>
<td>DLR 5.3: Publication of updated school performance data for FY 2017 online and in brochure</td>
</tr>
<tr>
<td></td>
<td>FY 2018</td>
<td>DLR 5.4: Publication of updated school performance data for FY 2018 online and in brochure</td>
</tr>
<tr>
<td>DLI 6: School Performance Partnerships in 125 Beneficiary Schools</td>
<td>FY 2014</td>
<td>DLR 6.1: Guidelines on preparation of SPPs developed and distributed to selected schools</td>
</tr>
<tr>
<td></td>
<td>FY 2015</td>
<td>DLR 6.2: Training on school improvement planning and</td>
</tr>
<tr>
<td>DLI 7: Improved learning outcomes in 125 selected SHS (quality package)</td>
<td>FY 2014</td>
<td>DLR 7.1: Report on review of the quality of teaching and learning for mathematics and science in SHS</td>
</tr>
<tr>
<td>DLI 7: Improved learning outcomes in 125 selected SHS (quality package)</td>
<td>FY 2015</td>
<td>DLR 7.2: Training modules rolled out for mathematics and science and ICT based instruction developed for school use</td>
</tr>
<tr>
<td>DLI 7: Improved learning outcomes in 125 selected SHS (quality package)</td>
<td>FY 2016</td>
<td>DLR 7.3: ICT based instruction rolled out in about 50% of selected SHS (cumulative)</td>
</tr>
<tr>
<td>DLI 7: Improved learning outcomes in 125 selected SHS (quality package)</td>
<td>FY 2017</td>
<td>DLR 7.4: ICT based instruction rolled out in all selected SHS (cumulative)</td>
</tr>
<tr>
<td>DLI 7: Improved learning outcomes in 125 selected SHS (quality package)</td>
<td>FY 2018</td>
<td>DLR 7.5: Increase in number of 6</td>
</tr>
</tbody>
</table>

FY 2016
DLR 6.3: SPPs for 80 selected schools signed (cumulative)

FY 2017
DLR 6.4: SPPs for 100 selected schools signed (cumulative)

FY 2018
DLR 6.5: 125 Selected Schools implementing performance partnerships based on SPPPs (cumulative)

DLR 6.3: 3,000,000

DLR 6.4: 3,000,000

DLR 6.5: 3,000,000
<table>
<thead>
<tr>
<th>credits and above WASSCE scores average in total selected SHS</th>
<th>90,800,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX

Section I. Definitions

1. “Annual Work Plan and Budget” means the annual work plan and budget prepared by the MOE and approved by the Association in accordance with Section I.B.2 of Schedule 2 to this Agreement.


3. “Beneficiary School” means a senior high school that has met the eligibility criteria set forth in the Project Implementation Manual, pursuant to which the Recipient has entered into a School Performance Partnership for activities under Part A.2 (b) of the Project; and “Beneficiary Schools” means more than one Beneficiary School.

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


6. “Disbursement-Linked Indicator” or “DLI” means a set of indicators as specified in Schedule 4 to this Agreement; and “Disbursement-Linked Indicators” or “DLDs” means more than one Disbursement-Linked Indicator or DLI.

7. “Disbursement-Linked Result” or “DLR” means a set of quantitative results associated with each DLI as specified in Schedule 4 to this Agreement; and “Disbursement-Linked Results” or “DLRs” means more than one Disbursement-Linked Result or DLR.

8. “DLI and DLR Table” means the table set forth in Schedule 4 to this Agreement.


10. “EEPs” or “Eligible Expenditure Programs” means a set of defined expenditures for goods, works, consultants’ and non-consulting services, Training and Operating Costs (including salaries and scholarships) made by the MOE under Part A of the Project, and budget lines as specified in Section I.C.2 of Schedule 2 to this Agreement.
11. "EEP Spending Report" means the report prepared by the Independent Verifiers in accordance with the details provided in the Project Implementation Manual and, referred to in Section I.C.2 of Schedule 2 to this Agreement, to make disbursement recommendation for each Withdrawal based on the spending status of the Eligible Expenditure Programs under Part A of the Project and the compliance with the DLIs and DLRs.

12. "ESIA" means, for a given activity included in the Project, the environmental and social impact assessment for said activity to be carried out in accordance with the ESMF and pursuant to provisions of Section I.F.2 of Schedule 2 to this Agreement.

13. "ESMF" means the environmental and social management framework dated March 2014, adopted by the Recipient, and disclosed in the Recipient's territory on March 29, 2014 and in the Association's Infoshop on March 31, 2014, which outlines general implementation procedures, mitigation measures and monitoring procedures for environmental and social purposes under the Project, as said framework may be amended from time to time with the Association's prior written approval.

14. "ESMP" means an environmental and social management plan for the Project to be prepared and implemented in accordance with the ESMF and pursuant to the provisions of Section I.F.2 of Schedule 2 to this Agreement.

15. "Fiscal Year" or "FY" means the fiscal year of Recipient commencing on January 1 and ending on December 31 of each year.


17. "Ghana Education Service" or "GES" means the body established pursuant to Ghana Education Service Act 1995 (Act 506) of the laws of the Recipient, and any successor thereto.

18. "ICT" means information and communications technology.

19. "Independent Verifiers" means the independent verifiers referred to in Section I.C of Schedule 2 to this Agreement, recruited by the Recipient in order to prepare the EEP Spending Reports.

20. "Infrastructure Coordination Unit" means the unit within MOE, and referred to in Section I.A.2 (c) of Schedule 2 to this Agreement.

22. "Ministry of Education" or "MOE" means the Recipient's ministry in charge of education, and any successor thereto.


24. "National Council for Tertiary Education" or "NCTE" means the council established and operating pursuant to the National Council for Tertiary Education Act 1993 (Act 454) of the laws of the Recipient, or any successor thereto.

25. "Operating Costs" means the incremental expenses incurred on account of Project implementation, based on the Annual Work Plans and Budgets approved by the Association pursuant to Section 1.B.2 of Schedule 2 to this Agreement, including office equipment and supplies, vehicle operation and maintenance, communication costs, office administration costs, utilities, travel and per diem, excluding the salaries of the Recipient's civil servants.


27. "Procurement Plan" means the Recipient's procurement plan for the Project, dated April 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 Civil Works Team" means the team within the Ministry of Education and referred to in Section I.A.2(c) of Schedule 2 to this Agreement.

30. "Project Implementation Manual" means the manual for the Project to be prepared and adopted in form and substance satisfactory to the Association, and referred to in Section 5.01 (a) of this Agreement and Section 1.B.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with prior written agreement of the Association.

31. "Project Steering Committee" means the steering committee referred to in Section 5.01 (b) of this Agreement, and Section I.A.1 of Schedule 2 to this Agreement.

33. "RAP" means a resettlement action plan to be prepared and implemented in accordance with the RPF and pursuant to the provisions of Section I.F.2 of Schedule 2 to this Agreement.

34. "RPF" means the Recipient’s Resettlement Policy Framework dated March 2014, adopted by the Recipient and disclosed in the Recipient’s territory on April 1, 2014, and at the Association’s Infoshop on April 2, 2014, setting forth the modalities for resettlement and compensation of any persons who may be affected or displaced by any resettlement as a result of the Project, including guidelines for the preparation of the appropriate resettlement plans, as the same may be amended from time to time with the prior written approval of the Association.

35. "Safeguard Instruments" means, collectively, the ESMF and RPF, including any ESIA, ESMP, RAP or other supplemental social and environmental safeguard documents prepared pursuant to Section I.F of Schedule 2 to this Agreement.

36. "SHS" means senior high schools within the Recipient’s territory.

37. "School Performance Partnership" or “SPP” means a partnership arrangement to be concluded between the Recipient, acting through MOE, and an eligible Beneficiary School for the purpose of the implementation of Part A.2 (b) of the Project, and referred to in Section I.E of Schedule 2 to this Agreement; and “School Performance Partnerships” or “SPPs” mean more than one such School Performance Partnership or SPP.

38. "SPPP" means school performance partnership plan; and “SPPPs” means more than one SPPP.

39. “Technical Implementation Committee” or “TIC” means the Project’s technical implementation committee established within the MOE, and referred to in Section 5.01 (c) and Section I.A.2 (b) of Schedule 2 to this Agreement.

40. “Training” means the cost associated with the training and workshops, based on the Annual Work Plans and Budgets approved by the Association pursuant to Section I.B.2 of Schedule 2 to this Agreement, for reasonable expenditures (other than expenditures for consultants’ services), including: (i) travel, room, board and per diem expenditures incurred by trainers and trainees in connection with their training and by non-consultant training facilitators; (ii) course fees; (iii) training facility rentals; (iv) training material preparation, acquisition, reproduction and distribution expenses; and (v) other costs directly related to training preparation and implementation.

41. “Withdrawal” means each withdrawal under Category (1) of the table in Section IV of Schedule 2 to this Agreement.
42. "Withdrawal Application" or "WA" means each application relating to Withdrawal under Category (1) of the table in Section IV of Schedule 2 to this Agreement.

Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

1. Section 3.02 is modified to read as follows:

"Section 3.02. Service Charge and Interest Charge

(a) Service Charge. The Recipient shall pay the Association a service charge on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. The Service Charge shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Service Charges shall be computed on the basis of a 360-day year of twelve 30-day months.

(b) Interest Charge. The Recipient shall pay the Association interest on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. Interest shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months."

2. Paragraph 28 of the Appendix ("Financing Payment") is modified by inserting the words "the Interest Charge" between the words "the Service Charge" and "the Commitment Charge."

3. The Appendix is modified by inserting a new paragraph 32 with the following definition of "Interest Charge," and renumbering the remaining paragraphs accordingly:

"32. "Interest Charge" means the interest charge specified in the Financing Agreement for the purpose of Section 3.02(b)."

4. Renumbered paragraph 37 (originally paragraph 36) of the Appendix ("Payment Date") is modified by inserting the words "Interest Charges" between the words "Service Charges" and "Commitment Charges."

5. Renumbered paragraph 50 (originally paragraph 49) of the Appendix ("Service Charge") is modified by replacing the reference to Section 3.02 with Section 3.02 (a).