Afghanistan Reconstruction
Trust Fund
Grant Agreement

(Higher Education Development Project)

between

ISLAMIC REPUBLIC OF AFGHANISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

(acting as administrator of the Afghanistan Reconstruction Trust Fund)

Dated Sep 28, 2015
AGREEMENT dated September 15, 2015, entered into between ISLAMIC REPUBLIC OF AFGHANISTAN ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank"), acting as administrator of grant funds (the "Grant Funds") contributed by various donors (collectively, the "Donors") to the Afghanistan Reconstruction Trust Fund ("ARTF"). 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 objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry out the Project through its Ministry of Higher Education ("MoHE") 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 fifty million United States Dollars ($50,000,000) ("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 ARTF for which the World Bank receives periodic contributions from the Donors to ARTF. 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 ARTF, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

3.04. The amount of the Grant as approved by the ARTF Management Committee accordingly shall be available to the Recipient.

Article IV
Recipient’s Representative; Addresses

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

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

Ministry of Finance
Pashtunistan Watt
Kabul
Islamic Republic of Afghanistan

Facsimile:
+93-20-210-3258
4.03. 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 Kabul, Islamic Republic of Afghanistan, as of the day and year first above written.

ISLAMIC REPUBLIC OF AFGHANISTAN

By

[Signature]

Authorized Representative
Name: Emili Hamizi
Title: Minister

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as administrator of the Afghanistan Reconstruction Trust Fund)

By

[Signature]

Authorized Representative
Name: Stephen Ndegeu
Title: Acting Country Director
SCHEDULE 1

Project Description

The objective of the Project is to increase access to, and improve the quality and relevance of, higher education in the Recipient's territory.

The Project consists of the following parts:

**Part A: Higher Education Development Program**

1. Carrying out the following program of activities designed to develop the Recipient's higher education sector:

   (a) activities designed to increase access to Priority Degree Programs, particularly for female students, through, *inter alia*, providing financial assistance through scholarships for female students from disadvantaged backgrounds, improving orientation, counselling and support services for female students, improving transportation services, developing and implementing online courses, and improving and expanding facilities and equipment at public universities and higher education institutions;

   (b) activities designed to modernize and improve the quality of teaching and learning at public universities and higher education institutions, including through: (i) introducing outcome-based education and student-centered learning methods, curricula and systems, and strengthening the capacity of Staff Development Centers to train academic, technical and managerial staff in such methods, curricula and systems; (ii) upgrading and expanding information and communications technology resources and systems; and (iii) developing and implementing online courses;

   (c) activities designed to improve the qualifications and skills of academic and technical staff of public universities and higher education institutions, including through providing scholarships to academic staff for post-graduate degree programs;

   (d) activities designed to strengthen the governance, quality assurance and accreditation of higher education institutions, including through: (i) supporting public universities and higher education institutions to prepare and implement strategic institutional development plans; (ii) developing and implementing policies and regulations for improving the academic, procedural and financial autonomy of public universities and higher education institutions; (iii) establishing a mentors program among academic staff at public universities and higher education institutions; (iv) capacity building and training of managerial and administrative staff for institutional governance; (v) strengthening the capacity of the Afghanistan Quality Assurance and...
Accreditation Directorate of the Ministry of Higher Education; and (vi) establishing and strengthening internal quality assurance units and systems at public universities and higher education institutions; and

(c) activities designed to stimulate development-oriented research projects at public universities and higher education institutions and private higher education institutions.

Part B: Program Operations and Technical Support

Provision of technical and operational assistance and capacity building to the Ministry of Higher Education, public universities and higher education institutions and private higher education institutions for the day-to-day coordination, administration, communication, and monitoring and evaluation of the Project and the implementation of activities under Part A of the Project, including the conduct of third-party verifications of the achievement of Disbursement Linked Indicators, the carrying out of audits, and the carrying out of research, studies and surveys necessary to inform the implementation of Project activities.
SCHEDULE 2
Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall establish by not later than one (1) month after the Effective Date and thereafter maintain throughout the Project implementation period a Project Steering Committee, chaired by the Minister of Higher Education and comprised of Deputy Ministers and Directors of the MoHE and the Director of the OMST, which shall be responsible for providing general Project oversight and strategic direction, overseeing financial management of the Project, and monitoring and reviewing performance of the Project (including endorsing Project Reports).

2. The Recipient shall establish by not later than two (2) months after the Effective Date and thereafter maintain throughout the Project implementation period a University Project Steering Committee within each Public University participating in the Project, chaired by the respective university’s Chancellor, which shall be responsible for the overall planning, implementation, and monitoring and evaluation of Project activities at the respective university.

3. The Recipient shall establish by not later than one (1) month after the Effective Date and thereafter maintain throughout the Project implementation period a Operations and Management Support Team (“OMST”) within MoHE, with staff, functions and resources adequate to perform its responsibilities under the Project, and with staff qualifications, experience and terms of reference satisfactory to the World Bank, which shall be responsible for providing operational support to MoHE for the day-to-day implementation of the Project, including procurement, financial management, internal audit, environmental and social safeguards management, communications, monitoring and evaluation, and for coordinating and monitoring the implementation of Project activities at the national and higher education institution levels.

4. The Recipient shall appoint by not later than one (1) month after the Effective Date and thereafter maintain throughout the Project implementation period a Director of the OMST, with qualifications, experience and terms of reference satisfactory to the World Bank, who shall be responsible for monitoring and coordinating Project activities between MoHE, public universities and higher education institutions and private higher education institutions.

B. Project Implementation Manual

1. The Recipient shall prepare by not later than one (1) month after the Effective Date and adopt the Project Implementation Manual, in form and substance acceptable to the
World Bank, and thereafter ensure that the Project is carried out in accordance with the arrangements and procedures set out in the Project Implementation Manual as agreed with the World Bank.

2. The Recipient shall refrain from amending, suspending, waiving, abrogating, and/or voiding any provision of the Project Implementation Manual, in whole or in part, without the prior written agreement of the World Bank.

3. In the event of any inconsistency between the provisions of the Project Implementation Manual and this Agreement, the provisions of this Agreement shall prevail.

C. Annual Work Plans and Budgets

1. The Recipient shall:

   (a) prepare and furnish to the World Bank for approval, not later than September 20 of each year during the Project implementation period, the annual work and training plan and budget for the Project, covering the activities and expenditures proposed for the subsequent year of Project implementation, and the source(s) of financing such activities and expenditures, which plan and budget shall be of such scope and detail as the World Bank has reasonably requested ("Annual Work Plan and Budget");

   (b) within two (2) months thereafter, finalize and adopt the Annual Work Plan and Budget as agreed with the World Bank; and

   (c) ensure that the Project is carried out in accordance with the Annual Work Plans and Budgets as agreed with the World Bank.

D. DLI Monitoring and Reporting

1. The Recipient shall undertake a verification process satisfactory to the World Bank to certify the achievement of the DLI Targets. To this end, the Recipient shall engage by no later than November 30, 2016 and thereafter maintain throughout the Project implementation period, third party verification personnel, with terms of reference and qualifications satisfactory to the World Bank and procured in accordance with the provisions of Section III of this Schedule, for the purpose of carrying out third party verifications of the status of achievement of the DLI Targets in accordance with the verification protocol and procedures set out in the Project Implementation Manual.

2. Without limitation on its other reporting obligations under this Agreement, the Recipient shall: (a) not later than February 28 of each year during the Project implementation period, furnish reports to the World Bank on the status of achievement of the relevant DLI Targets; and (b) not later than February 28, 2017 and thereafter not later than February 28 of each year during the Project implementation period, furnish
to the World Bank the reports of the third party verification personnel referred to in paragraph 1 above, all in accordance with the verification protocol and procedures set out in the Project Implementation Manual.

E. Anti-Corruption

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

F. Safeguards

1. The Recipient shall:

   (a) ensure that the Project is carried out in accordance with the Safeguards Instruments;

   (b) ensure that the Safeguards Instruments are implemented in a manner and substance satisfactory to the World Bank; and

   (c) refrain from amending, suspending, waiving, abrogating, and/or voiding any provision of the Safeguards Instruments, in whole or in part, without the prior written agreement of the World Bank.

2. The Recipient shall:

   (a) take all necessary actions to avoid or otherwise minimize to the extent possible, and to mitigate, any involuntary loss by persons of shelter, productive assets or access to productive assets or income or means of livelihood, temporarily or permanently, and the displacement of said people in the carrying out of the Project or any part thereof; and

   (b) where the acquisition of land or assets or the displacement of people is unavoidable, before initiating the implementation of any Project activity which would result in such acquisition or displacement, develop and implement a Resettlement Action Plan (“RAP”) in accordance with the Resettlement Policy Framework (“RPF”), and make available to such people compensation and, as applicable, relocate and rehabilitate the Displaced Persons in accordance with the RAP and in a manner satisfactory to the World Bank.

3. Whenever a new or revised Environmental and Social Management Plan (“ESMP”) or RAP is required for any proposed activity under the Project in accordance with the provisions of the Environmental and Social Management Framework (“ESMF”) or the RPF (as the case may be), the Recipient shall:

   (a) prior to the commencement of such activity, proceed to have such ESMP or RAP (as the case may be): (i) prepared in accordance with the provisions of
the ESMF or the RPF (as the case may be); (ii) furnished to the World Bank for review and approval; and (iii) thereafter adopted and disclosed as approved by the World Bank, in a manner acceptable to the World Bank; and

(b) thereafter take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such ESMP or RAP (as the case may be).

4. The Recipient shall maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with guidelines acceptable to the World Bank, the implementation of the Safeguards Instruments.

5. Without limiting its other reporting obligations under this Agreement, the Recipient shall take all necessary measures to regularly collect, compile and submit to the World Bank, as part of the Project Reports, information on the status of compliance with the Safeguards Instruments, giving details of:

   (a) measures taken in furtherance of the Safeguards Instruments;

   (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Instruments; and

   (c) remedial measures taken or required to be taken to address such conditions.

6. In the event of any inconsistency between the provisions 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. **Documents; Records**

   In addition and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:

   (a) all records evidencing expenditures under the Project are retained for seven years and six months after the Closing Date, such records to include: (i) this Agreement, all addenda thereof, and any amendments thereto; (ii) the Recipient’s financial and narrative progress reports submitted to the World Bank; (iii) the Recipient’s financial information related to the Grant, including audit reports, invoices and payroll records; (iv) the Recipient’s implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and

   (b) the representatives of the World Bank are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information
concerning such records as they may from time to time reasonably request; and (iii) able to disclose such records and information to the Donor(s).

B. Project Reports; Completion Report

1. 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 and as set out in the Project Implementation Manual. Each Project Report shall cover the period of one calendar semester, and shall be endorsed by the Project Steering Committee and furnished to the World Bank not later than forty five (45) days after the end of the period covered by such report.

2. The Recipient shall: (a) on or about April 1, 2018, prepare and furnish to the World Bank a mid-term report, in such detail as the World Bank shall reasonably request, documenting progress achieved in the carrying out of the Project during the period preceding the date of such report, taking into account the monitoring and evaluation activities performed pursuant to paragraph 1 above, and setting out the measures recommended to ensure the continued efficient carrying out of the Project and the achievement of its objectives during the period following such date; and (b) review with the World Bank such mid-term report, on or about the date forty-five (45) days after its submission, and thereafter take all measures required to ensure the continued efficient implementation of the Project and the achievement of its objectives, based on the conclusions and recommendations of the mid-term report and the World Bank’s views on the matter.

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

C. Financial Management; Financial Reports; Audits

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

2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank: (a) for Part A of the Project, not later than ninety (90) days after the end of each six (6) months of the Fiscal Year, covering that period (except for the first report, which shall cover the period from the Effective Date to the end of the relevant six (6) month period of the Fiscal Year), in form and substance satisfactory to the World Bank; and (b) for Part B of the Project, not later than forty five (45) days after the end of each quarter of the Fiscal Year, covering the quarter, in form and substance satisfactory to the World Bank.
3. The Recipient shall: (a) carry out an annual payroll audit of MoHE and three (3) Public Universities randomly selected by MoHE for each audit cycle; and (b) prepare and furnish to the World Bank an internal audit report, not later than two (2) months after the end of each Fiscal Year, covering that period, in form and substance satisfactory to the World Bank, and including recommendations for remedial actions to address any identified problems.

4. The Recipient shall have its Financial Statements for each Part of the Project separately audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements for each Part of the Project shall cover the period of one (1) Fiscal Year. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Procurement and Consultant Guidelines. All goods, non-consulting-services and consultants’ services required for Part B of 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 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.

3. 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 and Non-consulting Services

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

2. Other Methods of Procurement of Goods and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in
the Procurement Plan: (a) National Competitive Bidding, subject to the additional provisions agreed upon from time to time between the Recipient and the World Bank and set forth in the Procurement Plan; (b) Shopping; and (c) Direct Contracting, subject to the prior written agreement of the World Bank.

C. Particular Methods of Procurement of Consultants' Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants' services required for Part B of the Project 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 under Part B of the Project 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. Document Retention

Notwithstanding the provisions of paragraphs 2(j) and 5 of Appendix 1 to the Procurement Guidelines, and paragraphs 2(k) and 5 of Appendix 1 to the Consultant Guidelines, the Recipient: (i) shall retain all documentation with respect to each contract as described in said paragraphs for at least seven years and six months after the Closing Date set forth in Section IV.B.2 of this Schedule; (ii) shall furnish such documentation to the World Bank at any time upon request; and (iii) hereby authorizes the World Bank to disclose such documentation to the Donor(s).

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 Expenditure Programs under Part A of the Project</td>
<td>40,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, non-consulting services, consultants’ services, training and incremental operating costs under Part B of the Project</td>
<td>10,000,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>50,000,000</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 for payments made:

   (a) prior to the date of this Agreement; or

   (b) for Eligible Expenditure Programs under Category (1), unless and until the Recipient has:

   (i) prepared and adopted the Project Implementation Manual in form and substance satisfactory to the World Bank;

   (ii) furnished evidence satisfactory to the World Bank in accordance with the verification protocol set forth in the Project Implementation Manual that the Recipient has achieved the respective DLI Targets set forth in Schedule 3 to this Agreement against which withdrawal is requested; and
(iii) complied with the additional instructions referred to in Section IV.A.1 of this Schedule, including furnished to the World Bank the interim unaudited financial reports documenting the incurrence of Eligible Expenditure Programs during the respective Year of the Project up to the date against which withdrawal is requested.

2. Notwithstanding the provisions of Sections IV.A and IV.B.1 of this Schedule, the amount of the Grant to be withdrawn upon the verified achievements of any DLI Target shall correspond to the DLI Value of such DLI Target as set forth in Schedule 3 to this Agreement.

3. Notwithstanding the provisions of Section IV.B.1 of this Schedule, if the World Bank shall determine, based on the evidence furnished by the Recipient under Section IV.B.1 of this Schedule, that any DLI Target has not been achieved by its DLI Target Achievement Date, the World Bank may in its sole discretion, by notice to the Recipient:

(a) withhold in whole or in part the amount of the Grant allocated to such DLI Target; and/or

(b) disburse in whole or in part the amount of the Grant allocated to such DLI Target within one (1) calendar year of the relevant DLI Target Achievement Date if and when the World Bank shall be satisfied that such DLI Target is actually completed within that later time period, to the extent that such completion remains feasible at such later time; and/or

(c) reallocate in whole or in part any withheld amount of the Grant allocated to such DLI Target, including to an additional DLI Target as agreed with the Recipient; and/or

(d) cancel in whole or in part any withheld amount of the Grant allocated to such DLI Target.

4. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2020.
### Schedule 3

**Disbursement Linked Indicators with DLI Targets and DLI Values**

<table>
<thead>
<tr>
<th>DLIs</th>
<th>Year 1 (ending December 21, 2015)</th>
<th>Year 2 (ending December 21, 2016)</th>
<th>Year 3 (ending December 21, 2017)</th>
<th>Year 4 (ending December 21, 2018)</th>
<th>Year 5 (ending December 21, 2019)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DLI # 1</strong></td>
<td>None</td>
<td>None</td>
<td>DLI Target: 4,500 DLI Value: USD 3,000,000</td>
<td>DLI Target: 5,000 DLI Value: USD 3,000,000</td>
<td>None</td>
</tr>
<tr>
<td>Number of female students enrolled in first year of Priority Degree Programs at Public Universities (annual number)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>DLI # 2</strong></td>
<td>DLI Target: (i) Training Manual completed by MoHE; and (ii) 70 full-time academic staff trained as trainers for Staff Development Centers in accordance with Training Manual</td>
<td>DLI Target: 250 full-time academic staff trained in and practicing outcome-based education and student-centered learning in accordance with Training Manual</td>
<td>None</td>
<td>None</td>
<td>DLI Target: 1,000 full-time academic staff trained in and practicing outcome-based education and student-centered learning in accordance with Training Manual</td>
</tr>
<tr>
<td>Number of full-time academic faculty staff of Public Universities trained in and practicing outcome-based education and student-centered learning (cumulative number)</td>
<td>DLI Value: USD 2,000,000</td>
<td>DLI Value: USD 3,000,000</td>
<td></td>
<td></td>
<td>DLI Value: USD 2,000,000</td>
</tr>
<tr>
<td>DLIs</td>
<td>Year 1 (ending December 21, 2015)</td>
<td>Year 2 (ending December 21, 2016)</td>
<td>Year 3 (ending December 21, 2017)</td>
<td>Year 4 (ending December 21, 2018)</td>
<td>Year 5 (ending December 21, 2019)</td>
</tr>
<tr>
<td>------</td>
<td>----------------------------------</td>
<td>----------------------------------</td>
<td>----------------------------------</td>
<td>----------------------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>DLI # 3</td>
<td>None</td>
<td>None</td>
<td><strong>DLI Target:</strong> 7 Public Universities</td>
<td><strong>DLI Target:</strong> 10 Public Universities</td>
<td><strong>DLI Target:</strong> 12 Public Universities</td>
</tr>
<tr>
<td>Number of Public Universities with functional ICT centers for ICT-based higher education in accordance with scorecard set out in the Project Implementation Manual</td>
<td></td>
<td></td>
<td><strong>DLI Value:</strong> USD 3,000,000</td>
<td><strong>DLI Value:</strong> USD 3,000,000</td>
<td><strong>DLI Value:</strong> USD 2,000,000</td>
</tr>
<tr>
<td>DLI # 4</td>
<td><strong>DLI Target:</strong> 100 scholarships awarded</td>
<td><strong>DLI Target:</strong> 200 scholarships awarded</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Number of scholarships awarded by MoHE to full-time academic faculty staff of Public Universities to pursue Masters degrees in Priority Disciplines</td>
<td><strong>DLI Value:</strong> USD 3,000,000</td>
<td><strong>DLI Value:</strong> USD 3,000,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DLI # 5</td>
<td>None</td>
<td>None</td>
<td><strong>DLI Target:</strong> 8 Public Universities</td>
<td><strong>DLI Target:</strong> 12 Public Universities</td>
<td><strong>DLI Target:</strong> 16 Public Universities</td>
</tr>
<tr>
<td>Number of Public Universities with internal quality assurance units functioning in accordance with scorecard set out in the Project Implementation Manual</td>
<td></td>
<td></td>
<td><strong>DLI Value:</strong> USD 3,000,000</td>
<td><strong>DLI Value:</strong> USD 3,000,000</td>
<td><strong>DLI Value:</strong> USD 2,000,000</td>
</tr>
<tr>
<td>DLI # 6</td>
<td>DLI Target: (i) Research grants awarded by MoHE to 10 group research projects; and (ii) Research grants awarded by MoHE to 20 individual research projects</td>
<td>DLI Target: (i) Research grants awarded by MoHE to 10 additional group research projects; and (ii) Research grants awarded by MoHE to 20 additional individual research projects; and (iii) Final research report submitted and accepted by MoHE for at least 5 group research projects</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

Number of research projects conducted at public universities and higher education institutions and private higher education institutions in Priority Disciplines (annual number)

DLI Value: USD 2,000,000

DLI Value: USD 3,000,000
APPENDIX

Definitions

1. “Afghanistan Quality Assurance and Accreditation Directorate” means the Ministry of Higher Education’s directorate responsible for quality assurance and accreditation, or any successor thereto.

2. “Annual Work Plan and Budget” means an annual work and training plan and budget for the Project, referred to in Section I.C of Schedule 2 to this Agreement, approved by the World Bank.


4. “ARTF Management Committee” means the committee established pursuant to Section 5 of the standard terms and conditions governing contributions to the Afghanistan Reconstruction Trust Fund (TF no. 050576), responsible for, inter alia, overseeing the activities of the ARTF and for resource allocation decisions with respect to the funds thereunder.

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


7. “Disbursement Linked Indicators” and the acronym “DLIs” means, collectively, the disbursement-linked indicators set forth in Schedule 3 to this Agreement; and the acronym “DLI” means, individually, any one of such indicators.

8. “DLI Target” means the target set to be achieved under each DLI as set forth in Schedule 3 to this Agreement.

9. “DLI Target Achievement Date” means, in respect of each DLI Target, the end of the Year of the Project during which the relevant DLI Target is set to be achieved, as set forth in Schedule 3 to this Agreement.

10. “DLI Value” means the total amount of the Grant allocated to each DLI Target as set forth in Schedule 3 to this Agreement, as such amount may be reallocated in whole or in part among the DLI Targets or among the Categories by notice from the World Bank from time to time.
11. “Displaced Persons” means persons who, on account of the implementation of the Project, have experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; (iii) loss of income source or means of livelihood, whether or not such persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such persons.

12. “Effective Date” means the date on which this Agreement becomes effective in accordance with Section 6.01 of the Standard Conditions.

13. “Eligible Expenditure Programs” means the following MoHE budget lines: (a) salaries and allowances of permanent professional and supporting staff of MoHE and public universities and higher education institutions, except those financed by other sources; and (b) scholarships for full-time academic faculty staff of public universities and higher education institutions for Master's degree programs in Priority Disciplines in-country and overseas, except those financed by other sources.

14. “Environmental and Social Management Framework” and the acronym “ESMF” means the Recipient’s framework dated March 5, 2015, acceptable to the World Bank, setting out the principles, standards, processes and tools to be applied to assess potential adverse environmental and social impacts associated with Project activities and the ways to avoid, minimize and/or mitigate them, with related public consultation, disclosure, reporting and grievance redress procedures, including for the preparation of Environmental and Social Management Plans as may be required for Project activities, and which includes the Resettlement Policy Framework, as said framework may be modified from time to time with the prior written agreement of the World Bank.

15. “Environmental and Social Management Plan” and the acronym “ESMP” means, individually, the Recipient’s environmental and social management plan, as may be required to be prepared in accordance with the Environmental and Social Management Framework and Section I.F of Schedule 2 to this Agreement, acceptable to the World Bank, which sets out the mitigation, enhancement, monitoring and institutional measures, including capacity building through training, required to: (i) eliminate adverse environmental impacts of activities to be implemented under the Project; (ii) offset them, or reduce them to acceptable levels; (iii) enhance any positive impacts thereof; and/or (iv) ensure compliance with the Recipient’s statutory environmental requirements, as such plan may be revised, updated or supplemented from time to time with the prior written agreement of the World Bank; and “Environmental and Social Management Plans” means, collectively, all such plans.

16. “Fiscal Year” means the Recipient’s fiscal year, which commences on December 22 and closes on December 21 of each year.

17. “ICT” means information communications technology.
18. "Incremental Operating Costs" means the reasonable costs incurred by the Recipient for implementation and management of the Project on the account of operations and maintenance of equipment and vehicles, hiring of vehicles, office rent, costs of consumables, fuel, office utilities and supplies, bank charges, advertising expenses, salaries and salary supplements (including travel allowances) of local contractual and temporary staff (other than consultants procured under the Project), but excluding salaries, allowances, bonuses or honoraria of members of the Recipient's civil service.

19. "Ministry of Higher Education" and the acronym "MoHE" means the Recipient's ministry responsible for higher education; or any successor(s) thereto.


21. "Operations and Monitoring Support Team" and the acronym "OMST" means the Project operations and monitoring support team to be established within MoHE and referred to in Section I.A.4 of Schedule 2 to this Agreement.

22. "Priority Degree Programs" means degree programs at public universities and higher education institutions in Priority Disciplines as set out in the Project Implementation Manual.

23. "Priority Disciplines" means those academic and research disciplines identified as priorities for the economic and social development of the Recipient as defined in the NHESP.


25. "Procurement Plan" means the Recipient’s procurement plan for Part B of the Project, dated June 29, 2015 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.

26. "Project Implementation Manual" means the Recipient’s manual for implementation of the Project, referred to in Section B of Schedule 2 to this Agreement, in form and substance acceptable to the World Bank, which shall contain detailed arrangements and procedures for, inter alia: (a) day-to-day implementation of the Project at the national and higher education institution level, including for disbursement and financial management, internal and external audit, procurement, and environmental and social safeguards management; (b) a verification protocol containing the technical standards and arrangements and procedures for the monitoring, reporting and verification of DLIs; (c) the provision of scholarships under Part A of the Project, including eligibility criteria, selection criteria and processes, and terms and conditions.
for the award of scholarships; (d) the conduct of research projects under Part A of the Project, including eligibility criteria, selection criteria and processes, and terms and conditions for the award of research grants; (e) implementation plans and strategies for the achievement of results indicators agreed with the World Bank; (f) Project monitoring activities and reporting requirements; (g) managing and resolving complaints submitted in relation to Project activities; and (h) such other administrative, financial management, technical and organizational arrangements and procedures as shall be required for the Project, as said manual may be modified from time to time with the prior written agreement of the World Bank; and such term includes any schedules, annexes and attachments to the Project Implementation Manual.

27. “Project Steering Committee” means the steering committee to be established for the Project and referred to in Section A.2 of Schedule 2 to this Agreement.

28. “Public University” means, individually, a public university established by Cabinet approval of a proposal of the Ministry of Higher Education; and “Public Universities” means, collectively, all such universities.

29. “Resettlement Action Plan” and the acronym “RAP” means, individually, the Recipient’s resettlement action plan, as may be required to be prepared in accordance with the Resettlement Policy Framework and Section I.F of Schedule 2 to this Agreement, acceptable to the World Bank, which sets out the: (a) principles and procedures governing the acquisition of land required for the Project; (b) Displaced Persons as a result of Project activities; (c) actions and measures for the payment of compensation to Displaced Persons and for their resettlement and rehabilitation; (d) criteria and procedures for developing and implementing actions and measures for mitigating the adverse social impacts resulting from the implementation of Project activities; and (e) principles and procedures for consultation, grievance redressal, reporting and monitoring requirements, as said plan may be revised from time to time with the prior written agreement of the World Bank; and “Resettlement Action Plans” means, collectively, all such plans.

30. “Resettlement Policy Framework” and the acronym “RPF” means the Recipient’s resettlement policy framework for the Project dated March 5, 2015 and incorporated in the ESMF, acceptable to the World Bank, which sets out the policies and procedures for addressing adverse temporary or permanent social impacts resulting, or likely to result, from the carrying out of the Project, including: (a) the principles, policies and procedures, organizational arrangements, and design criteria to be applied to sub-projects to be prepared during implementation of the Project; and (b) for the preparation of Resettlement Action Plans as may be required for Project activities, as said framework may be revised from time to time with the prior written agreement of the World Bank.
31. "Safeguards Instruments" means the Environmental and Social Management Framework, the Resettlement Policy Framework and (if required) the Resettlement Action Plan(s) and Environmental and Social Management Plan(s).

32. "Staff Development Center" means, individually, a staff development center of a public university or higher education institution, which is responsible for providing professional development opportunities, including training, for technical, academic and managerial staff; and "Staff Development Centers" means, collectively, all such centers.

33. "Training" means the reasonable costs of training activities under the Project attributable to seminars, workshops, and domestic and overseas study trips, along with travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.

34. "Training Manual" means the manual to be developed under the Project setting out guidelines, policies and best practices for outcome-based education and student-centered learning methods, curricula and systems in higher education, including, inter alia, for the training of trainers in such methods, curricula and systems, and for assessing and verifying the practice thereof.

35. "University Project Steering Committee" means a steering committee for the Project to be established at a Public University participating in the Project and referred to in Section A.3 of Schedule 2 to this Agreement.

36. "Year of the Project" means: (a) for Year 1: the period beginning on the date of this Agreement and ending on December 21, 2015; and (b) for each subsequent year: one calendar year following the preceding year (ending on December 21 of the relevant year).