April 7, 2017

The Honorable Isidoro Santana
Minister of Economy, Planning and Development
Ministry of Economy, Planning and Development
Avenida México, esquina avenida Dr. Delgado
Edificio de Oficinas Gubernamentales, Bloque B
Santo Domingo, Distrito Nacional
Dominican Republic

Re: TFSCB Grant No. TF0A4773
Strengthening the Capacity to Produce and Use Quality Education Statistics Project
Letter Agreement

Dear Minister Santana:

In response to the request for financial assistance made on behalf of the Dominican Republic ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank"), acting as administrator of grant funds provided by various donors ("Donors") under the Multi-Donor Trust Fund for Statistical Capacity Building – III (TF070561), proposes to extend to the Recipient a grant in an amount not to exceed five hundred thousand United States Dollars (USD 500,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

1818 H Street NW • Washington, DC 20433 USA
Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within 90 days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By
Alessandro Legrottaglie
Country Manager
Caribbean Country Management Unit
Latin America and the Caribbean Region

AGREED:
DOMINICAN REPUBLIC

By
Authorized Representative
Name: Isidoro Santana
Title: Minister de Economia
Date: Febrero 1, 2017

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with the “Disbursement Guidelines for Investment Project Financing”, dated February 2017
Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012 ("Standard Conditions") constitute an integral part of this Agreement.

1.02. **Definitions.** 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.

(a) "ICT" means information and communications technology.

(b) "MINERD" means the Recipient’s Ministry of Education, and any successor thereto.

(c) "Ministry of Labor" means the Recipient’s Ministry of Labor, or any successor thereto.

(d) "NSDS" means the Recipient’s National Strategy for the Development of Statistics for the period 2013-2016.

(e) "República Digital" means the Recipient’s multisector program for the integration of information and communication technology in development activities.

(f) "SABER-EMIS" means Systems Approach for Better Education Results – Education Management Information Systems, an analytical tool developed by the World Bank.

(g) "SIGERD" means Sistema de Información para la Gestión Escolar de la República Dominicana, MINERD’s existing education management information system.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to strengthen MINERD’s capacity to produce high-quality data, consolidate data from different data systems and use that data to inform stakeholders in the education sector. The Project consists of the following parts:

Part 1: Integration and improvement of MINERD’s information systems

Provision of support for the improvement of SIGERD through:

1. the integration of different information systems into SIGERD, through: (i) carrying out an audit of SIGERD’s quality of information based on selected schools; (ii) identifying and integrating MINERD’s management systems, statistics and indicators in accordance with the NSDS, including disaggregation by gender; (iii) developing an action plan to incorporate early childhood development indicators into MINERD’s management systems; (iv) carrying out selected system assessments and cleaning of databases; (v) strengthening and expanding SIGERD, including the development of new modules for better data use at the school and district levels; (vi) strengthening
MINERD’s decentralization directorate management system and integrating with SIGERD; (vii) benchmarking SIGERD using the SABER-EMIS instrument; (viii) organizing national workshops and south-south exchanges with other countries; (ix) developing a multi-sectorial plan for the development of vocational education statistics for MINERD and the Ministry of Labor, aligned with the NSDS; and (x) carrying out capacity-building activities; and

2. the establishment of internal procedures and data quality assurance initiatives, through: (i) unifying and defining the coding of schools and other MINERD entities; (ii) developing the education sector ICT strategy under República Digital; (iii) developing and disseminating internal procedures for indicators, data collection and quality assurance for MINERD’s staff; (iv) carrying out an assessment of MINERD’s decentralized units capacity to produce and use data under SIGERD (the “Assessment”); (v) carrying out workshops with sector stakeholders to share and discuss the results of the Assessment; and (vi) carrying out capacity-building activities.

Part 2: Training and dissemination of information

Provision of support for the strengthening of MINERD’s capacity to produce quality data, make it available to the public and use it to inform decision-making and system stakeholders through:

1. the improvement of quality data production and use by MINERD’s staff, through: (i) developing training modules, videos and other communication materials; (ii) carrying out training on data entry and data use for school directors and MINERD staff in the 18 MINERD’s regional offices; and (iii) designing training modules for dissemination on student learning assessments results; and

2. the improvement of education data dissemination, through: (i) carrying out knowledge exchange initiatives with other countries to develop a strategy for education data dissemination and analysis; (ii) designing and improving an open data website; (iii) providing technical assistance for the development of an open data website, and visualization and analytics databases; (iv) strengthening the use of indicators and information disseminated through the open data website; (v) carrying out workshops to present and disseminate the open data website among internal and external stakeholders of the education sector; and (vi) carrying out consultations with stakeholders on data availability and effective communications means.

Part 3: Project implementation

Provision of support for Project administration, audits, procurement, financial management and basic monitoring and evaluation activities to be carried out by MINERD.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through MINERD in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016 ("Anti-Corruption Guidelines"); and (c) this Article II.
2.03. **Institutional and Other Arrangements.** The Recipient shall vest the overall responsibility for the implementation of the Project to MINERD, including the responsibility for its monitoring and evaluation, procurement, financial management, administration and technical aspects. To this end, the Recipient shall maintain at all times during Project implementation, professional staff in adequate numbers and with terms of reference, qualifications and functions acceptable to the World Bank, to perform all functions related to the Project, including a Project coordinator, a procurement specialist, a financial management specialist, and a monitoring and evaluation specialist.

2.04. **Project Monitoring, Reporting and Evaluation.** (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than forty-five days after the end of the period covered by such report.

(b) 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 months after the Closing Date.

2.05. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank as part of the Project Report no later than forty-five 45 days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Project Financial Statements shall cover the period of one calendar year. The audited Financial Statements for each such period shall be furnished to the World Bank no later than four (4) months after the end of such period. The Recipient shall ensure that the Financial Statements audited pursuant to Section 2.07 (b) of the Standard Conditions are made publicly available in a timely fashion and in a manner acceptable to the World Bank.

2.06. **Procurement**

All goods, non-consulting services and consulting services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in the “World Bank Procurement Regulations for Borrowers under Investment Project Financing” dated July 1, 2016 (“Procurement Regulations”), and the provisions of the Recipient’s procurement plan for the Project (“Procurement Plan”) dated March 20, 2017 provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.
Article III
Withdrawal of Grant Proceeds

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “Disbursement Guidelines for Investment Project Financing”, dated February 2017, 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 following table. The 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) Non-consulting services and consulting services under the Project</td>
<td>358,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Training and Workshops under the Project</td>
<td>88,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Operating Costs under the Project</td>
<td>54,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>500,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

For the purposes of this paragraph, the term:

(i) “Training and Workshops” means the reasonable costs, as shall have been approved by the World Bank, for training and workshops conducted under the Project, including tuition, travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course and workshop preparation and implementation (but excluding goods and consultants’ services); and

(ii) “Operating Costs” means the reasonable costs, as shall have been approved by the World Bank, for the incremental expenses incurred on account of Project implementation, consisting of vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office (and office equipment) maintenance, utilities, document duplication/printing, consumables, translation, travel cost and *per diem* for Project staff for travel linked to the implementation of the Project, and fees of contractual staff for the Project (but excluding consultants’ services and salaries of officials of the Recipient’s civil service).

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of this Agreement.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is two (2) years after the date of effectiveness; provided, however that it is not later than June 14, 2019. If the date two (2) years after the date of effectiveness falls after June 14, 2019 then the Closing Date shall be June 14, 2019.
Article IV
Recipient’s Representative; Addresses

3.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Economy, Planning and Development.

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

Ministry of Economy, Planning and Development
Avenida México, esquina avenida Dr. Delgado
Edificio de Oficinas Gubernamentales, Bloque B
Distrito Nacional
Santo Domingo, República Dominicana

Telephone: (809) 688-7000
Facsimile: (829) 688-9000

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

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391