October 24, 2013

H.E. Dr. Ibrahim Saif
Minister of Planning and International Cooperation
Ministry of Planning and International Cooperation
Amman, Hashemite Kingdom of Jordan
(Transmission by fax: 962 6 464-2247)

The Hashemite Kingdom of Jordan – Second Education Reform for the Knowledge Economy (ERfKE II) (Loan No. 77020)
Notice of Reallocation of Loan Proceeds and Revised Performance Monitoring Indicators

Excellency,

We refer to the Loan Agreement (the “Loan”) for financing the Second Education Reform for the Knowledge Economy Project (Loan No. 77020) signed on December 30, 2009, between the Hashemite Kingdom of Jordan (“the Borrower”), on the one part, and the International Bank for Reconstruction and Development (“the Bank”), on the other part. We also refer to your recent request for restructuring of the above-Project, dated August 25, 2013.

Based on this:

1. The table of “Withdrawal of Loan Proceeds” at paragraph 2 of Section IV of Schedule 2 to the Loan is amended as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works under Part E (i) of the Project</td>
<td>51,000,000</td>
<td>84%</td>
</tr>
<tr>
<td>(2) Goods and Equipment</td>
<td>7,730,000</td>
<td>84%</td>
</tr>
<tr>
<td>(3) Consultants’ services, workshops and training</td>
<td>1,000,000</td>
<td>84%</td>
</tr>
<tr>
<td>(4) Innovation Fund under Part B5 of the Project</td>
<td>120,000</td>
<td>84%</td>
</tr>
</tbody>
</table>
(5) Front-end Fee | 150,000 | Amount payable pursuant to Section 2.03 of this Agreement in accordance to Section 2.07 (b) of the General Conditions

(6) Unallocated

| TOTAL AMOUNT | 60,000,000 |

2. The Project Performance Monitoring Indicators in Supplemental Letter No. 2 to the Loan Agreement are amended per the Attachment.

All the terms and conditions of the Loan that have not been amended hereby shall remain unchanged and in full force and effect.

Please confirm your agreement with the foregoing by signing and dating the confirmation on the enclosed copy of this Letter Amendment to the Loan and returning it to the Bank. Upon receipt by the Bank of this countersigned copy of this Letter Amendment, the Letter Amendment shall become effective as of the date of countersignature.

Sincerely yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Ferid Belhaj
Director
Middle East Department
Middle East and North Africa Region

Attachment

AGREED AND CONFIRMED:

HASHEMITE KINGDOM OF JORDAN

Date: 5 November 2013

Copy to:

Mr. Merza Hussain Hasan, Executive Director, World Bank Group
Mr. Sultan N. Lutfi, Senior Advisor to Executive Director, World Bank Group
# Attachment to Supplemental Letter No. 2

**IBRD Loan No. 7702 JO**  
(Second Education Reform for the Knowledge Economy Project)  
Performance Monitoring Indicators

<table>
<thead>
<tr>
<th>PDO</th>
<th>Project Outcome Indicators</th>
<th>Use of Project Outcome Information</th>
</tr>
</thead>
</table>
| To provide students in pre-tertiary education institutions in Jordan with increased levels of skills to participate in the knowledge economy. | Increase in scores on national assessments aligned with knowledge economy skills *(Target: an average increase of 1 score point for Math, Science and Arabic)*.  
Increase in enrollment rates *(Target: maintain current high NER (98.0% for Basic Cycle, and increase NER to -78.2% for the Secondary Cycle)).* | These indicators will be used to monitor overall progress under ERfKE II and to inform general project implementation and refinement. Performance on these indicators will be reviewed through supervision missions and through discussions with GOJ and other stakeholders. |

<table>
<thead>
<tr>
<th>Intermediate Outcomes</th>
<th>Intermediate Outcome Indicators</th>
<th>Use of Intermediate Outcome Monitoring</th>
</tr>
</thead>
</table>
| Establishment of a National School-based Development System: National education reform is being delivered through local school development processes focused on improving student learning outcomes and supported by community, field directorates and the central administration. | Development and implementation of enabling policies, guidelines and procedures.  
Number/percentage of schools that are implementing improvement plans *(Target: 3000)*  
Number/percentage of field directorates that are implementing improvement plans *(Target: 35)*  
A single School Evaluation Instrument focused on ERfKE outcomes, agreed and being used for school self-evaluation and for public and professional accountability.  
Number of schools having received financial support from MOE to continue implementing School Improvement Plans *(Target: 3000)*  
Number of field directorates having received financial support from MOE to continue implementing field directorate improvement plans *(Target: 35)* | These indicators will be used to monitor progress on the National School-based Development System component of ERfKE II and to inform project implementation and refinement specifically in relation to this component. Data will be disaggregated by gender and location with a strong focus on equity. The indicators will be reviewed through supervision missions and also used as focal points for discussion with GOJ and other stakeholders. |

| Policy, Planning and Organizational Development: Organizational realignment has taken place in order to support a | Review and realignment of mandate and responsibilities of MOE organizational structures required by ERfKE II to ensure effective and efficient implementation of the | These indicators will be used to monitor the progress on the Planning and Organizational Development component of ERfKE II and to inform project implementation and |
school-based approach to improving the delivery of education services.

Organizational effectiveness at all levels of the system has been improved by the adoption of a results-based approach to policy, planning, accountability, incentives, and M&E.

<table>
<thead>
<tr>
<th>Teaching and Learning Resource Development:</th>
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<tbody>
<tr>
<td>Student learning outcomes relevant to the acquisition of knowledge economy skills have been improved through realigned curriculum, authentic assessment, appropriate teaching and learning resources, and interactive classroom practices.</td>
</tr>
</tbody>
</table>

| | Teacher policies revised to support application of national teacher standards. (Target: 100% of policies revised) |
| | Percentage of newly appointed permanent teachers completing post-recruitment initial training in ETC (Target: 40%). |
| | Review of subjects by grade to better ensure alignment with knowledge economy skills (Target: all subjects for grades 5-10 reviewed and fine-tuned). |
| | Tawjihi examinations reviewed and arrangements put in place for harmonization with the goals of the ERfKE curriculum (Target: Harmonized examination in place) |
| | Extent of e-learning/ICT utilization in the teaching and learning process (by subject, grade) as revealed by nationally representative classroom observation studies (Target: 73%) |
| | The content of NAFKE is reviewed for overall technical soundness and alignment with ERfKE curriculum and arrangements put in place for |

These indicators will be used to monitor the progress on the Teaching and Learning Resource Development component of ERfKE II and to inform project implementation and refinement specifically in relation to this component. The indicators will be reviewed through supervision missions and also used as focal points for discussion with GOJ and other stakeholders.
| Special Focus Program Development: | Percentage of eligible children enrolled in KG2 in all authorities *(Target: increase from 51.8% to 60%).*  
Early Childhood Education:  
Access to quality early childhood education has been increased through further development of facilities, learning resources, and parental and community involvement.  
Percentage of KG teachers/supervisors successfully completing prescribed training program for early childhood education (National curricula/working with young children, comprehensive training program *(Target: 100%).*  
Number of parents of KG students enrolled in volunteer programs *(Target: increase from 2000 to 5000).*  
Percentage of KG classrooms that meet MOE quality assurance standards *(Target: 75%).*  
| These indicators will be used to monitor the progress on the Early Childhood Education component of ERfKE II and to inform project implementation and refinement specifically in relation to this component. The indicators will be reviewed through supervision missions and also used as focal points for discussion with GOJ and other stakeholders. |
| Vocational Education:  
Programs and resources have been rationalized and improved to establish a quality secondary-level program that is consistent with, and aligns to, demand-driven service provision in the technical and vocational sector and training.  
Percentage of VET textbooks aligned with market requirements and adopted for grades 11 and 12 *(Target: 90%)*.  
| This indicator will be used to monitor the progress on the Vocational Education component of ERfKE II and to inform project implementation and refinement specifically in relation to this component. The indicator will be reviewed through supervision missions and also used as focal points for discussion with GOJ and other stakeholders. |
| Special Education:  
Access to quality education programs and services relevant to students with special needs has been increased.  
Revision and approval of policies to support special education programs and services.  
Number of teachers trained and qualified according to national standards for:  
- Gifted students *(Target: 50)*  
- Students with disabilities *(Target: 50)*.  
Number of students enrolled in special education programs:  
- Gifted students *(Target: 8750)*  
- Students with disabilities *(Target: 18500)*.  
Number of special education students with access to services relevant to their individual needs:  
- Gifted students *(Target 6500)*  
- Students with disabilities.  
| These indicators will be used to monitor the progress on the Special Education component of ERfKE II and to inform project implementation and refinement specifically in relation to this component. These indicators will be reviewed through supervision missions and also used as focal points for discussion with GOJ and other stakeholders. |
| Physical Learning Environments: | Number of students with access to learning in a safe and well-managed physical environment (MOE schools) *(Target: increase from 859867 to 945000).*  
Decrease in number of underutilized schools in all field directorates *(Target: from 1891 to a decrease of 10 schools (4+4+2))*  
Decrease in number of overcrowded schools in all field directorates *(Target: from 1244 to a decrease of 10 schools (4+4+2))*  
Number of additional classrooms/lab spaces for science and ICT constructed as an extension to existing old schools *(Target: 583 classrooms and 12 ICT labs and 31 science labs)*  
Policies created for continuous building maintenance and approved. | These indicators will be used to monitor the progress on the Physical Learning Environments component of ERfKE II and to inform project implementation and refinement specifically in relation to this component. These indicators will be reviewed through supervision missions and also used as focal points for discussion with GOJ and other stakeholders. |
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