Global Partnership for Education Fund
Grant Agreement
(Kenya Primary Education Development Project)

between

REPUBLIC OF KENYA

and

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

Dated 4TH JUNE, 2015
GLOBAL PARTNERSHIP FOR EDUCATION FUND
GRANT AGREEMENT

AGREEMENT dated 4TH JUNE, 2015, entered into
between REPUBLIC OF KENYA (“Recipient”); and INTERNATIONAL
DEVELOPMENT ASSOCIATION (“World Bank”), acting as administrator of the
Global Partnership for Education Fund.

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions

1.01. 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. 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, or in the Appendix to 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 Parts A, B.3-B.6, C and D of the Project through MoEST, Part B.1
through the KNEC; and Part B.2 through the TSC, all 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
eighty-eight million, four hundred thousand United States Dollars ($88,400,000)
(“Grant”) to assist in financing the Project.
3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

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

**Article IV**

**Additional Remedies**

4.01. The Additional Events of Suspension referred to in Section 4.02(k) of the Standard Conditions consist of the following:

(a) The KNEC Act or the TSC Act have been suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of KNEC or TSC to perform any of its obligations under the Project.

(b) IBRD or IDA has declared KNEC or TSC ineligible to receive proceeds of any financing made by IBRD or IDA, or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IBRD or IDA (including as administrator of funds provided by another financier), as a result of: (i) a determination by IBRD or IDA that KNEC or TSC has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD or IDA; and/or (ii) a declaration by another financier that KNEC or TSC is ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that KNEC or TSC has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.

(c) As a result of events which have occurred after the date of this Agreement, an extraordinary situation has arisen which makes it improbable that either KNEC or TSC will be able to perform its obligations under the Project.
Article V
Effectiveness; Termination

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental and corporate action.

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

5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.04. Termination for Failure to Become Effective. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article VI
Recipient’s Representative; Addresses

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

The National Treasury
Treasury Building
P.O Box 30007-00100
Nairobi
Republic of Kenya

Cable: Telex: Facsimile:
FINANCEairobi 22921 minfin-ke 254 20 330426

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

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

Cable: Telex: Facsimile:
INDEVAS 248423 (MCI) or 1-202-477-6391
Washington, D.C. 64145 (MCI)
AGREED at NAIROBI, KENYA, as of the day and year first above written.

REPUBLIC OF KENYA

By

[Signature]

Authorized Representative

Name: Henry Rotich

Title: Cabinet Secretary

INTERNATIONAL DEVELOPMENT ASSOCIATION
Acting as Administrator of the
Global Partnership for Education Fund

By

[Signature]

Authorized Representative

Name: Ms. Diarietou Gaye

Title: Country Director
SCHEDULE 1
Project Description

The objectives of the Project are to improve early grade mathematics competency and to strengthen management systems at schools and national levels.

The Project consists of the following parts:

Part A: Improvement of Early Grade Mathematics (EGM) Competencies

1. Carrying out a program of activities to improve teacher competencies for developing early grade numeracy, such activities to include: (a) training of county champions, Teacher Advisory Center (TAC) tutors, head teachers and teachers in EGM; (b) revision, printing and supply of teacher guides; (c) support for the roll-out of teacher reflection on student learning assessments; and (d) carrying out of baseline and end-line assessments on students' EGM levels.

2. Carrying out of a program of activities to improve learner access to and utilization of instructional materials, such activities to include: (a) printing and supply of instructional work books for Grades 1 and 2; (b) supply of additional instructional aids for Grades 1 and 2; and (c) printing and supply of Grades 1 and 2 instructional materials to primary teacher training colleges.

3. Carrying out of a program of activities to enhance teacher pedagogical supervision, such activities to include: (a) carrying out of school visits and classroom observations; and (b) carrying out of familiarization training for MoEST, TSC and county staff in EGM pedagogical techniques.

4. Carrying out of a program of activities to sensitize pre-service training colleges' leadership and educators on innovative practices in early grade reading and mathematics, such activities to include: (a) sensitizing principals of PTTCs, boards of management and teacher educators on new pedagogical practices and instructional materials for early grade mathematics; and (b) placement of teacher trainees on practicum in public primary schools.

5. Carrying out of a program of activities to strengthen EGM management and coordination, through technical assistance and provision of equipment and operating costs and training of MoEST and KNEC staff.

Part B: Strengthening School Management and Accountability

1. Support to KNEC to carry out school-level KCPE analysis and provide feedback to the Pilot Schools.

2. Carrying out of a program of activities to appraise teachers in Pilot Schools using the teacher appraisal and development system, such activities to include:
(a) training and sensitization of county and district master trainers, TAC tutors, head teachers and boards of management; (b) printing and supply of standards handbooks, Teacher Appraisal and Development (TAD) and Teacher Professional Development (TPD) manuals and other training materials; (c) training and study tours for TSC staff; (d) supply of software and hardware for data management; and (e) provision of technical assistance.

3. Carrying out of a program of activities to support the development and implementation of school improvement plans in Pilot Schools, such activities to include: (a) school sub-grants, which would include procurement of a simple tablet or smart phone with requisite application for modular data capturing and transmission provision; (b) printing and supply of SIP Manuals; (c) hiring of school facilitators; (d) training and sensitizing facilitators and head teachers; (e) implementation of SIPs; (e) carrying out of school monitoring visits; and (f) ex-post review of School Improvement Planning Process, through a third party.

4. Carrying out a program of activities to strengthen the audit of the Pilot Schools, such activities to include: (a) development and implementation of an audit plan for the Pilot School; (b) finalization of system audit manuals; (c) carrying out of training in risk-based audit approaches; and (d) introduction of school auditors' performance appraisal including development of performance database and score cards.

Part C: Strengthening Capacity for Evidence-Based Policy Development at the National Level

1. Carrying out of a program of activities to strengthen availability, accuracy, reliability and timeliness of primary education data, such activities to include: (a) application of the unique school identifier to every school; (b) strengthening data collection tools at the school level; (c) strengthening data collection and utilization at the county and sub-county levels by establishing education management information system EMIS center; (d) strengthening data consolidation, analysis and dissemination at the national level by setting up an EMIS; and (e) carrying out capacity building for the system enabling staff from counties to national levels collect and manage data.

2. Carrying out a program of activities to improve the monitoring of learning achievement, such activities to include: (a) implementation of regular standard 3 national assessments of learners' achievements including collection and compilation of background data; and (b) dissemination of the Southern Africa Consortium for Monitoring Educational Quality (SACMEQ IV) data to all interested groups.

3. Support for policy development to address system equity, efficiency and quality.
Part D: *Project Management monitoring and evaluation, and communication*

Financing of costs associated with Project management, coordination, monitoring and evaluation.
SCHEDULE 2
Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

Ministry of Education, Science and Technology

1. The Recipient shall vest the MoEST with the responsibility for the overall coordination and implementation of the Project. To this end, the Recipient shall ensure that at all times during the implementation of the Project, MoEST has the institutional framework and terms of reference satisfactory to the World Bank, and has adequate resources to carry out its responsibilities under the Project.

Project Coordination Unit

2. Without limitation on the provisions of paragraph 1 of this Section I.A, the Recipient shall: (a) maintain throughout Project implementation, the Project Coordination Unit (PCU) with terms of reference, staffing and other resources satisfactory to the World Bank; and (b) to this end, shall, at all times during Project Implementation assign to the PCU a national Project coordinator, three deputy Project coordinators, Supply Chain Management Officer, Finance Officer, accountant and such other staff as may be agreed with the World Bank with qualifications, experience, and terms of reference satisfactory to the World Bank.

3. Without limitation on the foregoing, the PCU shall be responsible for the day-to-day administration, financial management, procurement, monitoring and evaluation of the Project.

Project Steering Committee

4. The Recipient shall establish, by no later than three months after the Effective date, and maintain thereafter until the completion of the Project, a Project Steering Committee (PSC), with terms of reference satisfactory to the World Bank and with adequate resources to carry out its functions under the Project.

5. Without limitation on the provisions of paragraph 4 of this Section I.A, the functions of the Project Steering Committee shall be to monitor results and provide overall policy and strategic guidance over the Project and approve the Annual Work Plan and Budget (A WPB).
B. Implementation Arrangements

Project Implementation Manual

1. The Recipient shall, by no later May 31, 2015, prepare, in accordance with terms of reference acceptable to the World Bank and furnish to the World Bank for review, a Project implementation manual ("Project Implementation Manual"), which shall include provisions on the following matters: (a) the eligibility criteria and detailed procedures for the selection and approval of pilot and beneficiary schools under the Project including criteria and arrangements for preparation, implementation and evaluation of school improvement plans and provision of Sub-Project Grants to said Pilot Schools ("School Improvement Planning (SIP) Manual"); (b) the eligibility criteria and detailed procedures for the selection of teachers, TAC tutors and other staff to be trained under the Project and the follow-up mechanisms to be put in place; (c) arrangements for the provision of pedagogical support and supervision of teachers including details for expenditure re-imbursements; (d) arrangements for the carrying out of the monitoring learning achievements assessments; (e) arrangements on financial management, setting forth the detailed policies and procedures for financial management under the Project; (f) procurement management procedures; (g) institutional administration, coordination and day to day execution of Project activities; (h) monitoring and evaluation; (i) reporting; (j) guidelines for assessing potential environmental and social impacts of Project activities and designing appropriate mitigation, management, and monitoring measures in respect of said impacts; and (k) such other technical and organizational arrangements and procedures as shall be required for the Project.

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

3. The Recipient shall ensure that Parts A, B and C of the Project is carried out in accordance with the provisions of the Project Implementation Manual; provided, however, that in case of any conflict between the provisions of the Project Implementation Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.

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

Annual Work Plan and Budget

5. The Recipient shall prepare and furnish to the World Bank not later than April 30 of each Fiscal Year during the implementation of the Project, a work plan and
budget containing all activities (including all Sub-projects) proposed to be included in the Project during the following Fiscal Year, and a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing, provided that for the Fiscal Year in which the Project becomes effective, the proposed work plan and budget shall be prepared by the Effective Date and shall cover the implementation period remaining in the Fiscal Year.

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

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

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

C. Sub-Projects and Sub-Project Grants

1. For purposes of implementation of Part B.3 of the Project, the Recipient shall provide Sub-Project Grants to Pilot Schools, under a Sub-project Grant Agreement, acceptable to the Association, to implement Sub-Projects in accordance with eligibility criteria and procedures, and upon such conditions acceptable to the World Bank as shall be specified in detail in the School Improvement Planning Manual including the requirement that Sub-Projects are identified in a participatory manner.

2. The Recipient shall provide Sub-Project Grants to Pilot Schools on terms and conditions acceptable to the World Bank, which shall cover rights adequate to protect its interests and those of the World Bank, including the right to: (i) suspend or terminate the right of any of Pilot School to use the proceeds of the Sub-Project Grant, or obtain a refund of all or any part of the amount of the Sub-Project Grants then withdrawn, upon the Pilot School’s failure to perform any of its obligations under the Project; (ii) disburse the Sub-Project Grants upon the fulfillment or realization of agreed performance milestones; and (iii) require each Pilot School to: (A) carry out its Sub-Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank,
including in accordance with the provisions of the Anti-Corruption Guidelines
applicable to recipients of loan proceeds other than the Recipient; (B) provide,
promptly as needed, the resources required for the purpose; (C) procure the
goods, works and services to be financed out of the Sub-Project Grant in
accordance with the provisions of this Agreement; (D) maintain policies and
procedures adequate to enable it to monitor and evaluate in accordance with
indicators acceptable to the World Bank, the progress of the Sub-Project and the
achievement of its objectives; (E) (1) maintain financial records in a manner
adequate to reflect the operations, resources and expenditures related to the Sub-
Project; and (2) at the World Bank’s or the Recipient’s request, have such
financial statements audited by independent auditors acceptable to the World
Bank, in accordance with consistently applied auditing standards acceptable to
the World Bank, and promptly furnish the statements as so audited to the
Recipient and the World Bank; (F) enable the Recipient and the World Bank to
inspect the Sub-Project, its operation and any relevant records and documents;
and (G) prepare and furnish to the Recipient and the World Bank all such
information as the Recipient or the World Bank may reasonably request.

3. The Recipient shall exercise its rights and carry out its obligations in such
manner as to protect the interests of the Recipient and the World Bank and to
accomplish the purposes of the grants.

D. Anti-Corruption

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

E. Donor Visibility and Visit

1. The Recipient shall take or cause to be taken all such measures as the World
Bank may reasonably request to identify publicly the Donor’s support for the
Project.

2. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall,
upon the World Bank’s request, enable the representatives of the Donor(s) to
visit any part of the Recipient’s territory for purposes related to the Project.

F. Environment and Social Safeguards

1. The Recipient shall ensure that the Project is implemented in accordance with
Safeguard Frameworks and the Safeguard Instruments. To that end, if any Project
activities would, pursuant to the relevant Safeguard Framework, require the
preparation of a Safeguard Instrument, the Recipient shall ensure that said
activities shall not be implemented unless and until said Safeguard Instrument
has been: (a) prepared, in accordance with the relevant Safeguard Framework and
furnished to the Association for approval; (b) disclosed following approval of the Association; and (c) all measures required to be taken thereunder prior to the commencement of said activities, have been taken. Except as the Association shall otherwise agree in writing, and subject to compliance with the same consultation and information disclosure requirements as applied to the adoption of the aforesaid Safeguard Instruments in the first instance, the Recipient shall not amend or waive any provision of the Safeguard Instruments.

2. The Recipient shall, in its Project Reports, report on progress made on compliance with the Safeguards Instruments under the Project, giving details of measures taken in furtherance of the Safeguard Instruments and any conditions which interfere or threaten to interfere with the timely implementation of the Safeguards Instruments, and remedial measures taken or required to be taken to address such conditions.

3. The Recipient shall ensure that all advisory, analytical, planning, institutional capacity building, strategizing and such other services carried out under the Project shall be carried out according to terms of reference, satisfactory to the Association, requiring such services to deliver products which take into account, and are consistent with, the Association’s social and environmental safeguard policies.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators acceptable to the World Bank and set forth in the Project Implementation Manual. Each Project Report shall cover the period of one semester, and shall be 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) through MoEST, and with the participation of the KNEC and TSC, review, no later than March 31, 2017, the progress made in carrying out the Project (Mid-term Review), in accordance with the terms of reference agreed to with the Association; (b) prepare reports, including recommended actions to ensure timely implementation of specific targets and milestones relating to the Project; and (c) thereafter implement the specific actions and recommendations, as agreed with the Association.

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.
B. Financial Management; Financial Reports; Audits

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

2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank as part of the Project Report not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

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

Section III. Procurement

A. General

1. Procurement and Consultant Guidelines. All goods, works, non-consulting-services and consultants' services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

   (a) Section I of the Procurement Guidelines in the case of goods, works and non-consulting services, and Sections I and IV of the Consultant Guidelines in the case of consultants' services; and

   (b) the provisions of this Section III, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines ("Procurement Plan").

2. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.
B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

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

2. Other Methods of Procurement of Goods, Works and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding (subject to the additional procedures set out in Paragraph 3 below)</td>
</tr>
<tr>
<td>(b) Procurement under Framework Agreements in accordance with procedures which have been found acceptable to the World Bank</td>
</tr>
<tr>
<td>(c) Direct Contracting</td>
</tr>
<tr>
<td>(d) Shopping</td>
</tr>
</tbody>
</table>

3. Additional Procedures for the use of National Competitive Bidding (NCB Exceptions)

(a) The tender submission date shall be set so as to allow a period of at least thirty (30) days from the later of: (i) the date of advertisement; and (ii) the date of availability of the tender documents.

(b) Recipient-owned enterprises shall be allowed to participate in the tendering only if they can establish that they are legally and financially autonomous and operate under commercial law and are independent agencies of the Recipient’s government.

(c) The Recipient shall use, or cause to be used, bidding documents and tender documents in form and substance satisfactory to the Association and containing, inter alia, draft contracts and conditions of contract, including provisions on fraud and corruption, audit and publication of award.

(d) Extension of tender validity shall be allowed once only, and for not more than thirty (30) days, unless otherwise previously agreed in writing by the Association.
(e) Evaluation of tenders shall be based on quantifiable criteria expressed in monetary terms as defined in the tender documents, and not on a merit points system.

(f) No domestic preference shall be used in the evaluation of tenders. Accordingly, contracts shall be awarded to qualified tenderers having submitted the lowest evaluated substantially responsive tender.

(g) Notification of contract award shall constitute formation of the contract. No negotiation shall be carried out prior to contract award.

(h) The two envelope bid opening procedure shall not apply.

C. Particular Methods of Procurement of Consultants' Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. Other Methods of Procurement of Consultants' Services. The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those assignments which are specified in the Procurement Plan:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality Based Selection</td>
</tr>
<tr>
<td>(b) Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(c) Least Cost Selection</td>
</tr>
<tr>
<td>(d) Selection Based on Consultants' Qualifications</td>
</tr>
<tr>
<td>(e) Single Source Selection of firms</td>
</tr>
<tr>
<td>(f) Single-source procedures for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(g) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants</td>
</tr>
</tbody>
</table>
D. Review by the World Bank of Procurement Decisions

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

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) Goods, non-consulting services, consultants' services, Training and Operating Costs under all Parts of the Project (excluding Part B.3)</td>
<td>58,400,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Sub-Project Grants Under Part B.3 of the Project</td>
<td>30,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>88,400,000</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 prior to the date of this Agreement.

2. The Closing Date referred to in Section 3.06(c) of the Standard Conditions is March 31, 2019.

**Section V: Other Undertaking**

1. The Recipient shall promptly provide its Counterpart Funds of not less than 10% of the Grant Amount to finance all operating costs not covered by this Grant Agreement.
APPENDIX

Section I. Definitions


2. "AWPB" means the Annual Work Plan and Budget prepared annually by the Recipient and approved by the Association in accordance with Section I.B.5 of Schedule 2 to this Agreement; and "Annual Work Plans and Budgets" means more than one Annual Work Plan and Budget.

3. "Beneficiary" means any pilot schools qualified to receive sub-project Grants under Part B.3 of the Project.

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


6. "Counterpart funds" means 10% of the total grant contributed by the Recipient to cater for other Operating Costs (as hereinafter defined) not covered by this Grant.

7. "Environmental and Social Management Framework" or "ESMF" means the instruments satisfactory to the Association, prepared and adopted by the Recipient, and disclosed in country on February 20, 2015, and in the Association's Infoshop on February 18, 2015, outlining the process for management of the environmental and social aspects of the Project as the same may be amended from time to time with the Association's prior written concurrence.

8. "Environmental and Social Management Plan" or "ESMP" means the ESMP satisfactory to the Association, consistent with the ESMF, and to be duly disclosed in country and in the Association's Infoshop, providing details about the management of the environmental and social aspects of the activities to be carried out under the Project, as the same may be amended from time to time with the Association's prior written concurrence.

9. "Environmental and Social Impact Assessment" or "ESIA" means the study, acceptable to the Association, to be prepared by the Project Implementing Entities, and to be disclosed in country and in the Association's Infoshop,
consisting of *inter alia*: (i) a description of the Project activities and a justification of the said activities, including alternatives considered during the Project design phase; (ii) the potential and actual adverse environmental and social impacts of the activities referred to under sub-paragraph (i) above; and (iii) an environmental and social management plan setting forth measures to be taken during the implementation and operation of the Project to mitigate, eliminate or otherwise offset adverse social and environmental impacts, or to reduce them to acceptable levels and to ensure compliance of the Project activities with such measures, as the same may be amended from time to time with the Association’s prior written concurrence.

10. “KCPE” means Kenya Certificate of Primary Education.


14. “Operating Costs” means incremental expenses arising under the Project and based on Annual Work Plans and Budget, incurred by the Recipient and approved by the Bank, including the costs for the management and monitoring of the Project activities, office supplies and consumables; communication; operation and maintenance of office vehicles; per diem; travel costs for Project staff; reasonable bank charges; and allowances and salaries of contracted staff (excluding salaries of the Recipient’s civil servants).

15. “PCU” means the Project Coordination Unit established by the Recipient on February 19, 2015 and to be maintained by the Recipient and referred to in Section I.A.2 of Schedule 2 to this Agreement.

16. “PSC” means the Project Steering Committee to be established by the Recipient pursuant to Section I.A.4 of Schedule 2 to this Agreement.

17. “PTTC” means Primary Teacher Training College.


19. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated March 23, 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.
20. “Project Implementation Manual” or “PIM” means the manual, satisfactory to the Association, to be prepared by the Recipient, pursuant to Section I.B.1 of Schedule 2 to this Agreement, which shall include, inter alia, the eligibility criteria and detailed procedures for the selection and approval of pilot and beneficiary schools under the Project including criteria and arrangements for preparation, implementation and evaluation of school improvement plans and provision of Sub-Project Grants to said Pilot Schools (“School Improvement Planning, SIP Manual”) as the said manual may be amended and supplemented from time to time with the prior written approval of the Association.

21. “Safeguard Frameworks” means, collectively, the ESMFs, and VMGF; and “Safeguard Framework” means any one of the Safeguard Frameworks.

22. “Safeguard Instrument” means, in respect of a given Project activity: (a) for which the ESMF requires an ESIA, said ESIA; (b) for which the ESIA requires an ESMP, said ESMP; and (c) for which a VMGF requires a VMGP, said VMGP; all as shall have been prepared in accordance with the provisions of Section I.F of Schedule 2 to this Agreement.


24. “Subproject Grant” means a sub-grant made, or proposed to be made, by the Recipient to a Beneficiary to finance a Sub-project under Part B.3 of the Project.

25. “Subproject Grant Agreement” means the agreement to be entered into between the Recipient and a Beneficiary for the purposes of carrying out and financing a Sub-project.

26. “Sub-project” means a specific activity under Part B.3 of the Project financed, or proposed to be financed, through a Sub-grant.

27. “TAC” means Teacher Advisory Center.


29. “Training” means the reasonable costs for the following expenditures incurred in providing training or workshops: travel by participants and presenters to the training or workshop site, allowances of such persons during the training or workshop, honoraria for the presenters, rental of facilities, materials, supplies and translation and interpretation services.
30. "Vulnerable and Marginalized groups" or "VMGs" means distinct, vulnerable, social and cultural groups that may be identified pursuant to the studies outlined in the VMGF (as hereinafter defined) for the purposes of this Project.

31. "Vulnerable and Marginalized Groups Framework" or "VMGF" means an instrument prepared by the Recipient, satisfactory to the Association, disclosed in country on February 20, 2015, and in the Association’s Infoshop on February 18, 2015, outlining the basis for identifying vulnerable peoples and their rights, the appropriate consultative process as well as guidelines to avert, minimize, mitigate, or provide culturally appropriate compensation for any potentially adverse effects as the same may be amended from time to time with the Association’s prior written concurrence.

32. "Vulnerable and Marginalized Groups Plan" or "VMGP" means each of the plans to be prepared by the Recipient, satisfactory to the Association, disclosed in country and in the Association’s Infoshop, which sets out the measures to be carried out by the Recipient to ensure that: (a) VMGs affected by the project receive culturally appropriate social and economic benefits; and (b) when potential adverse effects on VMGs are identified, those adverse effects are compensated for, avoided, minimized, or mitigated.