

Public Disclosure Authorized

OFFICIAL DOCUMENTS

GRANT NUMBER TF0A8352-ET

Grant Agreement

(General Education Quality Improvement Program for Equity)

between

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

and

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
AND INTERNATIONAL DEVELOPMENT ASSOCIATION**

**(acting as administrator of the General Education Quality
Improvement Program for Equity Multi-Donor Trust Fund)**

GRANT NUMBER TF0A8352-ET

GRANT AGREEMENT

AGREEMENT dated as of the Signature Date, entered into between the FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA ("Recipient"), and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank"), acting as administrator of General Education Quality Improvement Program for Equity Multi-Donor Trust Fund ("MDTF").

WHEREAS: (A) The Recipient, having satisfied as to the feasibility and priority of the Operation described in Schedule 1 to this Agreement, has requested the World Bank to assist in financing the Operation;

(B) by a financing agreement dated December 21, 2017 (the Financing Agreement), the World Bank has agreed to make a grant (Grant No. D262-ET) in an amount equivalent to two hundred thirteen million six hundred thousand Special Drawing Rights (SDR 213,600,000) to assist in financing the activities related to the program described in Part 1 of Schedule 1 hereto ("Program") and the project described in Part 2 of Schedule 1 hereto ("Project"). The Program and the Project hereinafter, jointly referred to as the "Operation"; and

(C) the World Bank has agreed, on the basis, *inter alia*, of the forgoing, to extend a Grant (as defined below) to the Recipient upon the terms and conditions set forth in this Agreement.

NOW THEREFORE, the parties hereto agree as follows:

**Article I
Standard Conditions; Definitions**

- 1.01. The Standard Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in the Appendix to this Agreement.

**Article II
The Operation**

- 2.01. The Recipient declares its commitment to the objectives of the Operation. To this end, the Recipient shall carry out the Program and the Project through the MoE 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 Operation 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 equivalent to seven million eight hundred sixty-eight thousand United States (USD 7,868,000) ("Grant") to assist in financing the Program described in Part 1 of Schedule 1 to this Agreement.
- 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 MDTF for which the World Bank receives periodic contributions from the donors to the MDTF. 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 MDTF, 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 Event of Suspension referred to in Section 4.02(k) of the Standard Conditions consists of the following, namely, that the Recipient has amended ESDP V which will materially and adversely affect the ability of the Recipient to achieve the objective of the Program and/or perform any of its obligations under this Agreement.

**Article V
Effectiveness; Termination**

- 5.01. 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 its minister in charge of finance.

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

Ministry of Finance
PO Box 1905
Addis Ababa
Federal Democratic Republic of Ethiopia

Telex:	Facsimile:
21147	(251-111) 551355

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

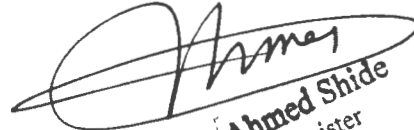
International Bank for Reconstruction and Development
and International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

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

AGREED as of the Signature Date.

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

By:



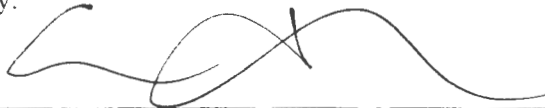
Ahmed Shide
Minister

H.E. Ahmed Shide
Minister of Finance

Date: July 12, 2019

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT and
INTERNATIONAL DEVELOPMENT ASSOCIATION**
(acting as administrator of the General Education Quality
Improvement Program for Equity Multi-Donor Trust
Fund)

By:



Carolyn Turk
Country Director for Ethiopia, Sudan and South Sudan
Africa Region

Date: July 12, 2019

SCHEDULE 1

Operation Description

The objective of the Operation is to assist the Recipient in improving internal efficiency, equitable access, and quality in General Education.

The Operation consists of the Program and the Project as follows:

Part 1: The Program

The Program consists of the following activities which form a subset of the ESDP V and the successor thereto:

- (a) Developing capacity for improved management in General Education by:
(i) developing a relevant management structure in the MoE, with a clear distribution of mandates and responsibilities at all levels and specifically, in managing the implementation of cross-cutting programs; (ii) regular gathering, processing and sharing of information to inform decision making, especially, education performance data and financial data; and (iii) promoting good coordination and communication within and across management levels through improved use of existing documentation centers and sharing platforms.
- (b) Improving the quality of General Education by: (i) strengthening teachers' and leaders' development and transforming teaching into a profession of choice; (ii) improving curriculum development and providing sufficient teaching and learning materials; (iii) supporting schools to develop and implement School Improvement Plans (SIP) with focus on the areas of community participation, school environment, teaching and learning and school leadership; and (iv) strengthening quality assurance systems with focus on school inspection, teacher and school leader licensing and assessment and examinations.
- (c) Improving access, equity and internal efficiency in General Education by: (i) increasing access to pre-primary education; (ii) increasing access to, and equity and internal efficiency of primary education; and (iii) providing special support programs for the Emerging Regions.
- (d) Providing support to address cross-cutting issues in General Education, specifically in the areas of gender, special needs and inclusive education.

Part 2: The Project

The Project consists of the following activities to assist with implementation of the Program and to mitigate implementation risks:

- (a) Enhancing capacity for delivering sustained results in the Program by providing technical assistance to the MoE for: (i) development of a national policy framework for expansion of early childhood education; and (ii) integration of information communication technology (“ICT”) to improve education service delivery, including carrying out a study to review challenges, and assess the impact of introducing ICT in secondary schools, and making recommendations for policy reform and future interventions.
- (b) Carrying out the following activities to enhance emergency response preparedness: (i) provision of technical assistance to enhance the capacity of the MoE and of the relevant regional and *Woreda* offices to prepare and implement an emergency strategy and plan for schools to cope with drought and other disasters; and (ii) providing immediate response to an Eligible Crisis or Emergency, as needed.
- (c) Provision of technical assistance to the MoE, and responsible agencies in the Regions and *Woredas*, to improve Program management, implementation, monitoring and evaluation, and third-party validation, as well as Project evaluations (including mid-term and end of Program evaluations).

SCHEDULE 2

Operation Execution

Section I. Implementation Arrangements

A. Operation Institutions

1. The Recipient shall maintain, during the period of implementation of the Operation, the Program Steering Committee established within the MoE to oversee the coordination and monitoring, and to verify progress of implementation, of the Program and the Project.
2. The Recipient shall maintain, during the period of implementation of the Operation, the following with staffing and resources appropriate to fulfill their respective functions under the Program and/or the Project:
 - (a) the Program Coordination Office, established under the Planning and Resource Mobilization Directorate of the MoE, to oversee the implementation of the Program and the Project;
 - (b) the agencies, offices, directorates, units, branches and universities within or under the MoE and/or under other relevant ministries, each assigned with technical, social and environmental safeguards, fiduciary and other Program and Project related responsibilities for implementing the Program and the Project, all with powers, functions, capacity, staffing and resources appropriate to fulfill their respective functions under the Program and the Project;
 - (c) the Channel One Program Coordination Directorate within MoFEC, with a mandate, adequate resources and staff satisfactory to the World Bank, to be responsible for financial coordination of the Program and the consolidation of financial reports related to the Program from the agencies, office, units and branches implementing the Program; and
 - (d) at regional, *Woreda*, and community levels, Operation implementation arrangements (including by CTEs and public schools), satisfactory to the World Bank and as shall be further detailed in the Operations Manual.

B. Additional Program Implementation Arrangements

1. The Recipient shall carry out the Program Action Plan, or cause the Program Action Plan to be carried out, in accordance with the schedule set out in the said Program Action Plan in a manner satisfactory to the World Bank.

2. The Recipient shall:

- (a) Appoint and thereafter maintain, at all times during the implementation of the Program, independent verification agents under terms of reference acceptable to the World Bank ("Verification Agents"), to verify the data and other evidence supporting the achievement of one or more DLIs as set forth in the table in Section IV.A.1 of this Schedule 2 and recommend corresponding payments to be made, as applicable.
- (b) (i) Ensure that the Verification Agents carry out verification and process(es) in accordance with the Verification Protocol; and (ii) submit to the World Bank the corresponding verification reports in a timely manner and in form and substance satisfactory to the World Bank.
- (c) In the event that there is a need for verification services prior to the appointment of the Verification Agents in accordance with sub-paragraph (a) above, put in place adequate interim arrangements satisfactory to the World Bank and approved in writing by the World Bank for verification of the DLIs.

C. Operations Manual

1. The Recipient, through the MoE, shall:

- (a) maintain (in consultation with Channel One Program Coordination Directorate), an Operations Manual, already approved by the World Bank, setting out detailed institutional, administrative, financial, technical and operational guidelines and procedures for the implementation of the Program, the Project, Program Action Plan, and including: (i) detailed safeguards, financial management (including funds flow and budgeting) and procurement arrangements; and (ii) a monitoring and verification system for the Program; and
 - (b) implement the Operation in accordance with the Operations Manual.
2. The Recipient shall not amend, abrogate or suspend, or permit to be amended, abrogated or suspended any provision of the Operations Manual without the prior written agreement of the World Bank.
3. Notwithstanding the foregoing, if any provision of the Operations Manual is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail.

D. Safeguards Requirements for the Project

1. In carrying out activities under the Project, the Recipient shall ensure that all technical assistance under the Project, application of whose results would have environmental or social implications, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the World Bank, such terms of reference to ensure that the technical assistance takes into account, and calls for application of the World Bank's environmental and social safeguards policies and the Recipient's own laws relating to the environment and social aspects.

E. Annual Work Plan and Budget for the Project

1. For purposes of implementation of the Project, the Recipient shall:
 - (a) prepare a draft annual work plan and budget ("AWPB") for each EFY, setting forth, *inter alia*: (i) a detailed description of the planned activities under the Project for the following EFY; (ii) the sources and proposed use of funds therefor; (iii) procurement arrangements therefor; and (iv) responsibility for the execution of said Project activities, budgets, start and completion dates, outputs and monitoring indicators to track progress of each activity;
 - (b) not later than April 30th of each EFY, and after considering comments provided by the Program Steering Committee (referred to in Section I.A.1 above), furnish the draft AWPB to the World Bank for its review, and promptly thereafter finalize the AWPB, taking into account the World Bank's comments thereon; and
 - (c) by June 15th of each EFY, adopt and implement the final AWPB after obtaining the World Bank's approval thereon.

F. Contingent Emergency Response

In order to ensure the proper implementation of Part 2(b)(ii) of the Project ("Contingent Emergency Response") ("CERC Part"), the Recipient shall take the measures set for the below:

1. The Recipient shall:
 - (a) prepare and furnish to the World Bank for its review and approval, an operations manual which shall set forth detailed implementation arrangements for the CERC Part, including: (i) designation of, terms of reference for and resources to be allocated to, the entity to be responsible for coordinating and implementing the CERC Part ("Coordinating Authority"); (ii) specific activities which may be included in the CERC Part, Eligible Expenditures required therefor which are anticipated not to

exceed \$5,000,000 equivalent ("Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements for the CERC Part; (iv) procurement methods and procedures for Emergency Expenditures to be financed under the CERC Part; (v) documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social safeguards management frameworks for the CERC Part, consistent with the World Bank's policies on the matter; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the CERC Part;

- (b) afford the World Bank a reasonable opportunity to review said proposed operations manual;
 - (c) promptly adopt such operations manual for the CERC Part as shall have been approved by the World Bank ("CERC Operations Manual");
 - (d) ensure that the CERC Part is carried out in accordance with the CERC Operations Manual; provided, however, that in the event of any inconsistency between the provisions of the CERC Operations Manual and this Agreement, the provisions of this Agreement shall prevail; and
 - (e) not amend, suspend, abrogate, repeal or waive any provision of the CERC Operations Manual without prior approval by the World Bank.
2. The Recipient shall, throughout the implementation of the CERC Part, maintain the Coordinating Authority, with adequate staff and resources satisfactory to the World Bank.
3. The Recipient shall undertake no activities under the CERC Part (and no activities shall be included in the CERC Part) unless and until the following conditions have been met in respect of said activities:
- (a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the World Bank a request to include said activities in the CERC Part in order to respond to said Eligible Crisis or Emergency, and the World Bank has agreed with such determination, accepted said request and notified the Recipient thereof;
 - (b) the Recipient has prepared and disclosed all safeguards instruments required for said activities, in accordance with the CERC Operations Manual, the World Bank has approved all such instruments, and the Recipient has implemented any actions which are required to be taken under said instruments.

Section II. Excluded Activities

1. The Recipient shall ensure that the Program excludes any activities which:
 - (a) in the opinion of the World Bank, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or
 - (b) involve the procurement of: (1) works, estimated to cost \$75,000,000 equivalent or more per contract; (2) goods, information technology, and non-consulting services estimated to cost \$50,000,000 equivalent or more per contract; or (3) consultants' services, estimated to cost \$20,000,000 equivalent or more per contract.

Section III. Operation Monitoring, Reporting and Evaluation

A. Program and Project Reports

The Recipient shall furnish to the World Bank each Program Report and Project Report not later than two (2) months after the end of each EFY semester, covering the EFY semester.

B. Program Financial Audits

Without limitation on the generality of Section I.A of this Schedule 2 and Section 2.07 of the Standard Conditions, the Recipient shall have its Financial Statements for the Program 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 months after the end of such period.

Section IV. Withdrawal of Financing Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of Article III of the Standard Conditions, this Section, and such additional instructions as the World Bank may specify from time to time by notice to the Recipient to finance the results ("Disbursement Linked Results" or "DLRs") achieved by the Recipient, as measured against specific indicators ("Disbursement Linked Indicators" or "DLIs"); all as set forth in the table in paragraph 2 of this Part A.

The following table specifies each category of withdrawal of the proceeds of the Grant (including the Disbursement Linked Indicators as applicable) ("Category"),

the Disbursement Linked Results for each Category (as applicable), and the allocation of the amounts of the Grant to each Category:

Category (including Disbursement Linked Indicator, as applicable)	Disbursement Linked Result	Amount of MDTF Grant (expressed in USD)
(1) DLI #1: Quality Enhancement and Assurance Program ("QEAP") for O-Class	DLR #1.0: Quality enhancement materials developed and translated; and training of trainers completed	0
	DLR #1.1: Inspection framework developed for O-Class, validated and approved	5,000,000
	DLR #1.2: QEAP for O-Class implemented in Phase 1 schools (Baseline: 0)	0
	DLR #1.3: 20% Level 1 Performance O-Classes in Phase 1 Schools upgraded to higher level (Baseline: 0)	0
	DLR #1.4: 90% Level 1 Performance O-Classes in Phase I Schools upgraded to higher level (Baseline 20%)	0
(2) DLI#2: Performance-based Awards to school on a timely basis to improve internal efficiency	DLR #2.1: 60% of Best-performing Schools receive awards by March 31, 2019	2,000,000
	DLR #2.2: 70% of Best-performing Schools receive awards by March 31, 2020	0
	DLR #2.3: 80% of Best-performing Schools receive awards by March 31, 2021	0
	DLR #2.4: 90% of Best-performing Schools receive awards by March 31, 2022	0

Category (including Disbursement Linked Indicator, as applicable)	Disbursement Linked Result	Amount of MDTF Grant (expressed in USD)
(3) DLI #3: Improved girls-to-boys ratio in Grade 8 in Afar, Ethiopia Somali and Benishangul-Gumuz Regions	DLR #3.1: Gender-sensitive SIP Framework and Improved Girls' Clubs Guidelines approved by the MoE	0
	DLR #3.2: Girls-to-boys ratio in Grade 8 in Afar, Ethiopia Somali and Benishangul-Gumuz Regions increases to 64% (Baseline: 63%)	0
	DLR #3.3: Girls-to-boys ratio in Grade 8 in Afar, Ethiopia Somali and Benishangul-Gumuz Regions increases to 67% (Baseline: 64%)	0
	DLR #3.4: Girls-to-boys ratio in Grade 8 in Afar, Ethiopia Somali and Benishangul-Gumuz Regions increases to 70% (Baseline: 67%)	0
(4) DLI#4: Improved availability of Basic School Grants ("Basic SG") and Additional School Grants ("Additional SG") in emerging regions	DLR # 4.0: Formulas for Additional SG and revised School Grant guidelines developed and adopted	0
	DLR #4.1: 55% of schools receive Basic SG and Additional SG by November 30, 2018 (baseline 50%)	868,000
	DLR #4.2: 60% of schools receive Basic SG and Additional SG by November 30, 2019	0
	DLR #4.3: 65% of schools receive Basic SG and Additional SG by November 30, 2020	0

Category (including Disbursement Linked Indicator, as applicable)	Disbursement Linked Result	Amount of MDTF Grant (expressed in USD)
	DLR #4.4: 70% of schools receive Basic SG and Additional SG by November 30, 2021	0
(5) DLI #5: Improved teachers' instructional activities	DLR #5.0: Framework for school-based continuous teacher professional development approved by the State Minister for General Education	0
	DLR #5.1: 95% of supervisors and key teachers in Phase 1 Schools are trained	0
	DLR #5.2: 80% of Phase 1 Schools are visited by cluster supervisors and key teachers at least three times a year for school-based continuous teacher professional development	0
	DLR #5.3: 85% of Phase 1 Schools are visited by cluster supervisors and key teachers at least three times a year for school-based continuous teacher professional development	0
	DLR #5.4: Score of a Composite Index of School Inspection Standards on teaching practices in Phase 1 schools reaches 62% (Baseline: 54%)	0
	DLR #5.5: 90% of Phase 1 Schools are visited by cluster supervisors and key teachers at least three times a year for school-based continuous teacher professional development	0
	DLR #5.6: Score of a Composite Index of School Inspection Standards on teaching practices in Phase 1 schools reaches 70%	0

Category (including Disbursement Linked Indicator, as applicable)	Disbursement Linked Result	Amount of MDTF Grant (expressed in USD)
(6) DLI #6: Timely availability of textbooks	DLR #6.1: At least 80% of required textbooks available at regional centers or <i>Woreda</i> education offices by June 30, 2019	0
	DLR #6.2: Online textbook distribution and inventory management system operational in 1,000 Phase 1 Schools	0
	DLR #6.3: At least 65% of students in Target Grades have Target Textbooks by October 31, 2019 (Baseline: 58%)	0
	DLR #6.4: At least 75% of students in Target Grades have Target Textbooks by October 31, 2020	0
	DLR #6.5: At least 80% of Target Schools have Target Textbooks by October 31, 2021	0
	(7) DLI#7: Improved availability, quality and use of data	DLR #7.0: School identification (“ID”) guideline validated, approved by Minister of Education and notified to all regions and directorates and Unique School IDs issued by EMIS
DLR #7.1: EGRA report of raw student test scores available by June 30, 2018		0
DLR #7.2: ESAA reports and Annual Inspection Reports, using the new unique IDs, approved by the Minister and published by October 31, 2019		0
DLR #7.3: NLA report of raw student test scores available by September 30, 2019		0
DLR #7.4: Joint report published by EMIS, GEID and NEAEA on learning gaps by June 30, 2020		0
DLR #7.5: EGRA report of raw student test		0

Category (including Disbursement Linked Indicator, as applicable)	Disbursement Linked Result	Amount of MDTF Grant (expressed in USD)
	scores available by May 31, 2020	
	DLR #7.6: A strategic note for General Education curriculum development approved by the Minister by June 30, 2021	0
	DLR #7.7: NLA report of raw student test scores available by September 30, 2021	0
	DLR #7.8: EGRA report of raw student test scores available by May 31, 2022	0
(8) DLI#8: Improved pre-service teacher training for English and Mathematics Grades 5-8	DLR #8.0: Strategic framework for concurrent program approved and adopted by the Minister of Education	0
	DLR #8.1: Teacher training curriculum for the Concurrent Program approved and adopted by the Minister of Education	0
	DLR #8.2: Teacher training modules for Concurrent Program approved by the Minister of Education	0
	DLR #8.3: Three Centers of Excellence start receiving new entrants for the Concurrent Program	0
	DLR #8.4: A progress evaluation report on the Concurrent Program approved by the Minister of Education	0
TOTAL AMOUNT		7,868,000

B. Withdrawal Conditions for the Program

1. Notwithstanding the provisions of Part B.1(b) of this Section, with respect to the Program, if any of the DLR has not been achieved by the date by which the said DLR is set to be achieved, the World Bank may, by notice to the Recipient:

- (a) authorize the withdrawal of such lesser amount of the unwithdrawn proceeds of the Financing then allocated to said Category which, in the opinion of the World Bank, corresponds to the extent of achievement of said DLR, said lesser amount to be calculated in accordance with the Disbursement Formula; and/or
 - (b) reallocate all or a portion of the proceeds of the Financing then allocated to said DLR to any other DLR; and/or
 - (c) cancel all or a portion of the proceeds of the Financing then allocated to said DLR.
2. The Closing Date referred to in Section 3.06(c) of the Standard Conditions is July 31, 2022.
3. Notwithstanding the foregoing provisions of this Section IV, if at any time after the Closing Date the Recipient has failed to provide evidence satisfactory to the World Bank that the amount of the Grant withdrawn from the Grant Account does not exceed the total amount of Program Expenditures, the Recipient shall, promptly upon notice from the World Bank, refund to the World Bank such excess amount of the Grant withdrawn from the Grant Account. The World Bank shall cancel the refunded amount of the Grant withdrawn from the Grant Account.

APPENDIX

Definitions

1. "Additional SG" means additional school grants for cluster resource centers, which are to be transformed into inclusive education resource centers, for the purpose of supporting education of students with special needs and additional grants to schools in four emerging regions.
2. "Anti-Corruption Guidelines" means the "Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing," dated February 1, 2012, and revised July 10, 2015.
3. "Anti-Corruption Guidelines" means for purposes of paragraph 5 of the Appendix to the Project General Conditions, 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.
4. "Annual Inspection Reports" means the annual inspection reports issued by the General Education Inspection Directorate assessing school performance using twenty-six standards for inspection.
5. "AWPB" means the annual work plan and budget to be prepared and adopted in accordance with Section I.E of Schedule 2 to this Agreement.
6. "Basic SG" means grants funds provided by GoE to alternative basic education centers and government schools in the Recipient's country, based on the number of students enrolled O-Class to Grade 12.
7. "Best-performing Schools" means the top 10 percent of schools in each Region that rank the highest in year-to-year improvement, as determined in accordance with the Operations Manual.
8. "Category" means a category set forth in the table in Section IV.A.1 of Schedule 2 to this Agreement.
9. "CDID" means the Curriculum Development and Implementation Directorate of the Ministry of Education.
10. "CERC Operations Manual" means the operations manual referred to in Section I.F of Schedule 2 to this Agreement, to be adopted by the Recipient for the CERC Part of the Project in accordance with the provisions of said Section.
11. "CERC Part of the Project" or "CERC Part" means Part 2(b)(ii) of the Operation.

12. "Centers of Excellence" means the universities with teacher education/training institutions that meet the highest standards of teaching and research in the field of education, as more particularly set out in the Operations Manual.
13. "Cluster Center School" means a school better equipped with resources and staff and selected by a *Woreda* to provide administrative and pedagogical support to learners and teachers in three to five satellite schools.
14. "Composite Index of School Inspection Standards on Teaching Practice" or "Composite Index" means the composite index of school inspection standards on teaching practices, which is a simple average of scores in school inspection standards 11, 12, 13 and 18, as more particularly set out in the Operations Manual.
15. "Concurrent Program" means the four-year degree pre-service program that provides concurrent training to prospective primary and secondary school teachers on content and pedagogy.
16. "CTE" means College of Teacher Education established by the Regional government.
17. "Disbursement Formula" means the formula set forth in the table in Section IV.A.1 of Schedule 2 to this Agreement.
18. "Disbursement Linked Indicator" or "DLI" means in respect of a given Category, the indicator related to said Category as set forth in the table in Section IV.A.1 of Schedule 2 to this Agreement.
19. "Disbursement Linked Result" or "DLR" means in respect of a given Category, the result under said Category as set forth in the table in Section IV.A.1 of Schedule 2 to this Agreement, on the basis of the achievement of which, the amount of the Financing allocated to said result may be withdrawn in accordance with the provisions of said Section IV.
20. "EFY" means the Ethiopian Fiscal Year, the fiscal year of the Recipient which commences on July 8 and ends on July 7.
21. "EGRA" means Early Grades Reading Assessment, a tool used to measure students' progress toward learning to read.
22. "Eligible Crisis or Emergency" means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.
23. "Emergency Expenditure" means any of the Eligible Expenditures set forth in the CERC Operations Manual in accordance with the provisions of Section I.F.1 of

Schedule 2 to this Agreement and required for the activities included in the CERC Part of the Project.

24. "Emerging Regions" means Afar, Benishangul-Gumuz, Gambella, and Ethiopia Somali Regions.
25. "EMIS" means Education Management Information Systems.
26. "ESAA" means Education Statistics Annual Abstract, which aims to publicize national performance in education and training in General Education, based on the data gathered from the annual education census.
27. "ESDP V" means the Education Sector Development Program covering years 2015 through 2020 adopted by the Ministry of Education in 2015, setting out an overarching education framework for the country.
28. "Formulas for Additional SG" means the formula for additional school grants for cluster resource centers, which are to be transformed into inclusive education resource centers, for the purpose of supporting education of students with special needs, and the formula for additional grants to schools in Emerging Regions, including Afar, Ethiopia Somali, Benishangul-Gumuz and Gambella and as more specifically set out in the Operations Manual.
29. "GEID" means the General Education Inspection Directorate of the Ministry of Education.
30. "Gender-sensitive SIP Framework" means the gender sensitive school improvement planning framework with updated descriptors to be validated and approved by the Ministry of Education.
31. "General Education" means the levels of school education, from O-Class to Grade 12.
32. "Improved Girls Club Guidelines" means girls club guidelines with defined technical and implementation aspects to be validated and approved by the Ministry of Education.
33. "Level 1 Performance O-Classes" means the O-classes whose weighted performance score of inspection standards is less than 50%.
34. "MoE" means the Recipient's Ministry of Education, or any successor thereto.
35. "MoF" means the Recipient's Ministry of Finance, or any successor thereto.
36. "MSIC" means the Mathematics and Science Improvement Center.

37. "MTELEDD" means the Mother Tongue and English Language Development Directorate.
38. "NEAEA" means the National Education Assessment and Examinations Agency.
39. "NLA" means the National Learning Assessment which consists of nationally representative sample surveys of student performance in key subjects in Grade 4, 8, 10 and 12.
40. "O-Class" means the one-year reception class (nine-month program) based in government primary schools for children aged 6 years, before formal schooling starts at age 7.
41. "Operation" means, collectively, all activities described under the Program and the Project in Schedule 1 to this Agreement.
42. "Operations Manual" means the operations manual to be prepared and adopted in accordance with Section I.C of Schedule 2 to this Agreement.
43. "Performance-based Awards" means the monetary award disbursed directly to schools using the school bank account under the responsibility of the School Improvement Program Directorate, as more specifically set out in the Operations Manual.
44. "Phase 1 Schools" means a group of about 2,000 schools in randomly selected *Woredas* across all Regions that will benefit from the school-based teacher professional development program during the Program period, from 2019 through 2022.
45. "Program" means the activities described in Part 1 of Schedule 1 to this Agreement.
46. "Program Action Plan" means the Recipient's Program Action Plan referred to in Section I.C.1(a) of Schedule 2 to this Agreement, as may be amended from time to time with the agreement of the World Bank.
47. "Project" means the activities described in Part 2 of Schedule 2 to this Agreement.
48. "QEAP" means the Quality Enhancement and Assurance Program that ensures quality enhancement and quality assurance for O-Class, including through in-service training of teachers, managers and supervisors, provision of materials, and school inspection.
49. "Region" means the second tier of government in the Recipient's administrative system as established under the Recipient's Constitution.

50. "Signature Date" means the later of the two dates on which the Recipient and the World Bank signed this Agreement.
51. "Standard Conditions" means the "Standard Conditions for Grants Made by the World Bank Out of Various Funds", dated February 15, 2012.
52. "Target Grades" means Grades 1 and 2 and Grades 7 and 8 in government primary schools.
53. "Target Textbooks" means with respect to Grades 1 and 2, Mother Tongue language textbooks and with respect to Grades 7 and 8, English language and mathematics textbooks.
54. "TELDD" means Teachers and Education Leaders Development Department of the MoE.
55. "Unique School IDs" means the unique and systematic school identifications to be developed by the Information and Communication Directorate for use in EMIS and nationally adopted.
56. "Verification Agents" means independent entities to be engaged by the Recipient for the purposes of certifying the achievement of the DLRs as referred to in Section I.B.2 of Schedule II to this Agreement.
57. "Verification Protocol" means the Recipient's Verification Protocol, acceptable to the World Bank, setting forth the means by which the achievement of DLRs will be verified under the Program, as such Verification Protocol may be amended from time to time with the prior written agreement of the World Bank.
58. "*Woreda*" means the lowest administrative unit of government in the Recipient's territory as established pursuant to the relevant Regional legislation.