Amended and Restated Financing Agreement

(Second Skills Development Project)

between

ISLAMIC REPUBLIC OF AFGHANISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Originally dated May 11, 2013
(as amended and restated on July 12, 2017)
FINANCING AGREEMENT

AGREEMENT originally dated May 11, 2013, amended and restated on July 12, 2017 between ISLAMIC REPUBLIC OF AFGHANISTAN ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I—GENERAL CONDITIONS; DEFINITIONS

1.01. The General 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 General Conditions or in the Appendix to this Agreement.

ARTICLE II—FINANCING

2.01. The Association 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 thirty-five million seven hundred thousand Special Drawing Rights (SDR 35,700,000) ("Financing") to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Payment Dates are May 15 and November 15 in each year.

2.05. The Payment Currency is Dollars.

ARTICLE III—PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through the Deputy Ministry of Technical and Vocational Educational and Training in accordance with the provisions of Article IV of the General Conditions.
3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association 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 IV — EFFECTIVENESS; TERMINATION

4.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

4.02. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years (20) after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is its Minister responsible for finance.

5.02. The Recipient’s Address is:

   Ministry of Finance
   Pashtunistan Watt
   Kabul
   Islamic Republic of Afghanistan

   Facsimile:
   93-20-210-3258

5.03. The Association’s Address is:

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

   Cable: INDEVAS
   Telex: 248423 (MCI)
   Facsimile: 1-202-477-6391
AGREED at Kabul, Islamic Republic of Afghanistan, as of the day and year first above written.

ISLAMIC REPUBLIC OF AFGHANISTAN

By: [Signature]

Authorized Representative

Name: [Name]

Title: [Title]

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: [Signature]

Authorized Representative

Name: S. CHAUDHURI

Title: Country Director
SCHEDULE 1

Project Description

The objective of the Project is to improve Technical and Vocational Education and Training (TVET) teacher competencies and curriculum in selected priority trades.

The Project consists of the following parts:

Part 1. [Deleted and intentionally left blank]

Part 2. Improving performance of TVET schools and institutes

(a) [Deleted and intentionally left blank]

(b) [Deleted and intentionally left blank]

(c) Carrying out a program of activities designed to strengthen the administrative and financial autonomy of selected schools and institutes, including rehabilitation or maintenance of infrastructure and provision of goods and equipment for the purpose.

(d) Carrying out a program of activities designed to build capacity and to continue implementing Good Practices at NIMA, ANIM, AIT and the Blind School through the provision of consultancy services, goods and civil works.

Part 3. [Deleted and intentionally left blank]

Part 4. Project Management, monitoring and evaluation and technical assistance

Carrying out a program of activities designed to build the capacity of the DMTVET for Project management, monitoring and impact evaluation studies, including supporting third party monitoring, labor market surveys, development of a management information system for the Project, and for conducting third-party verifications of the achievement of Disbursement Linked Indicators.

Part 5: TVET Sector Reform

(a) Supporting Delivery of Priority Trades

Carrying out a program of activities designed to improve relevance of the skills training with sectors that have the highest potential for job creation through: (i) identification of trades in priority sectors and strengthening the capacity of lead TVET institutes to operationalizing such institutes to serve as a nodal institute in each priority trade; (ii) development and implementation of a comprehensive TVET teacher
management policy; (iii) revision of TVET curriculum for grades 13-14 in the priority trades; and (iv) stronger engagement of private sector representatives in TVET delivery.

(b) Upgrading TVET Teacher Competencies

Carrying out of a program of activities designed to improve the quality of TVET delivery by upgrading the technical and pedagogical skills of TVET teachers through: (i) carrying out of a sector-wide assessment of all registered TVET technical teachers to evaluate their existing competencies; and (ii) the provision of in-service training abroad for teachers who have passed the assessment at Grades 13-14 level, and domestic training for the remaining TVET teachers.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. **DMTVET**

   The Recipient shall vest responsibility for overall implementation of the Project in the DMTVET, and, to that end, shall:

   (a) maintain, throughout the period of Project implementation, a Project Management Unit (PMU) within MOE with functions, staffing, and resources satisfactory to the Association, including a social and gender specialist and an environmental focal person with qualifications, experience and terms of experience satisfactory to the Association for the purposes of: (i) overseeing the day-to-day coordination, monitoring, implementation and administration of the Project, including the financial management and procurement processes; (ii) ensuring progress of Project execution in accordance with an implementation schedule reviewed and approved by the Association; (iii) ensuring adequate and smooth transfer of skills to national contracted staff and civil servants; and (iv) ensuring that transparency and high ethical standards are maintained in Project implementation; and

   (b) not later than July 31, 2017, appoint senior technical/managerial staff to support implementation of the Project, with qualifications, experience and terms of reference satisfactory to the Association, and thereafter maintain throughout the implementation of the Project.

2. **Steering Committee**

   The Recipient shall continue to maintain, throughout the Project implementation period, a Steering Committee chaired by the Minister of Education, and comprised of, *inter alia*, deputy minister of TVET; a representative at sector manager level of the MOF; the director general of administration and finance of MOE; three representatives of the donor community involved in the sector; two private sector representatives; two heads of TVET institutes; and the head of the PMU. The Steering Committee shall: (a) be responsible for, *inter alia*, providing policy guidance and macro-level coordination for the Project; and (b) meet at least once every calendar quarter.
3. **Governing Councils**

In order to build the administrative autonomy of the selected lead TVET institutes under the Project, the Recipient shall ensure that:

(a) each such school and institute shall establish, within one month of being selected for participation, a Governing Council, with responsibility for, *inter alia*: (i) ensuring the market relevance of curricula; (ii) establishing linkage of such school or institute with industries and job markets; (iii) building a placement system for students; and (iv) improving teaching and training.

(b) each respective Governing Council shall be: (i) comprised of three representatives of the said school or institute, one representative of DMTVET, and three representatives from the private sector; and (ii) chaired by one of the private sector representatives with the head of the school or institute as deputy chair.

(c) the private sector representatives participate in decision making for all academic and management activities.

(d) each respective Governing Council holds at least one meeting every two months.

B. **Implementation Covenants**

1. **Project Implementation Manual**

(a) The Recipient shall, not later than August 15, 2017, update the Project Implementation Manual in form and substance acceptable to the Association, and thereafter carry out the Project in accordance with the updated Project Implementation Manual; and except as the Association shall otherwise agree in writing, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the Project Implementation Manual, or any provision thereof.

(b) In the event of a conflict between the provisions of either the Project Implementation Manual and those of this Agreement, the latter shall govern.

C. **Anti-Corruption**

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

1. The Recipient shall undertake a verification process satisfactory to the Association to certify the achievement of the DLI Targets. To this end, the Recipient shall engage by no later than December 31, 2017 and thereafter maintain throughout the Project implementation period, third party verification personnel, with terms of reference and qualifications satisfactory to the World Bank and procured in accordance with the provisions of Section III of this Schedule, for the purpose of carrying out third party verifications of the status of achievement of the DLI Targets.

2. Without limitation on its other reporting obligations under this Agreement, the Recipient shall: (a) not later than February 28 of each year during the Project implementation period, furnish reports to the Association on the status of achievement of the relevant DLI Targets; and (b) not later than February 28, 2018 and thereafter not later than February 28 of each year during the Project implementation period, furnish to the Association the reports of the third party verification personnel referred to in paragraph 1 above, all in accordance with the Verification Protocols.

E. Safeguards

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Environmental and Social Management Framework and Environmental Management Plans, if any; and except as the Association shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

2. Prior to the commencement of any works under the Project, the Recipient shall, and shall ensure that the relevant Beneficiary shall:

(a) carry out the relevant site-specific environmental impact assessments, and thereafter prepare, in accordance with the Environmental and Social Management Framework, any Environmental Management Plans required, in form and substance satisfactory to the Association; and

(b) except as otherwise agreed with the Association, submit the said Environmental Management Plans to the Association for review and approval, and thereafter adopt the Environmental Management Plans, ensure that such Environmental Management Plans are disclosed publicly and carry out the pre-work commencement requirements specified in such Environmental Management Plans.
3. Without limitation upon its other reporting obligations under Section II.A of this Schedule, the Recipient shall take all measures necessary on its part to regularly collect, compile, and submit to the Association, on a quarterly basis, reports on the status of compliance with such Safeguard Instruments, giving details of:

(a) measures taken in furtherance of such Environmental and Social Management Framework and Environmental Management Plans;

(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Environmental and Social Management Framework and Environmental Management Plans; and

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

4. By July 31, 2017, the Recipient shall update and thereafter maintain a grievance redress mechanism for the Project, with staffing and operating procedures acceptable to the Association, for monitoring and addressing the concerns of people affected by the Project and building public and stakeholder support for the Project.

5. In the event of any conflict between the provisions of the Environmental and Social Management Framework and/or any Environmental Management Plan, and those of this Agreement, those of this Agreement shall prevail.

6. The Recipient shall ensure that no land acquisition or Involuntary Resettlement is carried out under the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association not later than thirty (30) after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. The Recipient shall prepare and furnish to the Association not later than forty-five (45) after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each 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 Association not later than six months after the end of such period.

4. The Recipient shall maintain, throughout Project Implementation period, an internal audit office within DMTVET with composition, terms of reference and resources satisfactory to the Association to be responsible for internal audit functions for the Project. To this end, the Recipient shall, by not later than September 30, 2013, assign and thereafter maintain, an internal auditor with qualifications, experience and terms of reference satisfactory to the Association.

Section III. Procurement

All goods, works, 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 Procurement Regulations and the provisions of the Procurement Plan.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall 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 Association 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 Financing (“Category”), the allocations of the amounts of the Financing 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 SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, Incremental Operating Costs, Training and consultants' services for Parts 1, 2, 3 and 4 of the Project</td>
<td>23,239,659</td>
<td>100% on or before June 30, 2018</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, Incremental Operating Costs, Training and consultants' services for Sub-Grants</td>
<td>46,090</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, works, non-consulting services, Incremental Operating Costs, Training and consultants' services for Part 4 of the Project</td>
<td>1,460,500</td>
<td>100% on or after July 1, 2018</td>
</tr>
<tr>
<td>(4) Eligible Expenditure Programs under Part 5 of the Project</td>
<td>10,953,750</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>35,700,000</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:

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

   (b) for Eligible Expenditure Programs under Category (4), unless and until the Recipient has:

   (i) furnished evidence satisfactory to the Association in accordance with the Verification Protocol that the Recipient has achieved the respective DLI Targets set forth in Schedule 3 to this Agreement against which withdrawal is requested; and

   (ii) complied with the additional instructions referred to in Section IV.A.1 of this Schedule, including furnished to the Association the interim unaudited financial reports documenting the incurrence of Eligible Expenditure Programs during the respective Year of the Project up to the date against which withdrawal is requested.
2. Notwithstanding the provisions of Part B.1 of this Section:

(a) if, with respect to any DLI, the Association is not satisfied that such DLI has been fully achieved by the end of the DLI Target Achievement Date corresponding to such DLI in the table in Schedule 3, then the Association may, at any time, by notice to the Recipient decide to: (i) authorize the withdrawal of all of the unwithdrawn proceeds or a portion of the unwithdrawn proceeds (for scalable DLIs) of the Grant then allocated to such DLI, at such later date (prior to the Closing Date) if and when the Association shall be satisfied, on the basis of evidence acceptable to the Association, that such DLI has been fully achieved; (ii) reallocate all or a portion of the proceeds of the Grant then allocated to such DLI to any other DLI(s); and/or (iii) cancel all or a portion of the proceeds of the Credit then allocated to such DLI;

(b) with respect to the DLI Target Achievement Date current at the time of any withdrawal, in the event that a DLI for a subsequent DLI Target Achievement Date has been fully achieved in such current DLI Target Achievement Date, the Association, may at any time, by notice to the Recipient, decide to authorize withdrawal of EEPs incurred in such current DLI Target Achievement Date of up to the DLI Value of the subsequent DLI Target Achievement Date achieved during such current DLI Target Achievement Date, and the DLI Value in the subsequent DLI Target Achievement Date shall be correspondingly reduced; and

(c) if, at any time, the Association determines that any amounts of the Grant were withdrawn without evidence of actual spending by the Recipient under the EEP or without evidence of satisfaction of other criteria set forth in this Agreement, the Recipient shall refund any such amounts to the Association as the Association shall specify by notice to the Recipient.

3. Notwithstanding the provisions of Parts B.1 and B.2 of this Section, withdrawals under Category (4) shall not exceed the lesser of: (a) the total of the DLI Values allocated to each DLI achieved; and (b) the amount of the EEPs incurred but not paid by the proceeds of the Grant as of the time when payment is requested.

4. The Closing Date is June 30, 2021.
### Schedule 3
**Disbursement Linked Indicators with DLI Targets and DLI Values**

<table>
<thead>
<tr>
<th>DLI</th>
<th>DLI 1: Number of Lead Institutes mobilized to deliver priority trades</th>
<th>Total Financing Allocated</th>
<th>2017</th>
<th>Indicative Timeline for DLI Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0 lead institutes</td>
<td></td>
<td></td>
<td>2 lead institutes operationalized and in compliance with pre-identified criteria, including (a) implementing upgraded curriculum, (b) delivering a greater share of training through practical means, and (c) engaging private sector representatives in teaching and school governance.</td>
</tr>
</tbody>
</table>

**DLI 1 Value:** US$2 million  
US$25 million/US$25 million  
US$75 million  
US$75 million

- Rollover: Yes  
- Scalability: No

**DLI 2: Development and Implementation of teacher Management Policy Framework and career pathway**  
Unenforced teacher regulations  
TVET teacher management policy framework drafted, approved at the HCC, and disseminated. Policy should articulate (a) minimum professional standards/competencies, (b) career development  
200 teachers benefit from career development framework through grade promotions. (Disbursement prorated per teacher)  
300 additional teachers benefit from career development framework through grade promotions. (Disbursement prorated per teacher)  
300 additional teachers benefit from career development framework through grade promotions. (Disbursement prorated per teacher)
<table>
<thead>
<tr>
<th>DLI 1</th>
<th>Total Financing Allocated</th>
<th>Baseline</th>
<th>Indicative Timeline for DLI Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>2017</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>teacher</td>
</tr>
<tr>
<td>DLI 2 Value:</td>
<td>US$3 million</td>
<td>Outdated curriculum</td>
<td>US$1 million</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Rollover: Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Curricula for 8 priority trades developed or revised and corresponding teaching materials developed by a team of experts</td>
</tr>
<tr>
<td>DLI 3: Implementation of Revised Curricula in the TVET System</td>
<td>US$2.5 million</td>
<td>Outdated curriculum</td>
<td>US$1.5 million</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Rollover: Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Curriculum corresponding teaching utilizing new curricula</td>
</tr>
<tr>
<td>DLI 4: Assessment of TVET teacher competencies</td>
<td>Number</td>
<td>300 teachers assessed as a pilot</td>
<td>(a) Teacher assessment tools and methodology developed</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(b) Completion of transparent</td>
</tr>
</tbody>
</table>

**Notes:**
- Pathway for teachers, and (c) supervision and monitoring modalities for TVET teachers.
- **DLI 2 Value:** US$3 million → US$1 million → US$0.5 million → US$0.75 million → US$0.75 million
- **DLI 3 Value:** US$2.5 million → US$1.5 million → US$0.5 million → US$0.25 million → US$0.25 million
- **DLI 4:** Number → 300 teachers assessed as a pilot → (a) Teacher assessment tools and methodology developed → Completion of transparent assessment of competence, of additional 625 TVET teachers in priority trades → Completion of transparent assessment of competence, of additional 625 TVET teachers in priority trades → Completion of transparent assessment of competence, of additional 625 TVET teachers in priority trades → Completion of transparent assessment of competence, of additional 625 TVET teachers in priority trades → Completion of transparent assessment of competence, of additional 625 TVET teachers in priority trades → Completion of transparent assessment of competence, of additional 625 TVET teachers in priority trades.
<table>
<thead>
<tr>
<th>DLI 4 Value:</th>
<th>Total Financing Allocated</th>
<th>Baseline</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$2 million</td>
<td>US$0.5 million</td>
<td>0 teachers trained abroad</td>
<td>150 TVET teachers who meet eligibility criteria have been enrolled in training institutes abroad for up to one year of technical training in one of the priority trades.</td>
<td>Additional 150 TVET teachers who meet eligibility criteria have been enrolled in training institutes abroad for up to one year of technical training in one of the priority trades.</td>
<td>300 TVET teachers have returned and have joined TVET institutes to teach in priority trades upon successful completion of training abroad.</td>
<td></td>
</tr>
<tr>
<td>DLI 5 Value:</td>
<td>US$3.5 million</td>
<td>0 teachers trained abroad</td>
<td>150 TVET teachers who meet eligibility criteria have been enrolled in training institutes abroad for up to one year of technical training in one of the priority trades.</td>
<td>Additional 150 TVET teachers who meet eligibility criteria have been enrolled in training institutes abroad for up to one year of technical training in one of the priority trades.</td>
<td>Rollover: No Scalability: Disbursement prorated per teacher deployed post-training.</td>
<td></td>
</tr>
<tr>
<td>DLI 6: Number of TVET teachers receiving technical training at domestic institutes</td>
<td>Total Financing Allocated</td>
<td>Baseline</td>
<td>2017</td>
<td>2018</td>
<td>2019</td>
<td>2020</td>
</tr>
<tr>
<td>---</td>
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</tr>
<tr>
<td></td>
<td>Number</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Indicative Timeline for DLI Achievement**

<table>
<thead>
<tr>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>200 TVET teachers have satisfactorily completed in-service technical training at TTTI or other lead TVET institutes in priority trades to achieve minimum competency standards for formal TVET teachers. (Disbursement prorated per teacher)</td>
<td>200 TVET teachers have satisfactorily completed in-service technical training at TTTI or other lead TVET institutes in priority trades to achieve minimum competency standards for formal TVET teachers. (Disbursement prorated per teacher)</td>
<td>100 TVET teachers have satisfactorily completed in-service technical training at TTTI or other lead TVET institutes in priority trades to achieve minimum competency standards for formal TVET teachers. (Disbursement prorated per teacher)</td>
<td></td>
</tr>
</tbody>
</table>

**DLI 6 Value:** USD2 million

2017: USD.75 million
2018: USD.75 million
2019: USD.5 million

Rollover: Yes
Scalability: Disbursement prorated per teacher completing in-service training

Rollover: Yes
Scalability: Disbursement prorated per teacher enrolled

Rollover: No
Scalability: Disbursement prorated per teacher enrolled
APPENDIX

Definitions


2. "Beneficiary" means a TVET school or institute accredited by the DMTVET that has met the eligibility and/or selection criteria set out in the Project Implementation Manual, under Part 2(d) of the Project.

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

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

5. "DLI Target" means the target per year set to be achieved under each DLI as set forth in Schedule 3 to this Agreement.

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

7. "DLI Value" means the total amount of the Grant allocated to each DLI Target as set forth in Schedule 3 to this Agreement, as such amount may be reallocated in whole or in part among the DLI Targets or among the Categories by notice from the World Bank from time to time.

8. "DMTVET" or "Deputy Ministry of Technical and Vocational Educational and Training" means the entity, within MOE, responsible for technical and vocational education training, or any successor thereto.

9. "Eligible Expenditure Programs" means the DMTVET budget lines 'Wages and Salaries (Item 210)', and 'Goods and Services (Item 220)', except those financed by other sources.

10. "EMP" or "Environmental Management Plan" means an environmental management plan in form and substance satisfactory to the Association, to be prepared by the Recipient as required by and on the basis of the ESMF, and giving details of measures to manage potential environmental risks and mitigate, reduce and/or offset adverse environmental impacts associated with the
implementation of the Project, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, its terms, as any such plan may be amended and/or supplemented from time to time with prior written approval of the Association; and “EMPs” means, collectively, more than one such plan.

11. “Environmental and Social Management Framework” or “ESMF” means the Environmental and Social Management Framework dated February 9, 2013 and updated on January 25, 2017 and entitled “Environment and Social Assessment and Environmental and Social Management Framework”, defining the set of mitigation, enhancement, monitoring, and institutional measures to be taken during implementation of the Project to eliminate any adverse environmental and social impacts, offset them, reduce them to acceptable levels, or to enhance positive impacts of the Project activities, as such framework may be amended by the Recipient from time to time, with the prior written agreement of the Association.


14. “Good Practices” means practices, further elaborated in the Project Implementation Manual, designed to introduce or reinforce implementation of institutional reforms in schools and institutes accredited by DMTVET, such practices to include: (a) introduction of curricula reform aimed at making skills taught at school market-relevant; (b) broad basing of school governing councils to ensure private sector participation in management and decision making; (c) establishment of milestones for improvements in school administration and student welfare; and (d) enhancement of academic and administrative performance of TVET schools and institutes accredited by DMTVET.

15. “Governing Council” means each council established by a school or institute referred to in Section I.A.3 of Schedule 2 to this Agreement.

16. “Incremental Operating Costs” means incremental recurrent expenditures incurred on account of the Project implementation including office supplies, fuel and maintenance of vehicles and motor cycles, maintenance of equipment, telephone and other communications charges, advertising expenses, insurance for vehicles, bank and services fees, student internships and travel costs, office rentals, other than consultants included in Procurement Plan, but excluding salaries of officials of the Recipient’s civil service.
17. “Involuntary Resettlement” means the following caused on account of Project implementation: (a) the involuntary taking of land, resulting in (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not the affected person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihood of the affected person.

18. “MOE” means the Recipient’s ministry responsible for education or any successor thereto.

19. “MOF” means the Recipient’s ministry responsible for finance or any successor thereto.

20. “PMU” means the Project Management Unit referred to in Section I.A.1(a) of Schedule 2 to this Agreement.

21. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated February 7, 2013, and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the Association.


23. “Project Implementation Manual” means the manual dated September 30, 2013 to be updated in accordance with Section I.B.1(a) of Schedule 2 to this Agreement and with the Financial Management Manual attached as annex, outlining implementation arrangements for the Project, including organizational, administrative, monitoring and evaluation, environmental and social monitoring and mitigation, procurement arrangements, as well as guidelines detailing implementation arrangements, including eligibility criteria for the Beneficiaries, and a verification protocol containing the technical standards and arrangements and procedures for the monitoring, reporting and verification of DLIs, as may be amended from time to time with prior written approval of the Association.

24. “Steering Committee” means the committee referred to in Section I.A.2 of Schedule 2 to this Agreement.

25. “Technical Teacher Training Institute” means the institute in Kabul established to provide in-service training to technical teachers.

26. “Training” means the reasonable costs of training under the Project, based on the annual work plans and budgets approved by the Association, and attributable to seminars, workshops, and study tours, along with travel and subsistence
allowances for training participants, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.

27. "TVET" means technical and vocational education and training.

28. "Verification Protocols" means the protocol and evidence required for the verification of DLIs and DLI Targets, acceptable to the Association and referred to in Section I.D of Schedule 2 to this Agreement, and further elaborated in the Project Implementation Manual.