OFFICIAL DOCUMENTS

GRANT NUMBER TF0A4701

Education for All – Fast Track Initiative Catalytic Trust Fund Grant Agreement
(Additional Financing - General Education Quality Improvement Project II)

between

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as a Supervising Entity under the Education for All Fast Track Initiative Catalytic Trust Fund)

Dated JUNE 17, 2012
GRANT NUMBER TF0A4701

EDUCATION FOR ALL-
FAST TRACK INITIATIVE CATALYTIC TRUST FUND
GRANT AGREEMENT

AGREEMENT dated July 17, 2017, entered into
between: FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA (“Recipient”); and
INTERNATIONAL DEVELOPMENT ASSOCIATION (“World Bank”), acting as acting
as a supervising entity under the Education for All- Fast Track Initiative Catalytic Trust Fund (“Trust Fund”) for the purpose of providing additional financing for activities related to the Original Project.

WHEREAS (A) the World Bank has received a letter from the Recipient, dated November 4, 2008, describing a plan designed to improve the quality of general education throughout the Recipient’s territory (the “General Education Quality Improvement Program,” or the “GEQIP Program”) and declaring the Recipient’s commitment to the execution of the GEQIP Program;

(B) the Recipient requested the World Bank and other contributing partners (the “Contributing Partners,” as hereinafter defined) to assist in the financing of the GEQIP Program through a series of grants and/or credits in two successive phases over a period of approximately eight (8) years;

(C) the Recipient intends to contribute various amounts of its own funds to assist in financing the GEQIP Program;

WHEREAS the World Bank has agreed, on the basis, inter alia, of the foregoing, to extend the Grant to the Recipient upon the terms and conditions set forth in this Agreement; and

NOW THEREFORE the Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions


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.
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 the Project through its Ministry of Education 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 not to exceed seven million United States Dollars ($7,000,000) ("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 Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions consists of the following, namely, that a situation has arisen which shall make it improbable that the GEQIP Program or a significant part thereof will be carried out.
Article V
Recipients Representative; Addresses

5.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the minister at the time responsible for finance and economic development.

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

Ministry of Finance and Economic Development
P.O. Box 1905
Addis Ababa
Federal Democratic Republic of Ethiopia

Cable: MINFIN
Telex: 21147
Facsimile: (251-111) 551355

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

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

Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391
AGREED at __________________, ______________, as of the day and year first above written.

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

By

[Signature]

Authorized Representative

Name: ____________________________

Title: ____________________________

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as a Supervising Entity under the Education for All- Fast Track Initiative Catalytic Trust Fund)

By

[Signature]

Authorized Representative

Name: RAISER M. KHAN

Title: ACTING COUNTRY DIRECTOR
SCHEDULE 1
Project Description

The objective of the Project is improving learning conditions in primary and secondary schools and strengthening of institutions at different levels of educational administration.

The Project constitutes the second series of the GEQIP Program, and consists of the following parts:

**Part 1. Curriculum Implementation and Teaching and Learning Materials**

Support improvement of learning conditions in grades KG to grade 12 by improving the quality and relevance of the curriculum, and increasing the supply of teaching and learning materials. The activities include, *inter alia*:

1.1. Enhance the quality of the primary and secondary curriculum by strengthening the institutional capacity of regional educational bureaus through: (a) assessment of the impact of NCF 2010; (b) translation, printing and distribution of curriculum materials to the regions; (c) focused curriculum studies and study visits; and (d) realignment of the general education curriculum with TVET and higher education curriculum.

1.2. Increase the supply of textbooks and supplementary learning materials from KG to grade 12.

**Part 2. Teacher Development Program**

Support improvements in learning conditions in selected primary and secondary schools by advancing the quality of teaching in general education through pre-service and in-service teacher training. The activities include, *inter alia*:

2.1. Carry out teachers' training by: (a) improving the selection of teacher training entrants and strengthening teacher education programs, including pre-service student teaching experience (practicum); (b) strengthening English Language Improvement Centers (ELICs); (c) providing professional development for teacher educators; and (d) establishing a faculty of education at a selected university including its cluster.

2.2. Improve the qualifications of in-service teachers through: (a) teacher upgrading, specifically to support some of the costs of upgrading from certificate to diploma for primary teachers and ABE facilitators; accelerated teacher training in the emerging regions; and training to zero (0) class teachers/facilitators on the delivery of a newly developed 40 weeks guide for zero (0) classes; (b) improving the delivery of the English Language Quality Improvement Program (ELQIP); and
(c) continuous professional development through the design of a functional school-based system.

Part 3. School Improvement Program

Support the strengthening of school planning in order to improve learning outcomes, and to partly fund the School Improvement Plan (SIP) through School Grants. The activities include, *inter alia*:

3.1. Carry out capacity building activities at the school level to improve the process of developing SIPs and to link the priorities in SIP to improving learning outcomes. The specific activities include: (a) providing training on linking SIP with improved student learning; (b) developing a simplified SIP framework for rural, isolated schools, smaller schools and ABEs; (c) creating information campaigns for parents and communities to strengthen the community support to improve learning through the SIPs; and (d) encouraging activities focused specifically on reading.

3.2. Improve learning conditions in schools by providing School Grants to selected schools based on the number of students in different grade levels.

Part 4. System Management and Capacity Building program

4.1. Strengthen EMIS to improve timeliness and quality of data produced for effective decision-making through capacity building and information technology (IT) infrastructure.

4.2. Support: (a) student learning assessment including assessment of school readiness using the newly internationally developed framework; (b) teacher assessment through licensing and re-licensing; and (c) school assessment through school inspection.

4.3. Provision of technical and professional training to selected school principals, Woreda, Regional and federal level education senior staff.

Part 5. Information and Communication Technology (ICT)

Support ICT infrastructure and skills within the education sector by: (a) supporting the development of a policy framework; (b) provision of E-cloud infrastructure to improve learning conditions in 300 secondary schools and 10 teacher training institutions; and (c) integration of ICT into teaching and learning through a learning management system.

Part 6. Program Planning and Coordination, Monitoring and Evaluation, and Communication

6.1. Strengthening the Recipient’s institutional capacity for coordinating and implementing the GEQIP Program at federal, Regional and Woreda levels.
6.2. Supporting the development of a monitoring and evaluation system for the Project at federal, Regional and Woreda levels, including implementation of a communication strategy.
SCHEDULE 2
Project Execution

Section I. Implementation and Other Arrangements

A. Project Implementation Manual (PIM) and School Grants Guidelines

The Recipient shall carry out the Project in accordance with the PIM (including School Grants Guidelines) and shall not amend or waive any provision of the PIM without prior approval of the World Bank if such amendment or waiver may, in the opinion of the World Bank, materially or adversely affect the implementation of the Project.

B. Institutional Arrangements

The Recipient shall:

(i) appoint not later than six (6) months after the Effective Date, and thereafter maintain at all times during implementation of the Project, a procurement auditor, to carry out an annual independent procurement audit of the Project, in form and substance satisfactory to the World Bank; and

(ii) ensure, the carrying out by the following institutions, of responsibilities for Project implementation as described herein below:

1. Federal Level

(a) Ministry of Education ("MoE"). The Recipient shall ensure that the MoE is maintained at all times during the implementation of the Project with mandate, staffing and resources satisfactory to the World Bank for the purpose of ensuring the prompt and efficient overall coordination, monitoring and evaluation of Project activities including the department of planning and policy analysis, and the departments concerns with procurement management and finance.

(b) Ministry of Finance and Economic Development ("MoFED"). The Recipient shall ensure that MoFED is provided with resources and staffing adequate to discharge its responsibilities for overall financial management aspects of the Project.

(c) Federal GEQIP Coordination Committee. Without limitation upon the provisions of paragraphs B.1(a) and (b) of this Section, the Recipient shall maintain, at all times until the completion of the Project, the GEQIP Coordination Committee, at the federal level, with a composition, mandate and resources satisfactory to the World Bank, to be responsible for coordinating the implementation of the Project.
2. **Regional Level**

   (a) *Regional Education Bureaus.* The Recipient shall ensure that the departments or units within Regional Education Bureaus responsible for planning and policy analysis are maintained at all times during the implementation of the Project with mandate, staffing and resources satisfactory to the World Bank including responsibility for planning, management and overall coordination of the elements of the Project mandated at the Regional level.

   (b) *Bureaus of Finance and Economic Development ("BoFEDs").* The Recipient shall ensure that BoFEDs have the mandate, resources and staffing satisfactory to the World Bank for financial management aspects of the Project activities at the Regional level.

   (c) *Regional GEQIP Coordination Committees and Coordination Units.* Without limitation upon the provisions of paragraph B.2(a) and (b) of this Section, the Recipient shall maintain, at all times until the completion of the Project, the GEQIP Coordination Committees as well as GEQIP Coordination Units, at the Regional level, with a composition, mandate and resources satisfactory to the World Bank.

3. **Woreda Level**

   (a) *Woreda Education Offices.* The Recipient shall ensure that Woreda Education Offices are maintained at all times during the implementation of the Project with mandate, staffing and resources satisfactory to the World Bank.

   (b) *Woreda Offices of Finance and Economic Development (WoFEDs).* The Recipient shall ensure that the WoFEDs have the mandate, resources and staffing satisfactory to the World Bank for financial management aspects of the Project activities at the Woreda level.

C. **Anti-Corruption**

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011 and as of July 1, 2016 ("Anti-Corruption Guidelines").
D. **School Grants**

The Recipient shall ensure that the School Grants sub-component under Part 3 of the Project is carried out in accordance with the criteria, policies, procedures and guidelines of the School Grant Guidelines. The Recipient shall not amend, abrogate, or waive, or permit to be amended, abrogated or waived, the School Grant Guidelines, or any provision thereof, in a manner which, in the opinion of the World Bank, may materially and adversely affect the implementation of Part 3 of the Project.

E. **Annual Work Plans and Training Plans**

1. The Recipient shall prepare and furnish to the World Bank and Contributing Partners each EFY, a proposed annual work plan consisting of activities proposed for inclusion in the GEQIP Program during the following EFY together with a proposed budget and financing plan for such activities.

2. The Recipient shall exchange views with the World Bank and Contributing Partners on each proposed annual work plan, and shall thereafter adopt, and carry out such work plan for such following EFY as shall have been agreed with the World Bank and Contributing Partners ("Annual Work Plan"), as such Annual Work Plan may be subsequently revised with the agreement of the World Bank and Contributing Partners.

3. Each such proposed annual work plan shall specify any training activities that may be required under the Project, including: (a) the type of training; (b) the purpose of the training; (c) the personnel to be trained; (d) the institution or individual who will conduct the training; (e) the location and duration of the training; and (f) the cost of the training ("Training Plan").

4. The Recipient shall, not later than 3 months after the Effective Date, adopt the first Annual Work Plan and the first Training Plan, all in form and substance satisfactory to the World Bank.

5. The Recipient shall, not later than December 31, 2017, adopt the second Annual Work Plan, in form and substance satisfactory to the World Bank.

F. **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 donors’ 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, take all measures required on its part to enable the
representatives of the Trust Fund donors to visit any part of the Recipient’s territory for purposes related to the Project.

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 the GEQIP Program and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators agreed with the World Bank and the Contributing Partners. Each such Project Report shall cover the first six (6) months of an Ethiopian Fiscal Year ("semiannual report"), and shall be furnished to the World Bank and the Contributing Partners not later than seventy-five (75) days after the end of the period covered by such report.

2. Without limitation upon the provisions of paragraph 1 of this Part A relating to semiannual reports, the Recipient shall by not later than September 22, 2017, furnish to the World Bank and the Contributing Partners an annual report on the progress of the Project and the GEQIP Program during the EFY 2009, and shall thereafter review such report jointly with the World Bank and other Contributing Partners taking into account the views of the World Bank and the Contributing Partners thereon. Thereafter, each year during the implementation of the Project, furnish to the World Bank and the Contributing Partners a report on the progress of the Project and the GEQIP Program during the given EFY, and shall thereafter review such report jointly with the World Bank and the Contributing Partners, and shall take all action necessary to take into account the views of the World Bank and Contributing Partners thereon.

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 four (4) 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. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the World Bank not later than seventy-five (75) days after the end of each calendar quarter, interim unaudited financial reports for the Project 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 Ethiopian Fiscal Year. 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.

4. **Audit of School Grants.** Without limitation upon the provisions of paragraph 3 immediately above, the Recipient shall carry out an audit of School Grants under Part 3 of the Project, on terms and conditions satisfactory to the World Bank, and furnish a report of said audit to the World Bank not later than six (6) months after the end of the period to which said audit relates.

**Section III. Procurement**

All goods, non-consulting services and consulting services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in the “World Bank Procurement Regulations for Borrowers under Investment Project Financing” dated July 1, 2016 (“Procurement Regulations”), and the provisions of the Recipient’s procurement plan for the Project (“Procurement Plan”) dated June 23, 2017, provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.

**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 “Disbursement Guidelines for Investment Project Financing” dated February 2017, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the 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, consulting services, non-consulting services, School Grants, Training and Operating Costs under the Project</td>
<td>7,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>7,000,000</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 April 30, 2018.

**Section V. Other Undertakings**

Without limitation upon the provisions of Section 2.01 of the Standard Conditions, and except as the World Bank shall otherwise agree, the Recipient shall ensure timely implementation of any measures referred to in the Social Assessment, as relevant to Project beneficiaries, including, more vulnerable and disadvantaged groups and Projects beneficiaries in emerging regions, in a manner satisfactory to the World Bank.
APPENDIX

Section I. Definitions

1. "ABE" means Alternative Basic Education.

2. "Annual Work Plan" means a plan to be submitted by the Recipient during each EFY, pursuant to the provisions of Section I.E.1 of Schedule 2 to this Agreement, setting forth the results targets, planned activities, budget, as well as financial, accounting, disbursement, procurement and administrative procedures for implementation of the Project, and, "Annual Work Plans" means all such plans, as the same may be amended from time to time.

3. "BoFED" means the Bureau of Finance and Economic Development of the Region (or, in the case of Addis Ababa and Dire Dawa, City Administration) which is participating in the Project.

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

5. "Contributing Partner" means a financier other than the World Bank which intends to provide or is providing financing in support of the GEQIP Program; and "Contributing Partners" means, collectively, all such financiers.

6. "Ethiopian Fiscal Year" or "EFY" means the Fiscal Year of the Recipient which commences on July 8 and ends on July 7.


8. "Financing Agreement" means the agreement dated December 5, 2013, and entered into between the Recipient and the International Development Association for the purposes of the Original Project.

9. "General Education" means formal education offered at grade KG1-12 including ABE centers in the education system of the Recipient.

10. "GEQIP Program" means the Recipient’s strategic plan designed to improve the quality of General Education throughout the Recipient’s territory, as referred to in paragraph A of the Preamble to this Agreement/or, as referred to in a letter from the Recipient, dated November 4, 2008.

11. "Original Project" means the Project set forth in Schedule 1 of the Financing Agreement.

12. "Ministry of Education" or "MoE" means the Recipient’s Ministry of Education, or any successor thereto.


15. “Operating Costs” means the incremental operating costs arising under the Project on account of Project coordination, implementation and monitoring activities undertaken by the implementing agencies of the Recipient, including office supplies, vehicle operation and maintenance costs, communication charges, per diems and travel allowances, but excluding the salaries of the Recipient’s civil service and sitting allowances.

16. “Project Implementation Manual” or “PIM” means the manual referred to in Section I.A of Schedule 2 to this Agreement adopted by the Recipient pursuant to the Financing Agreement, setting forth all procedures and arrangements governing the implementation of the Project, such as procurement and financial management procedures, as the same such manual may be amended from time to time, and such term shall include any schedules, tables and annexes to the PIM, including the procurement manual, financial management manual and the School Grant Guidelines.

17. “Region” means the second tier of government in the Recipient’s administrative system as established under the Recipient’s Constitution.

18. “Regional Education Bureau” and “REB” mean the Education Bureau of any Region which is participating in the Project.

19. “Social Assessment” means a social assessment carried out by the Recipient to evaluate the Project’s potential positive and adverse effects on vulnerable groups, and to examine alternatives where adverse effects may be significant, which such assessment has been disclosed, dated September 1, 2013, and disclosed on September 4, 2013.

20. “School” means a public educational institution offering General Education (Grade KG–12) in the territory of the Recipient, including ABE Centers.

21. “School Grant” means a grant proposed to be made to Schools under Part 3 of the Project.

22. “School Grant Guidelines” means the manual referred to in Section 1.D of Schedule 2 to this Agreement, adopted by the Recipient pursuant to the Financing Agreement, providing guidance on all aspects of implementation of the School Grants subcomponent of Part 3 of the Project at school or community levels and annexed to the Project Implementation Manual and consisting of various schedules setting forth the eligibility criteria, terms and conditions of School Grants and their
procurement, financial management, evaluation and monitoring requirements, including performance indicators to be used for Part 3 of the Project, as the same may be amended from time to time.

23. “School Improvement Plan” means a plan for improving quality of education focusing on *inter alia*: (i) teaching and learning conditions; (ii) student environment; (iii) leadership and management of Schools; and (iv) community involvement by a School, prepared by a School which is seeking or has been awarded a School Grant.

24. “Training” means Project related expenses incurred by the executing agencies of the Recipient for the purposes of undertaking training of the staff involved in the implementation and supervision of activities being financed under the Project, based on work plans and budgets approved by the World Bank, for per diem, travel, purchase of Training materials and rental of facilities, and such term includes workshops and seminars.

25. “Training Plan” means a plan to be prepared by the Recipient summarizing all Training activities to be carried out under the Project for staff development and teacher development programs, covering, among others, both pre-service and in-service teacher education activities.


27. “Woreda” means the lowest administrative unit of government in the Recipient’s territory as established under relevant Regional legislation.