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LOAN NUMBER 7702 JO

Loan Agreement

(Second Education Reform for the Knowledge Economy Project)

between

THE HASHEMITE KINGDOM OF JORDAN

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated December 30, 2009

LOAN NUMBER 7702 JO

LOAN AGREEMENT

AGREEMENT dated December 30, 2009, between THE HASHEMITE KINGDOM OF JORDAN (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower and the Bank 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 the Loan Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II - LOAN

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of sixty million United States Dollars (US\$60,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount. On or promptly after the Effectiveness Date, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay itself the amount of said fees.
- 2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to LIBOR for the Loan Currency plus the Variable Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (d) of the General Conditions.

- 2.05. The Payment Dates are May 15 and November 15 in each year.
- 2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.
- 2.07. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding from a Fixed Rate to a Variable Rate, or vice versa; and (iii) the setting of limits on the Variable Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

ARTICLE III - PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out Parts A, B, C, D and E(ii) of the Project through MoE, and Part E(i) of the Project through GBD, in accordance with the provisions of Article V of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower 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 Additional Condition of Effectiveness consists of the following, namely, the Project Operational Manual, satisfactory to the Bank, has been adopted by the Borrower.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE V – REPRESENTATIVE; ADDRESSES

5.01. The Borrower's Representative is the Minister of Planning and International Cooperation.

5.02. The Borrower's Address is:

Ministry of Planning and International Cooperation
Post office Box 555
Amman, 11118
The Hashemite Kingdom of Jordan

Facsimile:

962-6-464 9341

5.03. The Bank's Address is:

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

Cable address:

Telex:

Facsimile:

INTBAFRAD
Washington, D.C.

248423(MCI) or
64145(MCI)

1-202-477-6391

AGREED at Amman, The Hashemite Kingdom of Jordan, as of the day and year first above written.

THE HASHEMITE KINGDOM OF JORDAN

By /s/ Jafar Hassan

Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ Hedi Larbi

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to assist the Borrower in providing students enrolled in pre-tertiary education institutions with increased levels of skills to participate in the knowledge economy.

The Project consists of the following parts:

Part A: Establishment of a National School-based Development System

Developing an effective school-based development system for the delivery of quality education to improve students' abilities, skills, attitudes and values associated with a knowledge-based economy.

Part B: Monitoring and Evaluation, and Organizational Development

1. Developing institutional capacity in MoE pertaining to policy formulation and implementation, strategic planning, as well as monitoring and evaluation.
2. Implementing the Borrower's School Information System for pre-tertiary education.
3. Aligning the Borrower's Education Management Information System with the Borrower's Geographic Information System and external databases.
4. Developing robust data architecture for pre-tertiary education that integrates data systems of various Ministries of the Borrower.
5. Developing and implementing innovative approaches, through the Innovation Fund pertaining to school-based teaching and learning activities.
6. Developing and implementing a Monitoring and Evaluation Framework for the Project.
7. Improving the organizational culture, structure and processes of MoE for the better delivery of quality education services.

Part C: Development of Teaching and Learning

1. (i) Designing and delivery of teacher training and accreditation programs; (ii) improving the Borrower's system for teacher rankings and the relationship between said rankings and the professional development of teachers; (iii) designing and delivery of school leadership programs; (iv) developing effective performance appraisal systems for teaching and administrative staff at school level; (v) developing a trainer development program; and, (vi) developing a quality assurance system for teacher training as well as for teacher professional development.

2. (i) Reviewing and revising educational curricula and teaching and learning materials; (ii) developing a framework for long-term, continuing curriculum review; (iii) developing tools and providing training for student assessment at classroom and national levels; (iv) developing benchmarking and item-banking for assessing student performance as well as for providing related training; (v) updating information and communications technology equipment for schools as well as supporting and strengthening existing information and communications technology infrastructure; (vi) ensuring network connectivity in schools to enable and enhance learning; (vii) ensuring equity in distribution of learning resources across schools; and (viii) aligning the Borrower's Tawjihi exam with knowledge economy skills relevant to the Borrower's educational system.

Part D: Development of Special Focus Programs

Improving access to learning, through developing and providing quality and affordable early childhood education, special education and vocational education.

Part E: Improvement of Physical Learning Environments

Improving the quality of education facilities in a cost effective and sustainable manner for students to have access to environmentally-friendly and efficiently operated quality physical learning environments, through: (i) carrying out civil works to construct, rehabilitate and expand said facilities; and (ii) the provision of goods for carrying out said purposes.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. The Borrower, through MoE, shall implement Parts A, B, C, D and E(ii) of the Project in accordance with the provisions of the Operational Manual. Except as the Bank shall otherwise agree, the Borrower and/or MoE shall not amend or waive any provision of the Operational Manual, if, in the opinion of the Bank, such amendment or waiver may materially or adversely affect the carrying out of the Project or the achievement of the Project objectives.

2. The Borrower, through GBD, shall implement Part E(i) of the Project in accordance with the provisions of the Operational Manual. Except as the Bank shall otherwise agree, the Borrower and/or GBD shall not amend or waive any provision of the Operational Manual, if, in the opinion of the Bank, such amendment or waiver may materially or adversely affect the carrying out of the Project or the achievement of the Project objectives.

3. In addition to the Operational Manual, the Borrower shall, no later than September 15 of each year during the implementation of the Project beginning on September 15, 2009, prepare and submit to the Bank for comments, and thereafter adopt, an Annual Work Plan giving details of all implementation activities, budgets and monitoring and supervision activities to be carried out by the Borrower during the following year of the Project. Except as the Bank shall otherwise agree, the Borrower shall not amend or waive any provision of the Annual Work Plan in so far as it relates to the Project, if, in the opinion of the Bank, such amendment or waiver may materially and adversely affect the carrying out of the Project or the achievement of the objectives thereof.

4. For purposes of assisting MoE and GBD in the implementation of the Project and in order to ensure the proper coordination of the execution of the Project, the Borrower shall maintain DCU and GBD with adequate levels of staffing and resources for carrying out the Project. More specifically, DCU shall be responsible for the overall coordination of the Project, including the coordination of the procurement and financial management processes, the preparation of annual progress reports, developing and submitting Annual Work Plans to the Bank, and coordinating the education reform and general Project implementation activities as well as other Project related activities. To this end, DCU shall coordinate with NCHRD under Part B.6 of the Project.

5. The Borrower, through MoE, shall vest responsibility in NCHRD for carrying out external monitoring and evaluation of the Project, as set forth in the Monitoring and Evaluation Framework and the Project Operational Manual.

6. The Borrower shall, throughout the period of implementation of the Project, maintain GPSC, which shall be headed by the Minister of Education and composed of representatives of education reform stakeholders, to oversee the development and implementation of the Project, define national priorities and guide the strategic orientation of all educational reform efforts in the Borrower's territory.

B. Anti-Corruption

The Borrower, through MoE and GBD, respectively, shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Safeguards

1. The Borrower, through MoE and GBD, shall carry out the respective Parts of the Project in accordance with the provisions of the Environmental Management Plan and the Land Acquisition Plan.

2. The Borrower, MoE and GBD shall not amend, suspend, abrogate, repeal or waive any provisions of the Environmental Management Plan or the Land Acquisition Plan, without prior approval of the Bank.

3. The Borrower, through MoE and GBD, shall ensure that all measures identified and described in the Environmental Management Plan and the Land Acquisition Plan are taken in a timely manner.

4. The Borrower, through DCU, shall include adequate information on the implementation of the Environmental Management Plan and the Land Acquisition Plan in the Project Reports referred to in Section II.A.1 of this Schedule.

Section II. Project Monitoring and Reporting

A. Project Reports

1. The Borrower, through DCU and GBD, shall monitor the progress of the Project and, through DCU, shall prepare overall Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators agreed with the Bank. Each overall Project Report shall cover the period of one calendar semester, and shall be furnished by DCU to the Bank not later than one month after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Borrower, through DCU and GBD, shall maintain a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Borrower, through DCU, shall prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar quarter interim un-audited financial reports for the Project covering the semester, in form and substance satisfactory to the Bank.
3. The Borrower, through DCU, shall have the respective Financial Statements of the Project for both Designated Accounts audited, by an independent auditor acceptable to the Bank, in accordance with the provisions of Section 5.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower or any other period agreed upon with the Bank. The audited Financial Statements for each such period shall be furnished by DCU to the Bank not later than six (6) months after the end of such period.

Section III. Procurement

A. General

procurement under the Project will be carried out in accordance with the 'Guidelines On Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants', known as the '2006 Anti-Corruption Guidelines', and the 'Guidelines: Procurement under IBRD Loans and IDA Credits' published by the Bank in May 2004 and revised in October 2006 and the 'Guidelines: Selection and Employment of Consultants by World Bank Borrowers,' dated May 2004 and revised October 2006, and the accompanying standard bidding documents for any new procurement.

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Schedule.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Schedule.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts

refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. International Competitive Bidding. Except as otherwise provided in paragraphs 2 and 3 below, goods shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. National Competitive Bidding. Except as otherwise provided in paragraph 3 below, goods and works shall be procured under contracts awarded on the basis of National Competitive Bidding procedures subject to the Bank's procurement procedures and the following additional procedures:

(a) Standard bidding documents approved by the Bank shall be used.

(b) Invitations to bid shall be advertised in at least one widely circulated national daily newspaper and bidding documents shall be made available to prospective bidders, at least twenty-eight (28) days prior to the deadline for the submission of bids.

(c) Bids shall not be invited on the basis of percentage premium or discount over the estimated cost.

(d) Bidding documents shall be made available, by mail or in person, to all who are willing to pay the required fee.

(e) Foreign bidders shall not be precluded from bidding, no preference of any kind shall be given to national bidders, and having a presence in the Borrower's territory shall not be made a condition for bidding.

(f) Qualification criteria (in case pre-qualifications were not carried out) shall be stated in the bidding documents, and if a registration process is required, a foreign firm determined to be the lowest evaluated bidder shall be given reasonable opportunity of registering, without any hindrance i.e. no non-registration status should be considered as a non-eligibility-to-bid criterion and a one-envelope bid submission system should be employed.

(g) Bidders may deliver bids, at their option, either in person or by courier service or by mail.

(h) Except for late bids, bids shall be opened in public in one place preferably immediately, but no later than one (1) hour, after the deadline for submission of bids, and prices for all bids shall be read out at such public session and no disqualification shall be made at that stage.

(i) Evaluation of bids shall be made in strict adherence to the criteria disclosed in the bidding documents, in a format, and within the specified period, agreed with the Bank.

(j) Bids shall not be rejected merely on the basis of a comparison with an official estimate without the prior concurrence of the Bank.

(k) Bids shall be solicited and contracts shall be awarded on the basis of unit prices, and not on the basis of a schedule of rates, and an award will be based on all items included within the bid or the lot in case of multiple lots.

(l) Split award or lottery in award of contracts shall not be carried out. When two or more bidders quote the same price, an investigation shall be made to determine any evidence of collusion, following which: (A) if collusion is determined, the parties involved shall be disqualified and the award shall then be made to the next lowest evaluated and qualified bidder; and (B) if no evidence of collusion can be confirmed, then the Borrower, in agreement with the Bank, and on a case-by-case basis, will consider other relevant procurement options acceptable to the Bank.

(m) Contracts shall be awarded to the lowest evaluated bidders within the initial period of bid validity so that extensions are not necessary. Extension of bid validity may be sought only under exceptional circumstances.

(n) Extension of bid validity shall not be allowed without the prior concurrence of the Bank: (A) for the first request for extension if it is longer than eight (8) weeks; and (B) for all subsequent requests for extensions irrespective of the period.

(o) Negotiations shall not be allowed with the lowest evaluated or any other bidders.

(p) Re-bidding shall not be carried out without the Bank's prior concurrence.

(q) All contractors or suppliers shall provide performance security as indicated in the contract documents. A contractor's or a supplier's performance security shall apply to a specific contract under which it was furnished.

(r) A sole bid can be considered if due diligence was observed in advertising the procurement opportunity.

3. **Other Methods of Procurement of Goods and Works.** The following methods, other than International Competitive Bidding for goods and National Competitive Bidding for goods and works, may be used for the procurement of goods and works for those contracts specified in the Procurement Plan: (a) Shopping, and (b) Direct Contracting. The Procurement Plan shall specify the circumstances under which the said procurement methods may be used.

C. Particular Methods of Procurement of Consultants' Services

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

2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality and Cost-based Selection, may be used for the procurement of consultants' services for those contracts specified in the Procurement Plan: (a) Selection Based on Consultants' Qualifications (CQS), (b) Selection under a Fixed Budget (FBS), (c) Least Cost Selection (LCS), (d) Single Source (SSS), and (e) Individual Consultants. The Procurement Plan shall specify the circumstances under which the said procurement methods may be used.

D. Review by the Bank of Procurement Decisions

1. All single source of consulting firms, sole source of individual consultants and direct contracts for goods and works, in addition to those contracts set forth in the Procurement Plan shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the Bank.

2. Shortlists of consultants for services estimated to cost less than two hundred thousand United States dollars (US\$200,000) equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank may specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the 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 Loan, the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

| Category | Amount of the Loan Allocated (expressed in USD) | Percentage of Expenditures to be financed |
|---|--|---|
| (1) Works under Part E(i) of the Project | 46,000,000 | 84% |
| (2) Goods and Equipment | 9,000,000 | 84% |
| (3) Consultants' services, workshops and training | 2,570,000 | 84% |
| (4) Innovation Fund under Part B.5 of the Project | 230,000 | 84% |
| (5) Front-end Fee | 150,000 | Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions |
| (6) Unallocated | 2,050,000 | |
| TOTAL AMOUNT | <u>60,000,000</u> | |

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. For the purposes of this Schedule:

(a) the term "Operating Costs" means recurrent expenditures incurred in connection with the Project on account of maintenance of equipment, office supplies, office support, communications and salaries of contractual staff, but excluding salaries of civil servants of the Borrower; and

(b) the term “training” means Project related study tours, training courses, seminars, workshops and other training activities not included under goods or service providers’ contracts, including travel and per diem costs of trainees and trainers.

3. The Closing Date is December 31, 2015.

SCHEDULE 3

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

| Principal Payment Date | Installment Share (Expressed as a Percentage) |
|---|--|
| On each May 15 and November 15 Beginning November 15, 2015 through November 15, 2030 | 3.13 % |
| On May 15, 2031 | 2.97 % |

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

(a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.

(b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (“Original Installment Share”) and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

APPENDIX

Section I. Definitions

1. “Annual Work Plan” means the Annual Work Plan referred to in paragraphs 3 and 4 of Section I.A in Schedule 2 to this Agreement, as the same may be amended from time to time in agreement with the Bank.
2. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
5. “DCU” means the Development Coordination Unit of the Borrower’s Ministry of Education referred to in paragraph 4 of Section I.A in Schedule 2 to this Agreement, or any successor thereto.
6. “EMP” means the Borrower’s Environmental Management Plan for the Project, furnished to the Bank on February 2, 2009, as such plan may be updated from time to time in agreement with the Borrower, setting forth the mitigating, monitoring and institutional measures to be applied during the implementation and operation of the Project, to offset or reduce adverse environmental, natural habitats and cultural property impacts to levels acceptable to the Borrower.
7. “Fiscal Year” means a twelve-month period beginning on January 1 in any year and ending on December 31 of the same year.
8. “GBD” means the Government Buildings Directorate in the Borrower’s Ministry of Public Works and Housing, or any successor thereto.
9. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated July 1, 2005 (as amended through February 12, 2008).
10. “GPSC” means the General Policy Steering Committee referred to in paragraph 6 of Section I.A in Schedule 2 to this Agreement, or any successor thereto.
11. “Innovation Fund” means MoE’s institutional arrangements for providing resources to pre-tertiary education institutions to support activities related to the

development and implementation of innovative approaches to the management of said education institutions as well as to the development of education curricula and teacher training.

12. “Land Acquisition Plan” means the land acquisition plan prepared by the Borrower, satisfactory to the Bank, and furnished to the Bank on February 18, 2009, as such plan may be updated from time to time in agreement with the Borrower, for the Borrower’s acquisition of land to construct schools in the Governorates of Zaqa and North Gor.
13. “MoE” means the Borrower’s Ministry of Education or any successor thereto.
14. “Monitoring and Evaluation Framework” means the Borrower’s monitoring and evaluation framework for the Project referred to in Part B.6 of the Project and in paragraph 5 of Section I.A of Schedule 2 to this Agreement, as the same may be amended from time to time in agreement with the Bank.
15. “NCHRD” means the National Center for Human Resources Development, established by the Borrower’s Law of Higher Council for Science and Technology No. 30 of 1987.
16. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006.
17. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated April 7, 2009, and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
18. “Project Operational Manual” means the project operational manual for the Project to be prepared by DCU and furnished to the Bank, setting out the principles and procedures governing the implementation of the Project.
19. “Tawjihi Exam” means the Borrower’s national secondary school exit examination.

Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

1. Paragraph (a) of Section 2.07 is modified to read as follows:

“Section 2.07. *Refinancing Preparation Advance; Capitalizing Front-end Fee and Interest*

(a) If the Loan Agreement provides for the repayment out of the proceeds of the Loan of an advance made by the Bank or the Association (“Preparation Advance”), the Bank shall, on behalf of such Loan Party, withdraw from the Loan Account on or after the Effective Date the amount required to repay the withdrawn and outstanding balance of the advance as at the date of such withdrawal from the Loan Account and to pay all accrued and unpaid charges, if any, on the advance as at such date. The Bank shall pay the amount so withdrawn to itself or the Borrower, as the case may be, and shall cancel the remaining unwithdrawn amount of the advance.”

2. Paragraph (l) of Section 7.02 is modified to read as follows:

“Section 7.02. *Suspension by the Bank*

... (l) *Ineligibility.* The Bank or the Association has declared the Borrower (other than the Member Country) or the Project Implementing Entity ineligible to receive proceeds of any financing made by the Bank or the Association or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Bank or the Association, as a result of a determination by the Bank or the Association that the Borrower or the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by the Bank or the Association.”

3. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

- (a) The term “Project Preparation Advance” is modified to read “Preparation Advance” and its definition is modified to read as follows:

“‘Preparation Advance’ means the advance referred to in the Financing Agreement and repayable in accordance with Section 2.07.”

- (b) The definition of the term “Conversion Date” is modified to read as follows:

“‘Conversion Date’ means, in respect of a Conversion, the Execution Date (as herein defined) or such other date as requested by the Borrower and accepted by the Bank, on which the Conversion enters into effect, and as further specified in the Conversion Guidelines.”

- (c) The definition of the term “Variable Rate” is modified, in relevant part, to read as follows:

“(c) upon a Currency Conversion to an Approved Currency of an amount of the Withdrawn Loan Balance that accrues interest at a variable rate during the Conversion Period, the variable rate of interest applicable to such amount shall be equal to either: (i) the sum of: (A) LIBOR, or such other base rate as may be agreed by the Borrower and the Bank, for the Approved Currency; plus (B) the spread to LIBOR or to such other base rate, if any, payable by the Bank under the Currency Hedge Transaction relating to said Currency Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the interest rate component of the Screen Rate.”