



19-Jul-2023

Dr. Kazim Niaz
Secretary
Ministry of Economic Affairs
Government of Pakistan
Islamabad

Dear Dr. Niaz:

***Re: Actions to Strengthen Performance for Inclusive and Responsive Education Program
(Credit Number:6757-PK)
Amendments to the Financing Agreement***

We refer to the Financing Agreement dated August 21, 2020 (“Agreement”) between the Islamic Republic of Pakistan (“Recipient”) and the International Development Association (“Association”) for the above-mentioned Program (“Program”). We also refer to your letters dated December 13, 2022, and March 24, 2023, requesting for restructuring of the Program.

We are pleased to inform you that the Association agrees to your request and consequently the Agreement is amended as set forth below:

1. Paragraph 2.01. of the Agreement is amended to read as follows:

“2.01. The Association agrees to extend to the Recipient a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to one hundred forty-five million four hundred thousand Special Drawing Rights (SDR 145,400,000) (variously, “Credit” and “Financing”), to assist in financing:

- (a) the program as described in Section A. (“Program”) of Schedule 1 to this Agreement;
and
- (b) the project as described in Section B. (“Project”) of Schedule 1 to this Agreement,
(the Program and the Project hereinafter jointly referred to as the “Operation”).”

2. Paragraph 3.01. of the Agreement is amended to read as follows:

“3.01. The Recipient declares its commitment to the objective of the Operation. To this end, the Recipient shall carry out the Operation through the Ministry of Federal Education and Professional Training in accordance with the provisions of Article V of the Program General Conditions, Article V of the Project General Conditions and Schedule 2 to this Agreement.”

3. Schedule 1 (Operation Description) to the Agreement is amended and attached as Annex-1 to this amendment letter.

4. Schedule 2 (Operation Execution) to the Agreement is amended and attached as Annex-2 to this amendment letter.
5. The Appendix (Definitions) to the Agreement is amended and attached as Annex-3 to this amendment letter.

Except as specifically amended in this amendment letter, all other terms and conditions of the Agreement shall remain in full force and effect.

The Association will disclose this amendment letter and related information on this Agreement in accordance with the World Bank's Policy on Access to Information. By entering into this amendment letter, the Recipient consents to disclosure of this amendment letter and related information.

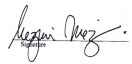
Please confirm your agreement to the foregoing on behalf of the Recipient by countersigning and dating the form of confirmation set forth below and returning one fully countersigned original of this amendment letter to us and retaining one original for your records. Upon receipt by the Association of the countersigned original of this amendment letter, this amendment letter shall become effective as of the date of the countersignature of this amendment letter.

Yours sincerely,
INTERNATIONAL DEVELOPMENT ASSOCIATION

Najy Benhassine

Najy Benhassine
Country Director, Pakistan

**CONFIRMED AND AGREED:
ISLAMIC REPUBLIC OF PAKISTAN**

By: 
Name: Kazim Niaz
Title: Secretary Ministry of Economic Affairs
Date: 24-Jul-2023

Cc:

Government of Pakistan:

Mr. Imdad Ullah Bosal, Secretary, Ministry of Finance and Revenue
Mr. Syed Zafar Ali Shah, Secretary, Planning and Development Department
Mr. Waseem Ajmal, Secretary, Ministry of Education and Professional Training
Mr. Adil Akbar Khan, Senior Joint Secretary, Ministry of Economic Affairs
Mr. Azam Khan, Deputy Secretary, Ministry of Economic Affairs
Ms. Farhat Shafiq, Project Director, Project Coordination Unit
Mr. Mushtaq Malik, Project Coordinator, Project Coordination Unit

The World Bank:

Mr. Naveed Kamran Baloch, Executive Director, Pakistan
Mr. Abdelhak Bedjaoui, Alternate Executive Director, Pakistan

Annex-1

SCHEDULE 1

Operation Description

The objective of the Operation is to support the Recipient to: (i) respond to school disruptions caused by the COVID-19 pandemic; (ii) recover access and improve education quality; and (iii) enhance sector resilience through better coordination, with a focus on disadvantaged areas and vulnerable populations.

The Operation consists of the following activities:

Section A. Program

Part 1. Response, Recovery and Resilience: Enhanced Targeting of COVID-19 Education Response

- (a) Adapt and further develop distance content to make it relevant and sensitive to disadvantaged groups.
- (b) Adapt and distribute materials to students in lagging districts through various media.
- (c) Design and implement strategies to incentivize the demand for distance learning and for returning to school, including communications and enrollment campaigns.
- (d) Carry out actions to guarantee the safe return to schools of teachers, students, and administrators, including awareness training for teachers, the design and implementation of safety protocols, and the provision of masks, sanitizer, and cleaning products.
- (e) Support students' and teachers' mental and emotional health.

Part 2. Improved Opportunities for Learning for Out-of-School Children and At-risk Students

- (a) Aligning distance learning guidelines with student and teacher national education standards.
- (b) Expanding multimodal and traditional education services.
- (c) Implementing communications and outreach campaigns targeting girls and out-of-school children.
- (d) Enhancing teacher capacity to assess students and adapt learning content.

- (e) Supporting the design and implementation of accelerated learning programs, including pedagogical material, distance teacher training, and information and communications technology.
- (f) Improving existing public infrastructure, including the construction of new classrooms or the reconfiguration of existing spaces, enhancement of connectivity, construction and/or rehabilitation of toilets, and enhancement of WASH facilities.

Part 3. Stronger Federal-Provincial Coordination and Management

- (a) Strengthening data systems, research, and planning to improve sector coordination and management.
- (b) Supporting knowledge sharing and innovative local and global intervention design and evaluations to improve policymaking and planning on distance learning, school management, teacher training and coaching, accelerated learning programs, educational technology, and other pedagogical strategies.
- (c) Supporting the digitization of government processes for improved planning and management.
- (d) Supporting the country's capacity to carry out national and international student assessments and better use of data to improve classroom practice.
- (e) Supporting interventions to incentivize behavioral change by teachers, students, and parents.

Section B. Project

Part 1. Technical Assistance

- (a) Conducting assessments, analytical work, and carry out independent verification of DLIs.
- (b) Coordinating and communicating with provincial counterparts and building capacity of MoFEPT.
- (c) Providing technical support to build capacity of federal and provincial education authorities.
- (d) Solarization of PCU building.
- (e) Providing support to PCU to ensure a proper implementation of the Operation.

Annex-2

SCHEDULE 2

Operation Execution

Section I. Implementation Arrangements

A. Operation Institutions

1. The Recipient shall, at all times during the implementation of the Operation:
 - (a) cause the Ministry of Federal Education and Professional Training to be responsible for the overall Operation implementation, coordination, and management responsibilities, including monitoring and reporting to the Association;
 - (b) take, or cause to be taken, all actions, including the provision of funding, personnel, and other resources, to enable the Ministry of Federal Education and Professional Training to carry out its respective functions for the Operation, including: (i) the establishment of the Program Coordination Unit (“PCU”), by not later than one month after the Effective Date, with terms of reference, qualifications, and experience satisfactory to the Association; and (ii) recruitment of consultants, advisors, and technical experts, in all aspects of Operation implementation, in adequate number, each with terms of reference, qualifications, and experience satisfactory to the Association; and
2. The Recipient, through the Ministry of Federal Education and Professional Training, shall establish by not later than one month after the Effective Date and thereafter maintain at all times during the implementation of the Operation, a Technical Steering Committee, with a mandate, composition, and resources satisfactory to the Association, which shall: (a) consist of senior representatives of each of the provincial education departments, the Ministry of Federal Education and Professional Training, and the PCU; (b) be responsible: (i) for coordination and knowledge sharing between provinces and participation in national dialogue on education topics within the Operation; (ii) to review progress towards the Operation’s objective; and (iii) to liaise with provinces.

B. Operations Manual

1. The Recipient shall adopt, by not later than one month after the Effective Date, and thereafter implement the Operation in accordance with, the manual (“Operations Manual”), in form and substance satisfactory to the Association, which shall include detailed institutional, administrative, financial, procurement, technical and operational arrangements and procedures for the implementation of the Operation (provided, however, that in the event of any conflict between the arrangements and procedures set out in said manual and the provisions of this Agreement, the latter shall prevail) and, except as the Association shall otherwise agree in writing, shall not amend, abrogate, or waive, or permit to be amended, abrogated, or suspended, any provision of the Operations Manual.

C. DLR Verification Arrangements

1. The Recipient, through the Ministry of Federal Education and Professional Training, shall hire/assign an independent verification agency by not later than three months after the Effective Date to carry out the verification for the Program in accordance with the terms of reference acceptable to the Association.
2. The Recipient, through the Ministry of Federal Education and Professional Training, shall ensure that the independent verification agency shall: (a) verify the data and other evidence supporting the achievement(s) of one or more DLRs in accordance with the Verification Protocol agreed with the Association; and (b) submit to the Association the corresponding verification reports in timely manner and in form and substance satisfactory to the Association.

D. Program Action Plan

The Recipient, through the Ministry of Federal Education and Professional Training, shall:

1. undertake the actions set forth in the Program Action Plan in a manner satisfactory to the Association;
2. except as the Association and the Recipient shall otherwise agree in writing, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the Program Action Plan or any provision thereof; and
3. maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with guidelines acceptable to the Association, the implementation of the Program Action Plan.

Section II. Excluded Activities

The Recipient, through the Ministry of Federal Education and Professional Training, shall ensure that the Program excludes any activities which:

- A. in the opinion of the Association, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or
- B. involve the procurement of: (1) works, estimated to cost fifty million Dollars (\$50,000,000) equivalent or more per contract; (2) goods, estimated to cost thirty million Dollars (\$30,000,000) equivalent or more per contract; (3) non-consulting services, estimated to cost twenty million Dollars (\$20,000,000) equivalent or more per contract; or (4)

consulting services, estimated to cost fifteen million Dollars (\$15,000,000) equivalent or more per contract.

Section III. Operation Monitoring, Reporting and Evaluation

The Recipient, through the Ministry of Federal Education and Professional Training, shall furnish to the Association each Program and Project Reports not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

Section IV. Withdrawal of Financing Proceeds

A. General

1. Without limitation upon the provisions of Article II of the Program General Conditions, and Article II of the Project General Conditions, and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance: (a) with respect to the Program, the results ("Disbursement Linked Results" or "DLRs") achieved by the Recipient, as measured against specific indicators ("Disbursement Linked Indicators" or "DLIs") in the amount allocated against Categories (1) through (13) of the below table; and (b) with respect to the Project, finance Eligible Expenditures in the amount allocated and up to the percentage set forth against Category (14) of the below table:

Category	Disbursement Linked Result (as applicable)	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
Section A. Program			
(1) DLI 1: Increase of health and safety protocol awareness	DLR 1. Adoption of the National School Healthy and Safety Protocols	7,270,000	Not Applicable
(2) DLI 2: Number of students enrolled in multimodal programs in lagging areas/districts	DLR 2. Up to 20,000 students enrolled in multimodal programs in lagging areas/districts Formula: \$500 for every student enrolling in multimodal programs in lagging districts	Up to 7,270,000	Not Applicable
(3) DLI 3: Improvement of federal-provincial	DLR 3. Approval of the revised National Education Response and Resilience Plan by IPEMC	7,270,000	Not Applicable

coordination and sector management			
(4) DLI 4: Enhancement of distance education content	DLR 4.1. Distance learning content and assessment tools are: (a) matched with provincial and federal SLOs; and (b) sensitive to gender and marginalized groups DLI 4.2. Approval of national distance education strategy	7,270,000 upon achievement of DLR 4.1(a) and 4.1(b) 7,270,000	Not Applicable
(5) DLI 5: Number of students receiving learning materials in lagging areas/districts	DLR 5. Up to 50,000 students received distance learning kits Formula: \$200 for every student who received a distance learning kit	Up to 7,270,000	Not Applicable
(6) DLI 6: Improvement of hygiene in public schools	DLR 6. At least 20,000 public schools received cleaning kits	7,270,000	Not Applicable
(7) DLI 7: Number of classrooms for grade 6-8, built and/or rehabilitated in lagging areas/districts	DLR 7. Up to 2,500 classrooms built/rehabilitated Formula: \$4,000 for every classroom built/rehabilitated	Up to 7,270,000	Not Applicable
(8) DLI 8: Improved WASH facilities in schools attended by girls	DLR 8. Up to 1,000 schools attended by girls with rehabilitated WASH facilities Formula: \$10,000 for every school attended by girls with rehabilitated WASH facilities	Up to 7,270,000	Not Applicable
(9) DLI 9: Implementation of teacher training programs on distance learning, accelerated programs, foundational literacy, and formative assessment in lagging areas/districts	DLR 9.1. Approval of the design and implementation plan of the distance learning training modules for teachers and coaches DLR 9.2. Assessment of teacher training program up-take and potential impacts on pedagogical practice	7,270,000 7,270,000	Not Applicable
(10) DLI 10: Approval and availability of funds for the grant mechanism under the NEEP	DLR 10.1. The NEEP Budget of at least \$30,000,000 equivalent is approved, allocated and released to provinces for FY21 DLR 10.2. The NEEP Budget of at least \$30,000,000 equivalent is	0 0	Not Applicable

	approved, allocated and released to provinces for FY22		
	DLR 10.3. The NEEP Budget of at least \$30,000,000 equivalent is approved, allocated and released to provinces for FY23	7,270,000	
	DLR 10.4. The NEEP Budget of at least \$30,000,000 equivalent is approved, allocated and released to provinces for FY24	7,270,000	
	DLR 10.5. The NEEP Budget of at least \$30,000,000 equivalent is approved, allocated and released to provinces for FY25	7,270,000	
(11) Improvement of the collection of education data, analysis, and transparency	DLR 11.1 Implementation of a functional provincial and national open-source data platform	7,270,000	Not Applicable
	DLR 11.2 Standardized data is collected, analyzed, and publicly released for all provinces in the country	7,270,000	
(12) National and international assessment	DLR 12.1. Operationalization of item bank for national assessment and learning poverty comparisons	7,270,000	Not Applicable
	DLR 12.2. National diagnostic assessment implemented, results, made public	5,816,000	
	DLR 12.3. Participation in an international assessment that includes competencies in math and/or language	7,270,000	
(13) Implementation of an accelerated foundational literacy (AFL) program in lagging areas/districts	DLR 13.1. Notification of policy for foundational literacy (reading) in provinces	7,270,000	
Section B. Project			
(14) Goods, works, consulting services, non-consulting services, Training		1,454,000	100%

and Workshops, and Operating Costs			
TOTAL AMOUNT		145,400,000	

B. Withdrawal Conditions for the Program

1. Notwithstanding the provisions of Part A of this Section, with respect to Categories 1 through 13 (the Program), no withdrawal shall be made:
 - (a) on the basis of DLRs achieved prior to the Signature Date; or
 - (b) for any DLR under Category (1) through (13), until and unless the Recipient, through the Ministry of Federal Education and Professional Training, has furnished evidence satisfactory to the Association that said DLR has been achieved.
2. Notwithstanding the provisions of Part B.1(b) of this Section, the Recipient may withdraw:
 - (i) an amount not to exceed SDR 36,350,000 as an advance; provided, however, that if the DLRs in the opinion of the Association are not achieved (or only partially achieved) by the Closing Date, the Recipient shall refund such advance to the association promptly upon notice thereof by the Association. Except as otherwise agreed with the Recipient, the Association shall cancel the amount so refunded. Any further withdrawals requested as an advance under any Category shall be permitted only on such terms and conditions as the Association shall specify by notice to the Recipient.
3. Notwithstanding the provisions of Part B.1(b) of this Section, if any of the DLRs has not been achieved by the date by which the said DLR is set to be achieved, the Association may, by notice to the Recipient:
 - (a) authorize the withdrawal of such lesser amount of the unwithdrawn proceeds of the Financing then allocated to said Category which, in the opinion of the Association, corresponds to the extent of achievement of said DLR, said lesser amount to be calculated in accordance with the Formula;
 - (b) reallocate all or a portion of the proceeds of the Financing then allocated to said DLR to any other DLR; and/or
 - (c) cancel all or a portion of the proceeds of the Financing then allocated to said DLR.

C. Withdrawal Conditions for the Project

Notwithstanding the provisions of Part A of this Section, with respect to Category (14) (the Project), no withdrawal shall be made for payments made in respect of the Project prior to the effectiveness of this amendment letter, except that withdrawals up to an aggregate

amount not to exceed SDR 290,800 may be made for payments made prior to this date but on or after July 1, 2023, for Eligible Expenditures under Category (14).

D. Operation Withdrawal Period

The Operation Closing Date is June 30, 2025.

Annex-3**APPENDIX****Definitions**

1. “Anti-Corruption Guidelines” means: (a) for purposes of paragraph 5 of the Appendix to the Program General Conditions, the Association’s “Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing,” dated February 1, 2012, and revised July 10, 2015; and (b) for purposes of paragraph 5 of the Appendix to the Project General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
2. “Category” means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
3. “COVID-19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).
4. “Disbursement Linked Indicator” or “DLI” means in respect of a given Category, the indicator related to said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
5. “Disbursement Linked Result” or “DLR” means in respect of a given Category, the result under said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement, on the basis of the achievement of which, the amount of the Financing allocated to said result may be withdrawn in accordance with the provisions of said Section IV.
6. “Eligible Expenditure” means the definition of Eligible Expenditure contained in the Appendix to the Project General Conditions.
7. “Formula” means the measure for calculating disbursements against any DLRs, as set forth in the second column of the table in Section IV.A.2 of Schedule 2 to this Agreement.
8. “FY” means the fiscal year of the Recipient, commencing on July 1 and ending on June 30 of every year.
9. “IPEMC” or “Inter-Provincial Education Ministerial Conference” means the Recipient’s conference of provincial ministers of education, or any successor thereto.
10. “Ministry of Economic Affairs” means the Recipient’s ministry responsible for economic affairs, or any successor thereto.
11. “Ministry of Federal Education and Professional Training” means the Recipient’s ministry responsible for federal education and professional training, or any successor thereto.

12. “National School Healthy and Safety Protocols” means the protocols to be adopted by the Recipient to provide guidelines for protecting and maintaining teachers’ and students’ mental and physical health, as well as safety protocols for operating and maintaining a safe school for students and staff.
13. “NEEP” or “National Equitable Education Program” means the Recipient’s education program managed under the Ministry of Federal Education and Professional Training, partially funded by the Association, or any successor thereto.
14. “NEEP Budget” means the budget to be approved, allocated, and released to provinces (under DLRs 10.1 – 10.5) for the purpose of carrying out the Program, including to achieve the relevant DLRs.
15. “National Education Response and Resilience Plan” means the plan to be prepared by the Recipient to set out measures to assist the education system to cope with the effects of COVID-19.
16. “Operations Manual” means the manual to be adopted by the Recipient, acceptable to the Association and meeting the requirements set out in Section I.B.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with prior written agreement of the Association.
17. “Operating Costs” means the incremental operating costs under the Project incurred by the Recipient and the Project Implementing Entity for purposes of Project management and implementation, on account of office supplies and consumables, utilities, bank charges, communications, mass media and printing services, vehicle rental, operation, maintenance, and insurance, building and equipment maintenance, domestic travel, lodging, and subsistence allowances, and salaries of contractual and temporary staff, but excluding salaries and any salary supplements of members of the Recipient’s civil service.
18. “Program General Conditions” means the “International Development Association General Conditions for IDA Financing, Program-for-Results Financing” dated December 14, 2018.
19. “Project General Conditions” means the General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing” dated December 14, 2018 (revised on August 1, 2020, April 1, 2021, and January 1, 2022).
20. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.

21. “Program Action Plan” means the Recipient’s plan dated July 7, 2020, and referred to in Section I.D of Schedule 2 to this Agreement, as may be amended from time to time with the agreement of the Association.
22. “Program Coordination Unit” or “PCU” means the Recipient’s unit established in accordance with Section I.A(1)(b) of Schedule 2 to this Agreement.
23. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
24. “SLO” means student learning objective, and “SLOs” means, collectively, all such SLOs.
25. “Technical Steering Committee” means the Recipient’s committee established in accordance with Section I.A(2) of Schedule 2 to this Agreement.
26. “Training and Workshops” ” means the reasonable costs, as shall have been approved by the Association, for training and workshops conducted under the Project, including tuition, travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course and workshop preparation and implementation (excluding goods and consultants’ services).
27. “Verification Protocol” means the protocol dated July 7, 2020, setting forth the actions and mechanism required for the verification of DLRs, as agreed with the Association, as the same may be amended from time to time with the written agreement of the Association.
28. “WASH” means water, sanitation, and hygiene.