

CONFORMED COPY

GRANT NUMBER TF097256

Education for All – Fast Track Initiative Catalytic Fund Grant Agreement

(Support for the Education Sector Project)

between

THE REPUBLIC OF CAMEROON

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

**acting as Administrator of the Education for All –
Fast Track Initiative Catalytic Fund**

Dated November 11, 2010

GRANT NUMBER TF097256

**EDUCATION FOR ALL –
FAST TRACK INITIATIVE CATALYTIC FUND
GRANT AGREEMENT**

AGREEMENT dated November 11, 2010 entered into between REPUBLIC OF CAMEROON (“the Recipient”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and INTERNATIONAL DEVELOPMENT ASSOCIATION (collectively, “the World Bank”), acting as administrator of the Education for All – Fast Track Initiative Catalytic Fund (“the Trust Fund”). The Recipient and the World Bank hereby agree as follows:

**Article I
Standard Conditions; Definitions**

- 1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 1, 2008 (“Standard Conditions”) with the modifications set forth in Section II of the Appendix to this Agreement, constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in 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 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 equal to twenty-

four million eight hundred thousand United States Dollars (\$24,800,000) (“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. In accordance with Section 3.02 of the Standard Conditions, the Recipient may withdraw the Grant proceeds subject to the availability of such funds.

Article IV

Article IV Effectiveness-Termination

- 4.01 This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the execution and delivery of this Agreement on behalf of the Recipient have been duly authorized by all necessary governmental action.
- 4.02. As part of the evidence to be furnished pursuant to Section 4.02, there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Recipient, showing that this Agreement has been duly authorized by, and executed and delivered, on behalf of the Recipient and is legally binding upon the Recipient in accordance with its terms.
- 4.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 4.01 (“Effective Date”). If, before the Effective Date, any Project-specific breach or other event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 4.04. *Termination for Failure to Become Effective.* This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 90 days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose

of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article V
Recipient's Representative; Addresses

- 5.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Minister at the time in charge of economy and planning.
- 5.02. The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Economy, Planning and Regional Development
Yaoundé
Republic of Cameroon

Facsimile:

(237) 22 22 15 09

- 5.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions 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 Yaoundé, Republic of Cameroon, as of the day and year first above written.

REPUBLIC OF CAMEROON

By /s/ Louis Paul Motaze

Authorized Representative

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
and
INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as Administrator of the Education for All –
Fast Track Initiative Catalytic Fund**

By /s/ Mary Barton-Dock

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to reduce class sizes by recruiting and retaining more teachers in the Recipient's public education system, as well as deploying them in an equitable manner.

The Project consists of the following part:

1. **Remuneration**

Provision of teaching services rendered by 37,200 primary public school contract teachers recruited during FY07, FY08, FY09 and FY10 during: (a) the period from January 2010 through the date which is four months after the Effective Date, and (b) part of the remainder of the 2010 and 2011 school year.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall maintain throughout Project implementation the Monitoring Committee within MINEDUB in accordance with the terms of the MC Decree and with composition, functions and resources satisfactory to the Association. The Monitoring Committee shall be responsible for:

- (i) ensuring the coordination of the activities of the Project;
- (ii) preparing and organizing the overall recruitment process for CPTs;
- (iii) managing the recruitment and deployment of contracted teachers, especially verifying teacher presence in schools;
- (iv) monitoring the quality of the teaching; and
- (v) keeping records and reporting to the development partners on all aspects of the Program.

2. The MINEDUB shall be responsible for overall Project and Program implementation and monitoring. As such, MINEDUB shall:

- (i) submit to the World Bank bi-annually reports on the number and distribution of contract teachers who were hired, the observations of government missions to the regions within the territory of the Recipient, and financial information on the amounts spent by region on CPT salaries under the Program;
- (ii) prepare the progress reports of the Project; and
- (iii) be responsible for the preparation for the reports under Section II.B of this Schedule, with the support of the PASE PCU.

3. The MoF and the MCS shall be jointly responsible for the administrative management and disbursement, under the Project.

- (a) As such, the MCS shall be responsible for:
 - (i) the identification and selection of the contract teachers to be paid under the Recipient's Program; and
 - (ii) the signing of the contracts with such relevant contract teachers; and
 - (b) the MoF shall be responsible for:
 - (i) identification of the payments to be made under the Project; and
 - (ii) issuance of wire transfer orders to the relevant central, regional, and prefectural level entities for the processing of said payments.
4. For purposes of processing of the payments referred to in paragraph 3 above, the MCS shall maintain, throughout Project implementation, an electronic database (SIGIPES), in form and substance satisfactory to the Association, of all CPTs and provide access to the MINEDUB, the MoF and the PASE PCU at least once a month to the updated list of CPTs generated by said database and in form and substance satisfactory to the Association.
5. The Recipient shall ensure that the PASE PCU be maintained throughout Project implementation and shall be responsible for: (i) adequate bookkeeping of the supporting documentation for CPT salary payments, and (ii) providing support to the MINEDUB for the generation of the financial reports referenced under Section B.2 of Schedule 2 of this Agreement.

B. Manual

Except as the Association shall otherwise agree, the Recipient shall carry out the Project in accordance with the Operations Manual; and shall not amend, abrogate, repeal, suspend, waive, or otherwise fail to enforce, or permit to be amended, abrogated, repealed, suspended or waived, the aforementioned, or any provision thereof. In case of inconsistency between the Operations Manual and this Agreement, the terms of this Agreement shall prevail.

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 ("Anti-Corruption Guidelines") , with the modifications set forth in Section II.B of the Appendix to this Agreement.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1.
 - (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.
 - (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:
 - (i) Pupil-teacher ratios; and
 - (ii) Variation in pupil-teacher ratios across regions.
2. 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 June 30, 2012. In order to assist the Recipient in preparing the Completion Report, the Recipient shall employ consultants whose qualifications, experience and terms of reference are acceptable to the World Bank.

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. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than 45 days after the end of each calendar quarter, 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 entire period during which withdrawals from the Grant Account were made. The audited Financial

Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.

Section III. Procurement

A. General

1. **Consultant Guidelines.** All 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:
 - (a) Sections I (excluding paragraph 1.24) and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004 and revised in October 2006 and May 2010 (“Consultant Guidelines”) in the case of consultants’ services; and
 - (b) the provisions of this Section III , as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.24 of the Consultant Guidelines (“Procurement Plan”).
2. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in the Consultant Guidelines, as the case may be.

B. 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 procurement of consultants’ services for those assignments which the Bank agrees meet the requirements set forth in the Consultant Guidelines for their use: Least Cost Selection, Selection of Service Delivery Contractors and Selection of Individual Consultants which have been found acceptable to the World Bank.

C. Review by the World Bank of Procurement Decisions

1. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. . All other contracts shall be subject to Post Review by the Association.

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 “World Bank Disbursement Guidelines for Projects” dated May 2006, 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:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Services under Part 1(a) of the Project	\$14,880,000	100%
(2) Services under Part 1 (b) of the Project	\$9,920,000	100%
TOTAL AMOUNT	\$24,800,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for:
 - (a) payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$4,960,000 equivalent may be made for payments made prior to this date but on or after January 1, 2010, for Eligible Expenditures under Category (1); and

- (b) payments made under Category (2) unless the World Bank is satisfied in its sole discretion with the conclusions of the Specific Audit performed under Section V.2 of Schedule 2 of this Agreement.
- 2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2011.

Section V. Other Undertakings

- 1. Not later than two months after the Effective Date, the Recipient shall employ the independent auditors for the Project, in accordance with the provisions of Section III of Schedule 2 to this Agreement to (i) perform the audits required under Section II.B of Schedule 2 to this Agreement and (ii) perform a specific audit of the eligibility of the payments made under Category (1) of the table set forth in Section IV of Schedule 2 of this Agreement (the “Specific Audit”).
- 2. The Recipient shall ensure that the independent auditors recruited pursuant to Section V.1 above carry out the Specific Audit.

APPENDIX

Definitions

I. Definitions

- (a) “CPT” means the Recipient’s primary public school contract teachers.
- (b) “FY” means the fiscal year of the Recipient starting January 1 through December 31.
- (c) “Operations Manual” means the manual updated by the Recipient in March 2010 outlining the administrative, financial management and accounting arrangements for the implementation of the Project, as the same may be amended from time to time with the prior written consent of the World Bank, and such term includes any schedules to such manual.
- (d) “MC Decree” means the Decree No.274/B/1464 of the Recipient , dated July 23, 2007.
- (e) “MCS” the Recipient’s Ministry of Civil Service and Administrative Reform (*Ministère de la Fonction Publique et de la Réforme Administrative*).
- (f) “MoF” means the Recipient’s Ministry of Finance (*Ministère des Finances*).
- (g) “MINEDUB” means the Recipient’s Ministry of Basic Education (*Ministère de l’Education de Base*).
- (h) “Monitoring Committee” or “MC” means the committee set up pursuant to the MC Decree.
- (i) “PASE DCA” means the Development Credit Agreement for the PASE Project (No.4070-CM), dated August 1, 2005 between the Recipient and the International Development Association, as amended and restated.
- (j) “PASE Project” means the Education Development Capacity Building Project of the Recipient , implemented pursuant to the PASE DCA.
- (k) “PASE PCU” means the financial management unit for the PASE Project.

- (l) “Program” means the Recipient’s Education Sector Strategy, dated June 2006.
- (m) “Specific Audit” means the audit referenced under Section V.1 of Schedule 2 to this Agreement required to be carried out under Section V.2 of Schedule 2 to this Agreement.

II. Modifications to the Standard Conditions and the Anti-Corruption Guidelines

Section A. The Standard Conditions are modified as follows:

- 1. The provisions of Section 4.02 (c) of the Standard Conditions are deleted in their entirety.

Section B. The modifications to the Anti-Corruption Guidelines are as follows:

- 1. Section 5 is re-numbered as Section 5(a) and a new Section 5(b) is added to read as follows:

“...(b) These Guidelines also provide for the sanctions and related actions to be imposed by the Bank on Borrowers (other than the Member Country) and all other individuals or entities who are recipients of Loan proceeds, in the event that the Borrower or the individual or entity has been debarred by another financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

- 2. Section 11(a) is modified to read as follows:

“... (a) sanction in accordance with prevailing Bank’s sanctions policies and procedures (fn13) a Borrower (other than a Member Country) (fn 14) or an individual or entity, including (but not limited to) declaring such Borrower, individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank, if at any time the Bank determines (fn 15) that such Borrower, individual or entity has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the use of loan proceeds, or if another financier with which the Bank has entered into an agreement for the mutual enforcement of debarment decisions has declared such person or entity ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a

determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

Footnotes:

“13. An individual or entity may be declared ineligible to be awarded a Bank financed contract upon completion of sanctions proceedings pursuant to the Bank’s sanctions policies and procedures, or under the procedures of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding, or following a sanction by another financier with whom the Bank has entered into a cross debarment agreement, as a result of a determination by such financier that the firm or individual has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

“14. Member Country includes officials and employees of the national government or of any of its political or administrative subdivisions, and government owned enterprises and agencies that are not eligible to bid under paragraph 1.8(b) of the Procurement Guidelines or participate under paragraph 1.11(c) of the Consultant Guidelines.”

“15. The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the Sanctions Board sets forth the full set of sanctions available to the Bank. In addition, the Bank has adopted an internal protocol outlining the process to be followed in implementing debarments by other financiers, and explaining how cross-debarments will be posted on the Bank’s website and otherwise be made known to staff and other stakeholders.”