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**GRANT NUMBER TF096470**

# **Global Partnership on Output-Based Aid Grant Agreement**

**(Vietnam Upper Secondary Education Enhancement Project)**

**Between**

**INTERNATIONAL DEVELOPMENT ASSOCIATION  
Acting as Administrator of the Global Partnership on Output-Based Aid**

**and**

**EAST MEETS WEST FOUNDATION**

**Dated May 21, 2010**

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**GPOBA GRANT NUMBER TF096470**

**GLOBAL PARTNERSHIP ON OUTPUT-BASED AID  
GRANT AGREEMENT**

AGREEMENT dated May 21, 2010, entered into between:

The INTERNATIONAL DEVELOPMENT ASSOCIATION (the “World Bank”), acting as administrator of the Global Partnership on Output-Based Aid (“GPOBA”); and

The EAST MEETS WEST FOUNDATION (the “Recipient” or “EMWF”).

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 three million United States Dollars (US\$3,000,000) (“Grant”) to assist in financing the Project. The total grant amount shall be funded from the Multi-Donor Trust Fund TF070734.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

#### **Article IV Additional Remedies**

- 4.01. The Additional Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following:
- (a) *Event prior to Effectiveness.* The World Bank has determined after the Effective Date referred to in Section 5.02 of this Agreement that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the World Bank to suspend the Recipient’s right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.
  - (b) The Recipient’s licenses to operate in the Socialist Republic of Vietnam (“Vietnam”) have been amended, suspended, revoked, voided, or otherwise modified so as to materially and adversely affect the ability of the Recipient to perform any of its obligations arising under or entered into pursuant to the Grant Agreement, or to achieve the objectives of the Project.
  - (c) The Recipient has amended the Operations Manual or Memorandum of Understanding, so as to, in the opinion of the World Bank affect materially and adversely the carrying out of the Project.

#### **Article V Effectiveness; Termination**

- 5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished that the conditions specified below have been satisfied:
- (a) If the World Bank so requests, the condition of the Recipient, as represented or warranted to the World Bank at the date of this Agreement, has undergone no material adverse change after such date;
  - (b) Recipient has obtained all licenses required to operate in the Project

Provinces;

- (c) Memorandum of Understanding has been executed on behalf of the Recipient and the Government of Vietnam, satisfactory to the World Bank;
  - (d) Operations Manual has been adopted by the Recipient in a manner satisfactory to the World Bank.
- 5.02. 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 5.01 (“Effective Date”). If, before the Effective Date, any 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.
- 5.03. The Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (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 VI**

### **Recipient’s Representative; Addresses**

- 6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Country Director for Vietnam.
- 6.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:
- East Meets West Foundation  
No 1, Lane 40 Linh Lang Street  
Ba Dinh District  
Hanoi, Vietnam
- Facsimile: +84 4 3762 4136
- 6.03. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:
- International Development Association  
1818 H Street, N.W.

Washington, D.C. 20433  
United States of America

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI) or 64145 (MCI)	1-202-477-6391

AGREED at \_\_\_\_\_, \_\_\_\_\_, as of the day and year first above  
written.

**INTERNATIONAL DEVELOPMENT ASSOCIATION  
Acting as administrator of the  
Global Partnership on Output-Based Aid**

**By: /s/ Victoria Kwakwa**

**Authorized Representative**

**EAST MEETS WEST FOUNDATION**

**By: /s/ MinhChau Nguyen**

**Authorized Representative**

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to increase access of poor students to upper secondary education in non-public upper secondary and professional secondary schools in the Project Provinces.

The Project consists of the following parts:

Part 1: Subsidies for Student Enrollment:

Provision of output-based subsidies to schools to subsidize the enrollment of around 7,500 students for three years in non-public upper secondary, and professional secondary schools.

Part 2: Project Management Support

Provision of financial support to cover the operating costs of EMWF for effective project administration and implementation including financial management, technical supervision audits, and monitoring and evaluation.

## **SCHEDULE 2**

### **Project Execution**

#### **Section I. Institutional and Other Arrangements**

##### **A. Institutional Arrangements**

1. The Recipient shall, throughout the period of implementation of the Project, ensure that its Vietnam operations office is under the direction of experienced management, provided with sufficient resources and staffed with competent personnel in adequate numbers, with qualifications, experience and terms of reference satisfactory to the World Bank, as shall be necessary to implement the Project and carry out its obligations under this Agreement and in accordance with the Operations Manual and the Memorandum of Understanding.
2. The Recipient shall take, and cause to be taken, all necessary action to maintain its licenses to operate in Vietnam, and shall promptly notify the World Bank, in writing, of any event, circumstance or action which may result in any modification, suspension, abrogation or withdrawal of said licenses to operate and affect materially and adversely its ability to implement the Project and carry out any of its obligations under this Agreement.
3. The Recipient shall enter into a Memorandum of Understanding (MOU) with the Government of Vietnam concerning the modalities for implementation of the Project. In the event that any provision of the MOU shall be in conflict with any provision of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall exercise its rights under the MOU in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the MOU or any of its provisions.

##### **B. Operations Manual**

1. The Recipient shall have prepared and adopted the Operations Manual, satisfactory to the World Bank, which shall include, *inter alia*, the detailed description of the Project, activities to be carried out under the Project and implementation arrangements, including: (i) the institutional arrangements for implementation of the Project, roles and responsibilities of the Recipient, Participating Schools, Study Promotion Associations, and Independent Verification Agents; (ii) the eligibility criteria for selection of Participating Schools and Beneficiaries; (iii) Project performance indicators and procedures



for monitoring them; and (iv) the reporting requirements of the Recipient, Participating Schools and the Independent Verification Agents.

2. The Recipient shall provide to the World Bank for its prior approval any revision proposed to be introduced into the Operations Manual in order to achieve the objectives of the Project, and, thereafter, introduce only such revisions to the said manual as agreed to by the World Bank in writing.
3. In the event that any provision of the Operations Manual shall be in conflict with any provision of this Agreement, the provisions 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 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 six (6) months, and shall be furnished to the World Bank not later than forty-five (45) days 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) Enrollment of about 7,500 Beneficiaries in non-public upper secondary, and professional secondary schools.
  - (ii) Attendance of enrolled Beneficiaries in at least 80% of classes.
  - (iii) Beneficiaries have at least passing grades i.e. term or annual GPA of at least 5.0, and scores of at least 3.5 for each subject GPA.

2. The Recipient shall prepare the Recipient's Completion Report not later than six (6) months after the Closing Date. In addition, the Recipient shall prepare two additional reports ("Post Project Reports"), each of such scope and in such detail as the World Bank shall reasonably request, on the execution of the plan set out in the Recipient's Completion Report, and setting out measures designed to ensure the continued efficient and effective achievement of the Project's objectives. The Recipient shall furnish the Post-Project Reports to the World Bank not later than one (1) month after the first and second anniversaries of the Closing Date, respectively.

**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 as part of the Project Report not later than forty-five (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 the Project annual financial statements presented as an explanatory note to the financial statements of its Vietnam operations office and shall have the aforementioned financial statements consolidated with the financial statements of its Oakland, California office (together the "Financial Statements"). The Financial Statements shall be audited by an independent auditor acceptable to GPOBA 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 fiscal year of the Recipient. 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.

**Section III. Procurement**

**A. General**

1. **Procurement Guidelines.** Goods 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) Section I of the "Guidelines: Procurement under IBRD Loans and IDA Credits" published by the World Bank in May 2004 and revised in October 2006 and May 2010 ("Procurement Guidelines"); 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 1.16 of the Procurement 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 Procurement Guidelines.

**B. Particular Methods of Procurement of Goods**

The following methods, may be used for procurement of goods for those contracts specified in the Procurement Plan: (a) Shopping; (b) Direct Contracting; (c) Established Private or Commercial Practices which have been found acceptable to the World Bank; and (d) Community Participation procedures which have been found acceptable to the World Bank

**C. Review by the World Bank of Procurement Decisions**

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 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 “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:

<b>Category</b>	<b>Amount of the Grant Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Subsidies to Participating Schools under Part 1 of the Project	2,340,218	100%
(2) Operating Costs under Part 2 of the Project	659,782	100%
<b>TOTAL AMOUNT</b>	3,000,000	

**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 September 30, 2013.

## **APPENDIX**

### **Section I. Definitions**

1. “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 with the modifications set forth in Section II of this Appendix.
2. “Beneficiary” means the poor student of the Project Provinces who is eligible to benefit from a Subsidy as per the eligibility criteria enumerated in the Operations Manual.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “EMWF” means the Recipient or “East Meets West Foundation”, the international non-governmental organization of that name, established and operating pursuant to its charter dated February 1, 1998, and includes its head office located in Oakland, California, United States of America, and its Vietnam operations office located in the City of Da Nang.
5. “GPOBA” means the Global Partnership on Output-based Aid, a World Bank administered global program tasked with piloting output-based approaches and providing funding for this project.
6. “IVA” means Independent Verification Agent to be selected by the World Bank, to undertake various verifications tasks.
7. “MoET” means the Government of Vietnam’s Ministry of Education and Training.
8. “MOU” means Memorandum of Understanding between the Recipient and the Government of Vietnam concerning the modalities for implementation of the Project, as described in Paragraph A.3 of Section 1 of Schedule 2 to this Agreement.
9. “Operations Manual” means the manual adopted and implemented by the Recipient setting forth the implementation rules and procedures for the Project as described in Paragraph (B) of Section 1 of Schedule 2 to this Agreement, as the same may be amended from time to time by agreement between the World Bank and the Recipient.
10. “Operating Costs” means reasonable expenditures directly related to the Project, incurred by the Recipient (which expenditures would not have been incurred absent the Project), including consumable materials and supplies,

communications and printing services, office space rental and utilities, fuel and vehicle operation and maintenance costs, meeting expenses, travel, lodging and per diem costs, postage and handling and advertising costs.

11. “Participating Schools” means the non-public upper secondary and professional secondary schools in the Project Provinces participating in the implementation of the Project.
12. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the World Bank in May 2004 and revised in October, 2006 and May 2010.
13. “Project Provinces” means the Provinces of Bac Kan, Bac Giang, Phu Tho, Quang Binh, Quang Tri, Thua Thien-Hue, Da Nang, Quang Nam, Quang Ngai, Binh Dinh, Phu Yen, as such list may be amended from time to time by mutual agreement between the World Bank and EMWF, and any successor to each such Province.
14. “Subsidy” means the amount that a Participating School will receive for each eligible student meeting the performance criteria of the Project as enumerated in the Operations Manual.
15. “SPAs” means Study Promotion Associations supporting the Participating Schools in the implementation of the Project. SPAs are mass organizations formed by the Government of Vietnam that support the MoET’s mission of improving education in Vietnam.

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

### **A. The Standard Conditions are modified as follows:**

1. The provisions of Section 4.02 (j) of the Standard Conditions are modified to read as follows:

... (j) *Ineligibility*. IBRD or IDA has declared the Recipient (other than the Member Country) ineligible to receive proceeds of any financing made by IBRD or IDA or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IBRD or IDA, as a result of: (i) a determination by IBRD or IDA that the Recipient has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD or IDA; and/or (ii) a declaration by another financier that the Recipient is 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 Recipient has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

**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.”