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**LOAN NUMBER IBRD 91540-JO**  
**GCF TF NUMBER TF0B3725**

# **Loan Agreement**

**(Additional Financing- Jordan Education Reform Support Program)**

**between**

**THE HASHEMITE KINGDOM OF JORDAN**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

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**LOAN NUMBER IBRD 91540-JO  
GCFF TF NUMBER TF0B3725**

**LOAN AGREEMENT**

AGREEMENT dated as of the Signature Date between THE HASHEMITE KINGDOM OF JORDAN (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”).

WHEREAS, (A) following an international effort to provide development support to countries most affected by refugees in the Middle East region; and having satisfied itself as to the feasibility and priority of the Program aimed at expanding access to early childhood education, and improving student assessment and teaching and learning conditions for Jordanian and Syrian refugee children, as further described in Schedule 1 to this Agreement, the Borrower has requested the Bank to extend a loan to assist in the financing of the Program;

(B) funding from the Global Concessional Financing Facility was received by the Bank for purposes of providing concessionality under this Agreement; and

(C) under the terms of a Financial Procedures Arrangement with the Trustee of the Global Concessional Financing Facility dated August 10, 2016, the Bank has agreed to provide additional funds to the Borrower (the Concessional Portion of the Loan as hereinafter defined) as part of an integrated lending operation under the terms of this Agreement.

NOW THEREFORE, 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) apply to and form 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 General Conditions or in the Appendix to this Agreement.

**ARTICLE II — LOAN**

- 2.01. a. The Bank agrees to extend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, a loan in the amount of one hundred million United States Dollars (USD \$100,000,000) (“Loan”) consisting of the following:
  - i. a non-concessional portion of the Loan in an amount of eighty one million four hundred thousand United States Dollars (USD 81,400,000), as such amount may be converted from time to time through a Currency Conversion (“Non-Concessional Portion of the Loan”); and

- ii. a concessional portion of the Loan in an amount of eighteen million six hundred thousand United States Dollars (USD \$18,600,000) (“Concessional Portion of the Loan”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement. All withdrawals from the Loan Account to which the amount of the Loan allocated to the Program is credited shall be deposited by the Bank into an account specified by the Borrower and acceptable to the Bank.
- 2.03. The Front-end Fee payable by the Borrower is one quarter of one percent (0.25%) of the Non-Concessional Portion of the Loan.
- 2.04. (a) The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Balance of the Non-Concessional Portion of the Loan.
- (b) The Commitment Charge shall not be applied to the Concessional Portion of the Loan.
- 2.05. (a) The interest rate is the Reference Rate plus the Fixed Spread; or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- (b) The Concessional Portion of the Loan shall be made on a non-reimbursable basis.
- 2.06. The Payment Dates are May 15 and November 15 in each year.
- 2.07. The principal amount of the Non-Concessional Portion of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

### **ARTICLE III — PROGRAM**

- 3.01. The Borrower declares its commitment to the objective of the Program. To this end, the Borrower shall carry out the Program in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

**ARTICLE IV — REMEDIES OF THE BANK**

- 4.01. The Additional Event of Suspension consists of the following:
- (a) Any legislation, license or other legal instrument related to the implementation of the Program has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the achievement of the objective of the Program, or the ability of the Borrower to implement the Program.
  - (b) The Borrower's refugee protection framework is no longer adequate, in the opinion of the Bank.
- 4.02. The Additional Event of Acceleration consists of the following, namely, that an event specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Bank to the Borrower.

**ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

**ARTICLE VI — REPRESENTATIVE; ADDRESSES**

- 6.01. The Borrower's Representative is its Minister responsible for planning and international cooperation.
- 6.02. For purposes of Section 10.01 of the General Conditions: (a) the Borrower's Address is:

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

(b) the Borrower's Electronic Address is:

Facsimile:

+962-6-464 9341

- 6.03. For purposes of Section 10.01 of the General Conditions: (a) the Bank's Address is:

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

(b) the Bank's Electronic Address is:

Telex:

Facsimile:

248423(MCI) or 1-202-477-6391  
64145(MCI)

AGREED as of the Signature Date.

THE HASHEMITE KINGDOM OF JORDAN

By

Wissam Rabadi

Authorized Representative

Name: Wissam Rabadi

Title: Minister of Planning and International C

Date: 13-Aug-2020

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By

Saroj Kumar Jha

Authorized Representative

Name: Saroj Kumar Jha

Title: Country Director

Date: 12-Aug-2020

## **SCHEDULE 1**

### **Program Description**

The objective of the Program is to expand access to early childhood education, and to improve student assessment and teaching and learning conditions for Jordanian and Syrian refugee children.

The Program supports part of the Education Strategic Plan, and consists of the following activities:

#### **Part A. Expanding Access and Improving Quality of Early Childhood Education**

Carrying out a program of activities aimed at expanding access and enhancing quality of KG2 education (early childhood education) through, *inter alia*: (1) exploring public-private partnership modalities; (2) supporting the development and implementation of a harmonized quality assurance system for public and private KG2s; and (3) supporting expansion of KG2 service delivery in public schools.

#### **Part B. Improving Teaching and Learning Conditions**

Carrying out a program of activities aimed at improving the teaching and learning conditions through, *inter alia*: (1) improving the selection, preparation, and management of teachers and strengthening capacity of school leaders; (2) fostering positive student and teacher behavior and children's socioemotional learning; (3) improving the physical school environment including through enhancement of water and sanitation facilities in schools; and (4) supporting the Government's response to COVID-19 by creating a sustainably safe physical environment.

#### **Part C. Reforming the Student Assessment and Certification System**

Carrying out a program of activities aimed at reforming the student assessment and certification system through, *inter alia*, strengthening MoE's strategy to measure and monitor student learning at all grade levels, and including the reform of the secondary school leaving exam.

#### **Part D. Strengthening Education System Management**

Carrying out a program of activities aimed at strengthening education system management in making it resilient to future school disruptions through, *inter alia*, strengthening MoE's capacity to manage an increasing number of schools and students, and developing and rolling out strategies to enhance distance learning content.

## SCHEDULE 2

### Program Execution

#### Section I. Implementation Arrangements

##### A. Program Institutions

1. The Borrower shall:
  - (a) carry out the Program through its MoE and the MoE's relevant directorates in coordination and collaboration with the Borrower's other ministries including MoPWH, as needed, and as further set forth in the Operations Manual;
  - (b) maintain at all times during Operation implementation the DCU in MoE, with terms of reference, mandate, composition and resources satisfactory to the Bank;
  - (c) ensure that the MoE, through the DCU, is responsible for: (i) the overall coordination of Program implementation including monitoring and evaluation and the preparation of semi-annual progress reports; (ii) the hiring of, and interfacing with, verification entities and independent verification agencies; (iii) carrying out technical audits; (iv) facilitating financial audits for the Program; and (v) coordinating the procurement and financial management processes, all in accordance with the provisions of this Agreement and the Operations Manual; and
  - (d) maintain during the period of implementation of the Program, the GPSC, with terms of reference, mandate, composition and resources satisfactory to the Bank, to oversee the coordination and monitoring of the Program.
2.
  - (a) The Borrower shall, not later than sixty (60) days after the Effective Date, amend the Operations Manual for the Operation, in form and substance acceptable to the Bank, containing detailed: (i) administrative, procurement, financial management, and monitoring and evaluation procedures; (ii) environmental and social management systems and complaints and grievance redress mechanism; (iii) Program Action Plan; (iv) arrangements for verification of achievement of the DLRs (including the Verification Protocol); and (v) coordination and oversight arrangements for the Operation.
  - (b) The Borrower shall: (i) furnish the draft amended Operations Manual to the Bank for its review; (ii) afford the Bank a reasonable opportunity to exchange views with the Borrower on the draft amended Operations Manual; and (iii) thereafter adopt such amended Operations Manual as shall have been approved by the Bank.
  - (c) The Borrower: (i) shall ensure that the Operation is carried out in accordance with the Operations Manual; and (ii) shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, any of its provisions without the prior written agreement of the Bank.

**B. Additional Program Implementation Arrangements**

1. The Borrower shall carry out the Program Action Plan, or cause the Program Action Plan to be carried out, in accordance with the schedule set out in the said Program Action Plan in a manner acceptable to the Bank.
2. Except as the Bank may agree after consultation with the Borrower, the Borrower shall ensure that the Program Action Plan is not amended, waived, suspended, terminated or abrogated.

**C. Verification Protocol**

1. The Borrower shall: (a) maintain an Independent Verification Agent, under terms of reference satisfactory to the Bank, to be responsible for preparing and providing verifications reports in accordance with the Verification Protocol, certifying the achievement of those DLRs indicated to be verified by such Independent Verification Agent in the Verification Protocol; (b) ensure that the Independent Verification Agent prepares and provides verifications reports in accordance with the Verification Protocol, certifying the achievement of those DLRs indicated to be verified by the Independent Verification Agent in the Verification Protocol; and (c) furnish the verification reports to the Bank in such scope and in such details as the Bank shall request.
2. Said verification and verification reports shall be carried out and prepared in compliance with the procedures set forth in the Verification Protocol and the Operations Manual.

**Section II. Excluded Activities**

The Borrower shall ensure that the Program excludes any activities which:

- A. in the opinion of the Bank, 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 \$50,000,000 equivalent or more per contract; (2) goods, estimated to cost \$30,000,000 equivalent or more per contract; (3) non-consulting services, estimated to cost \$30,000,000 equivalent or more per contract; or (4) consulting services, estimated to cost \$15,000,000 equivalent or more per contract.

**Section III. Program Monitoring, Reporting and Evaluation**

The Borrower shall furnish to the Bank each Program Report not later than one month after each calendar semester, covering the calendar semester.



**Section IV. Withdrawal of Loan Proceeds**

**A. General**

1. Without limitations upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to: (a) pay the Front-end Fee; and (b) finance the results (“Disbursement Linked Results” or “DLRs”) achieved by the Borrower, as measured against specific indicators (“Disbursement Linked Indicators” or “DLIs”) in the amount allocated from the Loan against Categories (1) through (6) of the table below.

<b>Category (including Disbursement Linked Indicator as applicable)</b>	<b>Disbursement Linked Result (as applicable)</b>	<b>Amount of the Non- Concessional Portion of the Loan Allocated (expressed in USD)</b>	<b>Amount of the Concessional Portion of the Loan Allocated to the Program (expressed in USD)</b>	<b>Disbursement Calculation Formula  (Amounts Allocated proportionally between Non-Concessional Portion of the Loan and the Concessional Portion of the Loan)</b>
(1) DLI #1: Expansion of KG2 services	DLR#1.1: MOE develops KG2 television content covering key sections of the official curriculum and initiates its broadcast, building on MOE’s COVID- 19 emergency response plan	3,254,500	745,500	DLR #1.1: \$4,000,000 by December 31, 2022
	DLR #1.2: PPP unit under the Prime Minister’s Office issues guidelines in coordination with MOE on the technical and financial design of a PPP modality for expanding KG2 services	2,440,900	559,100	DLR #1.2: \$3,000,000 by December 31, 2022
	DLR #1.3: Number of PPP KG2 classrooms established and operational consistent with the technical and financial design adopted in the guidelines issued by the	2,440,900	559,100	DLR #1.3: From the baseline of 0, \$500,000 for every five PPP KG2 classrooms established and operational, up to \$3,000,000

<b>Category (including Disbursement Linked Indicator as applicable)</b>	<b>Disbursement Linked Result (as applicable)</b>	<b>Amount of the Non- Concessional Portion of the Loan Allocated (expressed in USD)</b>	<b>Amount of the Concessional Portion of the Loan Allocated to the Program (expressed in USD)</b>	<b>Disbursement Calculation Formula  (Amounts Allocated proportionally between Non-Concessional Portion of the Loan and the Concessional Portion of the Loan)</b>
	PPP unit under the Prime Minister's Office under DLR #1.2			
(2) DLI #2: Strengthened teacher preparation and management	DLR # 2.1: Number of K-12 teachers trained and certified in compliance with the national teacher professional standards ("NTPS")  DLR # 2.2: Number of K-12 teachers meeting minimum standards in socioemotional practices as defined in the teacher evaluation framework	7,322,600  4,068,000	1,677,400  932,000	DLR#2.1: From the baseline of 0, \$30,000 for every 100 teachers trained and certified, up to \$9,000,000  DLR#2.2: From the baseline of 0, \$25,000 for every 100 teachers meeting minimum standards in socioemotional practices up to \$5,000,000
(3) DLI #3: Improved learning environment in public schools and systemization of socioemotional	DLR #3.1: MOE conducts a stakeholder workshop identifying all relevant student and staff behavioral and well-being data that is being collected and	5,288,500	1,211,500	DLR #3.1: \$6,500,000 by December 31, 2023

<b>Category (including Disbursement Linked Indicator as applicable)</b>	<b>Disbursement Linked Result (as applicable)</b>	<b>Amount of the Non- Concessional Portion of the Loan Allocated (expressed in USD)</b>	<b>Amount of the Concessional Portion of the Loan Allocated to the Program (expressed in USD)</b>	<b>Disbursement Calculation Formula  (Amounts Allocated proportionally between Non-Concessional Portion of the Loan and the Concessional Portion of the Loan)</b>
data collection and reporting	integrates it into an expanded EMIS database  DLR #3.2: MOE publishes semi-annual reports utilizing data digitized under DLR 3.1, with specific analysis disaggregated by gender	2,847,700	652,300	DLR #3.2: \$500,000 per semi-annual report, up to \$3,500,000
(4) DLI #4: Improved physical environment in Jordanian public schools	DLR #4.1: Number of schools equipped with upgraded WASH facilities  DLR #4.2: Number of schools rehabilitated to meet minimum health and safety requirements as defined in MOE specification documents	7,322,600  7,322,600	1,677,400  1,677,400	DLR #4.1: From the baseline of 0, \$400,000 for every ten (10) schools equipped with upgraded WASH facilities, up to \$9,000,000  DLR #4.2: From the baseline of 0, \$400,000 for every ten (10) rehabilitated schools, up to \$9,000,000

<b>Category (including Disbursement Linked Indicator as applicable)</b>	<b>Disbursement Linked Result (as applicable)</b>	<b>Amount of the Non- Concessional Portion of the Loan Allocated (expressed in USD)</b>	<b>Amount of the Concessional Portion of the Loan Allocated to the Program (expressed in USD)</b>	<b>Disbursement Calculation Formula  (Amounts Allocated proportionally between Non-Concessional Portion of the Loan and the Concessional Portion of the Loan)</b>
(5) DLI #5: Improved student assessment system	DLR #5.1 MOE develops a digital platform for <i>tawjihi</i> test administration and an Item Bank with competency-based questions aligned with the Jordanian <i>tawjihi</i> curriculum	6,509,000	1,491,000	DLR #5.1: \$8,000,000 by December 31, 2023
	DLR #5.2: MOE completes stakeholder consultations and analytical work agreed under the action plan developed under DLR 7.1 of the Amendment to the Original Financing	3,254,500	745,500	DLR # 5.2: \$4,000,000 by December 31, 2023
	DLR #5.3: School test labs are equipped with devices, furniture and internet network to serve 50 percent of <i>tawjihi</i> students	4,068,100	931,900	DLR #5.3: \$5,000,000 by Closing Date

<b>Category (including Disbursement Linked Indicator as applicable)</b>	<b>Disbursement Linked Result (as applicable)</b>	<b>Amount of the Non- Concessional Portion of the Loan Allocated (expressed in USD)</b>	<b>Amount of the Concessional Portion of the Loan Allocated to the Program (expressed in USD)</b>	<b>Disbursement Calculation Formula  (Amounts Allocated proportionally between Non-Concessional Portion of the Loan and the Concessional Portion of the Loan)</b>
	<p>DLR 5.4: Five mock <i>tawjihi</i> exams administered to a total of at least 150 students (balanced between boys and girls) covering at least five different cities</p> <p>DLR#5.5: MOE adopts a regulation separating the secondary school graduation function of the <i>tawjihi</i> exam from its function to determine admission to higher education, in alignment with DLR 7.1 of the Amendment to the Original Financing</p>	<p>4,068,100</p> <p>5,695,300</p>	<p>931,900</p> <p>1,304,700</p>	<p>DLR #5.4: \$5,000,000 by Closing Date</p> <p>DLR #5.5: \$7,000,000 by Closing Date</p>
<p>(6) DLI #6: Enhanced capacity of MOE to respond to potential future</p>	<p>DLR# 6.1: MOE develops and adopts a strategy for mainstreaming blended learning, covering equity</p>	<p>1,627,200</p>	<p>372,800</p>	<p>DLR #6.1: \$2,000,000 by December 31, 2022</p>

<b>Category (including Disbursement Linked Indicator as applicable)</b>	<b>Disbursement Linked Result (as applicable)</b>	<b>Amount of the Non- Concessional Portion of the Loan Allocated (expressed in USD)</b>	<b>Amount of the Concessional Portion of the Loan Allocated to the Program (expressed in USD)</b>	<b>Disbursement Calculation Formula  (Amounts Allocated proportionally between Non-Concessional Portion of the Loan and the Concessional Portion of the Loan)</b>
school disruptions	both by gender and for marginal communities  DLR #6.2: MOE conducts curriculum mapping that identifies opportunities for embedding blended learning materials into teaching practices, developed in alignment with the strategy adopted under DLR 6.1  DLR # 6.3: MOE develops blended learning content and assessment tools in alignment with the strategy adopted under DLR 6.1 and curriculum mapping developed under DLR 6.2  DLR # 6.4: MOE develops and rolls out a teacher	3,902,500   3,254,500   3,254,500	894,000   745,500   745,500	DLR #6.2: \$4,796,500 by December 31, 2023.   DLR #6.3: \$4,000,000 by Closing Date   DLR #6.4: From the baseline of 0, US\$ 25,000

<b>Category (including Disbursement Linked Indicator as applicable)</b>	<b>Disbursement Linked Result (as applicable)</b>	<b>Amount of the Non- Concessional Portion of the Loan Allocated (expressed in USD)</b>	<b>Amount of the Concessional Portion of the Loan Allocated to the Program (expressed in USD)</b>	<b>Disbursement Calculation Formula  (Amounts Allocated proportionally between Non-Concessional Portion of the Loan and the Concessional Portion of the Loan)</b>
	training program on integration of blended learning into classroom instruction  DLR # 6.5: MOE completes an impact assessment of newly developed blended learning modules	3,254,500	745,500	for every 100 teachers trained, up to \$4,000,000  DLR #6.5: \$4,000,000 by Closing Date
(7) Front-end Fee	Not Applicable	203,500	N/A	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.05(b) of the General Conditions
<b>TOTAL AMOUNT</b>	Not Applicable	81,400,000	18,600,000	Not Applicable



**B. Withdrawal Conditions for the Program; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
  - (a) from the Loan Account unless each withdrawal is made on a *pari passu* basis and at 81.36%/18.64% ratio between the amount of the Non-Concessional Portion of the Loan allocated and the amount of the Concessional Portion of the Loan allocated; and
  - (b) for any DLR under Category (1) through Category (6), until and unless the Borrower has furnished evidence satisfactory to the Bank that said DLR has been achieved.
2. Notwithstanding the provisions of Part B.1 (b) of this Section, the Borrower may withdraw:
  - (i) an amount not to exceed \$32,560,000 from the Non-Concessional Portion of the Loan, and
  - (ii) \$7,440,000 from the Concessional Portion of the Loan, respectively as an advance; provided, however, that if the DLRs in the opinion of the Bank, are not achieved (or only partially achieved) by the Closing Date, the Borrower shall refund such advance (or portion of such advance as determined by the Bank in accordance with the provisions of paragraph (3) of this Part B to the Bank promptly upon notice thereof by the Bank. Except as otherwise agreed with the Borrower, the Bank 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 Bank shall specify by notice to the Borrower.
3. Notwithstanding the provisions of Part B.1(b) of this Section, if any of the DLRs have not been achieved, the Bank may, by notice to the Borrower:
  - (a) authorize: (i) the withdrawal of such lesser amount of the unwithdrawn proceeds of the Loan then allocated to said Category which, in the opinion of the Bank, corresponds to the extent of achievement of said DLR, said lesser amount to be calculated in accordance with the Disbursement Calculation Formula set out in the sixth column of the table in Section IV.A.2 of this Schedule; and (ii) the disbursement of previously undisbursed amounts allocated to the respective DLR, if and when the Bank shall be satisfied, on the basis of satisfactory evidence, that a partially achieved DLR for which a lesser amount has been disbursed pursuant to subparagraph (i) above has been fully achieved;
  - (b) reallocate all or a portion of the proceeds of the Loan then allocated to said DLR to any other DLR; and/or
  - (c) cancel all or a portion of the proceeds of the Loan then allocated to said DLR.

**D. Operation Withdrawal Period**

The Closing Date is May 31, 2025.

**SCHEDULE 3**

**Commitment-Linked Amortization Repayment Schedule**

The following table sets forth the Principal Payment Dates of the Non-Concessional Portion of the Loan and the percentage of the total principal amount of the Non-Concessional Portion of the Loan payable on each Principal Payment Date (“Installment Share”).

<b>Principal Payment Date</b>	<b>Installment Share</b>
On each May 15 and November 15 Beginning May 15, 2025 Through November 15, 2054	1.64%
On May 15, 2055	1.6%

## APPENDIX

### Section I. Definitions

1. “Amendment to the Original Financing” means an amendment to the Loan Agreement No. 8804-JO, being signed concurrently with the Agreement.
2. “AY” means the Borrower’s academic year, commencing on September 1 and ending on June 30.
3. “Baseline” means the baseline information established and set out as a part of the Verification Protocol after the initial survey for measuring relevant DLRs.
4. “Category” means a category set forth in the table in Section IV.A.1 of Schedule 2 to this Agreement.
5. “Concessional Financing Facility” and “CFF” each means the financing facility established with a focus on providing concessional financing to middle income countries most affected by the presence of large numbers of refugees, with an initial focus on the Syrian refugee crisis as it impacts Jordan and Lebanon, and referred to in the *Preamble* to this Agreement.
6. “Concessional Portion of the Loan” means the amount of the Loan referred to in Section 2.01(a)(ii) of this Agreement; which has been contributed for the Operation from the CFF on a non-reimbursable basis.
7. “DCU” means the Development Coordination Unit of the Borrower’s Ministry of Education, or any successor thereto, the unit responsible for Operation implementation, and referred to in and Section I.A.1 (b) and (c) of Schedule 2 to this Agreement.
8. “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.1 of Schedule 2 to this Agreement, and “DLIs” means more than one DLI.
9. “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.1 of Schedule 2 to this Agreement, on the basis of the achievement of which, the amount of the Loan allocated to said result may be withdrawn in accordance with the provisions of said Section IV, and DLRs means more than one DLR.
10. “EMIS” means the Borrower’s Education Management Information System.
11. “FY” means the Borrower’s fiscal year.
12. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Program-for-Results Financing”, dated December 14, 2018, with the modifications set forth in Section II of this Appendix.

13. “GPSC” means the Borrower’s General Policy Steering Committee referred to in Section I.A.1(d) of Schedule 2 to this Agreement, or any successor thereto.
14. “IVA” or “Independent Verification Agent” means the Audit Bureau, or an independent verification agency or agencies, satisfactory to the Bank, hired under the Project to certify the achievement of the DLIs as referred to in Section I.C of Schedule 2 to this Agreement.
15. “Item Bank” is a repository for competency-based test items that belong to an education testing program as well as all information pertaining to those items.
16. “KG” means Kindergarten.
17. “MoE” means the Borrower’s Ministry of Education or any successor thereto.
18. “MoPWH” means the Borrower’s Ministry of Public Works and Housing or any successor thereto.
19. “Operations Manual” means the manual referred in Section I.A.2 of Schedule 2 to this Agreement.
20. “Program Action Plan” means the Borrower’s plan dated June 9, 2020 and referred to in Section I.B of Schedule 2 to this Agreement, as may be amended from time to time with the written agreement of the Bank.
21. “Target Schools” means the schools participating in the interventions under the Program, including, *inter alia*, early childhood education enrolment, teacher training, socio-emotional learning program, school maintenance, student assessments, selected in accordance with criteria set forth in the Operations Manual.
22. “*Tawjihi* Exam” means the Borrower’s national secondary school exit examination.
23. “Verification Protocol” means the protocol for DLIs and DLRs verification dated October 31, 2017 referred to in Section I.C of Schedule 2 to this Agreement, as may be amended from time to time with the written agreement of the Bank.

## **Section II. Modifications to the General Conditions**

The General Conditions are hereby modified as follows:

1. In the **Table of Contents**, the references to Sections, Section names and Section numbers are modified to reflect the amendments set forth below.
2. Wherever used throughout the General Conditions, the term “Loan Payment” is modified to read “Payment of the Non-Concessional Portion of the Loan”. Furthermore, wherever used in Sections 3.01(b), 3.02 to 3.07; Section 3.10; Section 4.01; Sections 4.02 to 4.06 (including the Title, as applicable); Section 7.07 of the General Conditions, the term “*Loan*” is modified to read “*Non-Concessional Portion of the Loan*”; the term “*Unwithdrawn Loan Balance*” is modified to read “*Unwithdrawn Balance of the Non-*

*Concessional Portion of the Loan*”; and the term “*Withdrawn Loan Balance*” is modified to read “*Withdrawn Balance of the Non-Concessional Portion of the Loan*”.

3. In Section 2.05 of the General Conditions, *Refinancing Preparation Advance; Capitalizing Front End Fee and Interest*, the term “Loan” is deleted and replaced with “the Non-Concessional Portion of the Loan”.
4. In Section 3.01. (*Front-end Fee*), in the first sentence of paragraph (a), the term “Loan amount” is modified to read “Non-Concessional Portion of the Loan”.
5. In the Appendix, **Definitions**, all references to Section numbers and paragraphs are modified, as necessary, to reflect the modifications set forth above.
6. Wherever used in the following definitions of the terms “Automatic Conversion to Local Currency”; “Automatic Rate Fixing Conversion”; “Commitment Linked Repayment Amortization Schedule”; “Commitment-Linked Amortization Schedule; “Conversion”; “Currency Conversion”; “Default Interest Period”; “Default Interest Rate”; “Default Variable Rate”; “Disbursed Amount”, “Disbursement-Linked Amortization Schedule”; “Fixed Rate”; “Fixed Reference Rate”; “Fixed Spread”; “Installment Share”; “Interest Rate Cap”; “Interest Rate Collar”; “Interest Rate Conversion”; “Principal Payment Date”; “Reference Rate Reset Date”; the term “*Loan*” is modified to read “*Non-Concessional Portion of the Loan*”; the term “*Unwithdrawn Loan Balance*” is modified to read “*Unwithdrawn Balance of the Non-Concessional Portion of the Loan*”; and the term “*Withdrawn Loan Balance*” is modified to read “*Withdrawn Balance of the Non-Concessional Portion of the Loan*”.
7. A new paragraph 79 is inserted with the following definition of “Non-Concessional Portion of the Loan”, and the remaining paragraphs are renumbered accordingly:

“ “Non-Concessional Portion of the Loan” means portion of the Loan provided to the Borrower on non-concessional terms in the Loan Agreement.”
8. A new paragraph 104 is inserted with the following definition of “Unwithdrawn Balance of the Non-Concessional Portion of the Loan”, and the remaining paragraphs are renumbered accordingly:

“ “Unwithdrawn Balance of the Non-Concessional Portion of the Loan” means the amount of the Non-Concessional Portion of the Loan remaining unwithdrawn from the Loan Account from time to time.”
9. A new paragraph 108 is inserted with the following definition of “Withdrawn Balance of the Non-Concessional Portion of the Loan”, and the remaining paragraphs are renumbered accordingly:

“ “Withdrawn Balance of the Non-Concessional Portion of the Loan” means the amounts of the Non-Concessional Portion of the Loan withdrawn from the Loan Account and outstanding from time to time.”