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**GRANT NUMBER TF0B0772-PK**

**Grant Agreement**  
**(Additional Financing for the Balochistan Education Project)**

between

**ISLAMIC REPUBLIC OF PAKISTAN**

and

**INTERNATIONAL DEVELOPMENT ASSOCIATION**  
**acting as administrator of the Balochistan Education Support Project**  
**Single Donor Trust Fund established with funds contributed by**  
**the European Commission**

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**GRANT NUMBER TF0B0772-PK**

**GRANT AGREEMENT**

AGREEMENT dated as of the Signature Date between the ISLAMIC REPUBLIC OF PAKISTAN (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Bank”), acting as administrator of Balochistan Education Support Project Single Donor Trust Fund. The Recipient and the Bank hereby agree as follows:

**Article I**

**Standard Conditions; Definitions**

- 1.01. The Standard 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 Standard Conditions or in the Appendix to 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 cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article II of the Standard Conditions, Schedule 2 to this Agreement and the Project Agreement.

**Article III**

**The Grant**

- 3.01. The Bank agrees to extend to the Recipient a grant in an amount not to exceed seven million United States Dollars (USD 7,000,000) (“Grant”) to assist in financing the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section III of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the Donor to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to

it by the Donor under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

**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) The Recipient has taken or permitted to be taken any action which would prevent or interfere with the performance by the Project Implementing Entity of its obligations under the Project Agreement;
  - (b) BEBP has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to achieve the objective so the Project and/or perform any of its obligations under the Project Agreement;
  - (c) The Recipient and/or the Project Implementing Entity have taken any action that would have the effect of materially reversing the objectives of BEBP.
  - (d) The Project Implementing Entity has failed to perform any obligation under the Project Agreement;
  - (e) As a result of events which have occurred after the date of this Agreement, an extraordinary situation has arisen which makes it improbable that: (i) the Project Implementing Entity will be able to perform its obligations under the Project Agreement; and/or (ii) BEBP, or a significant part thereof, will be carried out;
  - (f) At any time, the Bank determines that any representative of the Project Implementing Entity has engaged in corrupt, fraudulent, coercive or collusive practices in connection with the use of the proceeds of the Grant, without the Project Implementing Entity having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur;

- (g) A representation made by the Project Implementing Entity in or pursuant to the Project Agreement, or any representation statement furnished by the Project Implementing Entity and intended to be relied upon by the Bank in making the Grant, was incorrect in any material respect; and
- (h) The Project Implementing Entity has, without the consent of the Bank: (i) assigned or transferred, in whole or in part, any of its obligations arising under or entered into pursuant to the Project Agreement; or (ii) sold, leased, transferred, assigned or otherwise disposed of any property or assets financed wholly or in part out of the proceeds of the Grant; provided however that the provisions of this paragraph shall not apply with respect to transaction in the ordinary course of business which, in the opinion of the Bank: (A) do not materially and adversely affect the ability of the Project Implementing Entity to perform any of its obligations arising under or entered into pursuant to the Project Agreement or to achieve the objectives of the Project; and (B) do not materially and adversely affect the financial conditions or operations of the Project Implementing Entity.

**Article V**  
**Recipient's Representative; Addresses**

5.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is any of the Secretary, Additional Secretary, Joint Secretary, Deputy Secretary or Section Officer of the Recipient's Economic Affairs Division of the Ministry of Finance, Revenue and Economic Affairs.

5.02. For purposes of Section 7.01 of the Standard Conditions:

- (a) The Recipient's address is:

The Secretary  
Economic Affairs Division  
Government of Pakistan  
Islamabad,  
Pakistan; and

- (b) the Recipient's Electronic Address is:

Facsimile:                      E-mail:  
  
+92 (51) 910-4016              [Secretary@ead.gov.pk](mailto:Secretary@ead.gov.pk)

5.03. For purposes of Section 7.01 of the Standard 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; and

(b) the Bank's Electronic Address is:

Telex:	Facsimile:
248423 (MCI) or 64145 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

**ISLAMIC REPUBLIC OF PAKISTAN**

**By**



\_\_\_\_\_  
**Authorized Representative**

**Name:** \_\_\_\_\_ Noor Ahmed

**Title:** \_\_\_\_\_ Secretary

**Date:** \_\_\_\_\_ 30-Aug-2019

**INTERNATIONAL DEVELOPMENT ASSOCIATION  
acting as administrator of the Balochistan Education Support  
Project Single Donor Trust Fund**

**By**



\_\_\_\_\_  
**Authorized Representative**

**Name:** \_\_\_\_\_ Patchamuthu Illangovan

**Title:** \_\_\_\_\_ Country Director

**Date:** \_\_\_\_\_ 30-Jul-2019

## **SCHEDULE 1**

### **Project Description**

The objective of the Project are to increase school enrollment and retention in Project-Supported Schools, with a special focus on girls' participation, and to develop mechanisms for information collection and use of improved management of education.

The Project consists of the Original Project, with the following modifications to its subparagraph 1 under Part 1 (Access and Equity), for the purpose of this additional financing:

- “1.1. Expanding access to school through a community-based process for the establishment and rehabilitation of new schools and classrooms, the merit-based recruitment of local teachers, the establishment and mobilization of related Parent-Teacher School Management Committees (“PTSMC”), the construction of transitional school spaces and the provision of transport services for girls and female teachers to attend the schools.”

## **SCHEDULE 2**

### **Project Execution**

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

##### **A. On-Granting Arrangements**

1. To facilitate the Project Implementing Entity's carrying out the Project, the Recipient shall make available the proceeds of the Grant to the Project Implementing Entity in accordance with the provision of this Agreement and the Recipient's on-granting policies and budgetary procedures, and under the same terms and conditions as shall have been received from the Bank.
2. Notwithstanding paragraph (1) above, in the event that any of the provision of this Agreement, including the instructions that the Bank shall have specified by notice to the Recipient pursuant to Section 3.04 of the Standard Conditions, were inconsistent with the budgetary procedures of the Recipient, the provisions of this Agreement and related instructions shall govern.
3. The Recipient shall exercise its rights under the on-granting arrangements in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Grant.

##### **B. Safeguards.**

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the MDTF Environmental and Social Screening Assessment Framework ("MDTF-ESSAF"), the Environmental and Social Impact Assessment ("ESIA"), the Environmental and Social Management Plan ("ESMP") and the addendum to the ESMP (the "Addendum ESMP"), and, except as the World Bank may otherwise agree in writing, the Recipient shall not amend, abrogate, suspend or waive, or permit the Project Implementing Entity to amend, abrogate, suspend or waive, any of the provisions thereof.



## **Section II. Project Monitoring, Reporting and Evaluation**

### **A. Documents; Records**

In addition, and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall cause the Project Implementing Entity to ensure that:

- (a) all records evidencing expenditures under the Project are retained for seven years and six months after the Closing Date, such records to include: (i) this Agreement, all addenda thereof, and any amendments thereto; (ii) the Recipient's and the Project Implementing Entity's financial and narrative progress reports submitted to the Bank; (iii) the Recipient's and the Project Implementing Entity's financial information related to the Grant, including audit reports, invoices and payroll records; (iv) the Project Implementing Entity's implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and
- (b) the representatives of the Bank are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information concerning such records as they may from time to time reasonably request; and (iii) able to disclose such records and information to the Donor.

### **B. Project Reports**

The Recipient shall ensure, and cause the Project Implementing Entity to ensure, that each Project Report is furnished to the Bank not later than forty-five (45) days after the end of each calendar quarter, covering the calendar quarter.

**Section III. 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; and (b) this Section; to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table.

<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) Goods, works, non-consulting services and consulting services, Teachers' Payroll, Training and Workshops, and Incremental Operating Costs under Parts 1 and 3 of the Project	7,000,000	100%
<b>TOTAL AMOUNT</b>	<b>7,000,000</b>	

**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 Signature Date, except that withdrawals up to an aggregate amount not to exceed seven hundred thousand United States Dollars (USD 700,000) may be made for payments made prior to this date but on or after May 1, 2019, for Eligible Expenditures.
2. The Closing Date is April 30, 2020.

## **APPENDIX**

### **Definitions**

1. “Addendum ESMP” means the addendum to the ESIA and ESMP prepared by the Project Implementing Entity (disclosed by the Association on May 3, 2019), to include requirements for documenting land donations under the Project and avoiding or mitigating any negative impact of Project activities on vulnerable groups.
2. “Annual Work Plans” means the work plan of activities, associated resources, procurement packages and budgetary allocations required for a given fiscal year of the Project Implementing Entity to carry out the Project throughout that fiscal year, and to be prepared pursuant to Section I.B.2 of the Schedule to the Project Agreement.
3. “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard 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.
4. “BESP” means Balochistan Education Sector Plan, dated November 2012, and adopted by the Project Implementing Entity on May 2013 as amended to the Signature Date.
5. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
6. “Donor” means the European Commission acting on behalf of the European Union.
7. “Environmental and Social Impact Assessment” and the acronym “ESIA” mean the Project Implementing Entity’s environmental and social impact assessment, dated August 2012, and revised and updated on April 24, 2019 as per the Addendum ESMP, for screening the environmental and social impact of the Project activities.
8. “Environmental and Social Management Plan” and the acronym “ESMP” mean Project Implementing Entity’s environmental and social plan, dated August 2012, and revised and updated on April 24, 2019 as per the Addendum ESMP, setting

forth the mitigation or deterrent measures against any foreseeable adverse social and/or environmental effects of the Project.

9. “FD” means the Project’s Implementing Entity’s Finance Department, or any successor thereto.
10. “FM Manual” means the Project Implementing Entity’s financial management manual adopted pursuant to its Controllers General Accounts Office letter no. 583/CGA/AC-II/4-365/2011, dated Mar 27, 2012, setting forth the Project’s administrative, financial, accounting internal control, asset management, auditing, disbursement/withdrawals and reporting procedures required for the proper flow of Grant funds, but excluding its Section 8 ‘Procurement of Goods and Services’.
11. “Incremental Operating Costs” means the reasonable incremental expenditures for the Project, including: consumable material and supplies; office rental costs; utilities fees; insurance; communications; advertising and newspaper subscriptions; printing and stationary costs; vehicle and/or office equipment operation and maintenance; charges for opening and operating bank accounts required for the Project; travel, lodging and per diem allowances for Project staff; salaries of contractual staff (other than consultants), but excluding salaries, fees, honoraria, bonuses and any other supplements of the Recipient’s or the Project Implementing Entity’s civil servants.
12. “MDTF Environmental and Social Screening and Assessment Framework” and the acronym “MDTF-ESSAF” mean the Recipient’s environmental and social screening framework, dated December 2010, for the implementation of projects financed out of the KP/FATA/Balochistan Multi-Donor Trust Fund, and adopted by the Recipient and the Project Implementing Entity for the carrying out of this Project.
13. “Operations Manual” means the manual adopted by the Project Implementing Entity, dated May 2014, setting forth: (a) the detailed description of the Project implementation activities, their sequencing and the prospective timetable and benchmarks in relation thereto; (b) the qualifications, experience, functions, responsibilities of key staff and structure of the PCC, the PMU and the PTSMC; (c) the detailed terms of reference of the S&QA Consultant; (d) the proposed criteria for the selection of schools for Project interventions; and (e) the procedural steps for: (i) the update of the Procurement Plan; (ii) procurement clearances and internal approvals; and (iii) the preparation and approval of the Annual Work Plans; and a description of the protocols for the collection and processing of the education sector monitoring data required for the administration of the Project, including third party validation mechanisms for the verification of selected

schools, the carrying out of sample assessments of teacher attendance; and spot-check assessments of the progress in implementation of civil works and the quality thereof.

14. “Original Project” means the Balochistan Education Project as originally described in Schedule 1 to the Global Partnership for Education Grant Agreement (GPE Grant Number TF019124), dated March 25, 2015, entered into by and between the Recipient, on the one side and the International Development Association and the International Bank for Reconstruction and Development, acting as administrators of the Global Partnership for Education Trust Fund, on the other side, as amended to the Signature Date.
15. “Parent-Teacher School Management Committee” and the acronym “PTSMC” mean any of the groups to be constituted pursuant to the provisions of the Operations Manual, in order to: (i) represent the members of the community whose children are enrolled in a school selected under the Project, as well as the teachers/head teacher of said school; and (ii) undertake certain school governance responsibilities and functions.
16. “PCC” means the Project Implementing Entity’s committee, established and operating pursuant to its Notification No. E-O(Dev)2012/490-502, dated April 10, 2012, and which will provide oversight and support for Project implementation.
17. “PDD” means the Project Implementing Entity’s Planning and Development Department, or any successor thereto.
18. “PMU” means the Project Implementing Entity’s unit, established and operating pursuant to its Notification SVIII-2 (1) Gen/2012-S&GAD, dated July 2012.
19. “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.
20. “Project Agreement” means the agreement between the Bank and the Project Implementing Entity relating to the implementation of the Project, as such agreement may be amended from time to time. “Project Agreement” includes the Standard Conditions as applied to the Project Agreement, and all appendices, schedules and agreements supplemental to the Project Agreement.
21. “Project Implementing Entity” means the Recipient’s Province of Balochistan.

22. “Project-Affected Persons” means the persons who, on account of the execution of the Project have experience or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or no such persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such persons.
23. “Project-Supported Schools” means the schools to be supported under the Project, in accordance with the criteria set forth in the Operations Manual.
24. “SED” means the Project Implementing Entity’s Secondary Education Department, and/or any successor thereto, acceptable to the Bank.
25. “Signature Date” means the later of the two dates on which the Recipient and the Bank signed this Agreement and such definition applies to all references to “the date of the Grant Agreement” in the Standard Conditions.
26. “Standard Conditions” means the “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds”, dated February 25, 2019.
27. “Standard Operating Procedures” means the procedures for the operation of PTSMCs as set out in the Operations Manual and referred to in Section I.E(a) of the Schedule to the Project Agreement.
28. “SQ&A Consultant” means the supervision and quality assurance consulting firm to be hired pursuant to Section I.A.2(a) of the Schedule to the Project Agreement.
29. “Teachers’ Payroll” means the reasonable costs of salaries, allowances, and related costs of teachers of Project-Supported Schools to be recruited under Part 1 of the Project, in accordance with the Operations Manual.
30. “Training and Workshops” means the reasonable costs of training, workshops and conferences conducted in the territory of the Recipient or attended overseas (subject to the prior approval of the Bank), including the purchase and publication of materials, rental of facilities, course fees, and travel and subsistence of trainees.