

Public Disclosure Authorized

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GRANT NUMBER TF097009

# Haiti Education for All Multi-donor Trust Fund Grant Agreement

(Haiti Education for All Multi-donor Trust Fund Project)

between

REPUBLIC OF HAITI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION  
Acting as Administrator of grant funds provided by various donors under  
the Haiti Education for All Multi-donor Trust Fund

Dated June 10, 2010

Public Disclosure Authorized

**GRANT AGREEMENT**

AGREEMENT dated June 10, 2010, entered into between: REPUBLIC OF HAITI (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“World Bank”), acting as administrator of grant funds provided by various donors under the Haiti Education for All Multi-donor 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”), constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement and the Appendix to 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,
  - (a) carry out Parts I (a), (b) and (d) of the Project through MENFP;
  - (b) cause Part I (c) of the Project to be carried out by FAES in collaboration with MENFP in accordance with the Amended ESRP Subsidiary Agreement; and
  - (c) cause Part II of the Project to be carried out by Service Providers in accordance with their respective Service Provider Agreement,all 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 two million United States Dollars (USD22,000,000) (“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 Haiti Education for All Multi-donor 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.
- 3.04. Without prejudice to the provisions of Sections 3.01 and 3.03 above, the amount of the Grant may be increased by amendments signed by the Recipient and the World Bank as contributions from other donors become available in the Haiti Education for All Multi-donor Trust Fund.

**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) FAES Legislation shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the World Bank, the ability of FAES to perform any of its obligations under the Amended ESRP Subsidiary Agreement.
  - (b) FAES shall have failed to comply with any of its obligations under the Amended ESRP Subsidiary Agreement.

**Article V  
Effectiveness; Termination**

- 5.01. The Additional Condition of Effectiveness consists of the following, namely that the execution and delivery of this Agreement on behalf of the Recipient has been duly authorized or ratified by all necessary actions.

- 5.02. As part of the evidence to be furnished pursuant to Section 5.01, 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, on behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms.
- 5.03. Except as the Recipient and the World Bank shall otherwise agree, the effective date on which this Agreement shall enter into effect shall be 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.
- 5.04. This 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 Minister of Economy and Finance.
- 6.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministère de l’Economie et des Finances  
Palais des Ministères  
Rue Oswald Durand 104  
Port-au-Prince  
Republic of Haiti  
Facsimile: (+509) 229 917 32

- 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 Port-au-Prince, Haiti, as of the day and year first above written.

**REPUBLIC OF HAITI**

By /s/ Ronald Baudin

**Authorized Representative**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**  
acting as administrator of grant funds provided by various  
donors under the Haiti Education for All Multi-donor Trust Fund

By /s/ Yvonne M. Tsikata

**Authorized Representative**

## SCHEDULE 1

### Project Description

The objective of the Project is to assist the Recipient in implementing its National Education for All Strategy (SNA/EPT) through the improvement of: (a) access to primary education for poor children aged 6-12; and (b) equity, quality and governance in the Recipient's education sector.

The Project consists of the following parts:

#### **Part I: Support to the Effective Implementation of the SNA/EPT**

- (a) (i) The provision of Student Enrollment Grants for the carrying out of Student Enrollment Subprojects by SMCs; (ii) the provision of School Feeding Grants to Beneficiary CBOs to finance School Feeding Subprojects; and (iii) the acquisition, provision and delivery of school kits in schools outside the Student Enrollment Subprojects.
- (b) Improving public and non-public primary schools performance through, *inter alia*: (i) the provision of training to in-service teachers; and (ii) the carrying out of technical training activities to pre-service teachers to expand the supply of qualified teachers, including, *inter alia*, the carrying out of the Accelerated Teacher Training Program and the recruitment of teacher educators by Beneficiary IFMs, provided that contributions from other donors become available as provided in Section 3.04 of this Agreement.
- (c) The carrying out of civil works which consist of the reconstruction of schools in areas affected by natural disasters and other Selected Areas, as approved by the World Bank, provided that contributions from other donors become available as provided in Section 3.04 of this Agreement.
- (d) Building the institutional capacity of MENFP to improve service delivery and overall education governance, through, *inter alia*: (i) the strengthening of the MENFP's school inspectorate at the central and departmental levels, including the provision of training to school inspectors; (ii) the provision of technical assistance to MENFP to improve its regulatory and policy making functions; (iii) the provision of intensive training and technical assistance to staff to enhance and expand the fiduciary capacity of MENFP; and (iv) the carrying out of capacity building activities identified in the SNA/EPT.

**Part II: Sub-grants to Support Innovative Investments for the Effective Implementation of the SNA/EPT**

Supporting Innovative Investments identified in the SNA/EPT, which investments consist of, *inter alia*: (a) piloting approaches of curriculum delivery in an accelerated fashion for overage youth; (b) multi-grade classes teaching; (c) establishing and implementing assessment systems for students and teachers; (d) carrying out community-based health and nutrition programs through schools and Selected Community Entities; (e) strengthening community involvement in the school management; (f) strengthening mechanisms for greater accountability of teachers and school directors to parents and other stakeholders in the education sector; and (g) providing technical assistance for the development of pedagogical instruction.

## SCHEDULE 2

### Project Execution

#### Section I. Institutional and Other Arrangements

##### A. Implementation Arrangements

1. (a) For purposes of carrying out Parts I (a) and (d) of the Project, the Recipient shall, throughout the implementation of Parts I (a) and (d) of the Project, maintain all the institutional and other implementation arrangements set forth in the EFAP Agreement (as applicable to said Parts of the Project), including without limitation the obligation to operate and maintain a steering committee for the appraisal and assessment of eligible Student Enrollment Sub-projects, as further described in the EFAP Operational Manual.
  - (b) (i) The Recipient shall carry out Parts I (a) and (d) of the Project, through MENFP in accordance with the EFAP Operational Manual.
  - (ii) Unless the World Bank shall otherwise agree in writing, the Recipient shall not amend, abrogate, waive or fail to enforce any of the provisions of the EFAP Operational Manual.
  - (iii) In the event that any provision of the EFAP Operational Manual shall conflict with anyone under this Agreement, the terms of this Agreement shall prevail.
- (c) Prior to the carrying out of: (i) any Student Enrollment Subproject, the Recipient shall enter into an agreement (a "Student Enrollment Grant Agreement") with the pertinent SMC, under terms and conditions acceptable to the World Bank, including the obligation of the Recipient to ensure compliance with the Anticorruption Guidelines, as well as the obligation of the pertinent SMC to comply with the provisions of the Anti-Corruption Guidelines applicable to Recipients of loan proceeds other than the Recipient; and (ii) any School Feeding Subproject, the Recipient shall enter into an agreement (a "School Feeding Grant Agreement") with the pertinent Beneficiary CBO, under terms and conditions acceptable to the World Bank, including the obligation of the Recipient to ensure compliance with the Anticorruption Guidelines, as well as the obligation of the pertinent Beneficiary CBO to comply with the provisions of the Anti-Corruption Guidelines applicable to Recipients of loan proceeds other than the Recipient, all as further specified in the EFAP Operational Manual.



- (d) (i) The Recipient, shall exercise its rights and carry out its obligations under each Student Enrollment Grant Agreement and each School Feeding Grant Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant, including, without limitation, through the application of any legal remedies provided under the Anti-Corruption Guidelines; and (ii) except as the World Bank shall otherwise agree, the Recipient, shall not assign, amend, abrogate, terminate, waive or fail to enforce any Student Enrollment Grant Agreement or any School Feeding Grant Agreement, or any provision thereof.
  - (e) No later than six months after the Effective Date, or such later date acceptable to the World Bank, the Recipient shall hire and, thereafter maintain throughout the implementation of Part I (a) (i) of the Project, an independent firm with terms of reference, qualifications and experience satisfactory to the World Bank, for the purpose of assisting the Recipient in monitoring the implementation of said Part of the Project.
  - (f) The Recipient shall ensure that the financial management advisor position at the MENFP Department of Administrative Affairs remains staffed throughout the implementation of Parts I (a) and (d) of the Project by a professional with terms of reference, qualifications and experience satisfactory to the World Bank.
- 2. (a) For purposes of carrying out Part I (b) of the Project, the Recipient shall, throughout the implementation of Part I (b) of the Project, maintain all the institutional and other implementation arrangements set forth in the MTNFEFAP Agreement (as applicable to said Part of the Project), as further described in the MTNFEFAP Operational Manual.
  - (b) (i) The Recipient shall carry out Part I (b) of the Project, through MENFP, in accordance with the specifications set forth in the MTNFEFAP Operational Manual.
  - (ii) Unless the World Bank shall otherwise agree in writing, the Recipient shall not amend, abrogate, waive or fail to enforce any of the provisions of the MTNFEFAP Operational Manual.
  - (iii) In the event that any provision of the MTNFEFAP Operational Manual shall conflict with anyone under this Agreement, the terms of this Agreement shall prevail.

- (c) Prior to the carrying out of any selected activity under the ATTP, the Recipient shall enter into an agreement (the “Participation and Performance Agreement” or “PPA”) with the relevant Beneficiary IFMs, under terms and conditions acceptable to the World Bank, including the obligation of the Recipient to ensure compliance with the Anticorruption Guidelines, as well as, if Grant proceeds are transferred to Beneficiary IFMs, the obligation of the pertinent Beneficiary IFMs to comply with the provisions of the Anti-Corruption Guidelines applicable to Recipients of loan proceeds other than the Recipient, as further specified in the MTNFEFAP Operational Manual.
  - (d) (i) The Recipient, shall exercise its rights and carry out its obligations under each PPA in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant, including, without limitation, through the application of any legal remedies provided under the Anti-Corruption Guidelines; and (ii) except as the World Bank shall otherwise agree, the Recipient, shall not assign, amend, abrogate, terminate, waive or fail to enforce any PPA or any provision thereof.
3. (a) For the purposes of carrying out Part I (c) of the Project, the Recipient shall, during the course of the implementation of Part I (c) of the Project, maintain all the institutional and other implementation arrangements set forth in the ESRP Agreement (as applicable to said part of the Project), as further described in the ESRP Operational Manual.
- (b) (i) Without limitation to paragraph 3 (a) above, the Recipient shall cause FAES to carry out Part I (c) of the Project, in accordance with the specifications set forth in the ESRP Operational Manual.
  - (ii) Unless the World Bank shall otherwise agree in writing, the Recipient shall cause FAES not to amend, abrogate, waive or fail to enforce any of the provisions of the ESRP Operational Manual.
  - (iii) In the event that any provision of the ESRP Operational Manual shall conflict with anyone under this Agreement, the terms of this Agreement shall prevail.

- (c) Prior to the carrying out of any activity under Part I (c) of the Project, the Recipient shall: (i) amend the ESRP Subsidiary Agreement (the Amended ESRP Subsidiary Agreement) pursuant to which the Recipient shall make the proceeds of the Grant to be allocated to Category (3) available to FAES to carry out Part I (c) of the Project, under terms and conditions acceptable to the World Bank; (ii) furnish to the World Bank an opinion satisfactory to the World Bank, of counsel acceptable to the World Bank, showing on behalf of the Recipient and of FAES, that the Amended ESRP Subsidiary Agreement has been duly executed and delivered on their respective behalf and is legally binding upon them in accordance with its terms; and (iii) adopt and disclose the ESMF and the RPF for the purpose of implementing the activities included in Part I (c) of the Project, in a manner satisfactory to the World Bank, and thereafter, disclose said documentation in a manner satisfactory to the World Bank.
  - (d) (i) The Recipient, shall exercise its rights and carry out its obligations under the Amended ESRP Subsidiary Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant, including, without limitation, through the application of any legal remedies provided under the Anti-Corruption Guidelines; and (ii) except as the World Bank shall otherwise agree, the Recipient, shall not assign, amend, abrogate, terminate, waive or fail to enforce the Amended ESRP Subsidiary Agreement or any provision thereof.
- 4. (a) For the purpose of implementing Part II of the Project, the Recipient shall establish and thereafter maintain and operate, throughout the implementation of Part II of the Project, the institutional arrangement consisting of:
  - (i) A steering committee (the “Steering Committee”), with composition and attributions acceptable to the World Bank, which shall be responsible, *inter alia*, for the monitoring of the Project’s activities and their coordination with other Recipient’s activities for the implementation of the SNA/EPT.
  - (ii) A management committee (the “Management Committee”), with composition and attributions acceptable to the World Bank, which shall be responsible, *inter alia*, for the provision of strategic guidance for Part II of the Project, including the definition of criteria for the eligibility of Innovative Investments and the approval of the annual work plans.

- (iii) A technical committee (the “Technical Committee”), with composition and attributions acceptable to the World Bank, which shall be responsible, *inter alia*, for the appraisal and selection of proposals of Service Provider Sub-projects.
- (b) For purposes of carrying out Service Provider Subprojects under Part II of the Project, the Recipient shall enter into a separate agreement (the “Service Agreement”) with a Service Provider, under terms and conditions satisfactory to the World Bank, which shall include, *inter alia*: (A) the obligation of the Recipient to promptly provide the funds, facilities, services and other resources required by the Service Provider to implement its activities under Part II of the Project and ensure compliance with the Anti-Corruption Guidelines; and (B) the obligation of the Service Provider to:
- (i) carry out the activities under Part II of the Project with due diligence and efficiency in a manner satisfactory to the World Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to Recipients of loan proceeds other than the Recipient;
  - (ii) use the Grant funds in accordance with the terms and conditions of this Agreement, and in conformity with appropriate administrative, technical, financial, procurement, auditing, participatory and legal standards and practices;
  - (iii) promptly provide the facilities, services, staff responsible for the implementation of Part II of the Project and other resources required for that purpose;
  - (iv) furnish all information covering the implementation of the activities under Part II of the Project and the use of the proceeds of the Grant, as the Recipient and the World Bank shall reasonably request;
  - (v) carry out procurement and enter into contracts, all in a manner consistent with the provisions of this Agreement (including, all procurement requirements) required for the implementation of Part II of the Project activities and the maintenance of all relevant procurement documentation;
  - (vi) ensure compliance with financial management procedures detailed in Section II.B of Schedule 2 to this Agreement; and

- (vii) take all actions necessary to enable the Recipient to comply with its obligations under this Agreement.
  
- (c) The Recipient shall, and shall cause each Service Provider, to exercise its rights and carry out its obligations under each Service Agreement in such manner as to protect the interests of the Service Provider, the Recipient and the World Bank and to accomplish the purposes of the Grant, including, without limitation, through the application of any legal remedies provided under the Anti-Corruption Guidelines. Except as the World Bank shall otherwise agree, the Recipient shall not amend, terminate, assign, abrogate, waive or fail to enforce any of the Service Agreements or any provision thereof. In the event of any inconsistency between the provisions of a Service Agreement and the provisions of this Agreement, the provisions of this Agreement shall prevail.
  
- (d) For purposes of carrying out Part II of the Project, the Recipient shall prepare, adopt and maintain throughout Project implementation an operational manual (the "Operational Manual") satisfactory in form and substance to the World Bank which shall consist of different schedules setting forth, respectively, rules, methods, guidelines, specific development plans, standard documents and procedures for the carrying out of Part II of the Project, including, *inter alia*, the following:
  - (i) the detailed description of: (A) activities to be carried out under Part II of the Project; and (B) institutional arrangements in respect thereof;
  - (ii) the administrative, financial, accounting, auditing, procurement and disbursement procedures for the implementation of Part II of the Project including the relevant standard bidding documents;
  - (iii) the identification of priority training activities financed under Part II of the Project;
  - (iv) the plan for the monitoring, evaluation and supervision of Part II of the Project, including the updated performance indicators;
  - (v) the eligibility criteria and procedures for the selection of Service Provider Sub-projects;
  - (vi) the terms of the Service Provider Subproject Agreements; and
  - (vii) the institutional responsibilities and procedural arrangements for the selection, implementation, supervision and evaluation of the Service Provider Subprojects.

- (e)
  - (i) Without limitation to the provisions of Section 2.01 (c) of this Agreement, the Recipient shall cause each Service Provider to carry out the pertinent Service Provider Subproject in accordance with the provisions of the Operational Manual.
  - (ii) Unless the Recipient and the World Bank shall otherwise agree in writing, the Recipient shall not amend, abrogate or waive any of the provisions of the Operational Manual in a manner which, in the opinion of the World Bank, could have a material adverse impact on the implementation of Part II of the Project.
  - (iii) In the event that any provision of the Operational Manual shall conflict with anyone under this Agreement, the terms of this Agreement shall prevail.
- (f) Without limitation to Section I.A.4 (b) of this Schedule, and in a case where a Service Provider Subproject shall be executed by a Beneficiary instead of by a Service Provider, the Recipient, through the Service Provider, shall transfer, on a non-reimbursable basis, a portion of the Grant proceeds to the Beneficiary pursuant to an agreement (the Service Provider Sub-grant Agreement) to be entered into between the Recipient, through the Service Provider, and said Beneficiary on terms and conditions acceptable to the World Bank which shall follow the model set forth in the Operational Manual, including, *inter alia*:
  - (i) the obligation of the Beneficiary to:
    - (A) procure the goods and/or consultants' services (as the case may be) in accordance with the provisions of Section III of Schedule 2 of this Agreement;
    - (B) carry out the Service Provider Subproject with due diligence and efficiency, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to Recipients of loan proceeds other than the Recipient and in accordance with the provisions of the Operational Manual; and
    - (C) maintain adequate records and accounts, and make available such documentation to the Recipient and the World Bank, and any other information that the Recipient or the World Bank may request in order to comply with its obligations under Section II.B of Schedule 2 of this Agreement.

- (ii) the right of the Recipient to: (A) suspend in whole or in part the portion of the Grant allocated to finance a given Service Provider Subproject in case the Beneficiary has failed to comply with any of its obligations under the corresponding Service Provider Subproject Agreement; or (B) terminate the Service Provider Subproject Agreement, as the case may be.
- (g)
  - (i) The Recipient, through the Service Provider, shall carefully monitor the implementation of the Service Provider Subproject and ensure that each Beneficiary complies with the terms and conditions of the Service Provider Subproject Agreement.
  - (ii) The Recipient shall exercise its rights and carry out its obligations under each Service Provider Subproject Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant including, without limitation, through the application of any legal remedies provided under the Anti-Corruption Guidelines.
  - (iii) Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, repeal, terminate, waive or fail to enforce any Service Provider Sub-grant Agreement or any provision thereof.
- (h) Prior to carrying out any Service Provider Subproject, the Recipient shall: (i) establish and make operational the institutional arrangement referred to in Section I.A.4 (a) of Schedule 2 to this Agreement, including the Steering Committee, the Management Committee and the Technical Committee; (ii) prepare and adopt the Operational Manual in a manner satisfactory to the World Bank; (iii) sign with the relevant Service Provider a Service Provider Agreement, in form and substance satisfactory to the World Bank; (iv) prepare a Procurement Plan acceptable to the World Bank for the activities included in the Service Provider's Subproject; and (v) in a case where a Service Provider Sub-Project shall be executed by a Beneficiary, sign a Service Provider Sub-grant Agreement, satisfactory in form and substance to the World Bank, as further specified in the Operational Manual.

**B. Safeguards**

- 1. (a) The Recipient shall ensure that the Project activities under Part I (c) of the Project, are carried out in accordance with the guidelines, procedures, timetables and other specifications set forth in the Safeguard Documents.

- (b) Without limitation to the provisions of paragraph (a) above, the Recipient shall cause FAES to ensure that Part I (c) of the Project is carried out, and caused to be carried out, in accordance with the ESMF and RPF.
  - (c) In particular, the Recipient shall ensure that:
    - (i) for each Project activity under Part I (c) of the Project for which the ESMF provides that an Environmental and Social Management Plan (ESMP) should be prepared, such ESMP, in form and substance satisfactory to the World Bank, is effectively prepared and locally disclosed, before the implementation of any said Project activities, in accordance with the provisions of the ESMF, and the relevant Project activity is implemented in accordance with its pertinent ESMP; and
    - (ii) for each Project activity under Part I (c) of the Project for which the RPF provides that a Resettlement Action Plan (RAP) should be prepared, such RAP, in form and substance satisfactory to the World Bank, is effectively prepared and locally disclosed, before the implementation of any said Project activities, in accordance with the provisions of the RPF, and the relevant Project activity is implemented in accordance with its pertinent RAP.
2. Except as the World Bank shall otherwise agree in writing, the Recipient shall not abrogate, amend, repeal, suspend, waive or fail to enforce any provisions of any of the Safeguard Documents.
3. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall regularly collect, compile and submit to the World Bank, on a semi-annual basis, reports on the status of compliance with the Safeguard Documents, giving details of:
- (a) measures taken in furtherance of the Safeguard Documents;
  - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguard Documents; and
  - (c) remedial measures taken or required to be taken to address such conditions.

**C. Anti-Corruption**

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.



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

**A. Project Reports**

- (a) The Recipient, through MENFP, 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 agreed with the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than forty five days after the end of the period covered by such report.
- (b) The Recipient shall prepare the Completion Report with respect to the Project 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 December 31, 2015.
- (c) The Recipient, through MENFP, shall no later than: (i) four (4) months after the Effective Date select and hire an external independent auditor, on the basis of terms of reference, qualifications and experience satisfactory to the World Bank, in accordance with the provisions of Section III of Schedule 2 to this Agreement, for the purpose of, *inter alia*, carrying out annual technical audits of Parts I (a), (b) and (d) of the Project; and (ii) three (3) months after the end of the period covered by such technical audit, prepare and furnish to the World Bank a copy of the audit report and its recommendations in order to address any shortcoming in the implementation of said Parts of the Project.

**B. Financial Management, Financial Reports and Audits**

- (a) The Recipient, through MENFP, shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 2.07 of the Standard Conditions.
- (b) Without limitation on the provisions of Part A of this Section, the Recipient shall, through MENFP, prepare and furnish to the World Bank not later than forty five days after the end of each calendar quarter, interim un-audited financial reports for Project covering the quarter, in form and substance satisfactory to the World Bank.
- (c) The Recipient, through MENFP, shall have the Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each audit of the Financial Statements for the Project 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 four months after the end of such period.

- (d) The Recipient, through MENFP, shall no later than three (3) months after the Effective Date either: (i) recruit an external independent auditor, selected on the basis of terms of reference, qualifications and experience satisfactory to the World Bank, in accordance with the provisions of Section III of Schedule 2 to this Agreement; or (ii) amend the terms of reference of the auditor or auditors recruited by the Recipient to perform the audits of the financial statements under the EFAP Agreement, in either case for the purpose of carrying out the audit referred to in paragraph (c) above.

### **Section III. Procurement**

#### **A. General**

1. **Works and Goods.** All works and 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 Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' 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 Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **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, or Consultant Guidelines, as the case may be.

#### **B. Particular Methods of Procurement of Works and Goods**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, works and goods shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Works and Goods.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for works and goods. The Procurement Plan shall specify the circumstances under which such methods may be used:

<u>Procurement Method</u>
(a) National Competitive Bidding, subject to using Standard Bidding Documents agreed with the World Bank
(b) Shopping, subject to using Standard Request for Quotations agreed with the World Bank
(c) Direct Contracting, subject to the World Bank's prior consent

**C. 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 table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<u>Procurement Method</u>
(a) Quality-Based Selection
(b) Selection under a Fixed Budget
(c) Least Cost Selection
(d) Selection based on Consultant's Qualifications
(e) Single Source Selection, subject to the World Bank's prior written consent
(f) Procedures set forth in paragraphs 5.2 through 5.4 of the Consultant Guidelines for the Selection of Individual Consultants

**D. 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><u>Category</u></b>	<b><u>Amount of the Grant Allocated (expressed in USD)</u></b>	<b><u>Percentage of Expenditures to be Financed (inclusive of Taxes)</u></b>
(1) Goods, Consultants’ services, Training and/or Operating Costs under Part I (a) of the Project, including under Student Enrollment Subprojects and School Feeding Subprojects	19,000,000	100%
(2) Goods, Consultants’ services, Training and/or Operating Costs under Part I (b) of the Project	0	100%
(3) Works, Goods, Consultants’ services, Training and/or Operating Costs under Part I (c) of the Project	0	100%
(4) Goods, Consultants’ services, Training and/or Operating Costs under Part I (d) of the Project	1,000,000	100%
(5) Goods, Consultants’ services, Training and/or Operating Costs under Service Provider Subprojects	2,000,000	100%
<b>TOTAL AMOUNT</b>	22,000,000	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made:
  - (a) for payments made prior to the date of this Agreement; and
  - (b) in respect of payments to finance any Service Provider Subproject under Category (5), unless the Recipient shall have furnished to the World Bank documentary evidence in form and substance satisfactory to the World Bank that: (i) the institutional arrangement referred to in Section I.A.4 (a) of Schedule 2 to this Agreement has been established and made operational; (ii) the pertinent Service Provider Agreement or pertinent Service Provider Sub-grant Agreement, in form and substance satisfactory to the World Bank shall have been signed by the parties thereto; (iii) the Operational Manual shall have been prepared and adopted by the Recipient in a manner satisfactory to the World Bank; and (iv) a Procurement Plan acceptable to the World Bank shall have been prepared by the Recipient for the implementation of Part II of the Project.
  
2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is October 31, 2015.

## APPENDIX

### Definitions - Modifications to the Anti-Corruption Guidelines

#### Section I – Definitions

1. “Accelerated Teacher Training Program” or “ATTP” means a set of the Recipient’s detailed activities included in an annual work plan acceptable to the World Bank (which shall include an appropriate budget) to be carried out by a Beneficiary IFM, as set forth in the MTNFEFAP Operational Manual (as hereinafter defined).
2. “Amended ESRP Subsidiary Agreement” means the agreement referred to in Section I.A.3 (c) of Schedule 2 to this Agreement.
3. “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, as amended in accordance with Section II below.
4. “Beneficiary” means any individual, group of individuals or organization representing a community, all of which meet the criteria set forth in the Operational Manual to receive a Service Provider Sub-grant.
5. “Beneficiary CBO” means a community-based organization established and operating under the laws of the Recipient, including an SMC and/or an NGO which meet the criteria to receive a School Feeding Grant under Part I (a) (ii) of the Project.
6. “Beneficiary IFM” means an *Institut de Formation des Maîtres*, a teacher training institute of the Recipient, established and operating pursuant to the laws of the Recipient, which is found eligible under criteria set forth in the MTNFEFAP Operational Manual to carry out ATTP activities under Part I (b) of the Project.
7. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
8. “Consultant Guidelines” means 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.
9. “Displaced Persons” means a person who, on account of the execution of the Project, has experienced 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 not such person 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 person.

10. “EFAP Agreement” means the agreement entered into between the Recipient and the World Bank, dated April 27, 2007 (Grant Number H286-0-HA) in support of the Education for All Project, as said agreement has been amended to the date of this Agreement.
11. “EFAP Operational Manual” means the Recipient’s manual dated April 27, 2007 and referred to in Section I.A.1.(b) of Schedule 2 to this Agreement, as said manual may be updated/amended from time to time with the agreement of the World Bank.
12. “Environmental and Social Management Framework” or “ESMF” means the environmental and social management framework of the Recipient to be adopted and disclosed by the Recipient in a manner satisfactory to the World Bank for the purposes of this Grant in accordance with Section I.A.3(c) (iii) of Schedule 2 to this Agreement, setting forth therein the guidelines and the framework for mitigating potential harmful environmental and social effects of the implementation of Part I (c) of the Project.
13. “Environmental and Social Management Plan” or “ESMP” means any of the Recipient’s plan (acceptable to the World Bank) to be prepared and disclosed in accordance with the Environmental and Social Management Framework with respect to an activity under Part I (c) of the Project, that details: (a) the measures to be taken during the implementation and operation of such activity to eliminate or offset adverse environmental or social impacts, or to reduce them to acceptable levels; and (b) the actions needed to implement these measures.
14. “ESRP Agreement” means the agreement entered into between the Recipient and the World Bank, dated April 8, 2009 (Grant Number H460-0-HT) in support of the Emergency School Reconstruction Project, as said agreement has been amended to the date of this Agreement.
15. “ESRP Operational Manual” means the manual dated December 7, 2009 and referred to in Section I. A. 3(b) of Schedule 2 to this Agreement, as said manual may be updated/amended from time to time with the agreement of the World Bank.
16. “ESRP Subsidiary Agreement” means the agreement entered into between the Recipient and FAES dated May 25, 2009 pursuant to the provisions of the ESRP Agreement.

17. “FAES” means *Fonds d’Assistance Economique et Sociale*, the Recipient’s Fund for Economic and Social Assistance, an entity with legal personality established by decree dated May 28, 1990, published in the Recipient’s official Gazette (“*Le Moniteur*”) of June 03, 1990.
18. “FAES Legislation” means the Recipient’s decree dated May 28, 1990, published in the Recipient’s official Gazette (“*Le Moniteur*”) of June 03, 1990 which created the FAES under the authority of the Recipient’s ministry responsible for economy and finance.
19. “Innovative Investments” means any of the investments under Part II of the Project.
20. “MENFP” means *Ministère de l’ Education Nationale et de la Formation Professionnelle*, the Recipient’s Ministry of Education and Vocational Training and any successor thereto.
21. “MTNFEFAP Agreement” means the agreement entered into between the Recipient and the World Bank, dated July 2, 2008 (Grant Number H375-0-HT) in support of the Meeting Teacher Needs for Education for All Project, as said agreement has been updated/amended to the date of this Agreement.
22. “MTNFEFAP Operational Manual” means the manual dated March 31, 2008 and referred to in Section I. A. 2 (b) of Schedule 2 to this Agreement, as such manual may be amended for time to time with the agreement of the World Bank.
23. “National Education for All Strategy” or “SNA/EPT” means the Recipient’s strategy for achieving universal primary education by 2015, dated January 15, 2007.
24. “NGO” means a non-governmental organization, established and operating pursuant to the laws of the Recipient.
25. “Operating Costs” means the incremental expenses incurred on account of Project implementation, including office equipment and supplies, reasonable commercial banking charges and fees, vehicle operation and maintenance, communication and insurance costs, office administration costs, utilities, travel, *per diem* and supervision costs and salaries of locally contracted employees.
26. “Operational Manual” means the operational manual to be prepared and adopted by the Recipient for Part II of the Project and referred to in Section I. A. 4 (d) of Schedule 2 to this Agreement.
27. “Participation and Performance Agreement” or “PPA” means any of the agreements referred to in Section I.A.2 (c) of Schedule 2 to this Agreement.



28. "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.
29. "Procurement Plan" means, collectively, the Recipient's procurement plan for Part II of the Project, to be prepared in a manner satisfactory to the World Bank, the Recipient's procurement plan for the EFAP dated March 3, 2007, the Recipient's procurement plan for the ESRP dated April 15, 2010, and the Recipient's procurement plan for the MTNFEFAP dated March 31, 2008, as each of them shall be updated from time to time in accordance with paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines.
30. "Resettlement Action Plan" means any of the Recipient's plans (acceptable to the World Bank) to be prepared and disclosed in accordance with the Resettlement Policy Framework which, *inter alia*: (a) contains a census survey of Displaced Persons and valuation of assets; (b) describes compensation and other resettlement assistance to be provided, consultation to be conducted with Displaced Persons about acceptable alternatives, institutional responsibilities for the implementation and procedures for grievance redress, and arrangements for monitoring and evaluation; and (c) contains a timetable and budget for the implementation of such measures.
31. "Resettlement Policy Framework" or "RPF" means the Recipient's body of policy, action and mitigation measures to be adopted and disclosed by the Recipient in a manner satisfactory to the World Bank for the purposes of this Grant in accordance with the provisions of Section I.A.3 (c) (iii), for the potential resettlement of Displaced Persons as a result of the implementation of Part I (c) of the Project.
32. "Safeguard Documents" means collectively the Environmental and Social Management Framework, the Resettlement Policy Framework, as well as the Environmental and Social Management Plans and the Resettlement Action Plans prepared for Project activities under Part I (c) of the Project, as applicable.
33. "School Feeding Grant" means a grant made out of the proceeds of the Grant to a Beneficiary CBO for the carrying out of an eligible School Feeding Subproject.
34. "School Feeding Grant Agreement" means any of the agreements referred to in Section I. A.1 (c) (ii) of Schedule 2 to this Agreement.
35. "School Feeding Subproject" means a specific project for managing the delivery of nutritional supplements to school children in order to maximize their scholastic performance under Part I (a) (ii) of the Project.

36. “Selected Areas” means the areas identified or selected by the Recipient on the basis of eligibility criteria listed in the ESRP Operational Manual for school reconstruction activities under Part I (c) of the Project.
37. “Selected Community Entity” means a group or sub-group of community members legally established as such under the laws of the Recipient which have been selected in accordance with criteria set forth in the Operational Manual and approved by the World Bank.
38. “Service Agreement” means any of the agreements referred to in Section I. A.4 (b) of Schedule 2 to this Agreement.
39. “Service Provider” means any public or private legal entity eligible under Part II of the Project to provide services in connection with an Innovative Investment.
40. “Service Provider Sub-grant” means a grant made or proposed to be made out of the proceeds of the Grant by the Recipient through a Service Provider to a Service Provider Beneficiary for the financing of a Service Provider Subproject.
41. “Service Provider Sub-grant Agreement” means any of the agreements referred to in Section I.A.4 (f) of Schedule 2 to this Agreement.
42. “Service Provider Subproject” means any of the activities described in Part II of the Project, which set of activities shall be selected, approved and implemented in accordance with the requirements set forth in the Operational Manual.
43. “SMC” means the school management committee of a non-public primary school in the Recipient’s territory.
44. “Student Enrollment Grant” means a grant made out of the proceeds of the Grant to a selected SMC for the carrying out of an eligible Student Enrollment Subproject.
45. “Student Enrollment Grant Agreement” means any of the agreements referred to in Section I. A.1 (c) (i) of Schedule 2 to this Agreement.
46. “Student Enrollment Subproject” means a specific project to finance tuition costs and education material for prospective students of non-public primary schools of the Recipient’s territory under Part I (a) (i) of the Project.
47. “Training” means in respect of Categories (1) to (5): (a) reasonable travel, room, board and *per diem* expenditures as incurred by trainers and trainees in connection with their training and by non-consultant training facilitators; (b) course fees; (c) training facility rentals; and (d) training material preparation, acquisition, reproduction and distribution expenses.

**Section II.** 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.”