

**OFFICIAL  
DOCUMENTS**

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**LOAN NUMBER 8529-BY**

# **Loan Agreement**

**(Belarus Education Modernization Project)**

**between**

**REPUBLIC OF BELARUS**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

Dated *September 23, 2015*

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**LOAN NUMBER 8529-BY**

**LOAN AGREEMENT**

Agreement dated September 23, 2015, between the REPUBLIC OF BELARUS ("Borrower") and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). 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) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

**ARTICLE II — LOAN**

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of fifty million Dollars (US\$50,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement ("Loan"), to assist in financing the Project.
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement. The Borrower's Representative for purposes of taking any action required or permitted to be taken pursuant to this Section is the Borrower's Minister of Education.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-

payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.

- 2.06. The Payment Dates are April 15 and October 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.
- 2.08. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.
- (c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

### **ARTICLE III — PROJECT**

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower, through the Ministry of Education (MoE), shall cause the National Institute of Education (NIE) to carry out the Project, with the assistance of the Republican Institute for Knowledge Control (RIKC) and the Main Information Analytical Center (GIAC), all in accordance with the provisions of Article V of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

### **ARTICLE IV — REMEDIES OF THE BANK**

- 4.01. The Additional Events of Suspension consist of the following:
- (a) The Ministerial Order has been amended, suspended, abrogated, repealed, waived or not enforced, in such a manner so as to affect materially and adversely, in the opinion of the Bank, the ability of NIE to carry out the Project.
  - (b) The Legislation of NIE has been amended, suspended, abrogated, repealed or waived so as to affect materially or adversely, in the opinion of the Bank, NIE's ability to carry out the Project pursuant to the Ministerial Order.
- 4.02. The Additional Events of Acceleration consist of the following, namely, that any event specified in Section 4.01(a) and (b) 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 Additional Conditions of Effectiveness consist of the following:
- (a) The Ministerial Order has been duly issued and is in full force and effect.
  - (b) The Project Operational Manual has been adopted by the Borrower.
- 5.02. The Effectiveness Deadline is the date one hundred twenty (120) days after the date of this Agreement.

**ARTICLE VI — REPRESENTATIVE; ADDRESSES**

6.01. Except as provided in Section 2.02 of this Agreement, the Borrower's Representative is the Borrower's Deputy Prime Minister.

6.02. The Borrower's Address is:

Council of Ministers of the Republic of Belarus  
House of Government  
Minsk, 220010  
Sovetskaya Str. 11  
Republic of Belarus

Facsimile:

375 17 2226665

6.03. The Bank's Address is:

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

Cable address:

Telex:

Facsimile:

INTBAFRAD  
Washington, D.C.

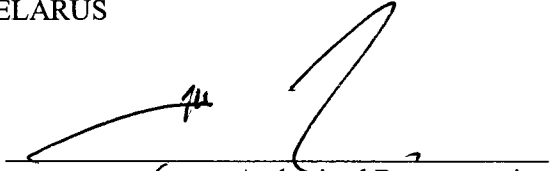
248423(MCI) or  
64145(MCI)

1-202-477-6391

AGREED at Minsk, Republic of Belarus, as of the day and year first above written.

REPUBLIC OF BELARUS

By



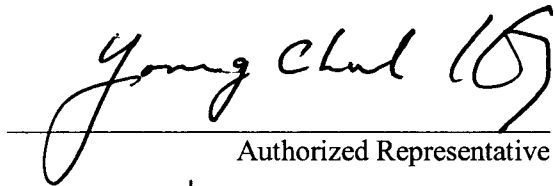
Authorized Representative

Name: Mikhail A. Zhuravkov

Title: Minister of Education  
of the Republic of Belarus

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By



Authorized Representative

Name: Young Chul Kim

Title: Country Manager  
for Belarus

## SCHEDULE 1

### Project Description

The objectives of the Project are to: (a) improve access to quality learning environment in selected General Secondary Education schools; and (b) strengthen the Borrower's student assessment and education management information systems.

The Project consists of the following parts:

#### **Part 1: Ensuring a Quality Learning Environment in Schools receiving Students from Closed/Reorganized Schools**

1. Rehabilitation of selected General Secondary Education Schools.
2. Provision of, *inter alia*, laboratory equipment (including physics, chemistry, biology and information technology) to selected General Secondary Education schools rehabilitated under Part 1.1 of the Project.

#### **Part 2: Modernization of System Management in General Secondary Education**

1. Strengthening of the Borrower's sample-based national assessment system of students in General Secondary Education through, *inter alia*: (a) the provision of technical assistance and Training; and (b) the acquisition of the necessary hardware and software.
2. Provision of support for the Borrower's participation in PISA 2018 through, *inter alia*: (a) the carrying out of PISA 2018 preparatory activities including: (i) the development, translation and editing of student assessment test materials; (ii) the provision of Training; (iii) the piloting of student assessments; (b) the financing of the annual registration fee; and (c) the carrying out of PISA 2018 activities, including: (i) the printing, distribution and supervision of students assessments; (ii) the processing and analysis of the student assessments, and dissemination of the results of said student assessments; and (d) the carrying out of capacity building activities.
3. Strengthening of the Borrower's education management information system through, *inter alia*: (a) the development of an integrated system for the collection, processing and analysis of primary data from General Secondary Education Schools, including through the acquisition of the necessary software and hardware; (b) the provision of Training; and (c) the certification/attestation of the integrated system mentioned in Part 3 (a) herein.

**Part 3: Project Implementation Support**

The provision of support (including consultants' services and Training) for the implementation, monitoring and evaluation of the Project, including the carrying out of the Project audits.



## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

1. The Borrower shall vest the overall responsibility for the implementation of the Project in MoE, and to this end, through MoE, shall:
  - (a) cause NIE to: (i) operate and maintain, throughout Project implementation, the Project Implementation Unit (PIU) with qualified staff in sufficient numbers, as well as adequate funds, facilities, services and other resources for Project implementation (including, procurement, financial management, environmental and social aspects and monitoring and evaluation), all acceptable to the Bank; (ii) ensure that any additional staff of the PIU financed out of the proceeds of the Loan is selected and hired in accordance with Section III of this Schedule; and (iii) no later than ninety (90) days after the Effective Date, sign the contract for installation and adaptation of the 1C accounting software for Project accounting, budgeting and reporting under terms and in a manner acceptable to the Bank; and
  - (b) ensure, throughout Project implementation, the coordination between NIE and MoE's subordinated agencies participating in the implementation of the technical aspects of Part 2 of the Project (including, the Republican Institute for Knowledge Control (RIKC), and the Main Information Analytical Center (GIAC)), all with powers, functions, capacity, staffing and resources acceptable to the Bank to fulfill their respective responsibilities under the Project.
2. The Borrower, through MoE, shall cause NIE to : (a) carry out the Project in accordance with the requirements set forth in a manual acceptable to the Bank (Project Operational Manual or POM); and (b) not assign, amend, abrogate, or waive the POM or any of its provisions, except with the prior written approval of the Bank. In case of any conflict between the terms of the POM and those of this Agreement, the terms and conditions of this Agreement shall prevail.

##### B. Ministerial Order

1. To facilitate the carrying out of the Project, the Borrower, through MoE, shall issue a ministerial order, under terms and conditions acceptable to the Bank (Ministerial Order) which shall include, *inter alia*:

- (a) the obligation of NIE to: (i) implement the Project in accordance with the pertinent provisions of this Agreement (including compliance with the pertinent provisions set forth in the Safeguards, Procurement and Financial Management sections and the provisions of Article V of the General Conditions), the Anti-Corruption Guidelines and the POM; (ii) promptly inform the Borrower and the Bank of any condition which interferes, or threatens to interfere, with the performance of its obligations under the Ministerial Order; and (iii) take or permit to be taken all actions to enable the Borrower to comply with the obligations referred to in this Agreement as applicable to NIE; and
- (b) the obligation of the RIKC and the GIAC, each to assist the MoE and NIE in the implementation of the technical aspects of the Project and in compliance with the pertinent provisions of this Agreement.

**C. Anti-Corruption**

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

**D. Safeguards**

1. The Borrower, through MoE, shall, and shall cause NIE to, carry out the Project in accordance with the Environmental Management Framework (EMF). Except as the Bank shall otherwise agree, the Borrower shall not, and shall cause NIE not to, assign, amend, abrogate or waive the EMF or any of its provisions.
2. The Borrower, through MoE, shall, and shall cause NIE to, ensure that no activities to be carried out under the Project involve Involuntary Resettlement.

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

**A. Project Reports**

The Borrower, through MoE: (a) shall, and shall cause NIE to, monitor and evaluate the progress of the Project; and (b) shall cause NIE to prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators acceptable to the Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than one month after the end of the period covered by such each report.

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

1. The Borrower shall maintain, or cause to be maintained, a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. The Borrower, through MoE, shall cause NIE to ensure that interim unaudited financial reports for the Project are prepared and furnished to the Bank not later than forty five (45) calendar days after the end of each calendar quarter, covering the pertinent quarter, in form and substance satisfactory to the World Bank.
3. The Borrower, through MoE, shall cause NIE to have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank no later than six (6) months after the end of such period.

**Section III. Procurement**

**A. General**

1. **Goods, Works and Non-consulting Services.** All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Loan 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 (including Annex A to this Schedule).
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Loan 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 Bank of particular contracts refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods, Works and Non-consulting Services**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the additional provisions set forth in Annex A to this Schedule; (b) Shopping; (c) Direct Contracting; and (d) Force Account.

**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 methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

**D. Review by the Bank of Procurement Decisions**

1. The Procurement Plan shall set forth those contracts which shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the Bank.
2. The Borrower, through MoE, shall cause NIE to, no later than December 31 of every year during the implementation of the Project, beginning on December 31, 2016, to: (i) prepare and furnish to the Bank a procurement progress report (Procurement Report), in form and substance acceptable to the Bank, which shall include, *inter alia*: (A) a description of the issues which arose during the full procurement cycle under the Project during the twelve (12) months preceding the date of presenting each Procurement Report, from design through planning, bidding, contract implementation and completion; (B) a list of proposed measures and actions to be taken to resolve the issues identified under (A) above; and (C) a proposed timeline for the implementation of the said measures and actions; and (ii) thereafter implement the proposed measures and actions under each Procurement Report in accordance with its terms and in a manner acceptable to the Bank.

**Section IV. Withdrawal of Loan Proceeds**

**A. General**

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the 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 Loan (“Category”), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

<b>Category</b>	<b>Amount of the Loan Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be financed (inclusive of Taxes)</b>
(1) Works, goods, non-consulting services, consultants’ services, Training and Operating Costs under the Project	49,875,000	100%
(2) Front-end Fee	125,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(3) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 2.08(c) of this Agreement
<b>TOTAL AMOUNT</b>	<b><u>50,000,000</u></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 date of this Agreement.
2. The Closing Date is February 28, 2021.

**ANNEX A  
to  
SCHEDULE 2**

**Additional Provisions Relating to Procurement of Goods, Works and Non-Consulting Services under Bank-Financed Contracts Subject to National Competitive Bidding**

Without limitation upon the provisions of Section III of Schedule 2 to this Agreement or the Procurement Guidelines, the procurement procedure to be followed for National Competitive Bidding shall be the Open Tender procedure set forth in the Public Procurement Law of the Borrower (Law No. 419-3 on Public Procurement of Goods (Works, Services), dated 13 July 2012) (the “PPL”), and subject to the following provisions:

A. Eligibility

The eligibility of bidders shall be as defined under Section I of the Procurement Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the Bank for reasons other than those provided in Section I of the Procurement Guidelines.

Bidding shall not be restricted to domestic bidders. No restrictions in respect of eligibility to participate in bidding for contracts shall be placed on the basis of nationality of the bidder and/or the origin of goods other than those set forth in paragraph 1.10 of the Procurement Guidelines. No restriction of any kind shall be applied to foreign bidders who wish to submit a bid.

Bidding shall not be restricted to pre-registered or invited firms, and foreign bidders shall not be required to be registered with local authorities as a prerequisite for submitting bids.

B. Procedures

- (a) Invitations to bid shall be advertised in the Borrower’s Official Gazette or in at least one widely circulated national daily newspaper or in an electronic portal of free access allowing a minimum of thirty (30) calendar days for the preparation and submission of bids, from the date of publication of the invitation to bid or the date of availability of the bidding documents, whichever is later.
- (b) The sale and/or issuance of bidding documents shall not be restricted only to entities invited by the procuring entity.

- (c) Bids shall be submitted as paper documents and subsequent procurement process (bid opening, bid evaluation, the contract finalization) shall be conducted using conventional paper formats. The Borrower shall be able to use an electronic system permitting bidders to submit bids by electronic means, provided the Bank is satisfied with the adequacy of the system, including *inter alia*, that the system is secure, maintains the integrity, confidentiality, and authenticity of bids submitted, and uses an electronic signature system or equivalent to keep bidders bound to their bids.
- (d) Prequalification procedures acceptable to the Bank shall be used for large, complex and/or specialized contracts.

C. Assessment of Bidders' Qualifications

In the procurement of goods, works and non-consulting services, where pre-qualification is not used, the qualifications of the bidder who is recommended for award of contract shall be assessed by post-qualification, applying minimum experience, technical and financial requirements which shall be explicitly stated in the bidding documents and which shall be determined by a 'pass/fail' method acceptable to the Bank.

D. Participation by Government-owned Enterprises

Government-owned enterprises shall be eligible to participate in bidding only if they meet the requirement set forth in paragraph 1.10 (b) of the Procurement Guidelines. Furthermore, they will be subject to the same bid and performance security requirements as other bidders.

E. Participation by Joint Ventures

Participation shall be allowed from joint ventures on the condition that such joint venture partners will be jointly and severally liable under the pertinent contract.

F. Bidding Documents

The procuring entities shall use the appropriate bidding documents, including contractual conditions, acceptable to the Bank, which shall be prepared so as to ensure economy, efficiency, transparency, and broad consistency with the provisions of Section I of the Procurement Guidelines.

G. Bid Evaluation

- (a) Evaluation criteria, other than price, shall be quantified in monetary terms in a manner acceptable to the Bank.



- (b) Evaluation of bids shall be made in strict adherence to the monetarily-quantifiable criteria declared in the bidding documents and a merit point system shall not be used.
- (c) An extension of bid validity, if justified by exceptional circumstances, may be requested in writing from all bidders before the bid validity expiration date and shall be allowed once only for the minimum period required to complete the evaluation or award a contract, but not more than thirty (30) calendar days from the date of the decision to extend the bid validity. No further extensions shall be requested without the prior approval of the Bank.
- (d) Bids containing material deviations from the bidding document requirements shall be rejected. Non-material documentary deviations or quantifiable minor deviations may not be the reason for the rejection of bids.
- (e) Bids may not be rejected where they differ substantially from the estimated prices calculated by the procuring entity, except where the bid prices exceed the available budget.
- (f) Contracts shall be awarded to qualified bidders having submitted the lowest evaluated substantially responsive bid, and no negotiation as to the price or substance of the bid shall take place.
- (g) No domestic preference shall apply under National Competitive Bidding.
- (h) Bid evaluation shall be confidential and no information shall be disclosed until the notification of the award.

H. Price Adjustment

Civil works contracts of long duration (i.e. more than eighteen (18) months) shall contain an appropriate price adjustment clause acceptable to the Bank.

I. Rejection of All Bids

All bids (or the sole bid if only one bid is received) shall not be rejected, the procurement process shall not be cancelled, and new bids shall not be solicited, without the Bank's prior written concurrence.

J. Securities

Performance securities should not exceed ten percent (10%) of the contract price. No advance payments shall be made to the suppliers/contractors without a suitable advance

payment security. The wording of all such securities shall be included in the bidding documents and shall be acceptable to the Bank. Bidders shall be given at least twenty-eight (28) calendar days from the receipt of notification of contract award to submit Performance securities, and Bid securities shall remain valid for such period.

K. Contract Modification and Termination

With respect to contracts subject to the Bank's prior review, the Borrower shall obtain the Bank's no objection before agreeing to: (a) a material extension of the stipulated time for performance of a contract; (b) any substantial modification of the scope of services or other significant changes to the terms and conditions of the contract; (c) any variation order or amendment which, singly or combined with all variation orders or amendments previously issued, increases the original contract amount by more than fifteen percent (15%); or (d) the proposed termination of the contract. A copy of all contract amendments shall be provided to the Bank.

L. Fraud and Corruption

Each bidding document and contract financed out of the proceeds of the Loan shall include provisions stating the Bank's policy to sanction firms or individuals found to have engaged in fraud and corruption, as defined in paragraph 1.16(a) of the Procurement Guidelines.

M. Audit Rights

In accordance with paragraph 1.16(e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Loan shall provide that: (i) bidders, suppliers, contractors and subcontractors shall permit the Bank, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract, and to have said accounts and records audited by auditors appointed by the Bank; and (ii) the deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to an obstructive practice as defined in paragraph 1.16(a)(v) of the Procurement Guidelines.

### SCHEDULE 3

#### Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<b>Principal Payment Date</b>	<b>Installment Share (Expressed as a Percentage)</b>
On each April 15 and October 15  Beginning October 15, 2020, through April 15, 2030	5%

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
  - (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.
  - (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (“Original Installment Share”) and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.
  - (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.
4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.
5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

## APPENDIX

### Section I. Definitions

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011.
2. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
3. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014).
4. “EMF” means the Borrower’s environmental management framework, publicly disclosed on March 4, 2015, in form and substance acceptable to the Bank which contains, *inter alia*: (a) guidelines for the carrying out of environmental assessments and the preparation of environmental management plans, when applicable; (b) environmental mitigation measures anticipated for activities under the Project (including measures for chance findings of physical cultural property); and (c) the Borrower’s agencies responsible for monitoring of construction and operational impacts, as said framework may be amended from time to time with the prior written agreement of the Bank.
5. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated March 12, 2012, with the modifications set forth in Section II of this Appendix.
6. “General Secondary Education Schools” means educational institutions in the Borrower’s territory providing General Secondary Education.
7. “General Secondary Education” means the Borrower’s education provided to children in grades 1 through 11, pursuant to the Borrower’s Education Code, dated January 13, 2011.
8. “Involuntary Resettlement” means the impact of an involuntary taking of land under the Project, which taking causes affected persons to have their: (a) standard of living adversely affected; or (b) right, title or interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (c) access to productive assets adversely affected, temporarily or permanently; or (d) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently.

9. “Main Information Analytical Center” or “GIAC” means *учреждение “Главный информационно-аналитический центр Министерства образования Республики Беларусь”*, the Borrower’s MoE Institution “Main Information Analytical Center” established pursuant to the MoE’s Order No. 268, dated October 20, 1992, as amended.
10. “Ministerial Order” means MoE Ministerial Order designating responsibility to NIE for the implementation of the Project, as referred to in Section I.B of Schedule 2 to this Agreement.
11. “Ministry of Education” or “MoE” means the Borrower’s Ministry of Education, or any of successor thereto.
12. “National Institute of Education” or “NIE” means *научно-методическое учреждение “Национальный институт образования” Министерства образования Республики Беларусь*, the Borrower’s MoE research methodological institution “National Institute of Education” established pursuant to the Borrower’s Resolution No. 608, dated May 13, 2002, as amended, or any successor thereto acceptable to the Bank.
13. “OECD” means Organization for Economic-Cooperation and Development established pursuant to the Convention on the Organization for Economic Co-operation and Development, dated December 14, 1960.
14. “Operating Costs” means the reasonable incremental operating expenditures incurred by the NIE, required for an efficient Project implementation and monitoring, including the annual participation fee in PISA 2018 (payable to OECD), all based on annual budgets acceptable to the Bank.
15. “PISA 2018” means the seventh round of the Programme for International Student Assessment, a triennial international survey carried out by the OECD.
16. “Procurement Guidelines” means the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014).
17. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated April 23, 2015 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
18. “Procurement Report” means any of the reports referred to in Section III.D.2 of Schedule 2 to this Agreement.

19. “Project Implementing Unit” or “PIU” means the unit referred to in Section I.A.1 (a) of Schedule 2 to this Agreement.
20. “Project Operational Manual” or “POM” means the manual for the Project, acceptable to the Bank, prepared and adopted by the Borrower, describing and setting forth procedures *inter alia*, the activities and timetable of actions to be carried out under the Project, the respective roles and responsibilities of the Borrower’s subordinated agencies and any other relevant ministry involved in the implementation of the Project, the staff of the Project Implementing Unit, the fiduciary, technical and operational aspects and procedures for implementation of the Project, including the financial management procedures (budgeting, accounting and internal control, disbursement and flow of funds, financial reporting, annual reports, internal and external audit arrangements procedures and including the Project specific chart of accounts), procurement procedures, monitoring and evaluation arrangements, and other fiduciary and administrative arrangements and necessary terms of reference, as the same may be amended from time to time with the prior written agreement of the Bank.
21. “Republican Institute for Knowledge Control” or “RIKC” means *учреждение образования “Республиканский институт контроля знаний”*, the Borrower’s MoE education institution “Republican Institute for Knowledge Control”, established pursuant to the MoE’s Order No. 180, dated April 25, 2000, as amended.
22. “Training” means expenditures (other than those for consultants’ services) incurred by the Borrower in connection with the carrying out of training activities (such as seminars, workshops, including the reasonable travel costs (i.e. accommodation, transportation and *per-diem, inter alia*) of trainees and trainers (if applicable), training registration fees, catering, rental of training facilities and equipment, logistics and printing services, as well as training materials, all for the purposes of, and directly related to, the activities of the Project.

## **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 modifications set forth in the paragraphs below.
2. Section 3.01. (*Front-end Fee*) is modified to read as follows:

“Section 3.01. *Front-end Fee; Commitment Charge*

(a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the “Front-end Fee”).

(b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the “Commitment Charge”). The Commitment Charge shall accrue from a date sixty days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date.”

3. In the Appendix, **Definitions**, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.

4. The Appendix is modified by inserting a new paragraph 19 with the following definition of “Commitment Charge”, and renumbering the subsequent paragraphs accordingly:

“19. “Commitment Charge” means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b).”

5. In the renumbered paragraph 49 (originally paragraph 48) of the Appendix, the definition of “Front-end Fee” is modified by replacing the reference to Section 3.01 with Section 3.01 (a).

6. In the renumbered paragraph 68 (originally paragraph 67) of the Appendix, the definition of the term “Loan Payment” is modified to read as follows:

“68. “Loan Payment” means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements or these General Conditions, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, the Variable Spread Fixing Charge (if any), any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower.”

7. In the renumbered paragraph 73 (originally paragraph 72) of the Appendix, the definition of “Payment Date” is modified by deleting the word “is” and inserting the words “and Commitment Charge are” after the word “interest”.