

OFFICIAL
DOCUMENTS

CREDIT NUMBER 5702-TJ

Financing Agreement

(Higher Education Project)

between

REPUBLIC OF TAJIKISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated *August 7*, 2015

CREDIT NUMBER 5702-TJ

FINANCING AGREEMENT

AGREEMENT dated *August 7*, 2015, entered into between the REPUBLIC OF TAJIKISTAN (“Recipient”) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association 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 — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit (“Financing”) in an amount equivalent to six million Special Drawing Rights (SDR 6,000,000) (“Credit”) to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are May 15 and November 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

- 2.07. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project, through the Ministry of Education and Science (MoES), in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association 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 IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The execution and delivery of the Financing Agreement (Grant) on behalf of the Recipient has been duly authorized or ratified by all necessary governmental action and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.
 - (b) The Recipient has contracted, under the terms of reference and in a manner acceptable to the Association, for: (i) installation and adaptation of the IC accounting software for Project accounting, budgeting and reporting; and (ii) provision of adequate training as needed to MoES on the accounting system.
 - (c) The Project Operational Manual has been adopted by the Recipient in a manner acceptable to the Association.
- 4.02. The Effectiveness Deadline is the date one hundred fifty (150) days after the date of this Agreement.
- 4.03. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient's Representative is the Minister of Finance.

5.02. The Recipient's Address is:

Ministry of Finance
3 Akademikho Rajabovho
Dushanbe, 734025
Republic of Tajikistan

(992-372) 213320

5.03. The Association's Address is:

International Development Association
1818 H Street, N. W.
Washington, D.C. 20433
United States of America

Cable:

Telex:

Facsimile:

INDEVAS
Washington, D.C.

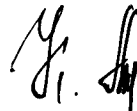
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AGREED at Dushanbe, Republic of Tajikistan, as of the day and year first above written.

REPUBLIC OF TAJIKISTAN

By



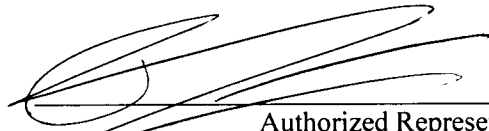
Authorized Representative

Name: Abdujalom Qurbanov

Title: Minister of Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Patricia Veivers-Carter

Title: Country Manager

SCHEDULE 1

Project Description

The objective of the Project is to develop mechanisms that improve and monitor the quality and labor-market relevance of higher education.

The Project consists of the following parts:

Component 1: Institutional Level Improvements

Sub-component 1.1: Just-in-Time Grants to Re/Up Skill Workforce

Provision of grants (Just-in-Time Grants) to Eligible Education Institutions to develop and deliver short-term programs or courses that align with the sectors, skills and competencies in immediate demand in the labor market, all in accordance with the POM.

Sub-component 1.2: Competitive Grant Program for Universities

Establishment and operation of a Competitive Grant Program through the provision of grants (Competitive Grants) to Eligible HEIs to fund demand-driven activities, including minor civil works, to: (a) improve labor market relevance; and (b) provide female student support services, all in accordance with the CGP Manual.

Component 2: System-Level Interventions

Sub-component 2.1: Quality Assurance Enhancements

Capacity development for monitoring and improving quality of higher education through (a) implementing minimum standards for conducting and reporting on graduate tracer studies; (b) building capacity of the relevant Recipient's authorities and higher education institutions for quality assurance consistent with the *European Standards and Guidelines for Quality Assurance in the European Higher Education Area*; and (c) developing, piloting, and approving new standards and guidelines for external and internal quality assurance at institutions of higher education.

Sub-component 2.2: System-Wide Education Curriculum Reform

Provision of support to the Recipient's reform of state-defined curriculum at the university level by (a) conducting a detailed employer survey similar to the Skills Towards Employability and Productivity (STEP) measurement survey; and (b) assisting with revising the state-defined curriculum for no less than five clusters of academic specialties.

Sub-component 2.3: Assessment of Higher Education Financing

Carrying out of assessment of the Recipient's approach to financing mechanisms for higher education.

Component 3: Project Management, Monitoring and Evaluation

Provision of support to the MoES for Project coordination, communication, implementation, management, monitoring and evaluation through the provision of goods, consultants' services, non-consulting services, Training, and Incremental Operating Costs, including Project audits.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

The Recipient shall carry out the Project in accordance with the following institutional and other arrangements:

1. The Recipient, through the MoES, as the Project implementing agency, shall carry out the Project in accordance with the requirements, criteria, organizational arrangements and operational procedures set forth in the POM and the EMF, and shall not assign, amend, abrogate or waive any provisions of the POM or the EMF without prior approval of the Association.
2. Without limitation to the provisions of Section 4.03 of the General Conditions, the Recipient shall promptly provide the MoES with such adequate funds, facilities and resources, including qualified and experienced staff in adequate numbers, including, *inter alia*, a Project Coordinator, a monitoring and evaluation specialist, a financial management specialist, and a procurement specialist, all acceptable to the Association.
3. No later than thirty (30) days from the Effective Date, the Recipient has contracted, under terms of reference and in a manner acceptable to the Association, a financial management specialist to support the MoES' Department for Accounting and Financial Reporting in the implementation of this Project.
4. No later than sixty (60) days from the Effective Date, the Recipient shall, in consultation with Project stakeholders, adopt a Grievance Redress Mechanism, in accordance with the procedures and guidelines set forth in the POM and acceptable to the Association.
5. No later than ninety (90) days from the Effective Date, the Recipient shall establish, and thereafter maintain during the execution of the Project, an Inter-Ministerial Steering Committee, responsible for: (a) overseeing the implementation of Sub-components 1.1 and 1.2 of the Project; and (b) reviewing and approving the selection of the Beneficiaries under Sub-Component 1.1 and Sub-Component 1.2. Such Inter-Ministerial Steering Committee shall include representatives from the following Recipient's Ministries: MoES, the Ministry of Finance, the Ministry of Economic Development and Trade, the Ministry of Labor, Migration and Employment; and other relevant members, as determined by the Recipient, in consultation with the Association, in adequate numbers and with

qualifications and experience acceptable to the Association, and as set forth in the POM and CGP Manual.

B. Implementation Arrangements

Within one hundred and twenty (120) days from the Effective Date, the Recipient shall: (a) establish the Competitive Grant Program acceptable to the Association; (b) establish, and thereafter maintain, during the execution of the Project, an evaluation committee responsible for evaluating Grant proposals under Sub-Component 1.1 and Sub-component 1.2 of the Project and submitting them to the Inter-Ministerial Steering Committee for final review and approval, all in accordance with the terms and conditions set forth in the POM (for Just-in-Time Grants) and CGP Manual (for CGP Grants); (c) prepare and adopt a manual (the CGP Manual), in form and substance acceptable to the Association; and (d) thereafter ensure that Sub-component 1.2 of the Project is carried out in accordance with the arrangements, procedures, and guidelines set out in the CGP Manual, and in a manner acceptable to the Association.

C. Just-in-Time Grants under Sub-component 1.1 of the Project

1. To facilitate the carrying out of Sub-component 1.1 of the Project, the Recipient shall: (a) select any given Sub-project in accordance with the eligibility criteria and procedures set forth in the POM; and (b) make the Just-in-Time-Grant available to the pertinent Beneficiary for the selected Sub-project under the corresponding Grant Agreement between the Recipient and said Beneficiary, under terms and conditions approved by the Association, including those set forth in Sections I.C(2) and E of this Schedule and in the POM.
2. The Recipient shall ensure that each Grant Agreement for carrying out a Sub-project shall comply with, but not be limited to, the following terms and conditions:
 - (a) each Beneficiary shall carry out the Sub-project in accordance with the Anti-Corruption Guidelines, and the pertinent provisions of this Agreement, as applicable to said Sub-project;
 - (b) Just-in-Time Grants shall not finance non-eligible activities or expenditures listed in the POM;
 - (c) Just-in-Time Grants shall not finance any Sub-project for the benefit of any Beneficiary with respect to which the Recipient and/or the Association has received credible evidence of non-compliance with any applicable laws and regulations on child and forced labor; and
 - (d) Just-in-Time Grants shall be used exclusively for the purposes specified in the respective Sub-project.

D. Competitive Grant Program under Sub-component 1.2 of the Project

1. To facilitate the carrying out of Sub-component 1.2 of the Project, the Recipient shall: (a) select any given Sub-project in accordance with the eligibility criteria and procedures set forth in the CGP Manual; and (b) make the Competitive Grant available to the pertinent Beneficiary for the selected Sub-project under the corresponding Grant Agreement between the Recipient and such Beneficiary, under terms and conditions approved by the Association, including those set forth in Section I.D(2) and E of this Schedule and in the CGP Manual.
2. The Recipient shall ensure that each Grant Agreement for carrying out a Sub-project shall comply with, but not be limited to, the following terms and conditions:
 - (a) each Beneficiary shall carry out the Sub-project in accordance with the Anti-Corruption Guidelines, the EMF, and the pertinent provisions of this Agreement, as applicable to said Sub-project;
 - (b) Competitive Grants shall not finance non-eligible activities or expenditures listed in the CGP Manual;
 - (c) Competitive Grants shall not finance Sub-project for the benefit of any Beneficiary with respect to which the Recipient and/or the Association has received credible evidence of non-compliance with any applicable laws and regulations on child and forced labor; and
 - (d) Competitive Grants shall be used exclusively for the purposes specified in the respective Sub-project.

E. Grant Agreements under Sub-components 1.1 and 1.2 of the Project

Without limitation to the provisions set forth in Sections I.C(2) and I.D(2) of this Schedule 2, and for the purposes of carrying out Sub-projects under Sub-components 1.1 and 1.2 of the Project, the Recipient, through MoES, shall:

1. Ensure that each Grant Agreement is prepared based on the model form approved by the Association and included in the POM or in the CGP Manual, as the case may be, in which the Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to:
 - (a) suspend or terminate the right of any Beneficiary to use the proceeds of the Grant, or obtain a refund of all or any part of the amount of the Grant then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the Grant Agreement; and

- (b) require each Beneficiary to:
 - (i) carry out its pertinent Sub-project with due diligence and efficiency, in compliance with any applicable national legislation on child and forced labor and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices acceptable to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines and the EMF;
 - (ii) provide, promptly as needed, the resources required for the carrying out of the Sub-project;
 - (iii) procure the goods, works, non-consulting services, and consultants' services to be financed out of the Grant in accordance with the provisions of this Agreement;
 - (iv) maintain procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the pertinent Sub-project and the achievement of its objectives;
 - (v) maintain a simplified financial management system and records in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Sub-project;
 - (vi) have the financial audit of Grants conducted by an auditor acceptable to the Association based on terms of reference acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association;
 - (vii) (A) have the technical audit of Grants conducted by an independent external audit firm acceptable to the Association based on terms of reference acceptable to the Association; (B) promptly furnish the technical audit report to the Recipient and the Association; and (C) implement the recommendations resulting from each technical audit in a manner acceptable to the Association;
 - (viii) enable the Recipient and the Association to inspect the Sub-project, its operation and any relevant records and documents; and

- (ix) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.
- 2. Exercise its rights and carry out its obligations under each Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Grant. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, waive, terminate or fail to enforce any Grant Agreement or any provisions thereof.

F. Anti-Corruption

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

G. Safeguards

- 1. The Recipient shall ensure that the Project is carried out in accordance with the EMF including the requirement of consultation and disclosure. The Recipient shall not assign, amend, abrogate, or waive the EMF or any provision thereof, without the prior approval of the Association.
- 2. For the purpose of carrying out the Sub-projects under the Component 1.2 and prior to the commencement of bidding process under any given Sub-project, the Recipient shall prepare and submit to the Association, for its approval: (i) the proposed design and site for said works, and, the related Site Specific EMPs/ EMP checklists, satisfactory to the Association; (ii) the proposed contract for said works to ensure that the provisions of the said Site-Specific EMPs and/ or EMP checklists are adequately included in said contract; and (iii) ensure that such works are carried out in accordance with the pertinent Site-Specific EMP/EMP Checklist (as the case may be).
- 3. The Recipient shall ensure that no works undertaken as part of the Project activities shall involve the involuntary taking of land resulting in relocation or loss of shelter, loss of assets or access to assets, loss of income sources or means of livelihood, or involving the involuntary restriction of access to legally designated parks and protected areas.
- 4. The Recipient shall ensure that the Project is implemented in accordance with the applicable laws and regulations on child and forced labor, including ensuring such compliance by Beneficiaries.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators acceptable to the Association. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association no later than forty-five (45) days after the end of the period covered by such report.
2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than three (2) months after the Closing Date.
3. By September 30, 2018 or such other date as the Association shall agree upon, the Recipient shall: (a) carry out jointly with the Association, a mid-term review of the implementation of the activities under the Project (Mid-term Review); and (b) immediately thereafter, act promptly and diligently to take any corrective action as shall have been agreed with the Association.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. The Recipient shall prepare and furnish to the Association, not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance acceptable to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions and in accordance with the International Standards on Auditing. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not 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 Financing 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 Financing 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 Association of particular contracts, refer to the corresponding methods 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 (NCB), subject to the following additional provisions set forth in the Annex to this Schedule 2;
 - (b) Shopping; and
 - (c) Direct Contracting.

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; and (f) Selection of Individual Consultants.

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall 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 Association 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 Financing ("Category"), the amount of the Credit to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (exclusive of VAT and customs taxes and fees)
Goods, works, non-consulting services, and consultants' services, Grants, (Training and Incremental Operating Costs under the Project	6,000,000	100%
TOTAL AMOUNT	<u>6,000,000</u>	

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 October 31, 2021.

**ANNEX to SCHEDULE 2
NATIONAL COMPETITIVE BIDDING**

The procurement procedure to be followed for National Competitive Bidding shall be the tendering with unlimited participation procurement method set forth in the Law “On Public Procurement of Goods, Works and Services”, #168 dated March 3, 2006 (as amended by Law #815, the “Law of the Republic of Tajikistan on “Introduction of Amendments and Additions to the Law of the Republic of Tajikistan on ‘Public Procurement of Goods, Works and Services’” dated April 16, 2012) (“the PPL”); provided, however, that such procedure shall be subject to the provisions of Section I and Paragraphs 3.3 and 3.4 of the “Guidelines for Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers” (January 2011) (the “Procurement Guidelines”) (as required by paragraphs. 3.3 of the Guidelines) and the following paragraphs additional provisions:

Participation in bidding

1. Eligibility: Eligibility of bidders to participate in a procurement process and to be awarded an Association-financed contract 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 Association for reasons other than those provided in Section I of the Procurement Guidelines.
2. Domestic Preference: No domestic preference may be applied in bid evaluation on the basis of bidder nationality, the origin of goods, services or labor, and/or preferential programs.
3. Bidding Documents: Procuring entities shall use the appropriate standard bidding documents acceptable to the Association, which documents shall be prepared so as to ensure economy, efficiency, transparency, and broad consistency with the provisions of Section I of the Procurement Guidelines. Until a modified version of the Recipient’s standard bidding documents has been approved by the Association, the Association’s sample NCB bidding documents for the Europe and Central Asia Region shall be used.
4. Bid Validity: The bid validity period required by the bidding documents shall be sufficient to account for any period that may be required for the approval and registration of the contract as contemplated in the PPL. An extension of bid validity, if justified by exceptional circumstances, may be requested in writing from all bidders before the original bid validity expiration date, provided that such extension shall cover only the minimum period required to complete the evaluation, award a contract, and/or complete the registration process. No further extensions shall be requested without the prior written concurrence of the Association.

5. Qualification: Qualification criteria shall be clearly specified in the bidding documents. All criteria so specified, and only such specified criteria, shall be used to determine whether a bidder is qualified. Qualification shall be assessed on a "pass or fail" basis, and merit points shall not be used. Such assessment shall be based entirely upon the bidder's or prospective bidder's capability and resources to effectively perform the contract, taking into account objective and measurable factors, including: (a) relevant general and specific experience, and satisfactory past performance and successful completion of similar contracts over a given period; (b) financial position; and where relevant (c) capability of construction and/or manufacturing facilities.

Prequalification procedures and documents acceptable to the Association shall be used for large, complex and/or specialized works contracts. Verification of the information upon which a bidder was prequalified, including current commitments and the bidder's capability with respect to personnel and equipment, shall be carried out at the time of contract award. In the procurement of goods and works where prequalification is not used, the qualification of the bidder who is recommended for award of contract shall be assessed by post-qualification, applying the qualification criteria stated in the bidding documents.

6. Guarantees: Guarantees shall be in the format specified in the bidding documents. The bid guarantee shall be valid for twenty-eight days (28) beyond the original validity period of the bid, or beyond any period of extension if requested.
7. Bid Submission and Bid Opening: Prospective bidders shall be given at least thirty (30) days from the date of publication of the invitation to bid or the date of availability of the bidding documents, whichever is later, to prepare and submit bids. Bids may be delivered by mail or by hand. Bids shall be opened in public immediately after the deadline for their submission. The minutes of bid opening shall be signed by the members of the bidding committee immediately after bid opening. A copy of the bid opening minutes shall be promptly provided to all bidders who submitted bids, and to the Association with respect to contracts subject to the Association's prior review. No bids shall be rejected at bid opening.
8. Bid Evaluation and Award of Contracts: Bidders shall not be allowed to be present during bid evaluation, and no information relating to the evaluation of bids shall be disclosed to bidders until the bidders are notified of the contract award.

Evaluation criteria shall be clearly specified in the bidding documents. Evaluation of bids shall be made in strict adherence to the criteria specified in the bidding documents. All bid evaluation criteria other than price shall be quantifiable in monetary terms. Merit points shall not be used, and no minimum point or percentage value shall be assigned to the significance of price, in bid evaluation. Bidders shall not be eliminated on the basis of minor, nonmaterial deviations. Contracts shall be awarded to the qualified bidder whose bid has been determined:

(i) to be substantially responsive to the bidding documents; and (ii) to offer the lowest-evaluated cost.

A bidder shall not be required, as a condition for award, to undertake obligations not specified in the bidding documents or otherwise to modify the bid as originally submitted.

9. Cost Estimates: Cost estimates shall be confidential and shall not be disclosed to prospective bidders. No bids shall be rejected on the basis of comparison with the cost estimates and/or budget ceiling without the Association's prior written concurrence.
10. Rejection of Bids and Re-bidding: No bids shall be rejected solely because they exceed the estimated cost. 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 Association's prior written concurrence.
11. Contract Modifications: With respect to contracts subject to the Association's prior review, the Borrower shall obtain the Association's no objection before agreeing to: (i) a material extension of the stipulated time for performance of a contract; (ii) any substantial modification of the contract scope of services or other significant changes to the terms and conditions of the contract; (iii) any variation order or amendment (except in cases of extreme urgency) which, singly or combined with all variation orders or amendments previously issued, increases the original contract amount by more than fifteen percent (15%); or (iv) the proposed termination of the contract. A copy of all contract amendments shall be provided to the Association.
12. Fraud and Corruption: The bidding documents and contract as deemed acceptable by the Association shall include provisions stating the Association's policy to sanction firms or individuals, found to have engaged in fraud and corruption as defined in the Procurement Guidelines.
13. Inspection and Audit Rights: In accordance with the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Financing shall provide that bidders, suppliers and contractors, and their subcontractors, agents, personnel, consultants, service providers, or suppliers, to permit the Association to inspect all accounts, records, and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the Association. Acts intended to materially impede the exercise of the Association's inspection and audit rights provided for in the Procurement Guidelines constitute an obstructive practice as defined in the Procurement Guidelines.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each May 15 and November 15 commencing November 15, 2021 to and including May 15, 2053	1.5625%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.

APPENDIX

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. “Beneficiary” means any Eligible HEI or Eligible Education Institution.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Competitive Grant” means any grant made or proposed to be made by the Recipient to a Beneficiary out of the proceeds of the Financing for purposes of financing goods, works, non-consulting services and/or consultants’ services under any given Sub-project under Sub-component 1.2 of the Project, all in accordance with the CGP Manual.
5. “Competitive Grant Program” is the Recipient’s program to establish and administer Competitive Grants to fund the demand-driven activities referred to in Sub-component 1.2 of the Project.
6. “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, and as revised July, 2014.
7. “CGP Manual” means the Recipient’s manual, in form and substance acceptable to the Association and referred to in Section I.B(1) of Schedule 2 to this Agreement, setting forth, *inter alia*, the guidelines for approval of Competitive Grants, selection of Beneficiaries, and management and implementation of Sub-projects under Sub-component 1.2 of the Project.
8. “Eligible HEI” means a Higher Education Institution eligible to receive a Competitive Grant under Sub-component 1.2 of the Project.
9. “Eligible Education Institution” means any HEI, college, or training center eligible to receive a Just- in- Time Grant under Sub-component 1.1 of the Project.
10. “Environmental Management Framework” or “EMF” means the Recipient’s framework dated January 1, 2015 acceptable to the Association, prepared and endorsed by the Recipient and disclosed in-country, and through Infoshop on May 7, 2015 setting forth the guidelines and procedures to carry out and assess the environmental impacts of Sub-projects, including guidelines on how to reduce, mitigate and/or offset adverse impacts and enhance positive impacts, and

information on main roles and responsibilities for addressing the pertinent Sub-project impacts, as such framework may be amended from time to time with the agreement of the Association.

11. “Financing Agreement (Grant)” means the Financing Agreement of even date between the Recipient and the Association in support of the Project in an amount of four million nine hundred thousand Special Drawing Rights (SDR 4,900,000).
12. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
13. “Grant” means a Just-in-Time Grant and/or a Competitive Grant, as the case may be.
14. “Grant Agreement” means any agreement entered into between the Recipient and a Beneficiary for a respective Sub-project pursuant to Section I.C(1) and I.D(1) of Schedule 2 to this Agreement.
15. “Grievance Redress Mechanism” means the Recipient’s system aimed to receive grievances occurrence related to, or associated with the Project activities.
16. “HEI(s)” means higher education institution(s), consisting of the universities, academies and institutes, all within the territory of the Recipient.
17. “Incremental Operating Costs” means incremental expenditures incurred by the MoES on account of Project implementation, management and monitoring, including: dissemination of Project related information costs, travel costs, lodging and *per diem* for field trips related to Project implementation, at the rates specified under the financial management requirements set forth in the POM; vehicle rent; supplies and utilities; mail, advertisement costs, translation costs, commercial bank charges, communication costs, office equipment and maintenance, as such costs shall be agreed with the Association on an annual basis, but excluding salaries of officials and/or employees of the Recipient’s civil service as well as any Social Charges on their salaries.
18. “Just-in-Time Grant” means any grant made or proposed to be made by the Recipient to the Beneficiaries out of the proceeds of the Financing for purposes of financing goods and/or consultants’ services under any given Sub-project under Sub-component 1.1 of the Project, all in accordance with the POM.
19. “MoES” means Recipient’s Ministry of Education and Science, or any legal successor thereto.
20. “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).

21. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 29, 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.
22. “Project Operational Manual” or “POM” means the manual, to be adopted by the Recipient, pursuant to Section 4.01(c) of this Agreement, and acceptable to the Association, setting forth the operational and administrative responsibilities, procedures and rules for the implementation of the Project, including a manual of financial procedures, consistent with the provisions of this Agreement and with the national laws and regulations of the Recipient, as the same may be amended and supplemented from time to time with the Association’s prior written approval.
23. “Site-specific Environmental Management Plan” or “Site-specific EMP” means the site-specific document, prepared by the Recipient, based on the EMF, and acceptable to the Association, in respect of Sub-projects, defining details of measures to manage potential environmental risks and mitigate, reduce and/or offset adverse environmental impacts associated with the implementation of Sub-projects, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, its terms, as the same may be amended and supplemented from time to time with the Association’s prior written approval.
24. “Social Charges” means any payments, premia, or contributions for health benefits, unemployment benefits, disability insurance, workers’ compensation benefits, retirement (pension or social security) benefits, and life insurance, which constitute payment for the drawdown of future benefits to the staff concerned.
25. “Sub-project” means any of the activities selected by the Recipient under Sub-components 1.1 or 1.2 of the Project in accordance with the eligibility criteria and procedures set forth in the POM (in the case of activities under Sub-component 1.1) or in the CGP Manual (in the case of activities under Sub-component 1.2).
26. “Training” means expenditures incurred for Project- related study tours, training courses, seminars, workshops and other training activities, not included under goods or service providers’ contracts, including costs of training materials, space and equipment rental, travel, *per diem* costs of trainees and trainers and trainers’ fees, all based on an annual budget agreed with the Association.