Amended and Restated
Afghanistan Reconstruction
Trust Fund Grant Agreement

(Capacity Building for Results Facility Project)

between

ISLAMIC REPUBLIC OF AFGHANISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as Administrator of the Afghanistan Reconstruction Trust Fund)

Originally dated January 21, 2012
(As amended and Restated on JUNE 19, 2016)
ARTF GRANT NUMBER TF011447-AF

AMENDED AND RESTATED
AFGHANISTAN RECONSTRUCTION TRUST FUND
GRANT AGREEMENT

AGREEMENT originally dated January 21, 2012, amended and restated on June 19, 2016, between ISLAMIC REPUBLIC OF AFGHANISTAN ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION, acting as administrator (the "Administrator") of grant funds (the "Grant Funds") contributed by various donors (collectively the "Donors") to the Afghanistan Reconstruction Trust Fund ("ARTF").

The Recipient and the Administrator 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 31, 2010 ("Standard Conditions"), 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 Standard Conditions or in this Agreement and its Appendix.

Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement (the "Project"). To this end, the Recipient shall: (i) carry out Parts 1 and 3 of the Project through MOF; and (ii) carry out Part 2 of the Project through IARCSC and MOF; 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 Administrator 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 Administrator 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 hundred million United States Dollars ($100,000,000) (the “Grant”) to assist in financing the Project.

3.02. Additional Grant Funds may be added to the Grant as Donor contributions to ARTF are made from time to time, and depending inter alia on progress in Project implementation. The Administrator shall promptly notify the Recipient of such contributions and any ensuing increase in the amount of the Grant, and shall take all necessary action required on its part to modify this Agreement in order to reflect the increase in available Grant Funds.

3.03. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

3.04. The Grant is funded out of the ARTF for which the Administrator receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions, the Administrator’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds. Accordingly, in the event that any Donor cancels or fails to pay any contributions under the ARTF to the Administrator for any reason, or that as a result of currency exchange variations the amount of funds available in the ARTF is insufficient for the purposes of the Grant, the Recipient shall bear the risk of such funding shortfall and the Administrator shall not have any liability whatsoever to the Recipient or to any third parties in respect of any expenditures or liabilities incurred by the Recipient or any third parties in connection with this Agreement which exceed the amount of funds made available to the Administrator by the Donors for the purposes of the Grant.

3.05. The amount of the Grant, as approved by the ARTF Management Committee, accordingly shall be available to the Recipient.

Article IV
Recipient’s Representative; Addresses

4.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Minister of Finance.

4.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance
Pashtunistan Watt
Kabul
Islamic Republic of Afghanistan

Facsimile:
93-20-210-3258

4.03. The Administrator’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 248423 (MCI) or 1-202-477-6391
Washington, D.C. 64145 (MCI)

AGREED at Kabul, Islamic Republic of Afghanistan, as of the day and year first above written.

ISLAMIC REPUBLIC OF AFGHANISTAN

[Signature]
Authorized Representative
Minister of Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as Administrator of the Afghanistan Reconstruction Trust Fund)

[Signature]
Authorized Representative
Robert J. Saum
Country Director
SCHEDULE 1

Project Description

The Project objective is to assist the Recipient in improving the capacity and performance of priority line ministries and independent agencies in selected reform areas.

The Project consists of the following parts:

Part 1: Technical Assistance Facility in Support of Civil Service Reform

(i) Provision of technical assistance for: (A) the preparation by selected Entities of CBRPs; and (B) the implementation of Approved CBRPs by such Entities; with quality assurance of CBRPs at both stages on relevance, results focus, cost-effectiveness, realism, implementation accountability and monitoring.

(ii) Provision of technical assistance to selected Entities to improve their capacity and performance in selected Civil Service reform areas under the Project as determined by SC.

(iii) Provision of support for institutional reform of selected Entities in accordance with the Operations Manual.

Part 2: Building Human Resources

2.1 Support to IARCSC for Civil Service Reforms

Implementation of the Recipient’s civil service reforms by IARCSC, including efforts to: (i) enable the appointment of managerial, professional and common function staff on term contracts for key positions in the Entities; (ii) institutionalize appropriate human resource management and public administration policies and practices, including mainstreaming of gender through support for the Recipient’s gender policy, strengthening of performance evaluation, and support for a review of civil service regulations, salaries and incentives; (iii) implementation of the pay and grading system; and (iv) support for the Recipient’s sub-national administration reform process.

2.2 Appointment of Managerial, Common Function and Professional Staff

Capacity building through the hiring of local staff on the basis of up to five year term contracts, subject to satisfactory annual performance review, to fill: (i) a limited number of senior and mid-management level professional positions in the case of selected Entities (excluding MOD and MOI), as determined by their respective CBRP; (ii) common function positions, in financial management, HR, administration, internal audit and procurement roles in the Entities, and limited to non-uniform civilian personnel only in case of the Recipient’s MOD and MOI; (iv) CBR-readiness (reform readiness) support in the form of technical positions for interested Entities (excluding MOD and MOI); and (v) the selection and hiring of a professional cadre group once the required framework for the establishment of said group is in place.
2.3 Mid-level Management Development Program

Establishment and operation of a management internship program comprised of training, mentoring and a rotation process across selected Entities, including at the provincial level, *inter alia* through: (i) consulting services for training and advice on development of policies and procedures for said program; and (ii) Scholarships.

2.4 Consulting Services to Assist with Recruitment

Strengthening the capacity of IARCSC to assist and monitor the selected Entities in carrying out their expanded recruitment responsibilities under the Project, all through the hiring of a human resources firm and individual consultants.

2.5 Managerial Staff Contracted under the Management Capacity Program

Salary payments to managerial staff contracted under the Management Capacity Program, whose tenure goes beyond December 31, 2011, such support to be conditional on satisfactory performance by said staff, till the Closing Date of the Project.

Part 3: Project Management, Monitoring and Evaluation

Strengthening the institutional capacity of the MOF-CBR-PSU and IARCSC-CBR-PSU for the carrying out their respective Parts of the Project.
SCHEDULE 2
Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. The Recipient shall vest the overall responsibility for Project implementation in MOF.

2. The Recipient shall establish and thereafter maintain throughout the period of implementation of the Project:

(a) maintain throughout project implementation a Project Steering Committee ("SC") under the patronage of the Recipient's President, with mandate, composition and resources acceptable to the Administrator, comprised of the Minister of Finance as the Chair of the SC, the Chairman of IARCSC, and a representative from the Administrative Office of the Recipient's President and provided with such powers and responsibilities as required to (i) provide oversight and strategic guidance on Project implementation, including selection of participating Entities under Part 1(i) of the Project; (ii) approve technical assistance allocations under Part 1(ii) of the Project to selected Entities; and (iii) approve the composition of Independent Expert Groups. The SC will report to the President and Cabinet on a regular basis.

(b) a Project Support Unit within MOF ("MOF-CBR-PSU") that will report to the Recipient's Director General for Budget and the Deputy Minister of Finance and be subject to strategic guidance and oversight from the Steering Committee; consisting of qualified staff in sufficient numbers and under terms of reference satisfactory to the Administrator. The MOF-CBR-PSU will be provided at all times with adequate funds and other resources, which shall be responsible for (i) the day-to-day coordination and implementation of Parts 1 and 3 of the Project; (ii) administration and implementation of the Project, including the carrying out of procurement, financial management, reporting, and monitoring and evaluation of the Project activities; (iii) convening IEGs, and (iv) acting as secretariat to the SC and IEGs.

(c) a Project Support Unit within IARCSC ("IARCSC-CBR-PSU") that will report to the Recipient's IARCSC Chairman (or such authorized representative as may be designated by the IARCSC's Chairman) on a functional basis and be subject to strategic guidance and oversight from the Steering Committee, consisting of qualified staff in sufficient numbers and under terms of reference satisfactory to the Administrator. The IARCSC-CBR-PSU will be provided at all times with adequate funds and other resources and will be responsible for the coordination, and monitoring and reporting of the Project activities under Part 2 of the Project.
(d) an Operations Committee comprised of MOF’s Director General for Budget and the managers of the MOF-CBR-PSU and the IARCSC-CBR-PSU which shall meet on an ad hoc basis, as needed, to coordinate Project implementation.

3. The Recipient shall maintain, throughout Project implementation, a Special Disbursement Unit within MOF in form and with functions, staffing and resources acceptable to the Administrator, which unit shall be responsible for the accounting of Project’s funds and the management of cash resources.

B. Implementation Arrangements

1. The Recipient shall cause MOF to furnish to the Administrator for its approval, within six (6) weeks from the date of this Agreement, a revised version of the Operations Manual.

2. The Recipient shall, and shall cause MOF and IARCSC to, carry out the Project in accordance with, inter alia, the Financial Management Manual and Operations Manual.

3. The Recipient shall not amend, suspend, abrogate, repeal, vary or waive any provisions of the Financial Management Manual or Operations Manual without the prior written agreement of the Administrator, and undertakes to update both said manuals as necessary with the prior written agreement of the Administrator.

4. In carrying out Part 1 of the Project, the Recipient shall cause MOF to:

   (a) establish, and thereafter, convene IEGs on an ad hoc basis in order to: (i) formally assess and appraise CBRP proposals from the Entities, and make recommendations to the SC on the suitability of such Entities to develop CBRPs; and (ii) assess CBRP proposals from applicant Entities and make recommendations thereon to the SC, all in accordance with criteria and procedures set forth in the Operations Manual, and in a manner and substance satisfactory to the Administrator; and

   (b) submit CBRP proposals to the SC for consideration.

5. In carrying out Part 1 of the Project, the Recipient shall cause the SC to:

   (a) establish IEGs with terms of reference and composition approved by the Administrator;

   (b) approve or reject CBRP proposals from the Entities, taking into account the recommendation from the relevant IEGs, and in accordance with the criteria and procedures set forth in the Operations Manual; and

   (c) upon approval of a CBRP, enter into a MOU with the relevant Entity, such MOU to set forth monitorable performance targets, and a reporting schedule on agreed targets and monitoring structures, all in accordance

6. The Recipient shall:

(a) cause the MOF through the MOF-CBR-PSU to manage the Project's budget and, in consultation with IARCSC-CBR-PSU and participating Entities, coordinate the preparation of an annual budget and of an Annual Work Plan, all as further detailed in the Financial Management Manual;

(b) cause the MOF to undertake quarterly reviews, for submission to the SC, of forecasted and incurred expenditures to ensure compliance with governmental budgeting principles, policies and procedures and adequate budget discipline and control;

(c) cause the MOF to furnish to the SC and the Administrator, by each September 30 until completion of the Project, an Annual Work Plan, in form and substance satisfactory to the Administrator, for the following fiscal year of the Recipient; provided however that the first of such plans will be furnished no later than March 31, 2012 and cover the period April 1 through December 31 2012; and thereafter;

(d) carry out the Project through the MOF and IARCSC for the corresponding fiscal year as established in the Annual Work Plan.

C. Anti-Corruption

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

D. Mid Term Review

The Recipient shall undertake, jointly with the Administrator, within twenty-four (24) months of the date of this Agreement, or such later date as may be established by the Administrator, a review of the implementation of the Project and shall, thereafter, carry out the Project taking into account the Administrator's views and comments.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient 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 acceptable to the Administrator. Each Project Report shall cover the period of one calendar semester, and shall be furnished to
the Administrator not later than forty-five (45) days after the end of the period covered by such report.

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the Administrator not later than six months after the Closing Date.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the Administrator not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the Administrator.

3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such 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 (a) be furnished to the Administrator not later than six (6) months after the end of such period, and (b) be made publicly available in a timely fashion and in a manner acceptable to the Administrator.

4. In order to fulfill the duties and responsibilities set forth in paragraph 1 of this Section II.B, the Recipient through MOF shall appoint, within six months of the date of this Agreement, and thereafter maintain throughout the period of implementation of the Project, an internal auditor, under terms of reference acceptable to the Administrator.

Section III. Procurement

A. General

1. Procurement and Consultant Guidelines. All goods, non-consulting-services and 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:

(a) Section I of 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) (“Procurement Guidelines”) in the case of goods and non-consulting services, and Sections I and IV of 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) (“Consultant Guidelines”) in the case of consultants’ services; and

(b) the provisions of this Section III, as the same shall be elaborated in the Procurement Plan.

2. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Administrator 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 and Non-consulting Services

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

2. Other Methods of Procurement of Goods and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the additional provisions agreed upon from time to time between the Recipient and the Administrator and set forth in the Procurement Plan; (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 assignments 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) Selection of Individual Consultants; and (g) Procurement through UN Agencies.

D. Review by the Administrator of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Administrator’s Prior Review. All other contracts shall be subject to Post Review by the Administrator.
E. Record Keeping; Database and Complaints Handling

The Recipient shall cause MOF to establish within ten (10) weeks of the date of this Agreement, and thereafter maintain throughout the period of implementation of the Project:

(a) a fully operational procurement documentation and record keeping system, in a manner and substance satisfactory to the Administrator, including a freely and publicly accessible database with an interface (link) with MOF’s website, showing the procurement notices, invitations to bid, bidding documents and requests for proposals, as well as the procurement status of various contracts, including status of evaluation, complaints and actions taken, contract awards and contracts performance. The Recipient shall cause MOF to maintain such system and website updated on a monthly basis throughout the period of implementation of the Project; and

(b) a system for the handling of procurement complaints, in a manner and substance acceptable to the Administrator, which system shall include, *inter alia*, the maintenance of a complaint database, a standard protocol setting forth triggers for carrying out investigations, and a sanctions regime. Notwithstanding the foregoing, for any procurement done through International Competitive Bidding, the Administrator’s prescribed complaint redress mechanism shall apply.
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 Administrator 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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consultants’ services, Payments of CBR Recruits, Scholarships, Training and Workshops, and Incremental Operating Costs under the Project</td>
<td>100,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>100,000,000</td>
<td></td>
</tr>
</tbody>
</table>

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, except that withdrawals up to an aggregate amount not to exceed two million United States dollars ($2,000,000) equivalent may be made for payments made prior to this date but on or after September 14, 2011, for Eligible Expenditures.

2. The Closing Date referred to in Section 3.06(c) of the Standard Conditions is December 31, 2017.
APPENDIX

Definitions

1. "Annual Work Plan" means a detailed plan, setting out the time-bound program of Project activities for a fiscal year of the Recipient by component and sub-component, including: (i) a forecast of the funds required for their implementation, and the respective financing sources; (ii) an update of the Project’s disbursement profile; and (iii) the Project indicators to be achieved during the period covered by the plan.

2. "Approved CBRP" means a CBRP that has been approved by the SC upon recommendation of an IEG.

3. "CBRP" and "Capacity Building for Results Program" means a document, setting forth elements specified in the Operations Manual, which inter alia: (i) describes the Entity’s mandate, operational performance goals and sector reform strategies; (ii) demonstrates how said Entity’s organizational structure and staffing will be aligned to its core functions at the central, provincial and district levels; (iii) explains how donor financing will be aligned with strategic goals; (iv) describes the business processes and actions required to better meet the Entity’s mandate; and (v) provides a strategy to reduce reliance on international and national technical assistance, and a detailed implementation plan and results framework with annual targets for five years.

4. "Entity" means a line ministry or an independent agency of the Recipient that satisfies the requirements set out in the Operations Manual selected to improve its capacity and performance in selected reform areas under the Project, and "Entities" mean collectively all such line ministries or independent agencies of the Recipient.

5. "Financial Management Manual" means the manual prepared and adopted by MOF on March 15, 2012, as periodically updated with approval of the Administrator, which describes the applicable protocol for handling financial responsibilities, including, inter alia, (i) segregation of fiduciary duties; (ii) roles and responsibilities for all financial management staff; (iii) documentation and approval procedures for payments; (iv) project reporting requirements; (v) staff training requirements and terms of reference for the annual audit reviews, and (vi) audit procedures and quality assurance measures to help ensure that adequate internal controls and procedures are in place and are being followed.

6. "IARCSC" means Independent Administrative Reform and Civil Service Commission, the commission established pursuant to the Recipient’s Decree No. 257 of May 2002; or any successor thereto.

7. "IARCSC-CBR-PSU" means a unit within IARCSC in charge of daily management and monitoring of, and reporting on, Part 2 of the Project, and to be established by the Recipient pursuant to Section 1.A.2(c) of Schedule 2 of this Agreement.
8. “Incremental Operating Costs” means the reasonable and necessary incremental expenditures incurred on account of Project implementation, management, monitoring and evaluation, coordination and supervision, as approved by the Administrator based on annual budgets acceptable to the Administrator, which would not have been incurred but for the Project, including: (i) maintenance and operation of equipment and vehicles procured or used for the management of the Project; (ii) hiring of vehicles; (iii) office rent; (iv) cost of consumable, fuel, office utilities and supplies; (v) communication, printing and publications; (vi) bank charges; (vii) training of individuals subject to prior agreement of Administrator; and (viii) advertising expenses; but excluding salaries of the Recipient’s civil servants.

9. “Independent Experts Group” and “IEG” means a group of experts with a range of skills relevant to the Entity at hand, established by the SC, with terms of reference and composition approved by the Administrator, to assess CBRP proposals and make recommendations thereon to the SC, as further described in the Operations Manual.

10. “Management Capacity Program” means the project described in the Afghanistan Reconstruction Trust Fund Grant Agreement between the Recipient and the Administrator, dated June 17, 2007, as amended to date.


12. “MOF” means the Recipient’s Ministry of Finance or any successor thereto.

13. “MOI” means the Recipient’s Ministry of Interior or any successor thereto.

14. “MOF-CBR-PSU” means a unit within MOF, in charge of procurement, financial management, audit, monitoring and evaluation of the Project, and for the daily management of Parts 1 and 3 of the Project, to be created by the Recipient pursuant to Section I.A.2(b) of Schedule 2 to this Agreement.

15. “MOU” means a memorandum of understanding as referred to in Section I.B.5(c) of Schedule 2 to this Agreement.

16. “Operations Manual” means the manual dated August 15, 2012, to be revised in a manner satisfactory to the Administrator in accordance with Section I.B.1 of Schedule 2 to this Agreement, for the implementation of the Project, which describes inter alia: (i) the Recipient’s reporting requirements under the Project; (ii) eligibility criteria for the Entities; (iii) main elements and procedures for appraisal and approval of CBRP proposals; (iv) criteria and procedures for selection of candidates under Part 2 of the Project, and for ensuring equal opportunity and gender balance; and (v) rules and procedures for the procurement of goods and services under the Project.

17. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated December 22, 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. “Payments of CBR Recruits” means the reasonable cost of: (i) salaries of senior management civil servants and interns under Parts 2.2 and 2.5 of the Project; and (ii) remuneration above the Recipient’s normal pay and grading system, at levels acceptable to the Administrator, for common function staff and professional cadres under Parts 2.2 and 2.5 of the Project.

19. “Scholarships” means payment of tuition and related costs for interns who have been selected in accordance with the procedures and criteria set forth in the Operations Manual.

20. “Training and Workshops” means, in respect of the Category in the table of Section IV.A.2 of Schedule 2 to this Agreement, reasonable costs of travel, room, board and per diem expenditures incurred by trainers and trainees in connection with their training and by non-consultant training facilitators, course fees, workshops and travel study tours, training facility rentals, and training material preparation, acquisition, reproduction and distribution expenses not otherwise covered under said section.