I. Project Context

Country Context

With a population of around 160 million, Bangladesh has made considerable progress in economic growth and poverty reduction during the past decade. Bangladesh’s Gross Domestic Product (GDP) grew at an average rate of 6.1 percent in the past ten years, resulting in a substantial decline in the incidence of poverty. The rapid increase in per capita income has been attributed to sustained economic growth, declining population growth, higher remittance inflow from a growing stock of migrant workers and increasing export earnings from ready-made garments. These developments have led Bangladesh to graduate from Lower Income Country (LIC) to Lower Middle Income Country (LMIC) status in 2015, based on its $1,080 GNI per capita (Atlas Method) in FY2014.

Human development outcomes have also improved for Bangladesh. There have been impressive gains in several social indicators, including improvements in literacy, life expectancy, and maternal and child mortality. Significant progress has been made towards achieving the Millennium Development Goals (MDGs) in education and reducing child mortality. The net enrollment rate (NER) in primary education increased from 66.5 percent in 2005 to 97.3 percent in 2013. Enrollments and pass rates have also increased at the secondary and higher secondary levels since the early 1990s. Gender parity has already been achieved at both the primary and secondary
education levels. The Gross Enrollment Rate (GER) in tertiary education increased from 5 percent to 13 percent between 2000 and 2012. The steady increase in the number of students completing higher secondary education has placed a growing pressure on the tertiary education sector to absorb a large and increasing population of eligible secondary students in recent years.

Improving skills and productivity are crucial to Bangladesh’s quest to accelerate economic growth and become a middle income country. The labor market is demanding a more educated and higher skilled workforce. Economic growth is expected to continue with around 15 million jobs projected to be created over the next decade in seven key sectors. Job expansion across these sectors will demand more skilled professionals in managerial, technical and leadership positions. However, the current skill levels of the labor force are unlikely to support future market demands. The majority of workers in Bangladesh is under-educated - 76 percent of workers have a secondary educational qualification or below and only 22 percent have a tertiary education level degree, while around two percent have a technical vocational education and training (TVET) certificate or diploma across five major fields of studies in Commerce, Education, Finance, Manufacturing and Public Administration. While there is an abundance of low-skilled workers, there is a strong demand for graduates with higher cognitive and non-cognitive skills and job-specific technical skills. This would require improving the quality and relevance of tertiary education so that education institutions are equipped to produce graduates with more market-relevant skills.

The Government of Bangladesh’s Perspective Plan (2010-2021) identified that upgrading the quality of tertiary education institutions to international standards is a prerequisite for attaining its Vision of becoming a middle income country by 2021.

**Sectoral and institutional Context**

In Bangladesh, the tertiary education system consists of two main sub-sectors: (i) public and private universities, directly under the supervision of the University Grant Commission (UGC) for the purposes of quality control for both and for funding in only the former; and (ii) government and non-government colleges affiliated under the National University, where funding for government colleges is primarily the responsibility of the Ministry of Education (MoE), while quality control for all colleges is with the affiliating body. Currently there are around three million students enrolled in tertiary education institutions. Out of these, the university system accounts for about 853,000 (34 percent) students across 112 public and private universities; the NU college system accounts for about 1.6 million (64 percent) tertiary students across 1,731 affiliated government and non-government colleges; and the remaining about 60,000 (2 percent) in the Bangladesh Open University.

The NU’s main responsibilities include affiliation of tertiary education colleges, approval of academic programs, preparing curriculum, student enrollment, question paper setting and organizing examinations, conferring degrees, framing regulations on Governing Bodies (GB) of non-government colleges, and teaching staff strength, management and supervision of institutions, holding refresher’s training for faculty as well as quality assurance of the academic programs. It also offers Master’s, MPhil and PhD programs on a small scale at its central campus. The main source of NU revenue includes various fees from students and affiliated colleges (e.g., examination, admission test, and registration fees from students; and affiliation fees from colleges). The major expenditures under the NU budget are for salaries, allowances and conduct of examinations. The NU has recently set up six regional campuses with the aim to decentralize some of its core
functions (e.g., academic monitoring, examination, teacher training) to these regional campuses.

The NU is responsible for the whole range of academic management of all tertiary education affiliated colleges, The Directorate of Secondary and Higher Education (DSHE) is in charge of the administrative management of government colleges, while several other agencies under the MoE and state institutions have overlapping responsibilities for the college subsector. Only the MoE has the authority to initiate the process of formulating policies, making acts, ordinances and rules concerning institutional governance of the college subsector.

General characteristics such as enrollments, seat capacity, facilities, programs offered, financing and quality, vary across the affiliated government and non-government colleges. Government colleges tend to be large institutions, located mostly in metropolitan cities and district towns, while non-government colleges tend to have smaller institutions located in large metropolitan cities and extending to district and sub-district (Upazila) towns. Both the government and non-government colleges offer bachelor's and master's programs in a large number of subjects (currently the number of subjects is 35). The government colleges are administered through the government service rules and affiliated non-government colleges are governed by their Governing Bodies.

Both government and non-government colleges together produce the largest proportion of tertiary graduates in Bangladesh. The majority of the college graduates is employed in the public sector, especially jobs related to management and teaching profession while there is a growing demand for them in priority areas in the private sector. The NU’s large number of government and non-government colleges and extensive network therefore make it the critical subsector for affecting the necessary quantitative and qualitative improvements in the tertiary education sector.

The Government of Bangladesh's Perspective Plan (2010-2021) identified that upgrading the quality of tertiary education institutions to international standards is a prerequisite for attaining its Vision of becoming a middle income country. The proposed Project will support the implementation of the Government's plans to improve the quality and relevance of colleges and strengthen the governance and management of the college subsector as articulated in the National Education Policy (NEP) 2010 and the Strategic Plan for Higher Education (2006–2026). The N EP 2010 highlights the need to improve the basic teaching-learning facilities and teaching force in the colleges as well as to decentralize central NU to divisional levels to enhance the system's education service delivery. The Strategic Plan for Higher Education (2006–2026) clearly emphasizes the significant roles that the NU and its affiliated colleges play for tertiary education in Bangladesh, and the need for quality enhancement of the graduates and for overcoming administrative and governance challenges in the subsector.

II. Proposed Development Objectives

The project development objectives are to strengthen the strategic planning and management capacity of the college education subsector and to improve the teaching and learning environment of participating colleges.

III. Project Description

Component Name

Component 1: Improving the Planning and Management of the College Education Subsector
Comments (optional)
Component 1: Strengthening the strategic planning and management capacity (IDA US$ 48 million through DLIs)

The objective of this component is to strengthen the planning and management of the college education subsector. The Component would support the implementation of the following interventions: (i) development and implementation of the initial phase of the Strategic Plan for the college subsector which identifies system-wide reforms in phases at the national level; and (ii) improvement of the teacher recruitment and management system through filling teacher vacancies in government colleges and establishment of an appropriate teacher selection commission for non-government college teachers.

Component Name
Component 2: Improving the Quality and Relevance of College Education

Comments (optional)
Component 2: Improving the teaching and learning environment in participating colleges (IDA US$ 42 million through DLIs)

The objective of this component is to improve the quality of college education teaching learning under the National University. Two sub-components would support the achievement of this objective: (i) Sub-component 2.1: Improving the teaching-learning environment in participating colleges; and (ii) Sub-component 2.2: Strengthening teaching and management capacity in colleges.

Component Name
Component 3: Enhancing System Management

Comments (optional)
Component 3: Project Management, Communication and Monitoring and Evaluation (IDA US$ 10 million)

The objective of this sub-component is to build an effective M&E system. This subcomponent would support M&E activities, including DLI verification, progress reporting, satisfaction surveys, tracer studies, and effectiveness assessments on key activities. A web-based project management information system would be established. The monitoring and evaluation activities would be carried out by the PCU with support from respective departments of NU and DSHE.

IV. Financing (in USD Million)

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V. Implementation
VI. Safeguard Policies (including public consultation)

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Comments (optional)

VII. Contact point

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