Global Partnership for Education
Grant Agreement

(Additional Financing for the Third Primary Education Development Program)

between

PEOPLE'S REPUBLIC OF BANGLADESH

and

INTERNATIONAL BANK FOR RECONSTRUCTION and DEVELOPMENT
AND INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as administrator of the Global Partnership for Education Trust Fund

Dated Jan 05, 2016
GLOBAL PARTNERSHIP FOR EDUCATION TRUST FUND
GRANT AGREEMENT

AGREEMENT dated 5 Jan., 2016 entered into between the
PEOPLE'S REPUBLIC OF BANGLADESH ("Recipient"); and INTERNATIONAL
BANK FOR RECONSTRUCTION AND DEVELOPMENT and INTERNATIONAL
DEVELOPMENT ASSOCIATION (collectively "World Bank"), acting as administrator
of the Global Partnership for Education Trust Fund ("Agreement").

WHEREAS:

(A) under an agreement dated October 13, 2011, between the Recipient and
the International Development Association (the "Association"), as
amended (the "Original Financing Agreement"), the Association agreed to
provide to the Recipient a credit in an amount equivalent to one hundred
eighty-seven million three hundred twenty two thousand three hundred
seventy one Special Drawing Rights (SDR 187,322,371) the "Original
Financing") to assist in financing the Third Primary Education
Development Program (the "Original Project") described in Schedule 1 to
the Original Financing Agreement;

(B) under an agreement dated January 25, 2015 entered into between the
Recipient and the Association, the Association has agreed to extend such
additional financial assistance to the Recipient upon the terms and
conditions set forth in the Additional Financing for the Third Primary
Education Development Program and Amendment to the Original
Financing Agreement (the "Additional Financing Agreement") dated
January 25, 2015 in an amount equivalent to two hundred sixty-nine
million eight hundred thousand Special Drawing Rights (SDR 269,800,000, the "Additional Credit" or "Additional Financing");

(C) by an agreement dated June 8, 2015 entered into between the Asian
Development Bank ("ADB") and the Recipient ("ADB Loan Agreement"), ADB has made a loan to the Recipient in an amount
equivalent to one hundred twenty million United States Dollars
(US$120,000,000) ("ADB Loan") to assist in financing the Project on the
terms and conditions set forth in the ADB Loan Agreement;

(D) by an agreement to be entered into between the European Union and the
Recipient ("EU Financing Agreement"), the European Union will make an
additional grant to the Recipient in an amount equivalent to forty nine
million five hundred thousand Euros (€49,500,000) to assist in financing
part of the Project on the terms and conditions set forth in the agreement to be entered into between the Recipient and each of the European Union;

(E) the Recipient has requested the World Bank to provide additional financial assistance to scale up the activities of the Original Project by increasing the amount made available under the various agreements; and

(F) the World Bank has agreed to extend such additional financing assistance to the Recipient upon the terms and conditions set forth in this Agreement;

NOW THEREFORE, the Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions


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.

Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the Program and the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out the Project through its Ministry of Primary and Mass Education in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

Article III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to one hundred million United States Dollars ($100,000,000) (“Grant”) to assist in financing the Project.
3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donor to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donor under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Additional Remedies

4.01. The Additional Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions consists of the following, namely, that the Joint Financing Arrangement is dissolved without the Recipient making alternative Project co-financing arrangements acceptable to the World Bank.

4.02. The Co-financing Deadline for the effectiveness of each Co-financing Agreement is December 31, 2016.

Article V
Recipient’s Representative; Addresses

5.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Senior Secretary, or Secretary, or the Additional Secretary, or any Joint Secretary, Joint Chief, Deputy Secretary, Deputy Chief, Senior Assistant Secretary, Senior Assistant Chief, Assistant Secretary or Assistant Chief of the Economic Relations Division of the Ministry of Finance.

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

Economic Relations Division
Ministry of Finance
Government of the People’s Republic of Bangladesh
Sher-E-Bangla Nagar
Dhaka 1207, Bangladesh

Facsimile:
88-02-9180671 or
88-02-9180788
5.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391

AGREED at Dhaka, Bangladesh, as of the day and year first above written.

PEOPLE'S REPUBLIC OF BANGLADESH

By

Authorized Representative

Name: KALI SHOPIUL AZAM
Title: ADMD. SCHOOLS

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as Administrator of
Global Partnership for Education Trust Fund

By

Authorized Representative

Name: EFFATH SHARIF
Title: Acting Country Director
SCHEDULE 1

Project Description

The objectives of the Project are: (a) to increase participation and reduce social disparities in primary education; (b) to increase the number of children completing primary education and improve the quality of the learning environment and measurement of student learning; and (c) to improve effectiveness of resource use for primary education.

The Project consists of the Original Project, and the description of the Project set forth in Schedule 1 to the Original Financing Agreement is incorporated in this Schedule 1 to this Agreement.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. The provisions of Section I.A. of Schedule 2 to the Original Financing Agreement are incorporated herein, except for the words “not later than three (3) months after the Effective Date, establish and thereafter” in sections I.A.1.(a) and I.A.3.(a), and apply to this Agreement, mutatis mutandis, and the Recipient hereby undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement.

2. The provisions of Section I.B of Schedule 2 to the Original Financing Agreement are incorporated herein, except that the word “Association” is replaced by the word “World Bank”, and apply to this Agreement, mutatis mutandis, and the Recipient hereby undertakes to comply with the provisions thereof to the same extent as if such provisions have been set out in full in this Agreement.

B. Annual Reviews

1. The Recipient shall:

(a) by not later than May 31 of each year commencing May 31, 2016, carry out joint reviews of the Project and the Program with the World Bank and the Co-financiers to inter alia, assess the progress of implementation and achievement of the agreed results, and identify obstacles or impediments, if any; and

(b) maintain continuous dialogue with the World Bank and the Co-financiers to afford the latter the opportunity to discuss options, respond to requests for advice, or identify issues.

C. Anti-Corruption

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

D. Safeguards

1. The Recipient shall carry out the Project in accordance with the Environmental Management Framework, the Social Management Framework, and the relevant Safeguards Plans.
2. Whenever an additional or revised Safeguard Plan shall be required for any proposed Project activity in accordance with the provisions of the EMF and the SMF, as the case may be, the Recipient shall:

(a) prior to the commencement of such activity, proceed to have such Safeguard Plan: (i) prepared in accordance with the provisions of the EMF and the SMF, as the case may be; (ii) furnished to the World Bank for review and approval; and (iii) thereafter adopted, disclosed, and implemented as approved by the World Bank, in a manner acceptable to the World Bank;

(b) thereafter take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such Safeguard Plan; and

(c) in the case of any resettlement activity under the Project involving Affected Persons, ensure that no displacement shall occur before necessary resettlement measures consistent with the RAP applicable to such activity have been executed, including, in the case of displacement, full payment to Affected Persons of compensation and of other assistance required for relocation, prior to displacement.

3. The Recipient shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the EMF, the SMF or any Safeguard Plans, unless the World Bank has provided its prior approval thereof in writing, and the Recipient has complied with the same consultation and disclosure requirements as applicable to the original adoption of the said instruments.

4. Without limitation on its other reporting obligations under this Agreement, the Recipient shall collect, compile and submit to the World Bank on a bi-annual basis (or such other frequency as may be agreed with the World Bank) consolidated reports on the status of compliance with the EMF, the SMF and the Safeguard Plans, giving details of: (a) measures taken in furtherance of the said instruments; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the said measures; and (c) remedial measures taken or required to be taken to address such conditions.

5. In the event of any conflict between the provisions of any of the EMF, the SMF or the Safeguard Plans, and the provisions of this Agreement, the provisions of this Agreement shall prevail.

D. Donor Visibility and Visit

1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor’s support for the Project.
2. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank's request, take all measures required on its part to enable the representatives of the Donor to visit any part of the Recipient's territory for purposes related to the Project.

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 indicators acceptable to the World Bank. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the World Bank 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 World Bank not later than six (6) 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 World Bank not later than forty-five (45) days after the end of the quarter, covering the quarter in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for the Program 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 be furnished to the World Bank not later than nine (9) 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 Grant shall be procured in accordance with the requirements set forth or referred to in 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") and the provisions of this Section provided, however, that with respect of goods, works and non-consulting services (other than ICB Goods, Works and Non-Consulting Services) jointly financed with ADB, the ineligibility provided for in Section 1.10 (c) of the Procurement Guidelines shall also extend to firms or individuals sanctioned by ADB prior to the date of this Agreement in accordance with procedures acceptable to the World Bank.

2. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines.

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, following the procedures of the Procurement Laws, subject to the additional provisions set forth in paragraph 3 below; and (b) Shopping.

3. The following provisions apply for the contracting of goods, works and non-consulting services under National Competitive Bidding, using bidding documents acceptable to the World Bank:

(a) post bidding negotiations shall not be allowed with the lowest evaluated or any other bidder;
(b) bids should be submitted and opened in public in one location immediately after the deadline for submission;
(c) lottery in award of contracts shall not be allowed;
(d) bidders’ qualification/experience requirement shall be mandatory;
(e) bids shall not be invited on the basis of percentage above or below the estimated cost and contract award shall be based on the lowest evaluated bid price of compliant bid from eligible and qualified bidder; and
(f) single stage two (2) envelope procurement system shall not be allowed.

C. Review by the World Bank of Procurement Decisions

Each: (1) contract for ICB Goods, Works and Non-consulting Services, and (2) contract identified in the Procurement Plan as subject to Prior Review, shall be subject to Prior Review by the World Bank. All other contracts for goods, works, and non-consulting services shall be subject to Post Review.

Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<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) Project Eligible Expenditures under Annual Plans</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:

   (a) 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 $20,000,000 may be made for payments made prior to this date but on or after January 5, 2015 for Project Eligible Expenditures;
the Recipient shall only request withdrawal for payments made under Category (1) if the Recipient shall have: (i) complied with the additional instructions referred to in Section IV.A.1 of this Schedule, including the submission to the World Bank of the applicable IUFR: (A) evidencing the incurrence of Project Eligible Expenditures during the respective DLI Period for which payment is requested; (B) indicating the source of funds (i.e., Original Financing Agreement; Additional Financing Agreement; or this Agreement) against which the payments during the respective DLI Period shall be financed; and (ii) furnished evidence acceptable to the World Bank, in accordance with a verification protocol acceptable to the World Bank, that the DLI for the respective DLI Period for which payment is requested has been fully achieved; and

withdrawals under Category (1) shall not exceed the lesser of: (i) the DLI Value allocated to each DLI during the respective DLI Period for which the payment is requested; and (ii) the amount of payments incurred during the DLI Period for which payment is requested.

2. Notwithstanding the foregoing:

(a) if the World Bank is satisfied that a DLI has been fully achieved before the end of the applicable DLI Period, the World Bank may authorize the withdrawal of an amount of the Grant equivalent to the DLI Value corresponding to such DLI before the end of such period;

(b) if the World Bank is satisfied with the achievement of a DLI which has been agreed to by the World Bank as a replacement for a DLI not achieved by its scheduled disbursement date ("a replacement DLI"), the World Bank may authorize the withdrawal of an amount of the Grant equivalent to the DLI Value corresponding to such replacement DLI;

(c) if the World Bank is not satisfied that any DLI has been fully achieved before the end of the applicable DLI Period, then the World Bank may, at any time by notice to the Recipient, decide, in its sole discretion, to authorize withdrawal of an amount of the Grant equivalent to the DLI Value corresponding to such DLI at such later date (prior to the Closing Date), if and when the World Bank shall be satisfied that such DLI has been fully achieved; and

(d) no withdrawals may be made in respect of a partially achieved DLI.

3. In the event that the World Bank has withheld, or was entitled to withhold, any part of the Grant pursuant to paragraph 2 above, the World Bank may at any time, by notice to the Recipient cancel the amount(s) so withheld/to be withheld, and/or reallocate it(them), whether in full or in part, to any other DLI or DLIs.
4. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2017.
## SCHEDULE 3

**Disbursement Linked Indicators (DLIs)**

### I – Improving the Quality of the Learning Environment and the Measurement of Student Learning

#### DLI 1: Production and Distribution of Textbooks

| Textbook distribution to schools spread over several months | At least 75% of all eligible schools receive all approved textbooks (Grade I to V) within one month of school opening day. | At least 80% of all eligible schools receive all approved textbooks (Grade I to V) within one month of school opening day. | At least 85% of all eligible schools receive all approved textbooks (Grade I to V) within one month of school opening day. | At least 90% of all eligible schools receive all approved textbooks (Grade I to V) within one month of school opening day. |

*Textbook content still based on current curriculum*

*Third party validation of monitoring mechanism completed*

*Monitoring mechanism improved with actions agreed upon by MoPME and MOE based on validation results*

*At least 90% of all eligible schools receive all approved textbooks for Grades 1 to 5 within one month of school opening day, of which Grades 1 to 3 textbooks are based on new curriculum developed by NCTB*

*At least 90% of all eligible schools receive all approved textbooks for Grades 1 to 5 within one month of school opening day, which are all based on new curriculum developed by NCTB*

*At least 90% of all eligible schools receive all approved textbooks for Grades 1 to 5 within one month of school opening day, which are all based on new curriculum developed by NCTB*

*At least 90% of all eligible schools receive all approved textbooks for Grades 1 to 5 within one month of school opening day, which are all based on new curriculum developed by NCTB*

*Recommendations from MoPME/DPE/NCTB workshop (2014) for ensuring textbooks are printed according to specification are actioned*

*Study on production and distribution of textbooks completed (including print quality)*

*A workshop held to review findings from the Year 5 Study on production and distribution of textbooks makes recommendations for future planning*

#### DLI 2: Diploma in Primary Education
Low standards Comprehensive TED plan All preparatory steps Dip in Ed, piloted Dip in Ed offered DPEd framework DPEd offered in 50 DPEd offered in 60
and competencies for introduction of number of number of fully functional fully functional
guiding teacher in accord with the instructors according to the in line with the
training plan Plan plan
DPEd framework DPEd framework
DPEd offered in 36 DPEd offered in 50
DPEd offered in 60
50 DPEd
60

<table>
<thead>
<tr>
<th>Recommendations from the Year 4 study reviewed and endorsed by MoPME</th>
<th>Recommendations from the Year 5 study reviewed and endorsed by MoPME</th>
</tr>
</thead>
</table>

Study conducted to explore alternative methods and modalities to implement and/or expand the DPEd |
A study conducted to inform planning for moving the DPEd from an in-service to a pre-service program for all government primary school teachers |

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### DLI 3: Grade 5 PECE Strengthened

<table>
<thead>
<tr>
<th>Grade 5 completion of all primary school students in 2009. Content focused on testing students' memory more than ability to use subject knowledge</th>
<th>A 5-year Action plan for improvements in Grade V terminal exam developed by NAPE and endorsed by MoPME and including revising test items to gradually transform exam into competency based-test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised 2011 Grade V terminal exam based on action plan and pilot results, implemented, including guidelines developed for markers and training of markers</td>
<td>Action plan implemented with at least 10% of items competency-based introduced in the 2012 Grade V terminal exam and an additional 15% of competency-based items piloted</td>
</tr>
<tr>
<td>Action plan implemented with at least 25% of items competency-based introduced in the 2013 Grade V terminal exam and an additional 25% of competency-based items piloted</td>
<td>Action plan prepared to implement it and updated action plan implemented with at least 35% of competency-based items introduced in the 2014 Grade 5 PECE and piloting based on 100% of curriculum competencies</td>
</tr>
<tr>
<td>Grade 5 PECE Framework updated and approved by NAPE/MoPME and piloting of items based on 100% of curriculum competencies</td>
<td>Updated action plan implemented with at least 50% of competency-based items introduced in the 2015 Grade 5 PECE and piloting based on 100% of curriculum competencies</td>
</tr>
<tr>
<td>Updated action plan implemented with at least 65% of competency based items introduced in the 2016 Grade 5 PECE and piloting based on 100% of curriculum competencies</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New test items developed by NAPE on selected</th>
<th>Analysis of results of 2011 Grade V terminal examination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analysis of results of 2012 Grade V terminal</td>
<td></td>
</tr>
<tr>
<td>Analysis of results of 2013 Grade V terminal</td>
<td></td>
</tr>
<tr>
<td>Analysis of results of 2014 Grade 5 PECE completed by DPE and</td>
<td></td>
</tr>
<tr>
<td>Analysis of results of 2015 Grade 5 PECE completed by</td>
<td></td>
</tr>
</tbody>
</table>

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### DLI 4: Teacher Recruitment and Deployment

| Assessment of needs for new teachers based on: (i) verification of current teaching force and (ii) needs based infrastructure plan completed and approved by MoPME. | All teachers and head teachers’ positions (vacancies and new positions) filled according to agreed recruitment procedures and on needs basis. | And (ii) at least 90% of new teacher and head teacher posts identified by the Year 0 assessment to be filled for the year filled. | Revised final proposal of career paths for teachers and head teachers and, career paths, recruitment and promotion rules for DPE officers (field and Head Quarter) submitted by MoPME to the committee of the Joint Secretary, Regulations, Ministry | Recruitment rules with career paths for teachers and head teachers and, career paths, recruitment and promotion rules for DPE officers (field and Head Quarter) approved by Government of Bangladesh | A comprehensive study on contact hours and policies and interventions conducted with recommendations for increasing contact hours between teachers and students | Recommendations of comprehensive study (Year 4) on contact hours endorsed by MoPME | Action plan to implement recommendations from the contact |}

Approximately, 5,000 to 6,000 vacancies to be filled every year. In addition, new positions needed to reduce classroom overcrowding. Teacher recruitment procedures in place are competitive and merit-based.
II – Improving Access and Reducing Social Disparities

### DLI 5: Pre-Primary Education

<table>
<thead>
<tr>
<th>About 1.4 million children entering Grade 1 with some PPE prior experience</th>
<th>Guidelines prepared and endorsed by MoPME on the role of NGOs in pre-primary education.</th>
<th>Integrated database of PPE provision by type of provider completed</th>
<th>At least 15,000 PPE teachers placed and trained in areas of greatest need</th>
<th>At least 60% of PPE teachers in GPS are trained in using new pre-primary curriculum and materials</th>
<th>Assessment of current status of implementation of minimum quality standards in PPE classrooms</th>
<th>Expansion Plan updated, incorporating equity and quality criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPE provision in at least 75 percent of GPS</td>
<td>PPE provision in at least 75 percent of GPS</td>
<td>PPE provision (trained teachers and PPE materials availability) in at least 75% of the 37,000 GPSs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### DLI 6: Needs based Infrastructure Development

<table>
<thead>
<tr>
<th>53% of GPS, 49% of RNGPS and 31% of community schools overcrowded</th>
<th>Plan for prioritized needs based infrastructure finalized and approved by MoPME</th>
<th>At least 10% of planned needs-based infrastructure development completed according to criteria and technical standards</th>
<th>At least 30% of planned needs-based infrastructure development completed according to criteria and technical standards</th>
<th>At least 35% of planned needs-based infrastructure development completed according to criteria and technical standards</th>
<th>At least 65% of planned needs-based infrastructure development completed according to criteria and technical standards</th>
<th>100% of planned needs based infrastructure development completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Need for about</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
32,000 new classrooms, 120,000 new toilets for teachers and students, repair of about 18,000 existing ones, drinking water supply.

| Third party validation of infrastructure development according to criteria and technical standards | Third party validation of infrastructure development according to criteria and technical standards | Recommendations from efficiency gains study and the Year 3 TPV endorsed by MoPME | Third party validation of infrastructure development according to criteria and technical standards |

### III – Improving Program Planning and Management, and Strengthening Institutions

#### DLI 7: Decentralized School Management and Governance

<table>
<thead>
<tr>
<th>Limited involvement of SMCs in school management and improvement</th>
<th>Revised circular/ guidelines for SLIPs, including monitoring arrangements, approved by MoPME and distributed to all schools</th>
<th>SMC guidelines (in accordance with and including reference to SLIP guidelines) and mechanism for funds flow approved by MoPME</th>
<th>At least 60% of schools having prepared SLIPs and received funds according to the SMC guidelines</th>
<th>At least 75% of schools having prepared SLIPs and received funds according to SMC guidelines validated by expenditure tracking survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low capacity of Upazila offices to provide support to schools</td>
<td>At least 10% of upazilas having prepared UPEPs and received funds based on UPEP guidelines validated by expenditure tracking survey</td>
<td>At least 25% of Upazilas having prepared UPEPs and received funds based on UPEP guidelines validated by expenditure tracking survey</td>
<td>Recommendations of expenditure tracking survey (PETS) and lessons learned study are endorsed by MoPME</td>
<td>At least 75% of schools (GPS and NNGPS) have prepared SLIPs and have received funds on the basis of guidelines updated in Year 4</td>
</tr>
<tr>
<td>Revised guidelines for UPEPs, including identification of expenditures for block grants, approved by MoPME and distributed to all Upazila’s</td>
<td>SMC, SLIP and UPEP guidelines updated</td>
<td>At least 40% of Upazilas have prepared UPEPs according to UPEP 2012 guidelines</td>
<td>At least 50% of Upazilas have prepared UPEPs on the basis of updated guidelines</td>
<td></td>
</tr>
</tbody>
</table>
### DLI 8: Sector Finance

<table>
<thead>
<tr>
<th>Links between budgetary process and medium-term education sector strategy still weak</th>
<th>FY11-12 Primary education budget aligned with program framework and consistent with 12-17 MTBF</th>
<th>FY12-13 Primary education budget aligned with program framework and consistent with 13-18 MTBF</th>
<th>FY13-14 Primary education budget aligned with program framework and consistent with 14-19 MTBF</th>
<th>FY14-15 Primary education budget aligned with program framework and consistent with FY15-20 MTBF</th>
<th>FY15-16 Primary education budget aligned with program framework and consistent with FY16-21 MTBF</th>
<th>FY16-17 Primary education budget aligned with program framework and consistent with FY17-22 MTBF</th>
<th>FY17-18 Primary education budget aligned with program framework</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual primary education expenditures for FY11-12 within 15% deviation of the originally approved budget</td>
<td>Actual primary education expenditures for FY12-13 within 15% deviation of the originally approved budget</td>
<td>Actual primary education expenditures for FY13-14 within 15% deviation of the originally approved budget</td>
<td>Actual primary education expenditures for FY14-15 within 15% deviation of the originally approved budget</td>
<td>Actual primary education expenditures for FY15-16 within 15% deviation of the originally approved budget</td>
<td>Actual primary education expenditures for FY16-17 within 15% deviation of the originally approved budget</td>
<td>Actual primary education expenditures for FY17-18 within 15% deviation of the originally approved budget</td>
<td>Actual primary education expenditures for FY18-19 within 15% deviation of the originally approved budget</td>
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</table>

### DLI 9: Annual Primary School Census

<table>
<thead>
<tr>
<th>M&amp;E and EMIS insufficiently staffed IT support functions preventing adequate and timely data analysis and effective M&amp;E</th>
<th>ASC questionnaire to meet PEDP 3 requirements as approved by MoPME</th>
<th>Plan approved by DPE to expand coverage of monitoring system to all primary schools with periodic validations</th>
<th>ASC administration and report preparation and dissemination complete within academic year covering at least 6 types of schools</th>
<th>ASC administration and report preparation and dissemination complete within academic year covering at least 6 types of schools</th>
<th>APSC (AY 2015) administration and report preparation and dissemination complete within academic year covering all primary schools</th>
<th>APSC (AY 2016) administration and report preparation and dissemination complete within academic year covering all primary schools</th>
<th>APSC (AY 2017) survey completed within academic year covering all primary schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>New ASC questionnaire fully implemented</td>
<td>Internal data validation mechanisms in place and validation of data accuracy completed as reported in an</td>
<td>Third party validation of validation census data completed</td>
<td>Agreed recommendations from the third party validation (Year 3) are implemented</td>
<td>Third party validation completed examining the accuracy of data compared to prior Third Party Validation</td>
<td></td>
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</tr>
<tr>
<td>covering only 4 types of primary schools</td>
<td>IT function separated from EMIS function; EMIS and M&amp;E staffed with at least 2 statisticians each</td>
<td>annex of the ASC report describing the background check used during data entry and the data cleaning rules, and possible other validation mechanism</td>
<td>M&amp;E capacity assessment study completed</td>
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## SCHEDULE 4

### DLI Values

**I – Improving the Quality of the Learning Environment and the Measurement of Student Learning**

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<tr>
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<tbody>
<tr>
<td><strong>DLI 1: Production and Distribution of Textbooks</strong></td>
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<td><strong>DLI 2: Diploma in Primary Education</strong></td>
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<td><strong>DLI 3: Grade 5 Primary Education Completion Exam Strengthened</strong></td>
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<td><strong>DLI 4: Teacher Recruitment and Deployment</strong></td>
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II – Improving Access and Reducing Social Disparities

### DLI 5: Pre-Primary Education

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### DLI 6: Needs based Infrastructure Development

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### III – Improving Program Planning and Management, and Strengthening Institutions

### DLI 7: Decentralized School Management and Governance

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### DLI 8: Sector Finance

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### DLI 9: Annual Primary School Census

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<tr>
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APPENDIX

Section I. Definitions

1. “Additional Financing Agreement” means the financing agreement for the Additional Financing for the Third Primary Education Development Program and Amendment to the Original Financing Agreement between the Recipient and the Association, dated January 25, 2015 (Additional Financing Credit Number 5552-BD).

2. “Affected Persons” means any person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.


5. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

6. “Co-financier” means each of ADB and the European Union, and “Co-financiers” means all the Co-financiers.

7. “Co-financing” means, for purposes of paragraph 11 of the Appendix to the General Conditions, an amount to be provided by a Co-financier to assist in financing the Project.

8. “Co-financing Agreement” means each agreement to be entered into between the Recipient and each of the Co-financiers providing for the Co-financing.

9. “Directorate of Primary Education” or “DPE” means the Recipient’s Directorate of Primary Education or any successor thereto.

10. “DLI” means each disbursement linked target specified in Schedule 3 to this Agreement set to be achieved by the Ministry of Primary and Mass Education during the respective DLI Period.
“DLI Period” means Year 0, Year 1, Year 2, Year 3, Year 4, Year, 5 or Year 6, as applicable to a particular DLI as specified in Schedule 3 to this Agreement, during which period such DLI is set to be achieved.

“DLI Value” means the amount of the Grant allocated in Schedule 4 to this Agreement to each respective DLI.

“EMP” means each environmental management plan, acceptable to the World Bank and prepared on the basis of the Environmental Management Framework, detailing the specific actions, measures and policies designed to address adverse environmental impacts and facilitate the achievement of the objectives of the Environmental Management Framework; as said plan and any annexes or schedules to such plan, may be revised from time to time with the prior written approval of the World Bank.

“Environmental Management Framework” and the acronym “EMF” mean the Recipient’s Environmental Management Framework dated February 27, 2011 and updated on September 8, 2014 duly approved by the World Bank and referred to in Section I.D.1. of Schedule 2 to this Agreement, which sets forth the principles and procedures, governing, inter alia: (i) screening for eligible activities under the Project; (ii) screening for potential safeguard issues, including the required actions to prepare safeguard documents, including, inter alia: EMPs when required; and (iii) and the environmental protection measures, if any, required to be undertaken in order to avoid or mitigate potential adverse environmental impacts; as said framework and any annexes or schedules to such framework, may be revised from time to time with the prior written approval of the World Bank.

“FY” means the Recipient’s fiscal year.


“ICB Goods, Works and Non-Consulting Services” means goods, works and non-consulting services:

(a) to be provided under contracts with a value of: (i) $600,000 equivalent or more for goods and non-consulting services; and (ii) $5,000,000 equivalent or more for works, or such other values as shall be specified and updated during annual reviews of the Procurement Plan; and

(b) identified as such in the Procurement Plan.

“IUFR” means each of the interim unaudited financial reports to be furnished to the World Bank by the Recipient under Section II.B.2 and Section IV.B.1.(b) of
Schedule 2 to this Agreement, and to be attached to a Request for Withdrawal of proceeds under the Grant.

19. "Joint Financing Arrangement" means the arrangement setting forth the coordination arrangements among the Recipient, the Co-financiers under the Original Financing Agreement and the Co-financiers under this Agreement and the Association in the financing of the Project dated November 28, 2011, as amended.

20. "Ministry of Education" and "MOE" mean the Recipient’s Ministry of Education, or any successor thereto.

21. "Ministry of Primary and Mass Education" and the acronym “MoPME” mean the Recipient’s Ministry of Primary and Mass Education, or any successor thereto.

22. "Ministry of Public Administration” means the Recipient’s Ministry of Public Administration, or any successor thereto.

23. “Operating Costs” means the reasonable costs incurred on account of the implementation of the Project (which expenditures would not have been incurred absent the Project) including: consumable materials and supplies (including office supplies), office equipment, communications, translation services, mass media and printing services, vehicle rental, operation and maintenance, fuel costs, charges for the opening and operation of bank accounts required for the Project, postage and handling, travel, lodging and per diems for the Project staff and officials on field visit; subscriptions to e-publishers, bandwidth cost including commodity internet.

24. "Original Financing Agreement” means the financing agreement for a Third Primary Education Development Program between the Recipient and the Association, dated October 13, 2011 as amended (Credit Number 4999-BD).

25. “Original Project” means the Project described in the Original Financing Agreement.


28. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated October 20, 2014 and referred to in paragraph 1.18 of the Procurement Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraph.
29. "Program" and the acronym "PEDP3" means the Recipient's primary education program described in the "Program Document PEDP3" (dated June 2011, as revised) prepared by the Directorate of Primary Education.

30. "Project Eligible Expenditures" means the reasonable cost of:

(a) goods, works and non-consulting services (including ICB Goods, Works and Non-Consulting Services);
(b) Operating Costs related to the implementation of the Project, including salaries of the Recipient's staff;
(c) stipends to students approved and paid in accordance with the Recipient's Stipend Distribution Policy 2006 (revised 2010) as revised from time to time; and
(d) grants to schools approved and paid in accordance with the requirements of the School Level Improvement Plan Guidelines dated 2007 as revised from time to time;

incurred by the Recipient under budget codes set forth in the Recipient's budget heads for this Project (PEDP3) corresponding to Pay of Officers; Pay of Establishment; Allowances; Supplies and Services (minus budget codes for consultants' services); Repairs & Maintenance; Grants in Aid; Revenue General (Contingencies); Capital Expenditure; Civil Works; and Customs Duty and VAT; and any other budget head for PEDP3, related to the above budget heads (minus budget codes for consultants' services), as the World Bank shall agree.

31. "RAP" means any resettlement plan, acceptable to the World Bank, prepared in accordance with the provisions of the Social Management Framework and "RAPs" means all resettlement plans.

32. "Safeguard Plan" means any EMP, SECP, and/or RAP prepared or to be prepared by the Recipient in accordance with the EMF and the SMF and the provisions of Section 1.D of Schedule 2 to this Agreement; and "Safeguard Plans" means, collectively, all such plans.

33. "Small Ethnic Communities" means, for purposes of the Project and in a generic sense, distinct, vulnerable, social and cultural groups (including tribes, minor races, ethnic sects and communities) possessing the following characteristics in varying degrees: (a) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (b) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; (c) customary cultural, economic, social, or political institutions that are separate from those of the dominant society
and culture; and (d) an indigenous language, often different from the official language of the country or region.

34. “SECP” means a small ethnic community plan, acceptable to the World Bank, prepared in accordance with the terms of the Social Management Framework when construction activities affect Small Ethnic Communities and “Small Ethnic Communities Plans” means all the small ethnic communities’ plans.

35. “Social Management Framework” and the acronym “SMF” mean the Recipient’s framework satisfactory to the World Bank, dated February 27, 2011 and updated on September 8, 2014 duly approved by the World Bank and referred to in Section 1.D of Schedule 2 to this Agreement, which sets forth the principles and procedures, governing, inter alia: (i) screening for eligible activities under the Project, and (ii) screening for potential social issues, including the required actions to prepare safeguard documents, including, inter alia: SECPs and/or RAPs as per the relevant framework, when required; as said framework and any annexes or schedules to such framework, may be revised from time to time with the prior written approval of the World Bank.


37. “Upazila” means the sub-district level administrative unit, within a district, in the territory of the Recipient.

38. “Year 0” means the period from January 1, 2011 to June 30, 2011.

39. “Year 1” means the period from July 1, 2011 to June 30, 2012.

40. “Year 2” means the period from July 1, 2012 to June 30, 2013.

41. “Year 3” means the period from July 1, 2013 to June 30, 2014.

42. “Year 4” means the period from January 5, 2015 to June 30, 2015.

43. “Year 5” means the period from July 1, 2015 to June 30, 2016.

44. “Year 6” means the period from July 1, 2016 to June 30, 2017.