

DOCUMENT OF  
THE WORLD BANK

FOR OFFICIAL USE ONLY

Report No. 114568-BD

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROGRAM APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT SDR 366.6 MILLION  
(US\$510 MILLION EQUIVALENT)

AND A

GRANT

IN THE AMOUNT OF US\$10 MILLION

TO THE

PEOPLE'S REPUBLIC OF BANGLADESH

FOR A

TRANSFORMING SECONDARY EDUCATION FOR RESULTS OPERATION

November 23, 2017

Education Global Practice  
South Asia Region

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorization.

**CURRENCY EQUIVALENTS**  
(Exchange Rate Effective June 30, 2017)

|               |   |                      |
|---------------|---|----------------------|
| Currency Unit | = | Bangladesh Taka –BDT |
| BDT 80.59     | = | US\$1                |
| US\$1.39      | = | SDR 1                |

**FISCAL YEAR**  
July 1 – June 30

**ABBREVIATIONS AND ACRONYMS**

|         |   |
|---------|---|
| ACG     | Anticorruption Guidelines                                 |
| ACF     | Award Confirmation Form                                   |
| ACW     | Administration Wing                                       |
| ADB     | Asian Development Bank                                    |
| AFR     | Annual Fiduciary Review                                   |
| AGP     | Adolescent Girls' Program                                 |
| AOP     | Annual Operations Plan                                    |
| APP     | Annual Procurement Plan                                   |
| BANBEIS | Bangladesh Bureau of Education Information and Statistics |
| BFC     | Budget and Finance Committee                              |
| BISE    | Board of Intermediate and Secondary Education             |
| BSK     | Bishwo Shahitto Kendro                                    |
| BTEB    | Bangladesh Technical Education Board                      |
| CA      | Continuous Assessment                                     |
| CGA     | Controller General of Accounts                            |
| CPD     | Continuous Professional Development                       |
| DA      | Diagnostic Assessment                                     |
| DDO     | Drawing and Disbursement Officer                          |
| DEO     | District Education Office                                 |
| DG      | Director General  |
| DIA     | Directorate of Inspection and Audit                       |
| DLI     | Disbursement-linked Indicator                             |
| DLR     | Disbursement-linked Result                                |
| DME     | Directorate of Madrasah Education                         |
| DP      | Development Partner                                       |
| DRH     | Developing Reading Habit                                  |
| DRS     | Developing Reading Skills                                 |
| DSHE    | Directorate of Secondary and Higher Education             |
| DTE     | Directorate of Technical Education                        |
| e-GP    | Electronic Government Procurement                         |
| EA      | Executing Agency  |
| ECD     | Early Childhood Development                               |
| EED     | Education Engineering Department                          |
| EMIS    | Education Management Information System                   |

|       |   |
|-------|---|
| ESSA  | Environmental and Social Systems Assessment   |
| ESR   | Education Sector Review                       |
| FAPAD | Foreign Aided Project Audit Directorate       |
| FPW   | Finance and Procurement Wing                  |
| FSA   | Fiduciary Systems Assessment                  |
| FSSAP | Female Secondary School Assistance Project    |
| GB    | Governing Board                               |
| GDP   | Gross Domestic Product                        |
| GER   | Gross Enrollment Rate                         |
| GFF   | Global Financing Facility                     |
| GMS   | Grant Management System                       |
| GMU   | Grants Management Unit                        |
| GoB   | Government of Bangladesh                      |
| GRM   | Grant Redress Mechanism                       |
| GRS   | Grievance Redress Service                     |
| HSC   | Higher Secondary School Certificate           |
| HSTTI | Higher Secondary Teacher Training Institute   |
| IA    | Implementing Agency                           |
| IBAS  | Integrated Budgeting and Accounting System    |
| ICB   | International Competitive Bidding             |
| ICT   | Information and Communication Technology      |
| IPF   | Investment Project Financing                  |
| IPSC  | Interministerial Program Steering Committee   |
| IO    | Intermediate Outcome                          |
| ISF   | Improving Sanitation Facility                 |
| IUFR  | Interim Unaudited Financial Report            |
| IVA   | Independent Verification Agency               |
| KPI   | Key Performance Indicator                     |
| LASI  | Learning Assessment of Secondary Institutions |
| LGED  | Lola Government Engineering Department        |
| LSB   | Life Skill-based                              |
| M&E   | Monitoring and Evaluation                     |
| MDG   | Millennium Development Goal                   |
| MEB   | Madrasah Education Board                      |
| MEW   | Monitoring and Evaluation Wing                |
| MFF   | Multi-tranche Facility                        |
| MIC   | Middle-income Country                         |
| MMC   | Madrasah Management Committee                 |
| MoE   | Ministry of Education                         |
| MoF   | Ministry of Finance                           |
| MoHFW | Ministry of Health                            |
| MoPME | Ministry of Primary and Mass Education        |
| MoU   | Memorandum of Understanding                   |
| MPO   | Monthly Payment Order                         |
| MTBF  | Medium-term Budgetary Framework               |
| NAC   | National Assessment Center                    |

|        |   |
|--------|---|
| NAEM   | National Academy for Education Management                   |
| NASS   | National Assessment of Secondary Students                   |
| NCCC   | National Curriculum Coordination Committee                  |
| NCPF   | National Curriculum Policy Framework                        |
| NCTB   | National Curriculum and Textbook Board                      |
| NEP    | National Education Policy                                   |
| NGO    | Nongovernmental Organization                                |
| NPV    | Net Present Value   |
| NTSC   | Nongovernment Teachers Selection Commission                 |
| OCAG   | Office of the Comptroller and Auditor General               |
| PforR  | Program for Results   |
| PAP    | Program Action Plan   |
| PCU    | Program Coordination Unit                                   |
| PDO    | Program Development Objective                               |
| PDW    | Planning and Development Wing                               |
| PEF    | Program Expenditure Framework                               |
| PFM    | Procurement and Financial Management                        |
| PFW    | Procurement and Finance Wing                                |
| PIU    | Project Implementation Unit                                 |
| PMT    | Proxy Means Testing   |
| PPP    | Public-Private Partnership                                  |
| PSC    | Program Steering Committee                                  |
| PSU    | Program Support Unit  |
| PST    | Practical Science Teaching                                  |
| PTA    | Parents Teacher Association                                 |
| PVV    | Pre-vocational and Vocational                               |
| RF     | Results Framework   |
| SDG    | Sustainable Development Goal                                |
| SEDP   | Secondary Education Development Program                     |
| SEQAEP | Secondary Education Quality and Access Enhancement Project  |
| SESIP  | Secondary Education Sector Investment Program               |
| SHED   | Secondary and Higher Education Division                     |
| SMART  | Specific, Measurable, Actionable, Realistic, and Time-bound |
| SMC    | School Management Committee                                 |
| SSC    | Secondary School Certificate                                |
| SSQS   | Secondary School Quality Standard                           |
| STTI   | Secondary Teacher Training Institute                        |
| SWAp   | Sectorwide Approach   |
| TA     | Technical Assistance  |
| TAF    | Technical Assistance Facility                               |
| ToR    | Terms of Reference  |
| TP     | Tribal People   |
| TQI    | Teaching Quality Improvement                                |
| TSERP  | Transforming Secondary Education for Results Program        |
| TST    | Teachers' Time Spent on Teaching                            |
| TTC    | Teacher Training College                                    |

|      |                                    |
|------|------------------------------------|
| TW   | Training Wing                      |
| USEO | Upazila Secondary Education Office |
| ZEO  | Zonal Education Office             |

|                                  |                                     |
|----------------------------------|-------------------------------------|
| Regional Vice President:         | Annette Dixon                       |
| Country Director:                | Qimiao Fan                          |
| Global Practice Vice President:  | Keith E Hansen                      |
| Senior Global Practice Director: | Jaime Saavedra Chanduvi             |
| Practice Manager:                | Keiko Miwa                          |
| Task Team Leader(s):             | Dilip Parajuli and Saurav D. Bhatta |

**BANGLADESH**  
**Transforming Secondary Education for Results Operation (TSERO)**

**Table of Contents**

|   | <b>Page</b> |
|---|-------------|
| <b>I. STRATEGIC CONTEXT.....</b>  | <b>1</b>    |
| A. Country Context.....   | 1           |
| B. Sectoral and Institutional Context.....  | 2           |
| C. Relationship to the CAS/CPF and Rationale for Use of Instrument.....                             | 6           |
| <b>II. PROGRAM DESCRIPTION .....</b>  | <b>7</b>    |
| A. Government Program.....  | 7           |
| B. Program Development Objective/s (PDO) and Key Results .....                                      | 8           |
| C. Operation Scope.....   | 8           |
| The PforR Component .....   | 8           |
| IPF Component .....   | 10          |
| D. Disbursement Linked Indicators and Verification Protocols .....                                  | 11          |
| E. Capacity Building and Institutional Strengthening .....  | 11          |
| <b>III. PROGRAM IMPLEMENTATION.....</b>   | <b>12</b>   |
| A. Institutional and Implementation Arrangements.....   | 12          |
| B. Results Monitoring and Evaluation .....  | 12          |
| C. Disbursement Arrangements.....   | 13          |
| <b>IV. ASSESSMENT SUMMARY .....</b>   | <b>14</b>   |
| A. Technical (including Program economic evaluation) .....  | 14          |
| B. Fiduciary .....  | 16          |
| C. Environmental and Social Effects.....  | 18          |
| D. Risk Assessment .....  | 20          |
| E. Program Action Plan.....   | 21          |
| Annex 1: Detailed Program Description.....  | 23          |
| Annex 2: Results Framework and Monitoring.....  | 39          |
| Annex 3: Disbursement Linked Indicators, Disbursement Arrangements, and Verification Protocols..... | 50          |
| Annex 4: Summary Technical Assessment.....  | 67          |
| Annex 5: Summary Fiduciary Systems Assessment.....  | 80          |
| Annex 6: Summary Environmental and Social Systems Assessment.....                                   | 97          |
| Annex 7: Systematic Operations Risk Rating Tool (SORT) .....  | 102         |
| Annex 8: Program Action Plan .....  | 104         |
| Annex 9: Implementation Support Plan.....   | 107         |
| Annex 10: Technical Assistance Facility .....   | 108         |

**PAD DATA SHEET**

**Bangladesh**

*Transforming Secondary Education for Results (P160943)*

**PROGRAM APPRAISAL DOCUMENT**

*South Asia Region  
Education Global Practice*

Report No. 114568-BD

| Basic Information                                      |                                       |   |                                |   |  |
|--|---------------------------------------|---|--------------------------------|---|--|
| Date: November 23, 2017                                |                                       |   | Sectors:                       | Public Administration Education<br>Secondary Education  |  |
| Country Director:                                      | Qimiao Fan                            |   | Themes:                        | Access to Education<br>Education Financing<br>Science and Technology<br>Teachers<br>Student Assessment<br>Education Governance, School-Based<br>Management<br>Standards, Curriculum and Textbooks<br>Education Facilities |  |
| Practice Manager<br>Global Practice Vice<br>President: | Keiko Miwa<br>Keith E. Hansen         |   |                                |   |  |
| Program ID:  | P160943                               |   |                                |   |  |
| Team Leader(s):  | Dilip Parajuli and<br>Saurav D Bhatta |   |                                |   |  |
| Program Implementation<br>Period:                      | Start Date:                           | 12/15/2017                                | End Date:                      | 12/31/2022  |  |
| Expected Financing<br>Effectiveness Date:              | 01/01/2018                            |   |                                |   |  |
| Expected Financing Closing<br>Date:                    | 12/31/2022                            |   |                                |   |  |
| Program Financing Data                                 |                                       |   |                                |   |  |
| <input type="checkbox"/>                               | Loan                                  | <input checked="" type="checkbox"/> Grant | <input type="checkbox"/> Other |   |  |
| <input checked="" type="checkbox"/>                    | Credit                                |   |                                |   |  |
| For Loans/Credits/Others (US\$, millions):             |                                       |   |                                |   |  |
| Total Operation<br>Cost:                               | 2017                                  |   | Total IDA<br>Financing:        | 510   |  |

|  |             |                     |                             |   |             |             |        |  |  |
|--|-------------|---------------------|-----------------------------|---|-------------|-------------|--------|--|--|
| Total Co-financing:  | 10          |                     | Financing Gap:              | 0   |             |             |        |  |  |
|  |             |                     |                             |   |             |             |        |  |  |
| <b>Financing Source</b>  |             |                     | <b>Amount</b>               |   |             |             |        |  |  |
| BORROWER/RECIPIENT   |             |                     | 1,497                       |   |             |             |        |  |  |
| IDA  |             |                     | 510                         |   |             |             |        |  |  |
| GFF  |             |                     | 10                          |   |             |             |        |  |  |
| Total  |             |                     | 2017                        |   |             |             |        |  |  |
|  |             |                     |                             |   |             |             |        |  |  |
| Borrower: People's Republic of Bangladesh, ERD   |             |                     |                             |   |             |             |        |  |  |
| Contact: Mr. Kazi Shofiquil Azam   |             |                     | Title: Secretary            |   |             |             |        |  |  |
| Telephone No.: 9180788   |             |                     | Email: secretary@erd.gov.bd |   |             |             |        |  |  |
| Responsible Agency: Ministry of Education  |             |                     |                             |   |             |             |        |  |  |
| Contact:   |             | Md. Sohorab Hossain |                             | Title: Secretary  |             |             |        |  |  |
| Telephone No:  |             | 9576679             |                             | Email: <a href="mailto:info@moedu.gov.bd">info@moedu.gov.bd</a> |             |             |        |  |  |
| Responsible Agency: Directorate of Secondary and Higher Education  |             |                     |                             |   |             |             |        |  |  |
|  |             |                     |                             |   |             |             |        |  |  |
| <b>Expected Disbursements (in US\$, millions)</b>  |             |                     |                             |   |             |             |        |  |  |
| <b>Fiscal Year</b>   | <b>FY18</b> | <b>FY19</b>         | <b>FY20</b>                 | <b>FY21</b>   | <b>FY22</b> | <b>FY23</b> |        |  |  |
| Annual   | 4           | 74                  | 124                         | 99  | 112         | 107         |        |  |  |
| Cumulative   | 4           | 78                  | 202                         | 301   | 413         | 520         |        |  |  |
|  |             |                     |                             |   |             |             |        |  |  |
| <b>Program Development Objective(s)</b>  |             |                     |                             |   |             |             |        |  |  |
| To improve student outcomes in secondary education and the effectiveness of the secondary education system |             |                     |                             |   |             |             |        |  |  |
|  |             |                     |                             |   |             |             |        |  |  |
| <b>Compliance</b>  |             |                     |                             |   |             |             |        |  |  |
| <b>Policy</b>  |             |                     |                             |   |             |             |        |  |  |
| Does the program depart from the CAS in content or in other significant respects?                          |             |                     |                             |   | Yes [ ]     |             | No [X] |  |  |
|  |             |                     |                             |   |             |             |        |  |  |
| Does the program require any waivers of Bank policies applicable to Program-for-Results operations?        |             |                     |                             |   | Yes [ ]     |             | No [X] |  |  |
| Have these been approved by Bank management?   |             |                     |                             |   | Yes [ ]     |             | No [ ] |  |  |
| Is approval for any policy waiver sought from the Board?   |             |                     |                             |   | Yes [ ]     |             | No [X] |  |  |
| <b>Overall Risk Rating: Substantial</b>  |             |                     |                             |   |             |             |        |  |  |



| Legal Covenants   |           |          |            |
|---|-----------|----------|------------|
| Name  | Recurrent | Due Date | Frequency  |
| Operations Manual   | X         |          | Continuous |
| <b>Description of Covenant:</b> The recipient shall, by no later than three (3) months after the Effective Date, prepare, approve and adopt an Operations Manual in a manner and substance satisfactory to the Association, and thereafter carry out the Operation in accordance with the provisions of the Operations Manual; and refrain, from materially and/or substantially amending, revising, waiving, voiding, suspending or abrogating, any provision of the Operations Manual, whether in whole or in part, without the prior written concurrence of the Association.   |           |          |            |
| Inter-ministerial Program Steering Committee (IPSC)   | X         |          | Continuous |
| <b>Description of Covenant:</b> The recipient shall, by no later than three (3) months after the Effective Date, establish and thereafter maintain throughout the period of implementation of the Operation, the IPSC: (i) to be housed within MOE, headed by the Secretary, Secondary and Higher Education Division (“SHED”) and co-chaired by Secretary, Technical and Madrasah Education Board (“TMEB”); (ii) vested with adequate functions, powers, resources and competencies, as shall be required for purposes of providing policy guidance, general oversight, coordination, and monitoring of activities under the Operation; including the approval of the Annual Operations Plan (“AOP”).                                       |           |          |            |
| Program Coordination Unit   | X         |          | Continuous |
| <b>Description of Covenant:</b> The recipient shall, by no later than three (3) months after the Effective Date, establish and maintain, throughout the period of implementation of the Operation, the Program Coordination Unit: (i) housed within MOE, (ii) headed by an Additional Secretary of the MOE; (iii) assisted by staff and consultants responsible for coordinating the preparation of an integrated AOP; coordinating potential development partner’s financing in secondary education; conducting annual reviews; and working as secretariat to and reporting to the IPSC.   |           |          |            |
| Directorate of Secondary and Higher Education (DSHE)  | X         |          | Continuous |
| <b>Description of Covenant:</b> The recipient shall maintain throughout the period of implementation of the Operation, the DSHE: (i) housed within MOE; (ii) headed by two Executive Directors (one under DSHE, second one under Directorate of Madrasah Education (DME)) who shall be assisted by relevant wings in adequate number and headed by a relevant director; (iii) assisted by competent staff, responsible for the overall Operation’s planning, budgeting, monitoring, coordination, procurement and financial management; consolidating reports with the assistance of the other agencies involved in the implementation of the Operation; and ensuring compliance with social and environmental systems under the Operation. |           |          |            |
| Program Support Unit  | X         |          | Continuous |
| <b>Description of Covenant:</b> The recipient shall, by no later than three (3) months after the Effective Date, establish and maintain, throughout the period of implementation of the Operation, Program Support Units (“PSU”): (i) headed by a Joint Program Coordinator; (ii) assisted by competent staff, in number and with relevant experience and qualifications; and (iii) responsible for implementing and coordinating activities across the DSHE with other agencies involved in the implementation of the Operation. The PSU shall operate under the guidance of the PCU in the SHED at the MOE.   |           |          |            |
| Budget and Finance Committee  | X         |          | Continuous |
| <b>Description of Covenant:</b> The recipient shall, by no later than three (3) months after the Effective Date, establish and maintain, throughout the period of implementation of the Operation, the Budget and Finance Committee: (i) housed within MOF; (ii) headed by the Additional Secretary of MOF; (iii) assisted by competent staff, in number and with relevant experience and qualifications; and (iv) responsible for conducting quarterly progress review of expenditures and DLIs, and ensuring adequate resource allocation and timely fund release following approval by the IPSC and PCU.   |           |          |            |
| Program Action Plan   | X         |          | Continuous |
| <b>Description of Covenant:</b> The recipient shall implement the Program Action Plan agreed with the Association, in a manner and substance satisfactory to the Association; and refrain from amending, revising, waiving, voiding,  |           |          |            |

|  |                            |   |                  |
|--|----------------------------|---|------------------|
| suspending or abrogating, any provision of the Program Action Plan, whether in whole or in part, without the prior written concurrence of the Association.   |                            |   |                  |
| Annual Operations Plan (AOP)   | X                          |   | Continuous       |
| <b>Description of Covenant:</b> The recipient shall throughout the implementation of the Operation, prepare and share with the Association, in a timely manner, the draft AOP; which includes activities under the Program and the Technical Assistance for each fiscal year.  |                            |   |                  |
|  |                            |   |                  |
| <b>Conditions</b>  |                            |   |                  |
| <b>Name and Description of Condition</b>   | <b>Recurrent</b>           | <b>Due Date</b>                             | <b>Frequency</b> |
| <b>Independent Verification Agency</b>   |                            | Effective Date                              |                  |
| The Verification Agreement has been executed by and between the MOE on behalf of the Recipient and the Independent Verification Agency in a manner satisfactory to the Association.  |                            |   |                  |
| <b>Co-financing Agreement</b>  |                            | Effective Date                              |                  |
| The Co-financing Agreement, that co-finances activities under Part II of the Operation, has been executed and delivered 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>DME Expenditures</b>  |                            | Disbursement                                |                  |
| No withdrawal shall be made for any expenditures made from DME until and unless the appropriate fiduciary assessment has been conducted in form and substance satisfactory to the Association, after which DME's expenditures shall be deemed made for Program Expenditures/Eligible Expenditures under the Operation. |                            |   |                  |
| <b>Team Composition</b>  |                            |   |                  |
| <b>Bank Staff</b>  |                            |   |                  |
| <b>Name</b>  | <b>Title</b>               | <b>Specialization</b>                       | <b>Unit</b>      |
| Dilip Parajuli   | Senior Economist           | Task Team Leader<br>(ADM Responsible)       | GED06            |
| Saurav Dev Bhatta  | Senior Economist           | Co-TTL                                      | GED06            |
| Tobias Linden  | Lead Education Specialist  | Education Quality                           | GED01            |
| Shiro Nakata   | Senior Education Economist | Monitoring and<br>Evaluation                | GED06            |
| T. M. Asaduzzaman  | Operations Analyst         | Operations and<br>Development Partners      | GED06            |
| Karthika Radhakrishnan   | Operations Officer         | Operations                                  | GED06            |
| Md. Mokhlesur Rahman   | Sr. Operations Officer     | Operations                                  | GED06            |
| Irajen Appasamy  | Sr. Operations Officer     | Education                                   |                  |
| Sangeeta Dey   | Sr. Education Specialist   | Education Quality                           | GED06            |
| Dinesh M. Nair   | Senior Health Specialist   | Peer Reviewer, Global<br>Financing Facility | GHNGF            |
| Naoko Ohno   | Sr. Operations Officer     | Health                                      | GNH19            |

|                               |                                      |                               |       |
|-------------------------------|--------------------------------------|-------------------------------|-------|
| Dhiraj Sharma                 | Young Professional                   | Education Access              | GPV05 |
| Md Kamruzzaman                | Procurement Specialist               | Procurement (ADM Responsible) | GGO06 |
| Mohammad Reaz Uddin Chowdhury | Financial Management Specialist      | FM                            | GGO24 |
| Mohammed Atikuzzaman          | Financial Management Specialist      | FM                            | GGO24 |
| Suraiya Zannath               | Lead Financial Management Specialist | FM                            | GGO24 |
| Sabah Moyeen                  | Sr. Social Development Specialist    | Social                        | GSU06 |
| Nadia Sharmin                 | Sr. Environment Specialist           | Environment                   | GSU18 |
| Rocio M Malpica               | Senior Counsel                       | Legal                         | LEGES |
| Jorge Luis Alva-Luperdi       | Senior Counsel                       | Legal                         | LEGES |
| Vidya Venugopal               | Counsel                              | Legal                         | LEGES |
| Satish Kumar Shivakumar       | Sr. Finance Officer                  | Finance                       | WFALN |
| Nazma Sultana                 | Program Assistant                    | Administrative                | SACBD |
| Sandra Alborta                | Program Assistant                    | Administrative                | GED06 |
| Golam Faruque Khan            | Consultant                           | Education                     | GED06 |
| Shiva R Lohani                | Consultant                           | Education                     | GED06 |
| Mosharraf Hossain             | Consultant                           | Education                     | GED06 |
| Iqbal Muttaqi                 | Consultant                           | Education                     | GED06 |
| Shwetlena Sabarwal            | Sr. Economist                        | Peer Reviewer                 | DECWD |
| Dhushyanth Raju               | Lead Economist                       | Peer Reviewer                 | SARCE |
| Elizabeth Ninan               | Senior Education Specialist          | Peer Reviewer                 | GED01 |
| Juan Manuel Moreno            | Lead Education Specialist            | Peer Reviewer                 | GED05 |
| <b>Development Partners</b>   |                                      |                               |       |
| <b>Name</b>                   | <b>Title</b>                         | <b>Organization</b>           |       |
| Eisuke Tajima                 | Sr. Social Sector Specialist         | Asian Development Bank        |       |
| S M Ebadur Rahman             | Sr. Social Sector Officer            | Asian Development Bank        |       |

## **I. STRATEGIC CONTEXT**

### **A. Country Context**

1. Bangladesh is one of the world's most populous countries with an estimated 160 million people living in a geographical area of about 144,415 km<sup>2</sup>. With a per capita income of US\$1,409 in 2016, it is well above the lower-middle-income country category threshold which it crossed in FY14. During recent years, economic conditions improved in the country with headline inflation declining to 5.9 percent in FY16 from 7.3 percent in FY14, while the fiscal deficit was contained at around 3.1 percent of gross domestic product (GDP) in FY16. The FY17 budget targets 5 percent deficit with 28.7 percent growth in expenditures. The current account surplus rose to 1.7 percent of GDP in FY16. The GDP grew well above the average for developing countries in recent years, averaging 6.5 percent since 2010, with an officially reported growth of 7.1 percent in FY16, driven by manufacturing and services. Progress on reducing extreme poverty and boosting shared prosperity through human development and employment generation has continued with the poverty incidence based on the international US\$1.90 per capita per day poverty line (measured on the basis of the Purchasing Power Parity exchange rate) declining from 44.2 percent in 1991 to 18.5 percent in 2010 (latest available poverty data) and a projected 14.9 percent in 2016.

2. Bangladesh has made remarkable gains in human development indicators over the past decades. It has experienced substantial improvements in key health, nutrition, and population outcomes, including several health-related Millennium Development Goal (MDG) targets. Child and maternal mortality, as well as fertility rates, have decreased substantially since 2000, while progress on child malnutrition has been evident but slower. Similarly, in education, the country's progress has been stellar in terms of gains made in access and equity over the past three decades. It is nearing universal access to primary education and has a reasonably high level (80 percent) of girls and boys completing primary education. Gender equity was attained at primary and secondary education levels, well ahead of the MDG target for 2015. Similarly, enrollment disparities due to household incomes have decreased in the school sector. The primary net enrollment rate (NER) stands at 91 percent in 2015, having increased by nearly 25 percentage points over the last 15 years. Between 2000 and 2015, the secondary gross enrollment rate (GER) increased from 52 percent to 64 percent. Student enrollment in higher education tripled from 1.3 million in 2004 to about 4 million in 2014. There is increasing demand for skills development. While these advances are laudable, Bangladesh has more progress to make to be on par with other large middle-income countries (MICs).

3. As Bangladesh aspires to move up the value chain and become an MIC, there has to be significant gains in quality and relevance of skills imparted by the secondary education system (both for higher level of education and better jobs in an expanding workforce). Each year, 1.3 million youth join the labor market, but in the face of what is required for the country to reach MIC status, the current composition of the labor force is inadequate. It is undereducated—less than 25 percent of the 57 million workers in the domestic labor market have secondary education—and 89 percent of workers are in the informal market. To foster skills-led economic growth via diversification of economic activities, increasing the pool of medium- to high-skilled workforce is critical. In the rapidly changing economy, the challenge is to move up the value chain in areas of compliance, quality, and reliability, all of which are important for attracting

foreign investment.<sup>1</sup> Investing in quality secondary education is key to successfully unleashing the true potential of Bangladesh’s young people and benefiting from the current demographic dividend. Secondary education is recognized in the Seventh Five-year Plan as a critical education cycle to equip youths with foundational skills and noncognitive, socioemotional skills that will enhance productivity at work and accelerate adoption of improved technologies. Improved secondary education increases access to higher-level skills for youths through further skills training and higher education. The Government of Bangladesh (GoB) is planning to invest significantly in the secondary education sector, as outlined in the National Education Policy (NEP 2010), in the Seventh Five-year Plan (2016–2020 Accelerating Growth Empowering Citizens)<sup>2</sup> and to achieve the Sustainable Development Goals (SDGs) by 2030. Accordingly, the Government is preparing to implement a five-year secondary education development program (SEDP) focused on results and enhanced quality.

## **B. Sectoral and Institutional Context**

4. The Bangladesh education system is large, catering to over 35 million students, involving many stakeholders (for example, there are 10 types of providers in primary education; 10 examination boards at the secondary level; and more than 95 percent of secondary institutions are private, mostly supported through public subsidies). There are two ministries managing education—the Ministry of Primary and Mass Education (MoPME), which covers primary education (grades 1–5), non-formal education, and literacy, and the Ministry of Education (MoE), which is mandated to oversee secondary education (grades 6–12), technical and vocational education and training, higher education, and madrasah education.

5. In the secondary education sector, Bangladesh has pursued a service-delivery strategy that adopted a public-private partnership (PPP) model by combining public financing with private provision. Given the historical continuity of this policy strategy since the British period, it is not surprising that today the secondary education sector is dominated by nongovernment schools which constitute more than 95 percent of secondary and higher secondary enrollment. There is also a strong historical precedent of engaging various types of non-state providers in the provision of secondary education. The secondary education subsector currently supports about 12 million students in grades 6–12 across 20,000 general schools and 10,000 madrasahs (madrasahs enroll more than 2 million students). Government and nongovernment schools and madrasahs receive public funds for teacher salaries (in the form of Monthly Payment Orders [MPOs]), free textbooks, and stipends and tuition to disadvantaged students, particularly female students in rural schools.<sup>3</sup>

<sup>1</sup> Lopez-Acevedo, Gladys, and Raymond Robertson, eds. 2016. *Stitches to Riches? Apparel Employment, Trade, and Economic Development in South Asia*. Directions in Development. Washington, DC: World Bank.

<sup>2</sup> The Seventh Five-year Plan sets ambitious goals on *Increasing enrolments for all, particularly for females and disadvantaged children, reducing dropouts, and increasing student's ability in reading, writing, listening and speaking (both cognitive and noncognitive skills)*.

<sup>3</sup> In terms of management, the MoE provides overall policy guidance and oversight while the Directorate of Secondary and Higher Education (DSHE) is the main implementing agency (IA) for secondary education sector activities. Zonal education offices (ZEOs), district education offices (DEOs), and Upazila secondary education offices (USEOs) provide implementation and monitoring support at the field level. At the beneficiary school level, school management committees (SMCs)/madrasah management committee (MMC)/Governing Boards (GBs) are responsible for managing all school-level activities. Secondary schools are under regional Board of Intermediate and Secondary Education (BISE) that organize examinations and, along with the National Curriculum and Textbook Board (NCTB), define curricula and syllabi. The Madrasah Education Board (MEB) controls religious education in Government-registered schools, while the Technical Education Board (TEB) is responsible for technical and vocational training at the secondary

6. A decade ago, in 2005, World Bank's engagement in the Bangladesh education portfolio focused primarily on increasing access to primary and secondary schools and innovations to improve the quality of school education. Over the past decade, the World Bank has supported second-generation reform programs in primary and secondary education, and responded to client demand for post-secondary education—higher education and skills development. The World Bank's support in secondary education started with the pioneering female secondary school stipends programs (1993–1999, 2002–2007) that have resulted in dramatic increase in girls' enrollment in the subsector. Building on the earlier successful secondary education female stipends projects that have helped achieve gender parity at secondary level, the current World Bank-financed Secondary Education Quality and Access Enhancement Project (SEQAEP, P106161) (2008–2017, IDA US\$396 million) introduced a second-generation stipends program where the former gender-targeted stipend scheme was revised as poverty-targeted stipends—using the Proxy Means Testing (PMT) selection method—to target the neediest group of children for improving their access to and retention in secondary education and currently benefits 2 million students annually. More importantly, SEQAEP has also piloted a number of innovative quality improvement interventions. These include (a) provision of books, facilitators, and technical support to schools to enhance reading habit and skills, currently benefiting more than 2 million student readers in 12,000 secondary institutions; (b) provision of additional teachers in English, mathematics, and science in 1,500 targeted schools; and (c) provision of performance-based incentives/grants to students, teachers, and schools covering 12,000 secondary institutions. These three pilots have gone through refinements during the project period and have the potential for expansion nationally (additional teachers in English, mathematics, and science and developing the reading habit pilots are being impact-evaluated and the findings are expected to be available by end of this calendar year). SEQAEP's geographic coverage has been limited to less than half of the country's geography and interventions have been largely on access and less on large-scale quality enhancement or on subsector's system delivery and efficiency in the absence of a common sector program.

## Challenges

7. As a result, despite remarkable achievements in gender parity in secondary education level through a combination of supply side (in terms of increased number of schools and teachers) and demand side (female stipends program), continued partnership between the Government and nongovernment providers, subsequent move toward a pro-poor targeting, and piloting of quality enhancing interventions, much remains to be done on student learning, internal efficiency, and system strengthening at the secondary level.

8. The most pressing challenge in this subsector is the low and unequal learning levels of students in secondary education. Students enter secondary education (grade 9) with poor educational preparation: in 2015, 43 percent of grade 8 students were placed in Band 3 or below in mathematics, which means they have acquired at most only basic skills, and only 6 percent were in Band 6 or above, which means they can reason using mathematical ideas and apply them in an unfamiliar context (Learning Assessment of Secondary Institutions [LASI] 2015). There are large differences among subpopulations: urban areas do better than rural ones, poorer

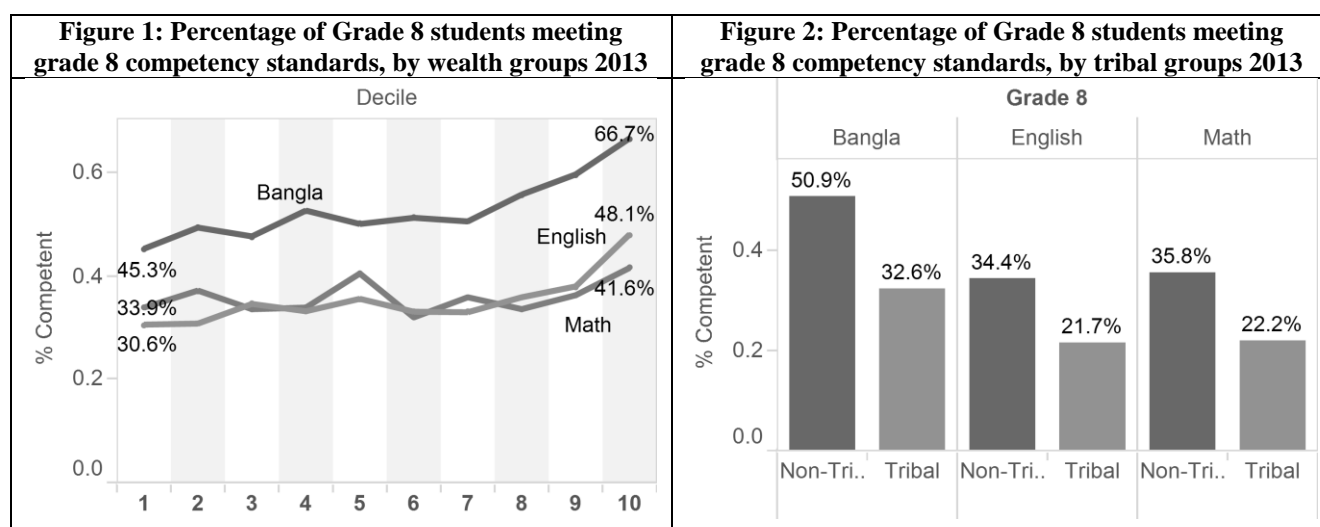
---

level. BISE are responsible for conducting SSC and HSC public examinations and granting recognition to nongovernment secondary schools.

districts do worse than others (in Sylhet, for example, almost two-thirds of students are in Band 3 or below for mathematics, compared to just one-third in Rajshahi), and gender differences are only found in mathematics (marginally favoring boys) but not for Bangla or English. Perhaps the largest gaps in learning achievement exist among socioeconomic groups. According to LASI 2013, while 67 percent of grade 8 students from the richest decile have grade 8 level competency in Bangla, only 45.3 percent of students in the lowest decile achieved the adequate competency standards. Stark inequalities in performance exist between tribal and non-tribal groups as well (figures 1 and 2).

9. Some of the underlying factors associated with low and unequal levels of learning include the following:

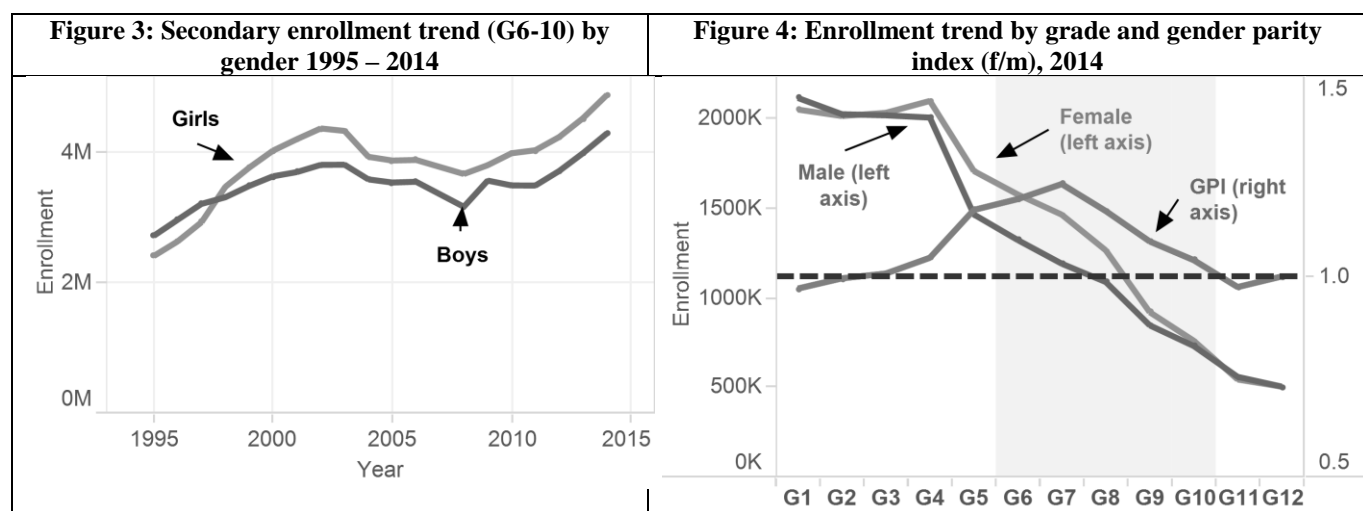
- The current secondary education curriculum is not fully integrated across different grades, not sufficiently competency based, nor benchmarked against national learning goals.
- Non-existent or minimal incentives have rendered otherwise good policies ineffective (that is, good policies such as the criteria-based MPO subvention and autonomous SMCs in secondary education have stumbled during implementation because of inadequate incentives for compliance and/or disincentives to prevent noncompliance).
- There is a shortage of qualified teachers, particularly in English, mathematics, and science subjects and in rural schools.
- The teacher performance management system is inadequate (the current system does not attract, develop, and retain the best professionals; once teachers are recruited, the system provides few incentives to keep them motivated).
- There are a large number of public examinations (grades 8, 10, and 12) in secondary education and all of them tend to encourage rote learning-based educational practices but not build students' cognitive competencies and noncognitive skills like problem solving and critical thinking.



Source: LASI 2013.

10. The second challenge is associated with low transition from primary to secondary school (below 70 percent), and low retention at higher grades (grade 10 completion rate below 60 percent) particularly for children from disadvantaged backgrounds. Internal efficiency of

secondary education system is still low, and higher secondary education, which is an important bridge to tertiary education, has been neglected. Of 10 children completing grade 5, only 8 enroll at grade 6 and of those, only 5 complete grade 10 and 3 complete grade 12. Low internal efficiency of the national secondary education system is because of large dropouts of students occurring during secondary education cycle (grades 6–10) due to both poor academic performance, and household factors. Female enrollment has improved tremendously since the first girls' secondary project, Female Secondary School Assistance Project (FSSAP), started in 1992 (figure 3). Yet, a high female dropout rate is observed post grade 8 (figure 4). Higher secondary education (grades 11 and 12) is an important bridge to tertiary education (colleges and universities), but it has never been supported by any development partners (DPs).



Source: Bangladesh Bureau of Education Information and Statistics (BANBEIS) data, 2014.

11. The third challenge is systematic constraints facing secondary education and these include the following:

- Secondary education is fragmented across programs/projects (that is, there are multiple uncoordinated quality, access, and system-enhancing projects) and DPs (DP-funded projects with varying geographic coverage, financing modality, use of country system) resulting in duplication of interventions, significant reliance on a large number of project implementation units (PIUs), and large transaction costs.
- There is considerable scope to enhance reliability and utilization of Education Management Information System (EMIS) data and monitoring and evaluation (M&E) systems.
- Low level of public investment in education by international and regional standards<sup>4</sup> is further exacerbated by inefficiencies resulting from disconnect between public resources and outcomes in the absence of appropriate accountability mechanisms.
- Another challenge is the proposed restructuring of secondary education from the current grades 6–12 to grades 9–12 system that would need shifting of administrative and implementation responsibilities from MoE to MoPME for grades 6–8.

<sup>4</sup> Bangladesh's public spending on education has remained relatively stable in the last 10 years, oscillating between 2.2 and 2.5 percent of the GDP, while countries like India and Nepal have had ratios ranging from 3.1 to 4.4 percent and 3.0 to 4.6 percent, respectively, in the same period.



12. The proposed Bangladesh Transforming Secondary Education for Results Operation (TSERO) consists of a Program-for-Results (PforR) component (TSERP) that aims to address these challenges through a results-based approach by focusing on quality improvements and system strengthening. The TSERP will be complemented by a Technical Assistance Facility (TAF) component financed through Investment Project Financing (IPF) instrument.

### **C. Relationship to the CAS/CPF and Rationale for Use of Instrument**

13. The proposed TSERP is well-aligned with the World Bank Group's Bangladesh Country Partnership Framework (FY16–FY20)<sup>5</sup>. Specifically, the Program supports the Country Partnership Framework objective 2.1 which focuses on improved equity in access, quality, and relevance in education. Consistent with the NEP 2010, the Seventh Five-year Plan (2016–2020) and SDG 4, the proposed Program will focus on quality and results.

14. The proposed Program also draws upon lessons learned from the World Bank's engagement in the country's education programs and is consistent with the recommendations provided in the most recent analytical sector work carried out by the Bank "Education Sector Review - Seeding Fertile Ground: Education That Works for Bangladesh (ESR 2013)" and strategic goals described in the draft Bangladesh Education Strategy Note (2016). For instance, one of the main lessons is that good policies such as the criteria-based MPO subvention and autonomous SMCs in secondary education have faltered during implementation because of inadequate incentives, resources, and accountability mechanisms. Thus, the Program would support the use of performance-based grants (based on accountability and outcomes) and introduction of a grants management scheme to strengthen system effectiveness.

15. The World Bank has been one of the key DPs in the secondary education sector and can help the Government bring various partners and their supported activities into a harmonized sector approach. One, the GoB with the World Bank's support, has piloted a number of important innovations for quality and access enhancement, through the two FSSAPs and the ongoing SEQAEP. These innovations are ripe for scaling up. Two, the proposed sector program through a PforR modality would be an opportunity to bring all the to-date parallel project activities by various DPs into an integrated implementation and policy structure. The World Bank's positive experience in the primary education sectorwide approach (SWAp) through an Investment Project Financing (IPF) instrument based on Disbursement-linked Indicators (DLIs) will be a value-added engagement as the World Bank supports the design and implementation of the secondary sector program. Specific reform areas proposed in the next program would include use of school grants instrument to improve performance management and teaching-learning at the school-level and increase student cycle completion; institutionalization of learning assessments, curricula, and examinations; adolescent girls' health and empowerment; and strengthening of implementation and fiduciary arrangements. The World Bank can play an important role in pacing and sequencing of reforms in the context of evolving institutional capacity, financial resources, and political will.

16. Through the collaboration with development partners (such as the Asian Development Bank [ADB]), cofinancing in secondary education, and participation in the GoB-

---

<sup>5</sup> Report No. 103723-BD

led sector program, the World Bank can leverage the limited resources to effectively provide support to and guide secondary education program expected to be 20 times the size of the amount of expected IDA support. The World Bank is recognized for better quality programs being designed and implemented<sup>6</sup> and strengthened M&E and fiduciary systems, its ability to bring global expertise and the learning from the best practices and lessons from education quality enhancement interventions (for example, Shanghai, Poland, Vietnam), and results-based programs in countries across the world. The proposed secondary education support will continue to leverage these comparative advantages and partnerships moving forward. In terms of institutional arrangements, there are two key changes: first, the shift in implementation from project-based teams (including consultants) to functional units with the DSHE and, second, the shift of some functions from the MoE to the MoPME. These changes will be supported through intensive capacity building, including through learning by doing. Finally, it is proposed that the operation will be funded from the overall subsector budget, thus mainstreaming the activities and bringing the full leverage of the Government's financial contribution to the sector. The World Bank's engagement is expected to bring positive results in institutional and transformational reforms to the sector.

17. The justification for the use of the PforR instrument for the proposed IDA financing is as follows: (a) the DLIs provide stronger focus on accountability for results and outcomes (as opposed to inputs) and incentivize the Government's ownership and implementation of critical reforms and policies in the secondary school education sector; (b) the PforR operation further strengthens the use of country systems for Program implementation, fiduciary, environmental and social systems, and monitoring arrangements; (c) the MoE—the executing agency (EA) for the Program—is already experienced with DLI-based operations funded by the World Bank and the ADB; (d) the Ministry of Finance (MoF) and the MoE in principle have suggested that PforR operation is more suitable for the harmonized sector program; and (e) PforR provides several advantages over the IPF instrument in terms of flexibility and efficiency in supporting a fairly large national program harmonized across strategic interventions, implementation arrangements, and financial support from DPs. Experience from primary education and health SWAp in Bangladesh DLI-based operations has shown that it has incentivized the Government as a whole to achieving important development milestones.

## **II. PROGRAM DESCRIPTION**

### **A. Government Program**

18. The Government's SEDP will be implemented over the course of five years from the FY17/18 to FY22/23, and it will cover grades 6–12, annually supporting more than 13 million students and 357,000 teachers from more than 20,300 general schools, 9,400 madrasahs, and 1,190 school-based vocational/technical institutions across the country. The SEDP spans the entire activities of the MoE, excluding those for higher education (post grade 12), technical and vocational education and training under the Directorate of Technical Education (DTE) and the Bangladesh Technical Education Board (BTEB).

---

<sup>6</sup> Independent Evaluation Group outcome rating of all education projects in the South Asia Region have been Satisfactory or Moderately Satisfactory since FY09)

## B. Program Development Objective/s (PDO) and Key Results

19. The Program Development Objective (PDO) is to improve student outcomes in secondary education and the effectiveness of the secondary education system.

20. The following Key Performance Indicators (KPIs) are proposed to measure achievements toward the PDO. These outcome indicators are part of the results chain shown in Figure 5 (attached at the end of the main text). A detailed Results Framework (RF) is shown in annex 2.

- KPI 1: Percentage of students achieving grade level competency in Grade 8 and 10 in Bangla, English and Math subjects (disaggregated by gender) [Quality]
- KPI 2: Percentage of schools with Teachers' time spent on Teaching (TST) monitoring system in place [Quality, System Effectiveness]
- KPI 3: Grade 10 and Grade 12 (of those started in Grade 6) retention rate (disaggregated by gender and disadvantaged students) [Access, Quality]
- KPI 4: Percentage of school grants utilized as per compliance guidelines according to Grant Management System (GMS) data and verified by citizens' feedback survey [System Effectiveness]

## C. Operation Scope

### The PforR Component

21. The scope of the proposed World Bank PforR will be to support the subset of the Government's SEDP. The World Bank operation is clustered around three SEDP results areas under the PforR component (US\$500 million from IDA) and a separate Technical Assistance Facility (TAF, US\$20 million) using the IPF instrument (US\$10 million from IDA and US\$10 million from the Global Financing Facility [GFF]). The PforR scope is in table 1. The detailed Program description is in annex 1. The detailed TAF is in annex 10. The five-year implementation period of the Government's program and the World Bank-supported TSERP (PforR) is the same and long sustainability of the results under the PforR is supported by an enhanced country system for Program implementation, harmonization across strategic interventions and implementation arrangements, and institutionalization of key reforms in the sector.

**Table 1: PforR Scope**

| Item                         | Government Program  | Program Supported by WB PforR   |
|------------------------------|---|---|
| <b>Title</b>                 | SEDP  | Transforming Secondary Education for Results Program (TSERP)  |
| <b>Implementation Period</b> | January 2018 – December 2022  | January 2018 – December 2022  |
| <b>Geographic scope</b>      | Nationwide  | Nationwide  |
| <b>Objective</b>             | <b>Purpose:</b> A more efficient, equitable and quality secondary education system. | <b>PDO:</b> to improve student outcomes in secondary education and the effectiveness of the secondary education system. |

| Item                                   | Government Program  | Program Supported by WB PforR  |
|--|---|--|
| <b>Activities or outputs</b>           | <ul style="list-style-type: none"> <li>Covers grades 6–12 (grade 6–8 junior secondary and grades 9–12 secondary education) in general schools, madrasahs, and school-based technical and vocation institutions.</li> <li>Program Results Areas are Improving Quality (curriculum reforms, teacher professional development, teaching-learning in Bangla, English, mathematics, and science; assessments and examinations reforms; information and communication technology [ICT]; pre-vocational education; teacher management and accountability; and school management and accountability); Access and Retention (infrastructure, stipends program, school grants, adolescent girls program); and Education Management and Governance (sector planning, institutional capacity, decentralized management, EMIS, M&amp;E, and fiduciary).</li> </ul> | <p>Coverage would be same as the Government's Program</p> <p>Program Results Areas and sub-results areas also remain the same. Program expenditures exclude other expenditures, including: government staff salaries and current obligations to government and MPO teacher salaries, textbooks production, large-scale civil works (including school construction), regular stipends payment, and purchase of ICT assets and equipment, and goods requiring International procurement.</p> |
| <b>Financial Management</b>            | Uses country system; expenditures will be prefinanced by the GoB through treasury system and non-development budget; audit conducted according to the mandate of the Office of the Comptroller and Auditor General (OCAG)   | Uses country system; funds flow to Treasury; annual audit required   |
| <b>Procurement method and approval</b> | Uses country system; PPA/PPR shall apply subject to any exceptions  | Uses country system<br>No prior or post review required  |
| <b>Program expenditure</b>             | Program specific investment expenditure: US\$3.5 billion<br>Total Expenditure: \$17.2 billion   | US\$1.997 billion  |
| <b>Financiers</b>                      | GoB, World Bank, ADB, and other DPs   | GoB <sup>7</sup> , World Bank  |

Source: World Bank staff estimates. Notes: 1. Total SEDP expenditure for five years is estimated to be US\$17.2 billion, of which US\$13.7 billion is for government staff salaries, current obligations to government and MPO teacher salaries, production of textbooks and other recurrent costs. The remaining US\$3.5 billion is the SEDP program specific investment expenditures. 2. Included in the SEDP program specific investment expenditures but excluded from the PforR items are regular stipends payment (now expected to be paid through an umbrella social assistance program), large scale civil works, including school construction, managed by EED.

22. **Results areas and DLIs:** The TSERP is clustered around three SEDP results areas: (a) Enhanced quality of secondary education; (b) Improved access and retention; and (c) Strengthened governance, management. A subset of the SEDP interventions, outputs, and outcome across the three results areas is chosen as the DLIs (table 2).

**Table 2. Results Areas and DLIs**

| Results Area   | DLIs   |
|--|--|
| <b>Results Area 1:</b> Enhanced quality of secondary education | <ul style="list-style-type: none"> <li>Effective and relevant curriculum in place</li> <li>Assessment and examination system reforms implemented to improve teaching learning</li> <li>Improved teaching/learning in Bangla, English, mathematics, and science</li> <li>Improved teacher management and accountability</li> <li>Improved school management and accountability</li> </ul> |

<sup>7</sup> GoB is discussing with ADB for a potential contribution of around US\$225 million under the ADB's multi-tranche facility (MFF) instrument.

| Results Area   | DLIs  |
|--|---|
| <b>Results Area 2:</b> Improved equitable access and retention | <ul style="list-style-type: none"> <li>Improved grade retention and cycle completion</li> </ul>   |
| <b>Results Area 3:</b> Strengthened governance and management  | <ul style="list-style-type: none"> <li>Institutional capacity strengthened</li> <li>Enhanced fiduciary management and data systems</li> </ul> |

## IPF Component

23. The IPF TAF<sup>8</sup> component aims to strengthen the capacity of the MoE/DSHE and other IAs and provide support facility for achieving the results in the priority areas. TAF arrangement will allow the DSHE/ MoE greater flexibility and facilitate achievement of results areas by minimizing technical and fiduciary risks. The TAF will be supported through an IPF component of the Operation for an amount of US\$20 million (US\$10 million from IDA and US\$10 from GFF). The TAF will complement the PforR component by supporting the achievement of the DLIs in the three results areas. The TAF will support technical assistance (TA) activities which include provision and utilization of services, skills, knowledge and technology in the form of short-term and long-term consultants, consulting firms, non-consulting agencies, contract staff, workshops, research, and logistics support to strengthen the capacity of TSERP implementation and help deliver the Program results. The main rationale for having the TA component under IPF is to have the World Bank and (other DPs) provide much-needed technical and fiduciary oversight and guidance to the Government to carry out TA activities to support a coordinated, coherent, and evidence-based approach to the critical activities in the PforR.

24. **Program cost:** Total SEDP expenditure for five years is estimated to be US\$17.2 billion, of which US\$13.7 billion is for recurrent expenditures (including government staff salaries and current obligations to government and MPO teacher salaries), and the remaining US\$3.5 billion is the SEDP program specific investment expenditures. For the World Bank's PforR (TSERP), the overall Program expenditures are estimated at US\$1.997 billion.

25. **Program financing:** TSERP will be financed primarily from the Government sources, with support from the World Bank and other potential DPs. The planned contribution from the World Bank would be US\$500 million for the PforR<sup>9</sup>. In addition, the World Bank and the GFF will finance an amount of US\$10 million each toward the IPF TAF component. The detailed estimate for the resource envelope, cost requirements, and Program financing are presented in **annex 4**.

## Development Partners

26. While the World Bank will support the government's program from the beginning, other interested DPs<sup>10</sup> may join the sector program as and when ready. GoB will encourage DPs to subscribe to a common program and RF, common DLI framework, and a common disbursement modality, whereby DLI-based funds are disbursed/transferred to the Government Treasury directly based on meeting the DLIs. This funding modality requires that the Government pre-

<sup>8</sup> TAF activities refers to consulting and non-consulting services but also activities such as goods, operational costs, logistics support, training, and research activities.

<sup>9</sup> GoB is currently discussing a potential contribution of US\$225 million from ADB.

<sup>10</sup> Potential DPs include ADB, U.K. Department for International Development (DFID), Korea International Cooperation Agency (OICA), Export-Import Bank of Korea (KEXIM), UNESCO (United Nations Educational, Scientific, and Cultural Organization), British Council, and United Nations Children's Fund (UNICEF).

finances the Program through its own budgetary system and DPs would reimburse the Government subject to achievement of agreed results. Moreover, DPs may intend to subscribe to the common country systems on Program implementation, fiduciary, monitoring, and reporting arrangements, including review missions. The World Bank's PforR instrument provides flexibility in supporting the subset of the Government Program, regardless of the type of financing instrument other DPs choose for their own financing.

27. The proposed IDA operation will partner with the GFF with the objective to improve health, academic achievement, and empowerment of adolescent girls enrolled in secondary education. The GFF financing would support this Program objective that is part of the overall harmonized secondary education program built on country-driven partnership. The GFF contribution under the TAF will complement the PforR component by supporting the achievement of the DLIs in all the three results areas. It will provide technical assistance for the design and implementation of the TSERP results areas/activities to enhance both educational and health outcomes of adolescent girls in Bangladesh. The technical assistance (TA) activities which include provision and utilization of services, skills, knowledge and technology in the form of short-term and long-term consultants, consulting firms, non-consulting agencies, contract staff, workshops, research, and logistics support to strengthen the capacity of TSERP implementation and help deliver the Program results. The proposed GFF grant of US\$10 million would be pooled with the IDA Credit of US\$10 million (as joint cofinancing) to finance the TAF.

#### **D. Disbursement Linked Indicators and Verification Protocols**

28. The proposed DLIs<sup>11</sup> to be financed under the Program have been agreed on the basis of (a) priority results areas; (b) strategic focus on the education quality enhancement as envisaged in the Government's NEP and five-year strategic plan; (c) identification of a few key actions and results that will support fundamental system-level transformations; and (d) local and global evidence on what works (including lessons learned from projects implemented within the MoE). The verification of the achievement of the World Bank DLRs will be carried out by an independent verification agency (IVA) commissioned by the MoE. The Government's Implementation and Monitoring and Evaluation Division (IMED, at Ministry of Planning) and Bangladesh Institute of Development Studies (BIDS, also under Ministry of Planning) have been short-listed based on, among other things, their capabilities to carry out verification processes, potential for a medium- to long-term engagement and capacity-building in the Government system, and the ability to act fully independent of the IA. The signing of a Memorandum of Understanding (MOU)/service agreement between the MoE and the selected IVA will be completed before the Program effectiveness. The IVA services would be financed by IPF-based TAF. The DLRs and verification protocols are detailed in annex 3. Justification for the choice of DLI is described in annex 4.

#### **E. Capacity Building and Institutional Strengthening**

29. The proposed PforR operation envisages the following key capacity-building and institutional strengthening activities, as identified during Program design, technical, fiduciary,

---

<sup>11</sup> ADB is currently discussing with the Government on a potential contribution of US\$225 million to TSERP using the multi tranche facility instrument and may use the same set of disbursement-linked indicators as the World Bank.

and safeguards assessments: (a) activities included in the institutional capacity-building results area of the TSERP; (b) complementary key TA activities that are specified in the TAF (details in annex 10); (c) TA activities directly managed by other DPs; and (d) the World Bank's technical support as indicated in the Implementation Support Plan (annex 9). These are also described in relevant sections including Program Description (annex 1), RF (annex 2), DLIs (annex 3), Program Action Plan (PAP) (annex 8), and the respective summary assessments (annexes 4, 5, and 6).

### **III. PROGRAM IMPLEMENTATION**

#### **A. Institutional and Implementation Arrangements**

30. The Program will use the government system for implementation, oversight, financial management (FM), procurement, safeguards, M&E, and reporting arrangements. The Secondary and Higher Education Division (SHED) at the MoE will serve as the Executing Agency (EA) and will have overall responsibility for policy guidance, coordination, and oversight for Program implementation. A Program Coordination Unit (PCU) headed by an Additional Secretary will be established under the MoE/SHED, with representatives from the Technical Education and Madrasah Divisions. The DSHE is the main IA and will be responsible for overall implementation and coordination of the TSERP activities across DSHE and other IAs. DME will be the implementing agency for program activities targeted to Madrasahs. However, as is currently the case, DSHE will continue to provide necessary fiduciary mechanisms and responsibilities for funds flow within the PforR program activities until such systems are fully functional at DME. The Budget and Finance Committee under the MoF (Finance Division) will be established to review quarterly progress on expenditures, disbursements progress on DLIs, and ensure adequate resource allocation and timely funds release. Details are provided in annex 1.

#### **B. Results Monitoring and Evaluation**

31. The monitoring and evaluation wing (MEW) of the DSHE will be responsible for M&E activities and publication of monitoring report that will include, among others, Program implementation progress (physical and financial), achievement on KPIs and intermediate outcome (IO) indicators, and compliance on eligibility and funds utilization. The MEW would also mobilize specialized agencies and survey firms to undertake national assessments of secondary students (NASSs) and impact evaluation activities. The EMIS Wing of the DSHE will collect, maintain, and utilize program-specific data on students, teachers, and institutions and publish EMIS reports that will include information on students (enrollment, dropout, repetition, promotion); teachers (subject-wise, qualification, gender); school facilities (classrooms, laboratories, library, ISF, and so on); and school finances (including financial statements of grants). BANBEIS would collect and publish comprehensive statistical information on the sector and carry out compliance verification and annual school census for the Program. The Program would also support strengthening of data management and monitoring capacity at the field level (ZEOs, DEOs, USEOs, and institutions). Annual EMIS reports and annual M&E reports will be published by April and October, respectively, to take stock of the status and achievements in the secondary education sector. To support the result-based modality, the Program will considerably enhance the M&E system. The MoE and DPs will undertake semiannual reviews/consultations in

March and November of each year to review progress in Program implementation (including the achievement of DLRs).

### **C. Disbursement Arrangements**

32. The proposed Operation uses a hybrid approach (PforR +IPF). For the PforR component of the Operation, the achievement of the DLIs will be used for disbursement. Annex 3 shows the list of DLIs/DLRs and the proposed annual financial allocations across DLIs/DLRs. There are a total of 35 DLRs spread over five years. DLRs associated with DLI 1 (curriculum), DLI 2 (learning assessments and examinations), DLI 7 (institutional capacity strengthening), and DLI 8 (fiduciary and data systems) are priced at US\$10 million equivalent per DLR. DLI 6 (improved grade retention for disadvantaged and cycle completion for girls) is priced at US\$15 million per DLR (for four DLRs) and US\$5 million each for two other DLRs. Those associated with DLI 3 (improved teaching-learning in Bangla, English, Math, and Science) and DLI 4 (improved teacher management) are priced at US\$20 million each and those for DLI 5 (school management) are priced at US\$30 million equivalent per DLR. The higher allocation to DLRs on DLI 3, DLI 4, and DLI 5 reflects the importance of respective reforms or initiatives associated with school-level and teacher-level interventions to improve quality of education. The amount allotted and achievement deadline for all DLRs are shown in annex 3.

33. The disbursement will be contingent upon the Government furnishing evidence satisfactory to IDA that it has achieved the respective DLRs and the DLRs are verified by an IVA. Applications for withdrawal from the World Bank's financing will be sent to IDA any time after the World Bank has notified the GoB in writing that it has accepted evidence of achievement of the DLRs. The withdrawal amount against the DLRs achieved will not exceed the amount of the financing confirmed by the World Bank for the specific DLRs. All withdrawals from the credit account will be made into a consolidated fund account in Bangladesh taka maintained at the Bangladesh Bank. In addition, the PforR will provide an advance, of uptoSDR 89,862,500. The advance will be adjusted against disbursements due when the DLRs are achieved or in the later years of the Program. If DLRs are not achieved, refund of the advance is required in accordance with the provisions of the financing agreement.

34. **Disbursement rules for each DLR.** Details of the agreed disbursement rules for each DLR are provided in annex 3. Some DLRs are scalable, with funds being disbursed in proportion to achievement of the DLR. Some DLRs have a roll-over provision with specified deadlines. Similarly, if the achievement outperforms the targets, the corresponding World Bank financing against given DLRs may be disbursed before the deadline of each DLR.

35. **DLI verification protocols.** Verification protocols for each DLR are detailed in annex 3. DLRs will be verified by an IVA commissioned by the MoE and submitted to the World Bank as part of the supporting documentation to report achieved results. The World Bank will also review the evidence base for all DLRs during implementation. While the primary objective of the verification exercise would be to determine if the DLRs have been met, the process would be designed to figure out why DLRs are not being met and thus provide valuable feedback for course-correction during Program implementation.



36. For the IPF-based TAF component, report-based disbursements' using the Interim Unaudited Financial Reports (IUFRs) will serve as the basis for withdrawal of funds from the IDA Credit and the Grant.

#### **IV. ASSESSMENT SUMMARY**

##### **A. Technical (including Program economic evaluation)**

37. The proposed PforR is strategically relevant as it supports the Government's SEDP, which is in line with Bangladesh's goal to achieve the status of an MIC through significant gains in quality and relevance of skills imparted by secondary education. Investment in secondary education is critical for the following: (a) because of large-scale improvements in primary school completion, demand for quality secondary education is increasing rapidly, and (b) while there has been great success in increasing enrollment rates and in achieving gender parity, the incidence of drop outs remain relatively high, more so for female students mainly at higher grades. A large number of youth (particularly those from disadvantaged households) are dropping out at secondary level and getting trapped in low-wage informal sector work. Thus, it is important to ensure that quality secondary education is provided, which is vital for retaining students in secondary schools and providing them with relevant cognitive and noncognitive skills for further education, labor market, or other livelihoods; (c) as widely accepted, access to quality secondary education for females has broader critical impacts given the importance of mothers' education on delaying early marriage, lower fertility, and child's early childhood development (ECD) and nutrition, and so on; and (d) current level of learning outcomes at the secondary level is relatively poor and unequal.

38. The PforR is technically sound because the Program design is based on the GoB's reform priorities and strategy as articulated in its SEDP. It builds on the lessons learned from the World Bank's engagement in the sector, particularly successful secondary education female stipends projects that have helped achieve gender parity at secondary level, and the current World Bank-financed SEQAEP 2008–2017 which has piloted a number of innovative and successful quality-enhancing interventions. It also draws upon the recommendations provided in the most recent analytical sector work carried out by the World Bank 'Education Sector Review - Seeding Fertile Ground: Education That Works for Bangladesh (ESR 2013)'; strategic goals described in the draft Bangladesh Education Strategy Note (2016); and the World Bank's experience with the education sector in Bangladesh, across the region, and the globe. Building on the past and ongoing operations, the Program will take the quality agenda forward through an increased focus on the quality of education and systems. The World Bank's support will use DLI-based (focus on results rather than inputs) reforms in teacher and school management and accountability and system strengthening in data and fiduciary arrangements. A strong partnership between the Government, the World Bank, and the ADB is expected to play a critical role in strengthening and using the country systems in the proposed PforR, which add to the technical soundness of the overall Program.

39. **Program Expenditure Framework (PEF).** The Government's total SEDP expenditure for five years is estimated to be US\$17.2 billion, of which US\$13.7 billion is for recurrent expenditures (including government staff salaries and current obligations to government and MPO teacher salaries), and the remaining US\$3.5 billion is the SEDP program specific investment expenditures. For the World Bank's PforR (TSERP), the overall Program

expenditures are estimated at US\$1.997 billion. The estimated Program expenditure falls within the projected secondary education sector resource envelope or fiscal space, making it a realistic Program from a financing point of view. The PEF is based on costing of prioritized quality improving interventions, adequately covers the subsector trend cost estimates, and provides for additional investments (US\$3.5 billion) in key strategic and innovative interventions to enhance quality of and equitable access to secondary education.

40. **RF.** An RF with SMART (specific, measurable, actionable, realistic, and time-bound) targets has been developed and included in the TSERP. KPIs include a mix of process, output, and outcome indicators, covering all three results areas of the Program. DLIs for the Program are a logical and balanced mix of outputs, IOs, and outcomes. The DLIs cover three priority areas and target the most critical reforms aimed at system strengthening, equitable access, and quality enhancement.

41. **M&E.** The Program M&E system builds on the achievements under the SEQAEP and Secondary Education Sector Investment Program (SESIP) to improve reliability, adequacy, and timeliness of monitoring information on results. The MEW has become fully staffed and integrated in the regular system of the DSHE, and the web-based EMIS has expanded its software and hardware capacity and data management scope covering all the institutions and several project interventions. Envisaged reforms and actions to improve the M&E system and related capacity development during the TSERP include (a) institutional strengthening for manpower and technical capacity of the MEW and the EMIS for sustainable result-based operation; (b) strengthening of decentralized education management capacity of the DSHE at ZEOs, DEOS, and USEOs to monitor the implementation progress and results achievement at local levels; (c) refinement of data collection forms and processes to align with the TSERP results and indicators, and upgrading of the EMIS system to support utilization of Program data including that for analytical and monitoring; (d) implementation of third-party data verifications to increase the reliability of data; (e) enhancing feedback mechanism to schools through school report cards; (f) use of independent third-party verification on the achievements of the DLI targets; and (g) operationalization of the GMS to ensure the compliance on grant eligibility and utilization.

42. **Economic justification.** The cost-benefit analysis uses a ‘counterfactual’ identification approach, whereby the Program ‘investment’ is the estimated additional cost over and above the current trend spending. The main assumptions in the estimation are that benefits come from three sources: (a) more secondary education completers who earn higher wages (relative to non-completers), (b) greater quality of education resulting in higher-wage premiums for all secondary education completers, and (c) less wastage of public and private resources because of fewer dropouts and repetitions and costs include additional Program costs and private costs that comprise direct household outlays as well as opportunity costs. Additional Program investment is derived from the difference between the trend spending and the proposed TSERP estimates. Based on a discount rate of 12.0 percent for the benefit and cost streams described above, the present discounted value of benefits for the base case scenario is estimated to be US\$4.40 billion, while the present discounted value of costs is estimated to be US\$3.13 billion, and therefore, the net present value (NPV) of Program benefits is US\$1.27 billion. Both costs and benefits are calculated in FY16/17 constant prices. The estimated internal economic rate of return is 18.1 percent for the Program. The results, including the sensitivity analysis for progress in internal efficiency and external efficiency gains, suggest that the Program is expected to be a sound

‘investment’. In fact, these are conservative, lower-limit estimates, given that externality benefits arising from healthier, better-educated citizens, and a more equitable, more inclusive society are not included.

## **B. Fiduciary**

43. The integrated fiduciary systems assessment (FSA) identifies the following significant fiduciary risks:

- Given the TSERP nature that includes a large number of beneficiaries (some 30,000 schools and 13 million students), the fiduciary risks can be significant in the absence of robust accountability mechanisms.
- Low capacity on planning, budgeting, and monitoring across all levels—center, zones, districts, upazilas, and schools—exacerbates these risks. Procurement capacity as well financial record keeping is inadequate.
- Similarly, inadequacies in the internal control framework within the MoE/DSHE pose additional risks.
- Implementing a large Program of such nature through non-development budget for the first time requires careful planning and decision making.

44. The following risk mitigation measures are expected to improve the general performance of fiduciary systems supporting TSERP implementation, some of which are included as DLIs:

- Strengthened and regularized Finance and Procurement Wing (FPW) at the DSHE
- Establishment and operationalization of the GMS to ensure that funds disbursed to schools, teachers, and students comply with eligibility and utilization criteria and guidelines
- Roll out of the Integrated Budgeting and Accounting System (IBAS++) to all DDOs
- Use of e-GP in managing procurement contracts
- Use of rationalized MPO system to improve accountability and performance in schools supported by MPO teacher salaries
- Rolling out of Directorate of Inspection and Audit (DIA) peer monitoring software to all institutions
- Carrying out of annual fiduciary reviews (AFRs)

45. The implementation progress report, including financial progress for the PforR, will be shared with the World Bank annually or periodically as requested. The audit report from the OCAG will be submitted within nine months from the end of each fiscal year. For the purpose of PforR expenditure reconciliation, the following SEDP economic codes will be included: 4500, 4600, 4700 (associated with SEDP implementation manpower), 4800, 4900 (associated with SEDP operating and maintenance costs, training, workshops, and evaluations) and 5900 (associated with School Grants). The OCAG as per recent arrangement will authorize the Local Audit Revenue Directorate (LARD)/Civil Audit Directorate (CAD) to conduct the audit of the entire program including TAF component. There will be one audit certification of the program financial statements for the expenditures under the respective codes. The Bank will share a Statement of Audit Needs (SOAN) specifying audit coverage of the program within three months of project effectiveness. The SOAN will be discussed during entry meeting for ensuring

appropriate audit focus on the expenditure boundaries of the program relating the budget codes to the financial statements. The Bank will review the audit report and communicate its comments to MOE and DSHE for taking corrective measures to address any material issues within an agreed time frame. In case of material audit findings requiring further investigation, MOE, as per country practice will set up an enquiry commission to substantiate the allegations and take necessary actions. Comptroller & Auditor General's (CAG) would conduct an audit of the project's annual financial statements within nine months from the end of the fiscal year. At the end of the TSERP, the total expenditures incurred under the defined Program minus other DPs' contribution, according to audited statements needs to exceed the total DLR amount disbursed by the World Bank.

46. **Excluded expenditures from the PforR.** As mentioned earlier, the recurrent expenditure items on pay of government officers and government teachers (economic code: 4501, 4601), salaries of MPO teachers (economic code: 5931), and production of textbooks (economic code: 6851) is not included in the program specific investment expenditures. In addition, the PforR excludes other expenditures, including: civil works activities managed by EED (economic code: 7000), regular stipends payments (economic code: 5963), and procurement of ICT goods (equipments and assests, economic codes: 6807), goods requiring International Procurement<sup>12</sup>. Furthermore, the Program (PforR-supported activities) will exclude activities that involve procurement of works, goods, non-consulting services, or consultant services estimated to cost above World Bank's Operational Procurement Review Committee thresholds or more per contract. In addition, the Program will exclude activities that are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people.

47. **Anticorruption Guidelines (ACG).** The GoB will use its own country systems to take all appropriate measures to prevent fraud and corruption connected with the Program, and to remedy or prevent its recurrence. The World Bank's Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing, dated February 1, 2012 and revised July 10, 2015 (the ACG) will apply to the PforR boundary. The MOE through a Government Order will instruct DSHE and other implementing units on their obligations to comply with the provisions of ACGs during Program implementation. The GoB will use the World Bank's easily-accessible procurement debarment list before awarding contracts and share with the World Bank information on the allegations in the Program and how they are being addressed via the annual reports during Program implementation. During implementation, the World Bank will provide technical support and guidance in strengthening the country system in this area as necessary. The Bank's "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, and as of July 1, 2016 will apply to the IPF component of the Operation.

48. The Program will handle fraud and corruption complaints by (a) receiving complaints from concerned citizens via a complaints box at the DSHE and Upazila offices and in the web-based portal managed by the MoE; (b) providing guidance to citizens or Program officials on grievance handling through a dedicated helpline at the MoE; and (c) using the MoE's Grievance Redress and Complaints-Handling Guidelines (2015) to deal with complaints/allegations from

---

<sup>12</sup> In the absence of economic code for goods requiring International Procurement, the PCU would track these expenditures for reconciliation purposes.

submission to investigation, resolution, and sanctions. The MOE will provide the status of complains and progress to the Cabinet Division as part of its Annual Performance Reporting. Moreover, complaints and allegations associated with the Program can also be lodged thorough the Anticorruption Commission (ACC) hotline number and ACC field-level complains box system, thus allowing concerned population direct access to an independent body such as ACC that operates under the ACC law. Complaints related to procurement processes are handled under the National Procurement Laws. For issues arising from audits, the three public finance-related committees in Bangladesh – namely Public Accounts Committee (PAC), Estimates Committee (EC) and Public Undertakings Committee (PUC) – provide legislature’s oversight of public accounts in the form of ‘ex-post’ reviews of audit reports.

### **C. Environmental and Social Effects**

49. An Environmental and Social Systems Assessment (ESSA) was undertaken to (a) identify risks and impacts associated with the Program, (b) assess the strengths and weaknesses of the legal, institutional, and implementation frameworks, and (c) recommend measures to strengthen national systems and capacity to deliver the PforR in a sustainable manner.

50. The ESSA concludes that the environmental and social impacts of the Program are moderate. The Program will invest in minor physical infrastructures inside the school premises. These include construction of new classrooms, toilets, and water facilities. The Program will not support any civil works activities that will require land acquisition. Potential social benefits of the Program are enormous. The Program will (a) focus on adolescent girls’ school health program through provision of separate toilets for girls and counseling programs to raise awareness about empowerment, schooling outcomes, and health/hygiene; (b) provision of stipends for children from disadvantaged groups and children with special needs; and (c) access-friendly toilets/sanitation facilities for the disabled. One of the compliance criteria to receive stipends will be remaining unmarried.

51. Key environmental and social risks associated with the Program include (a) absence of maintenance policy for school infrastructure; (b) possibility of exposure to naturally occurring toxic elements such as arsenic and manganese in groundwater as well as bacteriological contaminants; (c) lack of proper design, construction, and maintenance of tubewell platform and drainage system; (d) inadequate maintenance of toilets and water logging; (e) short-term localized environmental pollution; (f) insufficient and lack of gender-directed facilities in the institutions; (g) early marriage, especially among girls; (h) difficulties faced by students with special needs; (i) social inclusion of tribal people (TP) along with inadequate measures to ensure free, prior, and informed consultation with TP communities; and (j) inadequate resources for and effective implementation of social and environmental safeguards systems under the Program.

52. The ESSA suggests that these challenges can be addressed by ensuring that the (a) the maintenance policy for civil works is approved by the Steering Committee and published on the MoE/DSHE website and implementation monitored annually; (b) an integrated environmental systems operational plan is prepared and published; (c) maintenance of hygiene latrine, sanitation facilities, and tubewells are incorporated as compliance criteria for school sanitation facility grant; and (d) adequate resources are provided for and effective implementation of social and environmental safeguards systems under the Program. Integrating local leadership may help in raising awareness and educating parents about access to secondary education for girls and

social benefits. Similarly, there should be inclusion of relevant stakeholders and representatives in the social management process. In addition, a DLR on the adolescent girls' program is expected to maximize social impact and will be carefully planned and rolled out to all institutions in at least two divisions under the Program.

53. **Climate and disaster screening.** The TSERP (PforR) was screened for climate and disaster risk. Bangladesh, in general, faces several natural disasters which can pose risk to Water, Sanitation, and Hygiene interventions in the schools supported by the Program. Frequent and recurring natural disasters, such as floods and cyclones, can trigger outbreaks of waterborne diseases, destroy existing sanitation facilities, and compromise safe water supplies, compounding existing health issues. The Program mitigates these risks through ensuring proper operational procedures for construction of new energy efficient classrooms and installing tubewells and sanitation facilities as well as their operation and maintenance. In addition, the Program will support education and awareness-raising on climate change mitigation through curriculum and instruction. Hence, the overall risk to the intended Program outcome is Low to Moderate.

54. **Gender.** Bangladesh has achieved gender parity in secondary education enrollments. However, gender gaps exist against girls, particularly those from disadvantaged regions, with regard to retention, completion, and learning outcomes. The PforR aims to address the gender inequities through (a) cycle completion bonus to girls who complete grade 8, 10 and 12 from disadvantaged areas, and (b) implementation of adolescent girls' program which would include incentives for girls, separate toilets for girls, and introduction of girls' empowerment scheme to promote general health and hygiene. The Program's EMIS collects and reports gender-disaggregated data every year. In addition, the PDO indicator on improved equitable access and retention will provide gender disaggregated data.

55. **Citizen engagement.** Citizen engagement is an important part of the Program. At the school level, beneficiaries (parents and other stakeholders) are directly engaged through their participation in SMCs and parent-teacher associations (PTAs). PDO Indicator 4 on the utilization of grants according to compliance guidelines includes verification of GMS data through citizen's feedback survey. In addition, grants for social audit are included in the Program. The school-level social audit report provides public information on school performance and accountability.

56. **Grievance Redress Mechanism (GRM).** The GoB encourages free flow and people right to information. In view of this, 'The Right to Information Act, 2009 Bangladesh' came into effect on April 6, 2009. The right to information shall ensure that transparency and accountability in all public, autonomous, and statutory organizations and in private organizations run on Government or foreign funding shall increase, corruption shall decrease, and good governance shall be established. In the ICT domain, the GoB has developed a dedicated web portal where complaints are registered to seek remedial measures. All the ministries, including the MoE, have developed Grievance Redress Service (GRS) mechanism to ensure better accountability and transparency.

57. Communities and individuals who believe that they are adversely affected as a result of a Bank supported PforR Program, as defined by the applicable policy and procedures, may submit complaints to the existing program grievance redress mechanism or the World Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address pertinent concerns. Affected communities and individuals may submit their

complaint to the World Bank's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of the World Bank non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate GRS, please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org)

#### **D. Risk Assessment**

58. The overall risk of the Program is considered to be Substantial. Key risks to achieving the Program results are *Political and Governance* risks and the risks associated with weak institutional capacity for Program implementation including fiduciary systems. Political disturbances in the country may worsen and hamper the Program operation especially around the time of next general election in 2019. Security concerns continue to be high and may deteriorate during the Program. *Sector Strategies and Policies* is rated as Substantial because of the uncertainty surrounding when and how the transition of grades 6–8 from lower secondary to basic education system will be implemented by the MoPME and the MoE. *Program Design* risk is rated as Substantial because the DLIs of the Program are associated with a number of transformational reforms and initiatives that have high reward-high risk profile, and non-development budget Program design is a major pilot initiative taken up by the Government for the first time. *Institutional Capacity for Implementation and Sustainability* risk is rated Substantial. Capacity of the main IA, the DSHE, for managing and coordinating Program implementation remains a challenge especially as the Program activities will require extensive collaboration with multiple central-level IAs and partners as well as with local education offices. Data accuracy, adequacy, and timeliness are still an issue in the M&E system. Staff turnover of the Government officials is also a significant challenge. Transition of implementation system from the project-based approach to a program-based one requires careful planning, strong commitment, and coordinated execution. *Fiduciary* risk is rated High due to inadequate financial management (FM) capacity of the DSHE. Fiduciary tasks for much of development activities have been handled by stand-alone projects. The DSHE has established a designated wing for procurement and financial management (PFM); however, the wing is yet to be regularized and with inadequate experience. In terms of individual component risks, procurement risk is rated Substantial and FM is rated High. *Stakeholders* risk is rated Substantial given the complexities involved with a large number of beneficiaries and the two ministries involved in the transition of grades 6–8 from secondary to basic level during the Program period.

59. These risks will be mitigated through specific measures identified in the technical assessment, FSA, and ESSA. The measures include (a) DLI-based financing as incentives to bring intended results in outcomes, processes, and reforms in three strategic areas of quality, access, and governance; (b) implementation of the PAP to carry out critical actions to achieve agreed results and DLIs; (c) strengthened capacity of IAs and monitoring agencies at the center, districts, upazilas, and the schools; and (d) sustained policy dialogue, provision of implementation support, and TA from the World Bank and cofinancing DPs. The World Bank is expected to provide strategic advice to the Government on difficult issues such as those associated with proposed phased transition of grades 6–8 from secondary (MoE) to basic education (MoPME). The World Bank's role will continue to be critical in the pacing and

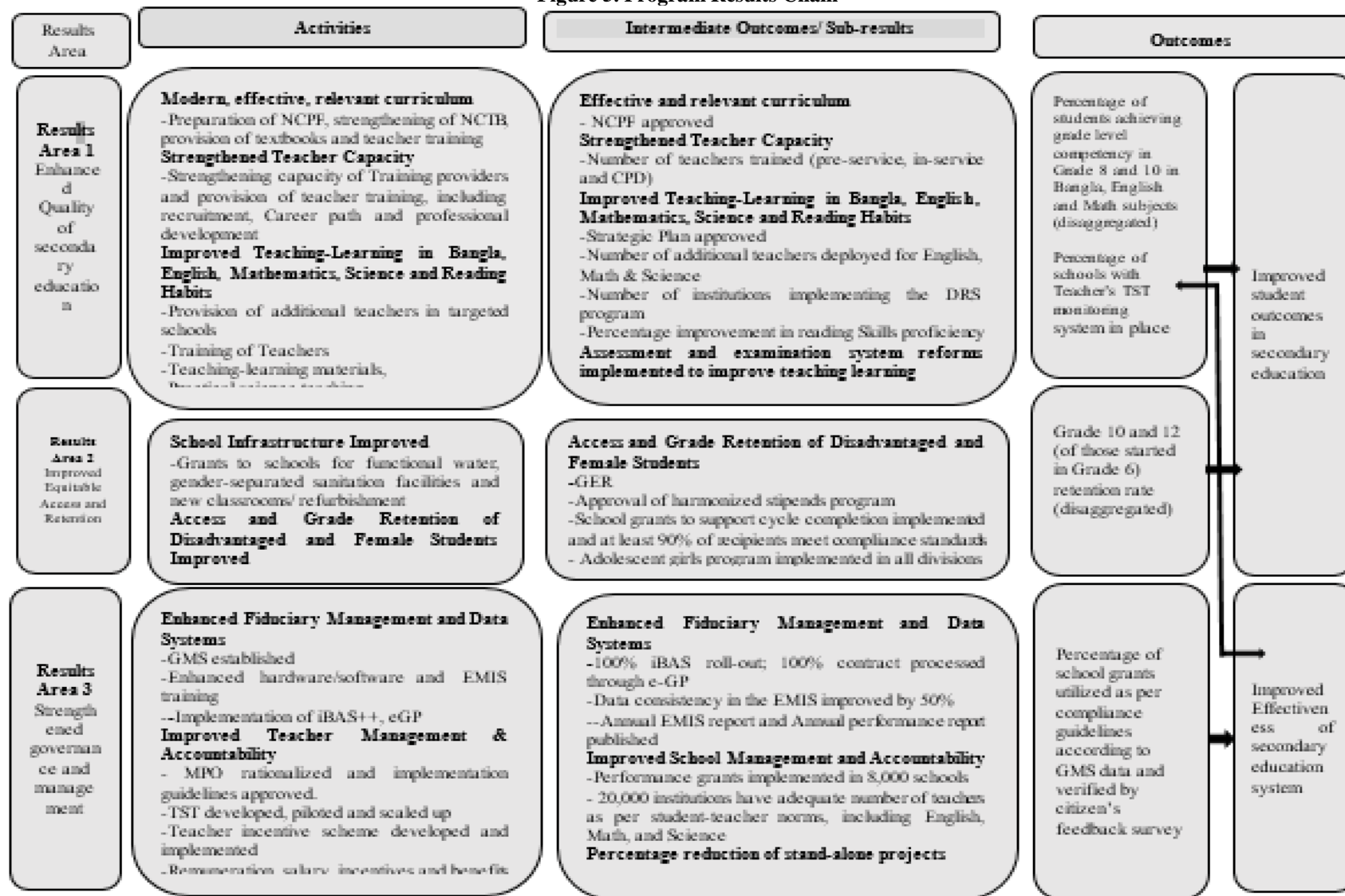
sequencing of transformative reforms in the context of evolving institutional capacity, financial resources, and political will during the Program period.

### **E. Program Action Plan**

60. The PAP has been developed based on recommendations of the TA, FSA, ESSA, and risk assessment. The PAP includes key activities/actions agreed with the Government to achieve Program objectives and results, in particular, the DLRs. Specifically, implementation of the agreed FM actions on internal audits, operationalization of the GMS, and AFRs are expected to mitigate fiduciary risks. Provision of adequate budget and personnel to implement the environment and social systems will minimize risks associated with the Program's environment and social aspects. Satisfactory implementation of the TAF and approval of relevant policies, guidelines, and manuals on strategic program interventions on teaching-learning improvement, equitable access enhancement, and system strengthening are critical elements of the PAP to achieve the DLRs. The implementation of the PAP will be monitored and reviewed during the joint semiannual review mission with the MoE and the DPs. See annex 8 for details.



Figure 5. Program Results Chain

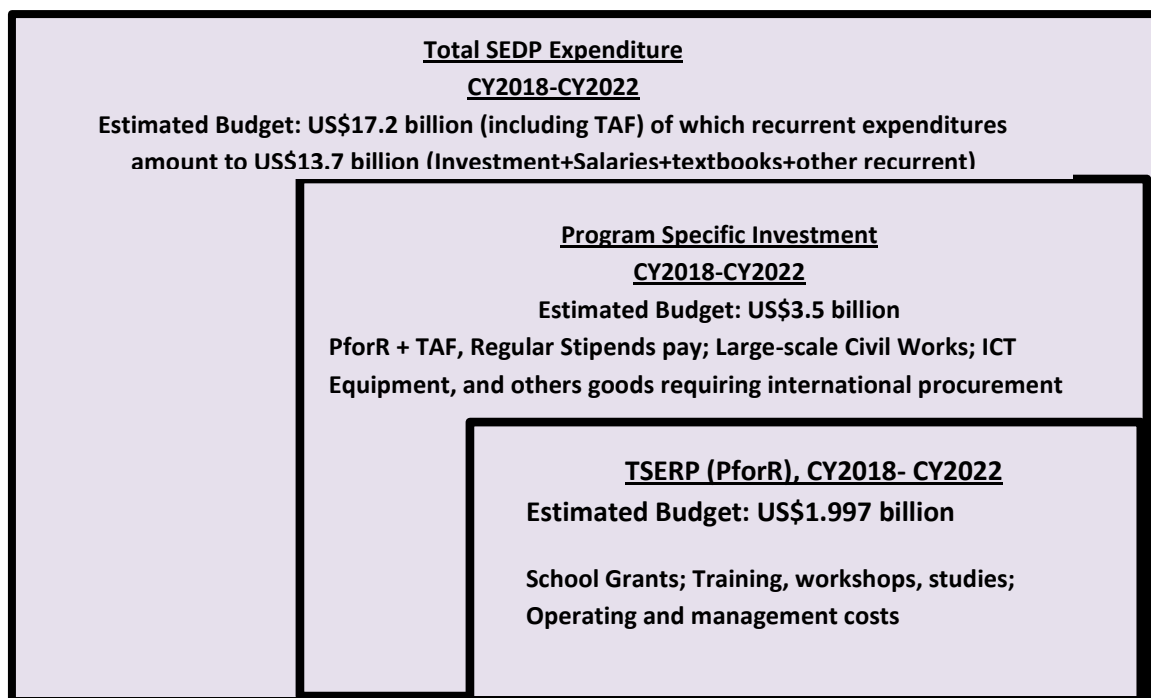


## Annex 1: Detailed Program Description

1. The Government's SEDP will be implemented over the course of five years from the calendar year (CY) 2018 to CY 2022, and it will cover grades 6-12, annually supporting more than 13 million students and 357,000 teachers from more than 20,300 general schools, 9,400 madrasahs, and 1,190 school-based vocational/technical institutions across the country. SEDP spans the entire activities of MoE excluding those for higher education (post grade 12), technical and vocational education and training under the DTE and BTEB.

2. The proposed World Bank supported Program (TSERP) will support a subset of the Government's SEDP program specific investment expenditures. The PDO is to improve student outcomes in secondary education and the effectiveness of the secondary education system (student outcomes refer to enrollment, retention, completion and learning levels). The diagrammatic representation of the World Bank-supported Program scope in relation to the Government's SEDP is shown below in figure 1.1 and in table 1 of the main text.

**Figure 1.1: National SEDP and World Bank supported Program Relationship**



Note: Secondary Education expenditure for five years is estimated to be US\$17.2 billion, of which US\$13.7 billion is for government staff salaries and current obligations to government and MPO teacher salaries. The remaining US\$3.5 billion is the SEDP program specific investment expenditures.

3. The proposed World Bank financing for TSERP will use the PforR financing instrument, providing a stronger focus on accountability for results and outcomes and incentivize the government ownership of critical reforms and policies in the secondary education sector. The program is structured according to three results areas: (a) enhanced quality of secondary education; (b) improved equitable access and retention; (c) strengthened governance and management.

## **Results Area 1: Enhanced quality of secondary education**

4. To enhance the quality of secondary education, the Program aims to carry out a range of reforms and strategic interventions focused on curriculum, examinations and assessment, teacher development, availability of qualified teachers and teaching-learning practices particularly in Bangla, English, mathematics and science. The key elements of the reforms are presented in the following subresults areas.

### **Sub-results Area 1.1: Improved quality and relevance of curriculum**

5. Currently, there is no policy framework for systematic curriculum revision and implementation. The current secondary education curriculum is not fully integrated across different grades and subjects, not sufficiently competency-based nor benchmarked against national learning goals, and is perceived to be too heavy and thus not catering to the needs of diverse student populations. The NCTB revised the secondary curriculum in 2012. Moreover, the NCTB is not adequately staffed with curriculum specialists.

6. The Program aims to review and revise the secondary education curriculum for Grades 6 to 12 to promote competency based teaching-learning, make it more responsive to labor market demands, and cater to the diverse needs and aspirations of secondary school students. Building on the achievement of SESIP, a National Curriculum Policy Framework (NCPF) will be approved and implemented, which will provide policy and technical guidance on curriculum revision, including the following elements: grade-wise and subject-wise learning outcomes and competencies, diversification of curriculum, and availability of relevant subject choices. Textbooks and other instructional materials for Grade 6 to 12 will be developed to support implementation of the revised curriculum. Appropriate supplementary teaching and learning materials will be developed and disseminated, including e-learning modules. In addition, the program will support restructuring and strengthening of NCTB with special emphasis on posting of curriculum specialists based on approved staffing guidelines. This will help NCTB to carry out its primary functions on curriculum revision, instructional material development, and curriculum dissemination effectively. Existing wings of DSHE will be strengthened to undertake the implementation of curriculum, including training of teachers and monitoring of curriculum implementation, in collaboration with NCTB. The Program will finance, among others, costs for meetings, workshops and conferences, equipment and facilities for e-learning development, and trainings for relevant stakeholders.

### **Sub-results Area 1.2: Strengthened teacher capacity**

7. The key factors limiting the development of an effective secondary education teaching force include: (a) absence of a comprehensive policy for teacher professional development (recruitment, career path, CPD, pre-service and in-service teacher trainings and recognition of prior learning)<sup>13</sup>, (b) lack of harmonization in teacher training programs implemented by different projects (potential duplication, variation in quality of coverage and service delivery),

---

<sup>13</sup> As of 2017, there are 14 government TTCs and 94 non-government TTCs which are offering B.Ed. courses, affiliated to National University. Some universities including Open University are also providing B.Ed. and M.Ed. courses. There are five HSTTIs providing in-service teacher training for teachers at Grade 11 and 12 levels.

and (c) inadequate capacity of existing training providers to meet the current needs for pre-service, in-serving and CPD trainings.

8. The objective of this sub-result area is to upgrade the quality and capacity of professional development training for teachers to enable them to deliver quality instructions in classrooms. The program will build on achievements of TQI and SESIP and support: (a) development and implementation of Secondary Teacher Development Policy which outlines career paths, registration, pre-service teacher education, needs-based in-service and CPD for secondary level teachers and sustainable strategies for providing training opportunities and professional support to teachers; (b) upgrading of pre-service training curriculum for competency-based B.Ed. and M.Ed.; (c) strengthening of Teacher Training Colleges (TTCs) as pre-service training providers, including upgrading all the government TTCs (proposed to be renamed as Teacher Education Colleges (TECs)) to Center of Excellence (COE), and provision of training of trainers to government and non-government TTCs through COEs; (d) provision of in-service teacher training for CPD to all the secondary-level teachers; and (e) upgrading and strengthening of Higher Secondary Teacher Training Institutes (HSTTIs) to expand and improve delivery capacity for quality in-service trainings. Training Wing, DSHE will be responsible for managing the implementation of this sub-results area by mobilizing field-level agencies and suitable partner agencies and training providers (public and private). The Program will finance, among others, workshops and conferences, costs for training for trainers and teachers, and equipment and materials for teacher training.

### **Sub-results Area 1.3: Improved teaching-learning in Bangla, English, Mathematics and Science**

9. Student learning outcomes in some key subjects like English, mathematics and science remain much below the expected learning levels. There is a shortage of qualified teachers in these subjects, particularly in rural areas. Declining enrollment in science subject is a serious concern for the country. Reading habits and proficiencies among children are still limited due to lack of age-appropriate reading materials, particularly in rural areas.

10. This sub-result area aims to strengthen teaching and learning of Bangla, English, Mathematics and Science. Activities supported under the proposed SEDP would include: (a) DSHE/MoE to formulate and implement a strategic plan for improving teaching and learning in Bangla, English, mathematics and science; (b) building on the success of SEQAEP project, deploy qualified and trained additional teachers<sup>14</sup> for these subjects to select needy schools throughout the country based on needs assessment of institutions; (c) building on the SESIP experience, scale up the Practical Science Teaching (PST) program to all secondary-level institutions; (d) expand DRS program nationally based on the experience of SEQAEP project; and (e) pilot and scale up English listening and speaking laboratory program to select schools to improve teaching and learning for practical English skills. The Program will finance, among others, remunerations, other pays and administration costs for additional teachers, training for additional teachers and science teachers, provision of equipment and materials for PST, provision of books and library equipment for DRS program, and provision of English laboratories.

---

<sup>14</sup> Additional teachers will be hired on temporary contract basis.

11. Support for additional teachers will include (a) recruitment and remuneration, (b) pre-deployment training, (c) supply of instructional materials, and (d) incentive for remedial classes. PST program would support: (a) supply of science equipment to institutions, (b) training of science teachers on PST, (c) organizing of school-based science groups, and (d) organizing of science fairs at national and district levels. SEDP plans to retain existing ACTs/RTs through a special government order to ensure classroom learning sustainability. The program will also promote use of ICT in teaching and learning in all subjects. Building on SEQAEP achievement, DRS program will be rolled out in phases to all secondary-level institutions to enhance the reading habit and reading competencies among secondary students. DRS program will be financed through school grants and include the provision of age-appropriate books, training of librarians, libraries and digital libraries, as well as monitoring of reading habits by tracking the numbers of checked-out books. DSHE will implement the DRS program in partnership with an external partner agency such as BSK.

#### **Sub-results Area 1.4: Improved classroom assessment procedures and national learning assessment and examinations**

12. The current large number of public examinations in secondary education (grades 8, 10 and 12) in Bangladesh tend to encourage memorization and rote learning oriented educational practices. Examinations in Bangladesh are also not standardized with the implication that they are not comparable across multiple boards and across time. LASI has been initiated under SEQAEP but needs further strengthening and institutionalization. In addition, there is a need to introduce a school-based assessment for students such as Continuous Assessment (CA) and a school-based diagnostic assessment for students starting grade 6 to gauge their readiness for secondary school.

13. The objective of this sub-results area is to strengthen classroom assessments, undertake examination reforms and institutionalize a large-scale credible learning assessment system. The program will support: (a) formulation and implementation of a national examination plan for secondary-level examinations (Junior School Certificate [JSC], Secondary School Certificate [SSC], Higher Secondary School Certificate [HSC]); (b) facilitate a move toward international best practice and standardization of examination across subjects, years and boards (standardization of test items, administration, marking process, results); (c) implementation of CA of classrooms; (d) capacity development of BISE based on its capacity assessment; (e) establishment of National Assessment Center (NAC) as a statutory body for examination and learning assessment; (f) implementation of LASI (proposed to be renamed as NASS); and (g) introduction of school-based Diagnostic Assessment (DA) at Grade 6. The Program will pilot and scale up DA in phases to cover all secondary-level institutions. The Program will finance, among others, costs for meetings, workshops and conferences, trainings for BISE/NAC personnel, provision of equipment and facilities for NAC, and costs for undertaking and disseminating NASS.

14. Key LASI/NASS activities will include: (a) strengthening of design and analysis, as well as feedback to policy makers and quality improvement process, (b) implementation every two years (2019 and 2021) on nationally representative samples of Grade 8 and 10 students in Reading of Bangla, English, and Mathematics, and also on contextual factors that may influence student learning, (c) utilization of LASI/NASS results as a long-term monitoring tool to measure

improvement in learning outcomes, and (d) align LASI/NASS with the requirement of SDG indicators.

### **Sub-result area 1.5: Improved labor market relevance**

15. To address the issue of limited relevance of secondary education in the labor market, this sub-results area aims to impart employable skills to secondary level students to improve the labor market outcomes of those who choose to enter workforce. In this context, SESIP has initiated the pilot on pre-vocational and vocational (PVV) education for secondary-level students in 640 institutions (with new classrooms, equipment, training and two teachers for SSC PVV). SEDP will support the implementation of this pilot and will scale up the program in additional 640 institutions. DSHE will implement the PVV program in coordination with DTE and other provider agencies. The Program will finance, among others, workshops and trainings, and provision of equipment for PVV.

Other sub-result areas and interventions (outside the scope of TSERP but supported under SEDP)

16. Production of the textbooks will be managed by NCTB, and will be outside of the PforR boundary as printing of textbooks and subsequent distribution to schools have been carried out as routine activity by MOE on a regular basis and the World Bank is not expected to add significant value to the printing process.

17. The government program will also support the establishment and operationalization of ICT Learning Centers (ILCs) and provision of e-learning materials (five subjects) in 640 schools, the program would expand to another 640 schools during the implementation period. The purchase of ICT goods/equipment will be outside of the PforR boundary as this is under the purview of the ICT Division of the government which has been supplying a large volume of ICT equipment to education institutions. The PforR Program will however support the utilization of ICT by administrators and teachers in teaching and school management activities.

### **Result Area 2: Improved equitable access and retention**

18. Despite the remarkable improvement in access to secondary education, equitable access and retention for children from disadvantaged background and for female students remain as significant challenges for the sector. The program primarily aims to increase cycle completion especially for females and secondary enrollment in disadvantaged areas.

#### **Sub-result Area 2.1: School infrastructure development**

19. Physical facilities of non-government secondary-level institutions remain inadequate, while civil works management capacity of EED needs strengthening, and the system for needs-based school infrastructure development is yet to be institutionalized. The policy guidelines on national educational institution construction needs to be implemented, focusing on needy institutions. All school infrastructure development will be needs-based.

20. The objective of this sub-results area is to improve capacity for needs-based institution infrastructure development (classrooms, water and sanitation facilities, other facilities). SEDP interventions include: (a) EED re-organization and capacity development (decentralization, introduction of electronic Government procurement [e-GP], and monitoring); (b) implementation of National Education Institution Construction and Maintenance Guidelines; (c) piloting of PPP model in institution construction; and (d) planning of needs-based infrastructure development (classroom construction and refurbishment). Needy institutions will be identified based on the needs assessment using Secondary School Quality Standard (SSQS) and school mapping to be undertaken. DSHE will be mainly responsible for needs identification and planning for infrastructure development. The Program will finance, among others, trainings for EED officers, and meetings and workshops for the Guidelines and needs-based infrastructure development.

### **Sub-result Area 2.2: Improved access and retention**

21. Despite the significant expansion of enrollment in secondary education, retention and transition remain as a considerable challenge especially for female students and students from disadvantaged background and geographical areas. Among the underling factors, costs of schooling play a key role, both in the form of direct costs such as tuition, contribution, accommodation, and learning materials, and indirect opportunity cost. Furthermore, social factors, such as early marriage and season-related absences have a significant impact of retention of both girls and boys. Currently, multiple stipend programs are implemented with varying rates and selection criteria and procedures, and there are no specific incentives for cycle completion.

22. The objective of this sub-result area is to address the issue of low transition from primary to secondary school, and low retention at higher grades particularly for children from disadvantaged backgrounds. The Program will support the design and approval of a harmonized stipends program through the preparation of harmonized stipends manual and improved implementation mechanism, and finance, among others, trainings for DSHE officers, and meetings and workshops for the stipends operations manual and the roadmap for implementation of the stipends program. The Program, under this sub-results area, will additionally support the cycle completion bonus to students (boys and girls) who complete grade 8, 10 and 12 from disadvantaged areas, and finance, among others, provision of school grants as completion bonus to eligible students, operation costs of beneficiary selection, verification and database management, and costs of grants disbursement.

### **Sub-result Area 2.3: Enhanced cycle completion for girls**

23. Health problems including those related to menstrual hygiene, undernutrition and emotional issues are a major barrier to girls' school attendance, retention and learning. Although the proportion of women marrying in their early teens continues to decline gradually, one third of Bangladeshi adolescent girls start child bearing at a very early age, as teenagers. In Bangladesh, adolescent fertility is at 80.6 births per 1,000 girls who are 15-19 years of age. The purpose of this sub-result area is to design and implement adolescent girls program to address the key health issues affecting dropouts among adolescent girls.

24. The proposed program will design, pilot and scale-up the adolescent girls' program (AGP) in collaboration with Ministry of Health and Family Welfare. The key features of AGP would

include (a) incentives to female students in grades 9-12 from economically disadvantaged areas; (b) separate functional toilets for girls to reach a national minimum standard ratio as specified in the operations manual; (c) inclusion of relevant adolescent health topics in curriculum including sexual and reproductive health, gender equity, good nutrition and staying fit; (d) promotion of menstrual hygiene with disposal facilities in schools and at home; (e) promoting positive student relationships and tackling bullying and gender-based victimization; (f) inclusion of adolescent health in teachers' ongoing professional development; (g) awareness raising around adolescent health and health services for students, teachers, and community; (h) formation of school-based girls committees supported by female guardian teacher; (i) introduction of student and peer counseling; and (j) initiating nutrition services for girl students to address underweight and anemia; and (k) promoting links between schools and local health services.

25. The AGP will be piloted and evaluated in selected 16 upazilas, and scaled up nation-wide in phases to at least 50 percent of secondary-level institutions. Building on SESIP's achievement on Life-Skill Based (LSB), SEDP would also support expansion of the LSB program by training all secondary and madrasah teachers to provide young girls with essential life skills to cope with reproductive health issues. To further enhance the effectiveness of these interventions, this sub-result area will also support implementation of relevant nation-wide awareness raising campaigns. DSHE will be responsible for implementing this sub-result area in partnership with Ministry of Health and Family Welfare and other DPs and NGOs. The Program will finance, among others, school grants given as adolescent girls incentives, costs of implementing the other sub-interventions in the adolescent girls' program, and workshops and trainings for LSB program.

26. The program would be complemented by the Government's policy to increase the availability of female teachers in rural areas and in madrasahs (currently less than 25 percent of all teachers are females, much lower in rural areas and madrasahs). Teacher recruitment and deployment policy and implementation is expected to incorporate this strategic focus. Together with AGP and cycle completion bonus, provision of teachers in remote/disadvantaged areas, and additional (remedial) classes in English, Mathematics and Science are expected to promote equity in access and retention as well as equity in learning levels.

Other sub-result areas and interventions (outside the scope of TSERP but supported under SEDP)

27. The government program will support the implementation of needs-based infrastructure development (classroom construction and refurbishment) in at least 1,500 needy institutions that will be identified using SSQS and school mapping exercise. Furthermore, the government will also support other infrastructure development needs of relevant agencies and institutions, including construction of 490 USEO offices, 20 new schools and teacher dormitories in underserved areas, 13 new STTIs, and five new TTCs (TECs) as well as renovation of DSHE building and five existing STTIs. EED will administer and supervise all the civil works in the secondary education sector. The civil works under the EED are neither part of Bank's value-added nor the strategic focus, they will remain outside of the PforR boundary. Provision of stipend payments to students has been one of the pioneering areas of the Bank supported secondary education programs in the past. However, in the upcoming program, the targeted



stipends scheme is expected to be institutionalized as a recurrent activity under a broader umbrella of social assistance program of the Government and thus not included in the PforR.

### **Result Area 3: Strengthened governance and management**

28. Despite the remarkable expansion of secondary education, the governance, management and administration of the sector still remain fragmented, and call for further streamlining and capacity building at central, regional, and institution levels. In this context, the primary objective of this result area is to strengthen the education system for improving governance, management and administration of the secondary education sector.

#### **Sub-result area 3.1: Strengthened decentralized education management**

29. Currently, DSHE's capacity at the central level is fully absorbed by administrative tasks, leaving little to program activities, which are currently undertaken through stand-alone projects. Good progress has already been made in terms of decentralization, particularly in the areas of institutionalization of USEOs, and decentralization of MPO administration at ZEOs through SESIP. Yet many challenges remain, including limited scope of decentralization, incomplete financial and MPO authority delegation to ZEOs, and number of posts at local offices yet to be regularized.

30. The objective of this sub-results area is to develop and implement a feasible decentralization plan toward more efficient and effective education management for secondary education. The program would support: (a) strengthening of MPO decentralization at ZEOs (through regularization of field level positions, delegation of financial authority, monitoring of teacher performance); (b) capacity building and streamlining functions of DEOs and USEOs; and (c) strengthening of SMCs/MMCs through revision of management guidelines, increased resource allocation and accountability (more details in sub-results area under school management and accountability); and (d) creating similar existing post to retain decentralization efforts. The Program will finance, among others, trainings and workshops for ZEOs, DEOs, USEO, and SMCs/MMCs.

#### **Sub-result area 3.2: Strengthened education management information system and monitoring and evaluation**

31. Current EMISs and M&E arrangements include: (a) BANBEIS which collects and publishes comprehensive statistical information on the sector covering students, teachers, and institutions; (b) DSHE's EMIS collects and maintains institution-level data on teachers (mainly MPO and training), institutions (physical facilities) and SESIP-specific project data; (c) SEQAEP collects, maintains and utilizes project-specific data on students, teachers and institutions (13 modules covering stipends, tuition and grants) with support from LGED; (d) Directorate of Inspect and Audit (DIA) carries out performance-audit of institutions; and (e) MEW of DSHE, expected to be regularized by end of 2017, publishes monitoring reports using project-data from SESIP, SEQAEP and TQI on implementation progress, mobilizes BANBEIS to collect and publish compliance verification and annual school census data, and carries out impact evaluation activities with support from survey firms.

32. The objective of this sub-results area is to enhance reliability and utilization of data systems through strengthened and harmonized EMIS and M&E systems. The program will support the following activities: (a) upgrading and maintenance of DSHE EMIS to EMIS Wing under Director General (DG) DSHE (manpower, software including web-based system and integration to a uniform platform, and hardware); (b) sample-based verification of self-reported EMIS data and school-mapping through BANBEIS; (c) publication of annual EMIS report that will include information on students (enrollment, dropout, repetition, promotion), teachers (subject-wise, qualification, ender), school facilities (classrooms, labs, library, ISF, and so on), and school finances (including financial statements of grants); (d) undertaking of M&E activities and publication of M&E report that will include, among others, program implementation progress (physical and financial), achievement on KPIs and IO indicators, and compliance on eligibility and funds utilization (data to come from GMS); and (e) strengthening of data management and monitoring capacity at the field-level (ZEOs, DEOs, USEOs and institutions). Annual EMIS reports and Annual M&E reports will be published by April and October respectively to take stock of the status and achievements in the secondary education sector. The Program will finance, among others, provision of hardware and software to EMIS, costs of system upgrading, data verification studies, training for EMIS and M&E at central and local levels, and workshops for dissemination.

### **Sub-results area 3.3: Improved teacher management and accountability**

33. Teachers are the most important actors in teaching and learning process. Since over 98 percent of secondary schools are non-government, the Government's support to secondary education comes in the form of MPO system that provides teacher salary to approved MPO teacher positions. The well-intended policy and the instrument based on a PPP suffers from several weaknesses: (a) centralized MPO system has resulted in unequitable distribution of MPO teachers (recently MPO selection has been decentralized at ZEO, funding authority is still centralized); (b) absence of a clear mechanism to provide adequate MPO support based on actual needs, particularly for shortages of subject-based positions, resulting in a significant share of teachers financed by school fees (as a consequence, school-paid teachers are significantly underpaid relative to MPO teachers); and (c) inadequate compliance monitoring and enforcement with MPO guidelines, including performance monitoring on MPO supported teachers.

34. This sub-results area aims to rationalize the MPO system to improve equity (needs-based allocation), efficiency (of selection and payment process) and compliance. Under this sub-result area, the program will support: (a) establishment and capacity development of a Non-Government Teachers Selection Commission (NTSC); (b) revision of MPO implementation guidelines; (c) introduction of teacher performance management measures including TST monitoring<sup>15</sup> and teacher attendance monitoring; (d) formulation and institutionalization of teacher career path; and (e) deployment of adequate numbers of qualified subject-based teachers. MoE will formulate and approve a MPO rationalization plan, and update the MPO implementation guidelines. The guidelines will include the following: (a) a need-based allocation of positions by schools; (b) deployment and redeployment of MPO teachers; (c) transparency in MPO teacher selection; (d) monthly payment to teachers based on compliance certificates; (e)

---

<sup>15</sup> TST monitoring will be implemented under the overarching framework of the Result-based Management (RBM) program of DSHE to be harmonized with other school and teacher performance management mechanisms such as teacher diaries.

incentives to teachers serving in hard-to-reach areas; and (f) non-MPO salary grants to schools for unserved or disadvantaged areas (unserved by MPO positions). A mechanism will be established to track, record, and report TST with participation of principals, teachers, and students in a transparent and sustainable way. An operations manual that details out the TST monitoring methods will be developed and piloted. Unannounced third party visits will independently cross-check the implementation of the teacher performance management. TST monitoring will be expanded to at least 50 percent of secondary-level institutions. The Program will finance, among others, meetings and workshops for MPO guideline rationalization, non-MPO Salary Grants for New Teachers in Under-Served Areas, and Incentive Grants for Teachers to relocate to Disadvantaged Areas. Regular MPO teacher salaries are part of the overall SEDP program but are neither part of the program specific investment expenditures nor the PforR boundary.

#### **Sub-results area 3.4: Improved school management and accountability**

35. SMC and MMC policy has been a backbone of decentralized school management for non-government secondary institutions. However, because of inadequate financial resources and lack of proper incentives mechanisms, the SMC/MMC's role in holding teachers and schools accountable for delivery of quality education has been generally ineffective.

36. The purpose of this sub-results area is to strengthen school management capacity, promote community engagement and improve accountability mechanism. The program will provide to institutions: (a) performance-based grants (for institutions meeting minimum accountability criteria (such as functional SMC/PTA, annual social audit, EMIS data submission, etc.) and achieving performance targets (such as student attendance, retention, teacher attendance and time-spent-teaching, student learning outcomes and achievement in SSC/HSC)); and (b) earmarked need-based grants to improve water and sanitation facility (ISF). Implementation of the grants scheme will be supported by comprehensive School Grant guidelines which will include grants funding formula, criteria and procedure for selection of beneficiary institutions, disbursement of funds, and compliance monitoring on grants eligibility and utilization through GMS. The grants scheme will be disseminated to stakeholders through education awareness and community mobilization initiatives.

37. To strengthen school management, the program will also support leadership professional development for institution heads through dedicated management training provided by National Academy for Education Management (NAEM) and other suitable agencies. The Program will finance, among others, provision of performance-based school grants, needs-based school grants, workshops and training for SMCs/PTAs, community awareness raising campaigns, and training for institutions heads.

#### **Sub-result area 3.5: Strengthened sector planning, management, and coordination**

38. In the context of the proposed harmonized and results-based SEDP program, this sub-results area aims to strengthen planning, budgeting, management and coordination.

**39. Planning and budgeting:** Based on the SEDP five-year program document, annual work plan and budget will be detailed in the Annual Operations Plan (AOP) covering revenue and

capital expenditures. AOP will be the basis for budget allocation, release and expenditures. Budget and Finance Committee (BFC), headed by Additional Secretary (Budget Division, MOF) will provide guidance to the implementation of AOP as needed.

**40. Sector Coordination:** Sector coordination will be enhanced through establishment and operationalization of PCU and Program Support Unit (PSU) at MoE. PCU will prepare an integrated AOP, with detailed work plan and budget allocation of program under DSHE and other IAs, carry out periodic review of program implementation progress, and harmonize DP support. PSU will manage and harmonize technical support activities across DSHE and other IAs.

**41. Management capacity** will be strengthened through a streamlined program implementation structure which will include: (a) mechanism for program coordination and technical support; (b) rationalized units and manpower/staffing (with roles and responsibilities) at the central and local offices; (c) reduction of stand-alone projects and PIUs; and (d) transition mechanism to complete the harmonization by Mid-term Review. The Program will finance, among others, central level and field-level manpower needed for program implementation, operating and maintenance costs. The program implementation and management capacity will be further supported by provision of TA managed by PSU at DSHE.

**42. Fiduciary management** will be enhanced through (a) regularization and capacity development of Procurement and Finance Wing (PFW) of DSHE; (b) use of iBAS++ and e-GP system for FM reporting and procurement management; and (c) establishment and operationalization of GMS to ensure that funds are disbursed to eligible beneficiaries and are used for the intended purposes. The program will also support performance audit of institutions carried out by DIA. Furthermore, independent AFRs and special post procurement reviews will be undertaken as necessary. The Program will finance, among others, meetings and workshops for sector planning and coordination, management trainings for central and local level agencies, iBAS and e-GP trainings, development of GMS, and provision of TA outside of the TAF.

## **Implementation Arrangements**

**43.** TSERP will use the country system for program implementation, PFM, and M&E and reporting arrangement. MOE will serve as the EA for overall policy guidance and oversight.

**44.** Inter-ministerial Program Steering Committee (IPSC) will be established under MOE to oversee the coordination, monitoring and implementation of TSERP. The IPSC will be headed by the Secretary, SHED, MoE. Specifically, the IPSC will be responsible for (a) providing strategic guidance and oversight on policies, reforms and program implementation; (b) approval of AOP and Annual Procurement Plan, including work plan and budget; (c) providing guidance for addressing constraints and compliance during implementation; (d) reviewing progress on the fulfillment of program results, including DLIs. (e) provide approvals of necessary documents and undertake actions as required to achieve DLR targets. The full composition of the committee is provided in Table 1.

45. Program Coordination Unit (PCU) headed by an Additional Secretary of MoE will be established under the MoE. PCU will be responsible for (a) coordinating the preparation of an integrated AOP, including budget covering program and activities of DSHE and other IAs under MOE (DME, NCTB, BISE, NAEM, BANBEIS, DIA, NTSC, EED, MEB); (b) coordinating all DP financing in secondary education, including joint reviews and missions; (c) conducting annual reviews on program progress; and (d) working as a secretariat to and reporting to the IPSC.

46. Directorate of Secondary and Higher Education (DSHE), headed by two Executive Directors (one under DSHE, second one under DME), will be the main IA and will primarily be responsible for: (a) planning, budgeting, program implementation and M&E, with support of other IAs; (b) supporting other IAs in delivery of program activities at the field level; (c) deployment of other implementing partners and service providers; (c) undertaking PFM; (d) consolidate all required physical and financial reporting to effectively implement the program; (e) ensure that result areas and DLRs are achieved and reported on time; (f) monitor the implementation and compliance with social and environmental systems. Concerned units of DSHE will be staffed adequately with program management and technical teams to effectively manage the program. Both DSHE and PCU will work under the oversight of SHED, MOE.

47. DSHE will have the following wings, each led by a director and supported by staff and consultants: (a) Planning and Development Wing (PDW) is responsible for preparing program AOP with detailed work plan and budget for DSHE and its field level offices and other IAs, and report on financial and physical progress and monitor compliance with guidelines on fiduciary, social and environmental systems; (b) Training Wing (TW) to serve as focal unit for all activities related to TPD; (c) Secondary Wing (SW) to serve as focal unit for harmonized stipends program, GMS and all disbursement to schools, teachers and students; (d) Administration Wing (ACW) to manage the MPO system and non-MPO teacher support under the program; (e) MEW to undertake all M&E activities and reporting, including compliance verification and annual school census, and LASI with support from relevant specialized agencies; (f) Procurement Finance Wing (PFW) (currently under SESIP) to undertake PFM activities; (g) EMIS Wing (currently under SESIP) to carry out EMIS functions.

48. DME (Directorate of Madrasah Education) will be the implementing agency for program activities targeted to Madrasahs. However, as is currently the case, DSHE will continue to provide necessary fiduciary mechanisms and responsibilities for funds flow within the PforR program activities until such systems are fully functional at DME. The Bank's disbursements for any Program Expenditures made from DME through its own fiduciary system is conditional on the satisfactory system in place as assessed by the Bank.

49. Other IAs include National Curriculum and Textbook Board (NCTB), Board of Secondary and Intermediate Education (BISE), EED, National Academy for Education Management (NAEM), Bangladesh Madrasah Education Board (BMEB), Bangladesh Bureau of Educational Information and Statistics (BANBEIS) and Non-Government Teachers Selection Committee (NTSC). In addition, DSHE capacity will be strengthened to deliver results by mobilizing implementing partners including the Department of Public Health Engineering (DPHE), LGED,

Commercial Banks, IAs which promote reading habit (for example, BSK, Room to Read), and Universities.

50. Program Support Unit (PSU), SEDP PSU will be established under PCU/MOE and be headed by a Joint Program Coordinator, to support implementation of the program technical assistance. PSU will support: (a) planning, budgeting, AOP and APP preparation, program implementation and monitoring and evaluation., (b) deployment of other implementing partners and service providers; (c) undertaking service procurement and financial management (the majority of procurement will be done by DSHE FPW); (d) consolidating all required physical and financial reporting to effectively implement the program; (e) ensuring that result areas and DLRs are achieved and reported on time; (f) monitoring the implementation and compliance with social and environmental systems. .

51. The Independent Verification Agency (IVA) commissioned by the MOE will carry out the verification of the achievements of the World Bank DLIs. The selection of an IVA would be based on, among others, capabilities to carry out the verification processes, potential for a medium- to long-term engagement and capacity building in the government system, and the ability to act fully independent of the IA. The selection and signing of an MOU between the MOE and an IVA will be completed before Program effectiveness.

52. Budget and Finance Committee (BFC) under the MoF, Finance Division, headed by Additional Secretary, will be established and maintained to review quarterly progress on expenditures and DLIs and ensure adequate resource allocation and timely fund release following review and approval by the IPSC and PCU.

53. The Controller General of Accounts (CGA) is responsible for maintaining the program accounts and reporting through the iBAS, and strengthening field level capacity in financial accounting and reporting. Program Audit responsibility lies with the Office of the Comptroller and Auditor General (OCAG) which will appoint Civil Audit Directorate (or some other appropriate Directorate) for the purpose according to existing country regulations.

54. Zonal Education Office (ZEO) and District Education Office (DEO) will execute the program activities at the zonal and district levels, and report to DSHE. ZEOs and DEOs will formulate and implement institutional development plans and annual action plans under the guidance of DSHE.

55. Upazila Secondary Education Office (USEO) will play a frontline role to provide implementation and monitoring support on delivery of program interventions at the school level. USEOs will report to higher level offices.

56. At the school level, school head teachers/principals/madrasa supers, with the support of SMCs/MMCs/GBs/PTAs, will be responsible for managing and executing school level activities, including program supported school grants. The Program will enter into an annually renewable Co-operation Agreement with beneficiary educational institutions (schools and madrasahs), specifying the obligations of participating institutions (e.g. compliance with program intervention criteria and procedures, level of program support and reporting requirements).

57. Operations Manual: DSHE will implement the Program in accordance with the provision of the Operations Manual. The Operations Manual will comprise of sub-manuals for sub-results areas and the key sub-manuals are listed in table 1.2 below.

58. Transition Implementation Arrangements: The Program aims to complete the streamlining of institutional structure for harmonized results-based TSERP by the mid-term. The following transition arrangements are proposed for the period from January 2018 to June 2020: (a) concerned DSHE Wing will make staffing and logistics arrangements to implement its assigned activities (MPO, stipends, school grants management and accountability, teacher management and accountability, teaching-learning practices in Bangla, English, Mathematics and Science, TPD, reading habit, adolescent girls program, school-based ISF program, EMIS, M&E including LASI); (b) SESIP SPSU will continue to support the activities not listed above; and (c) TA under SESIP and TA under TAF will support the interim implementation arrangements.. PCU will provide coordination support for the interim implementation arrangements.

59. The DPs will play a critical role in the implementation of the TSERP, including shared responsibilities and carrying out joint review missions. Potential DPs will work together to align their program to leverage resources, ensure coordination of efforts, and avoid duplication.

**Table 1.1: Composition of Committees/Units**

|   |   |
|---|---|
| Inter-ministerial Program Steering Committee (IPSC) | Chair - Secretary, Secondary and Higher Education Division (SHED), MoE<br>Co-chair- Secretary, Technical and Madrasa Education Division, MOE<br>Member Secretary, Joint Chief, Planning, SHED, MoE<br>DG, DSHE<br>Additional Secretary (Development and Secondary), MoPME<br>Representative, Budget Wing, FD, MoF<br>Representative, ERD, MoF<br>Division Chief, Planning Commission<br>Representative, CGA, MoF<br>Joint Secretary (Development), MoHFW<br>DG, BMEB<br>Director, PDW, DSHE |
| Program Coordination Unit (PCU) under MOE           | Head - Additional Secretary, SHED, MOE<br>Officers on deputation Staff and consultants  |
| Program Support Unit (PSU) under MOE                | Head – Joint Program Coordinator<br>Officers on deputation<br>Staff and consultants   |
| Budget and Finance Committee (BFC)                  | Chair – Additional Secretary, Budget 1, FD, MoF<br>Additional Secretary, Development, SHED, MoE<br>Additional Secretary, Secondary, SHED MoE<br>Joint Secretary, Budget, FD, MoF<br>Representative, CGA   |

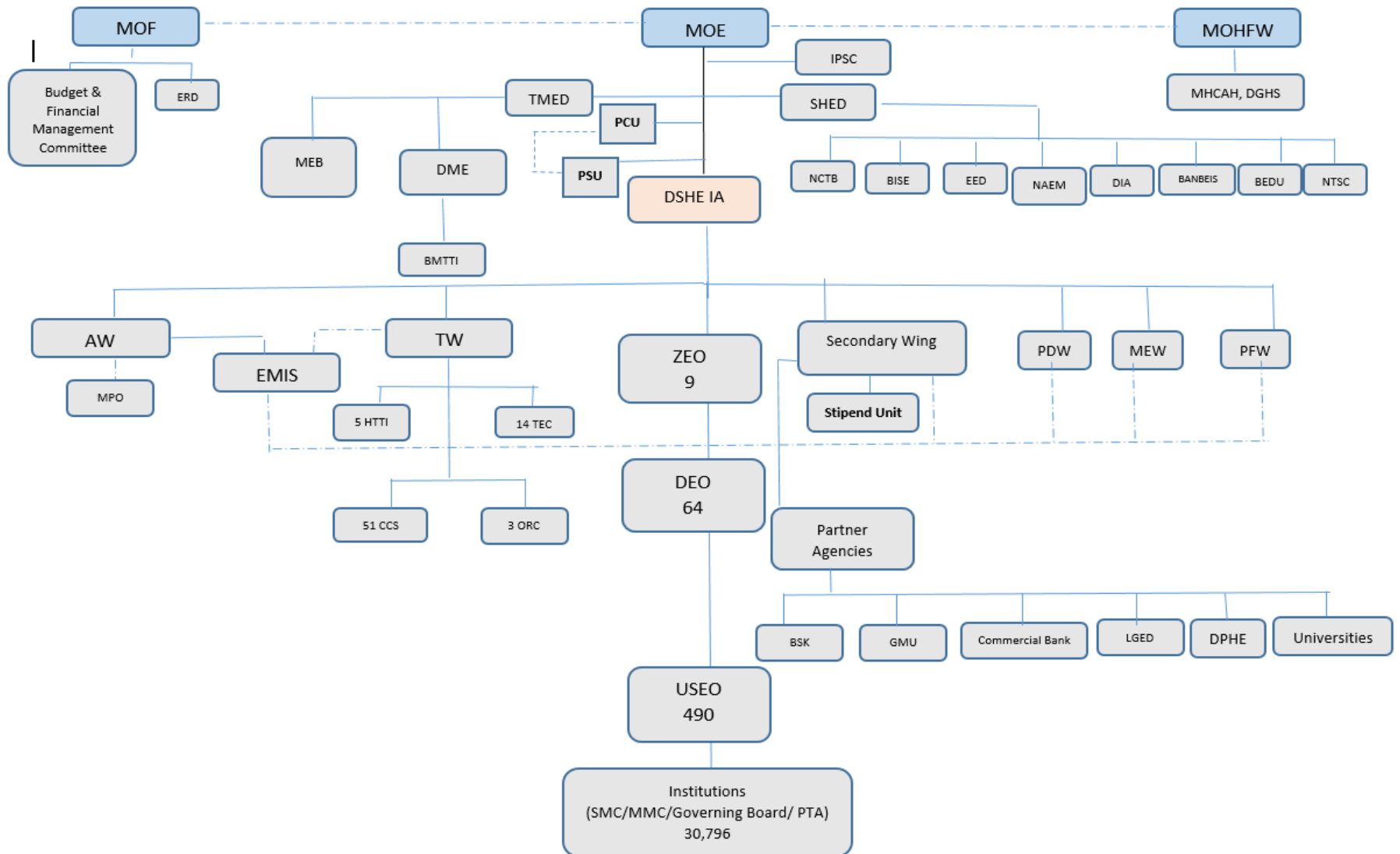
**Table 1.2 List of Key Operations Sub-Manuals**

| Results Areas                               | Name of Sub-Manuals  | Stakeholder(s)   |
|---|--|--|
| Improved access and retention (DLI 6)       | <ul style="list-style-type: none"> <li>Harmonized Stipend manual</li> </ul>            | DSHE, Grants Management Unit, DEOs, USEOs, Institutions, Commercial Banks        |
| Enhanced cycle completion for girls (DLI 6) | <ul style="list-style-type: none"> <li>Adolescent Girls Program (AGP)</li> </ul>       | DSHE, Directorate of Health, Partner Agency, DEOs, USEOs, Institutions, Teachers |
| Improved teacher                            | <ul style="list-style-type: none"> <li>Teacher MPO Implementation Guideline</li> </ul> | DSHE, Partner Agency, DEOs,  |

|  |  |  |
|--|--|--|
| management and accountability (DLI 4)  | <ul style="list-style-type: none"> <li>• TST monitoring manual</li> </ul>  | USEOs, Institution, Teachers                                     |
| <p>Improved school management and accountability (DLI 5)</p> <p>Improved grade retention and cycle completion (DLI 6)</p> <p>Enhanced cycle completion for girls (DLI 6)</p> | <ul style="list-style-type: none"> <li>• School Grants manual               <ol style="list-style-type: none"> <li>i. Performance based grants</li> <li>ii. Needs-based grants for improving sanitation facility (ISF),</li> <li>iii. Non-MPO salary for new teachers (any subjects) in under-served areas</li> <li>iv. Incentive grants for teachers for re-allocation in disadvantaged area</li> <li>v. Non-MPO salary grants for additional class teachers in English, Mathematics and Science in select institutions</li> <li>vi. Developing reading skills school grants</li> <li>vii. Cycle Completion Bonus school grants</li> <li>viii. Adolescent Girls Incentives school grants</li> </ol> </li> </ul> | DSHE, grants management unit, DEOs, USEOs, Institution, Teachers |



Figure 1.2: TSERP Organization Structure



## Annex 2: Results Framework and Monitoring

| Results Areas   | Indicators   | DLI # | Unit of Measurement | Baseline (2017)   | Year 1 (2018)  | Year 2 (2019)  | Year 3 (2020)  | Year 4 (2021)  | Year 5 (2022)  |
|---|--|-------|---------------------|---|--|--|--|--|--|
| <b>PDO Indicators</b>   |  |       |                     |   |  |  |  |  |  |
| <b>Results Area 1</b><br>Enhanced Quality of secondary education  | <b>PDO Indicator 1:</b><br>Percentage of students achieving grade level competency in Grade 8 and 10 in Bangla, English and Math subjects                    | 3     | Percentage          | LASI 2015<br>Grade 8<br>Bangla: 54<br>English: 49<br>Math: 57   | LASI 2017<br>Grade 8<br>B:56<br>E:51<br>M:59<br>Grade 10:<br>(baseline)  |  | NASS2019<br>Grade 8:<br>B: 58<br>E: 53<br>M: 61<br>Grade 10:<br>(3% improved from LASI 2017)   |  | NASS2021<br>Grade 8:<br>B: 59<br>E: 54<br>M: 62<br>Grade 10:<br>(5% improved from LASI 2017)   |
|   | <b>PDO Indicator 2:</b><br>Percentage of schools with TST monitoring system in place   | 4     | Percentage          | Limited teacher accountability  | Implementation plan for TST monitoring approved  | 5%   | 25%  | 50%  | 60%  |
| <b>Results Area 2:</b><br>Improved Equitable Access and Retention | <b>PDO Indicator 3:</b><br>Grade 10 and Grade 12 (of those started in Grade 6) retention rate (disaggregated)  | 6     | Percentage          | <b>Grade 10<sup>16</sup></b><br>All: 69<br>Girls: 66<br>Disadvantaged students: 62<br><br><b>Grade 12</b><br>All: 51<br>Girls: 46<br>Disadvantaged students: NA | <b>Grade 10</b><br>All: 70<br>Girls: 68<br>Disadvantaged students: 63<br><br><b>Grade 12</b><br>All: 51.5<br>Girls: 47<br>Disadvantaged students: 44 | <b>Grade 10</b><br>All: 72<br>Girls: 70<br>Disadvantaged students: 64<br><br><b>Grade 12</b><br>All: 52<br>Girls: 48<br>Disadvantaged students: 45 | <b>Grade 10</b><br>All: 73<br>Girls: 71<br>Disadvantaged students: 66<br><br><b>Grade 12</b><br>All: 53<br>Girls: 49<br>Disadvantaged students: 46 | <b>Grade 10</b><br>All: 74<br>Girls: 72<br>Disadvantaged students: 68<br><br><b>Grade 12</b><br>All: 54<br>Girls: 50<br>Disadvantaged students: 48 | <b>Grade 10</b><br>All: 75<br>Girls: 73<br>Disadvantaged students: 70<br><br><b>Grade 12</b><br>All: 55<br>Girls: 51<br>Disadvantaged students: 50 |
| <b>Results Area 3:</b><br>Strengthened governance and management  | <b>PDO Indicator 4:</b><br>Percentage of school grants utilized as per compliance guidelines according to GMS data and verified by citizens' feedback survey |       | Percentage          | NA  | --   | 75   | 80   | 85   | 90   |
| <b>IO Indicators</b>  |  |       |                     |   |  |  |  |  |  |
| <b>Results Area 1</b>   | <b>IO Indicator 1.1:</b>   |       | Number              | 5 HSTTI, 14   | 50,000   | 200,000  | 300,000  | 400,000  | 500,000  |

<sup>16</sup> Disadvantaged students refer to beneficiary students of the harmonized stipend program.

| Results Areas  | Indicators   | DLI # | Unit of Measurement | Baseline (2017)   | Year 1 (2018)   | Year 2 (2019)  | Year 3 (2020)  | Year 4 (2021)                                    | Year 5 (2022)   |
|--|--|-------|---------------------|---|---|--|--|--|---|
| Enhanced Quality of secondary education                        | Cumulative number of teachers and institution heads trained (pre-service, in-service and CPD) in Grades 6-12 (core results indicator)            |       | er                  | TTCs, 51 cluster center schools and 3 Resource centers currently provide training to teachers |   |  |  |  |   |
|  | <b>IO Indicator 1.2:</b> Number of targeted schools with additional qualified and trained subject teachers deployed in English, Math and Science |       | Number              | 2,000   | Strategic Plan approved   | 4000   | 5000   | 6000   | 6500  |
|  | <b>IO Indicator 1.3:</b> Number of institutions implementing the DRS program   |       | Number              | 11,982  | 15,000  | 20,000   | 25,000   | 30,000   | 30,000  |
|  | <b>IO Indicator 1.4:</b> Percentage improvement in Reading Skills proficiency  | 3     | Percentage          | LASI 2017 will provide the baseline   | LASI 2017 result  |  |  | 10% improved (NASS 2019 result)                  | 10% improved (NASS 2021 result)   |
|  | <b>IO Indicator 1.5:</b> NASS implementation   | 2     | Text                | LASI 2017 completed   | LASI 2017 results analyzed, disseminated and findings utilized for quality and system improvement |  | NASS 2019 carried out, results analyzed, disseminated and findings utilized for quality and system improvement | NASS 2021 carried out                            | NASS 2021 results analyzed, disseminated and findings utilized for quality and system improvement |
| <b>Results Area 2:</b> Improved Equitable Access and Retention | <b>IO Indicator 2.1:</b> Gross Enrolment Rate in Higher secondary (disaggregated)  |       |                     | All: 39<br>Girls: 36  | All: 41<br>Girls: 38  | All: 43<br>Girls: 40   | All: 45<br>Girls: 42   | All: 46<br>Girls: 44                             | All: 47<br>Girls: 45  |
|  | <b>IO Indicator 2.2:</b> Implementation of school grants to promote cycle completion at each level of secondary (junior secondary,               | 6     | Text; Percentage    | Currently, no student level incentives are provided for cycle                                 | The first phase roll-out of implementation of school grants to promote cycle                      | Nation-wide roll-out of implementation of school grants to promote cycle | 80% of recipients of cycle completion bonus meet compliance  | 85% of recipients of cycle completion bonus meet | 90% of recipients of cycle completion bonus meet compliance                                       |

| Results Areas   | Indicators  | DLI # | Unit of Measurement | Baseline (2017)  | Year 1 (2018)   | Year 2 (2019)   | Year 3 (2020)   | Year 4 (2021)   | Year 5 (2022)  |
|---|---|-------|---------------------|--|---|---|---|---|--|
|   | secondary and higher secondary)   |       |                     | completion   | completion at each level of secondary education   | completion at each level of secondary education   | standards   | compliance standards  | standards  |
|   | <b>IO Indicator 2.3:</b> Implementation of Adolescent Girls Program   | 6     | Text; Percentage    | Drop-out rate among girls is higher in secondary education   | Program designed and Action Plan approved   |   | Adolescent Girls Program implemented in all institutions in two selected divisions  |   | Adolescent Girls Program implemented in all divisions  |
| <b>Results Area 3:</b> Strengthened governance and management | <b>IO Indicator 3.1:</b> Enhanced Fiduciary and Data Management   | 8     | Text                | Enhanced fiduciary system is not in place.<br><br>MoE as a pilot ministry for iBAS++<br><br>eGP introduced to DSHE | School GMS established and operational<br><br>IBAS++ rolled out nationally 30% of all DDOs of SEDP<br><br>30% of non-ICB contracts initiated and completed through eGP<br><br>EMIS integration and strengthening plan, including new modules approved | IBAS++ rolled out nationally 70% of all DDOs of SEDP<br><br>40% of non-ICB contracts initiated and completed through eGP<br><br>Annual EMIS and annual performance report published | IBAS++ rolled out nationally to all DDOs of SEDP<br><br>100% of non-ICB contracts initiated and completed through eGP<br><br>Data consistency in the EMIS improved by 30% | IBAS++ is used nationally in all DDOs of SEDP<br><br>100% of non-ICB contracts initiated and completed through eGP<br><br>Annual EMIS and annual performance report published | IBAS++ is used nationally in all DDOs of SEDP<br><br>100% of non-ICB contracts initiated and completed through eGP<br><br>Data consistency in the EMIS improved by 50% |
|   | <b>IO Indicator 3.2:</b> Number of institutions receiving performance Grants for meeting minimum accountability requirements and performance indicators | 5     | Text, Number        | Schools have low accountability standards and incentives   | School Grants manual approved   | 5,000   | 6,000   | 7,500   | 8,000  |
|   | <b>IO Indicator 3.3:</b> Number of institutions that have   |       | Number              | To be obtained from EMIS   | MPO rationalization   | 5,000   | 10,000  | 15,000  | 20,000   |

| Results Areas | Indicators  | DLI # | Unit of Measurement | Baseline (2017) | Year 1 (2018)   | Year 2 (2019) | Year 3 (2020) | Year 4 (2021) | Year 5 (2022) |
|---------------|---|-------|---------------------|-----------------|---|---------------|---------------|---------------|---------------|
|               | adequate number of teachers as per student-teacher norms, including English, Math, and Science                            |       |                     |                 | plan approved and MPO implementation guidelines updated |               |               |               |               |
|               | <b>IO Indicator 3.4:</b><br>Harmonization of sector program implementation (Percentage reduction of stand-alone projects) | 7     | Percentage          | NA              | 10  | 20            | 30            | 40            | 50            |

Note: DRS=Developing the Reading Skills; EMIS=Education Information Management System; DDO=Drawing and disbursement officer; LASI=Learning Assessment in Secondary Institutions; eGP=e-Government Procurement; IBAS=Integrated Budget and Accounting System

### Indicator Description

| Indicator Name (#)  | Description  | Frequency          | Data Source                     | Methodology for Data Collection                        | Responsibility for Data Collection |
|---|--|--------------------|---------------------------------|--|------------------------------------|
| <b>PDO Indicator 1:</b><br>Percentage of students achieving grade level competency in Grade 8 and 10 in Bangla, English and Math subjects | <p>NASS (formerly known as LASI is a national representative survey of selected secondary education grades for assessing system performance which has been introduced in secondary education in Bangladesh under SEQAEP and carried out with support from independent specialized agencies.</p> <p>Year 1: LASI 2017 for Grade 8 and 10 will be conducted in 2017. The target for Grade 8 will be achieved if LASI results in 2017 show that at least the following percentage of students achieve the Grade level competency in Grade 8: Bangla – 56%, English – 51%; Math – 59% LASI 2017 for Grade 10 will be regarded as baseline.</p> <p>Year 3: The target for Grade 8 will be achieved if NASS results in 2019 show that at least the following percentage of students achieve the Grade level competency in Grade 8: Bangla – 58%, English – 53%; Math – 61%. The target for Grade 10 will be achieved if the NASS 2019 results shows at least a 3% improvement in percentage of students achieving grade level competency in Bangla, English and Math in comparison to LASI 2017.</p> <p>Year 5: The target for Grade 8 will be achieved if NASS results in 2019 show that at least the following percentage of students achieve the Grade level competency in Grade 8: Bangla – 59%, English – 54%; Math – 62%. The target for Grade 10 will be achieved if the NASS 2021 results shows at least a 5% improvement in percentage of students achieving grade level competency in Bangla, English and Math in comparison to LASI 2017.</p> | In Year 1, 3 and 5 | LASI 2017, NASS 2019 and 2021   | Conducting LASI/ NASS                                  | DSHE/NAC                           |
| <b>PDO Indicator 2:</b><br>Percentage of schools with TST monitoring system in place  | <p>TST monitoring system will be considered implemented at an institution when (a) USEO signs MOU with secondary institutions to implement the system according to agreed guidelines, (b) implements the TST system consistent with the approved guidelines, (c) produces at least one TST monitoring report per semester which includes TST in at least five subjects (English, Bangla, Math, Science, and ICT/Computer) and is endorsed by SMC/MMC, (d) finding of the report is shared by SMC in the annual social audit program or annual parents gathering; and (e) TST monitoring practice and TST records are spot-checked at least once a semester by USEO.</p> <p>Schools include all existing secondary-level institutions under the Program.</p>  | Annually           | MOE DSHE report endorsed by PCU | Classroom-based monitoring according to the guidelines | MOE/DSHE                           |
| <b>PDO Indicator 3:</b>   | Retention rate for Grade 10 means the proportion of beneficiary students who enrolled in   | Annually           | BANBEIS,                        |  | MOE/DSHE                           |

| Indicator Name (#)  | Description  | Frequency | Data Source  | Methodology for Data Collection | Responsibility for Data Collection |
|---|--|-----------|--|---------------------------------|------------------------------------|
| Grade 10 and Grade 12 (of those started in Grade 6) retention rate (disaggregated)  | Grade 6 reaching Grade 10 without dropping out or repeating. Retention rate for Grade 12 means the proportion of beneficiary students who enrolled in Grade 6 reaching Grade 12 without dropping out or repeating. Retention rate in a particular year will be calculated by the re-constructed cohort method using the grade-wise promotion and transition data in most recent year.<br><br>Data will be disaggregated for girls and disadvantaged students (that is, stipend beneficiaries)  |           | LGED   |                                 |                                    |
| <b>PDO Indicator 4:</b><br>Percentage of school grants utilized as per compliance guidelines according to GMS data and verified by citizens' feedback survey      | Grants are considered utilized when the funds disbursed are used for intended purpose (specific item in the case of earmarked grant and eligible items according to manual and approved by SMC/MMC). This information is based on administrative data generated through GMS.<br><br>Citizens feedback survey means an independent feedback survey of beneficiaries undertaken through reasonable sampling strategy, size, method which his acceptable to the WB/DPs.<br><br>Year 2-5: The target is considered achieved when (a) the GMS data on total funds allocated to schools and funds utilized by schools for the intended purpose shows the achievement of the result, (b) citizen feedback survey finding is consistent with GMS findings; (c) the report findings and recommendations from the survey is disseminated to the beneficiaries; (d) Final report approved by Steering Committee is shared with WB/DPs | Annually  | Progress Review  | Survey                          | MOE/DSHE                           |
| <b>IO Indicator 1.1:</b><br>Cumulative number of teachers and institution heads trained (pre-service, in-service and CPD) in Grades 6-12 (core results indicator) | Number of teachers and institution heads who receive pre-service, in-service or CPD training under the Program (cumulative), including (a) those who received B. Ed. in public and private TTCs; (b) those who received any in-service and CPD teacher trainings; and (c) those who received any training at NAEM.   | Annual    | EMIS, reports from training institutions and providers | Reporting                       | MOE/DSHE                           |
| <b>IO Indicator 1.2:</b><br>Number of targeted schools with additional qualified and trained subject  | Deployment of qualified subject teachers involves the following activities: (a) identification of subject-wise teachers in target schools, (b) deployment from existing pool of teachers where feasible, (c) enlisting of qualified teachers through online application process, (d) placement of qualified teachers in needy schools, (e) contracting of the deployed teachers by concerned SMC, (f) orientation of deployed teachers and   | Annually  | Progress Report  | Reporting                       | MOE/DSHE                           |

| Indicator Name (#)  | Description   | Frequency           | Data Source                                | Methodology for Data Collection | Responsibility for Data Collection |
|---|---|---------------------|--|---------------------------------|------------------------------------|
| teachers deployed in English, Math and Science  | SMC chair/representative, (g) training of newly deployed teachers on pedagogy<br><br>The yearly targets will be considered achieved when the SEDP implementation progress report provides detailed information on (a) the key activities of deployment process, (b) fulfillment of eligibility and other compliance criteria. (c) teachers are physically deployed to schools according to needs criteria outlined in the strategic plan; (d) Evidence of deployment is supported by field verification report on sample basis.   |                     |  |                                 |                                    |
| <b>IO Indicator 1.3:</b><br>Number of institutions implementing the DRS program   | Provision of DRS Program will be supported under the Program.<br><br>The indicator will track the number of institutions implementing the DRS program.  | Annually            | EMIS, report from DRS implementing partner | Reporting                       | MOE/DSHE                           |
| <b>IO Indicator 1.4:</b><br>Percentage improvement in Reading Skills proficiency  | Reading skills include the reading level of students in terms of speed, comprehension, fluency and independence and specific items will be as specified in LASI survey 2017.<br><br>The yearly results of the overall average reading proficiency score of Grade 10 students will be tracked and compared to the baseline (LASI 2017)   | In 2017, 2019, 2021 | LASI/ NASS                                 | Reporting                       | MOE/DSHE                           |
| <b>IO Indicator 1.5:</b><br>NASS implementation   | Year 1,3 and 5: This target is considered achieved when (a) LASI/ NASS assignment is carried out independently (b) a report on the analysis of NASS 2021 is prepared based on available data (c) findings of the report is disseminated within MOE and other appropriate stakeholders (d) a plan of action to feedback into system improvement implementation is prepared and resources provided and (e) final action plan is endorsed by the Steering Committee and signed minutes of Steering Committee is shared with DPs.<br><br>Year 3 and 4: NASS assignment is carried out independently | Annually            | LASI reports                               | Reporting                       | MOE/DSHE                           |
| <b>IO Indicator 2.1:</b><br>Gross Enrolment Rate in Higher secondary(disaggregated)   | The number of children enrolled in secondary level, regardless of age, divided by the population of the age group that officially corresponds to the same level (disaggregated)   | Annually            | BANBEIS                                    | Reporting                       | MOE/BANBEIS                        |
| <b>IO Indicator 2.2:</b><br>Implementation of school grants to promote cycle completion at each level of secondary (junior secondary, | School grants to promote cycle completion (detailed operation modalities will be defined in the operations manual) means a completion bonus scheme with the following elements: (a) beneficiary selection based on evidence of completing grade 8, 10 or 12, (b) disbursement of completion bonus to eligible beneficiaries based on award conformation forms (ACF), (c)engagement of partner agencies (commercial bank), and (d) system of compliance verification through GMS.  | Annually            | MOE/DSHE report; Survey                    | Reporting                       | MOE/DSHE                           |



| Indicator Name (#)   | Description   | Frequency | Data Source                         | Methodology for Data Collection | Responsibility for Data Collection |
|--|---|-----------|-------------------------------------|---------------------------------|------------------------------------|
| secondary and higher secondary)  | <p>The school grants to promote cycle completion will be considered implemented when: (a) completion bonus recipients are screened and selected at institutions in the upazila according to the approved guidelines; and (b) the disbursement of completion bonus has reached the accounts of recipients based on ACF.</p> <p>Year 3-5: Sample-based verification surveys will be conducted on beneficiary students to verify the compliance with eligibility criteria.</p>   |           |                                     |                                 |                                    |
| <b>IO Indicator 2.3:</b><br>Implementation of Adolescent Girls Program (AGP) | <p>AGP is a special scheme targeting dropouts among female students, and include, among other things, monetary incentives for girls, separate girls' toilets, counseling and awareness raising. AGP will be designed in partnership with Ministry of Health (MOHFW) and other partners including NGOs.</p> <p>Year 1: This target is considered achieved when the following conditions are met: (a) AGP design is prepared in consultation with MOHFW, (b) AGP includes (i) key features of interventions, (ii) roles and responsibilities of education agencies, institutions, health agencies, and other partners, (iii) costed annual action plan, and (iv) evaluation plan, and (c) AGP is approved by Program Steering Committee (PSC)</p> <p>AGP will be considered implemented at an institution when (a) target institutions are identified and MOU with SMC is signed, (b) institution head and at least one female teacher assigned to the program are trained for the implementation of the program; (c) a student/girls committee is formed for the purpose of the AGP; and (d) at least one of the program activities has been initiated at the institution (for example, organizing awareness raising or counseling, construction of girls' toilet).</p> <p>Year 3: The target is considered achieved when (a) AGP is implemented in at least 80% of all institutions in two selected divisions; and (b) a third party verification on randomly selected sample of institutions confirms the implementation of AGP in those institutions.</p> <p>Year 5: The target is considered achieved when (a) AGP is implemented in all divisions; (b) EMIS report provides the evidence of AGP implementation at institutions; and (c) a third party verification on randomly selected sample of institutions confirm the implementation of AGP in those institutions.</p> | Annually  | MOE/DSH<br>E report endorsed by PCU | Reporting/<br>Survey            | MoHFW/<br>MOE                      |
| <b>IO Indicator 3.1:</b><br>Enhanced Fiduciary and data                      | <p><b>Definition</b> of GMS: A system established at DSHE, supported by a specialized partner agency, to ensure that (a) all grants to schools are disbursed based on the award confirmation form (ACF) prepared based on self-reported data from schools, ensuring</p>   | Annually  | Progress Report                     | Reporting                       | MOE/DSHE                           |

| Indicator Name<br>(#) | Description  | Frequency | Data Source | Methodology for Data Collection | Responsibility for Data Collection |
|-----------------------|--|-----------|-------------|---------------------------------|------------------------------------|
| Management            | <p>compliance with eligibility criteria; (b) a system of compliance verification of eligibility criteria and utilization of funds by schools is in place; and (c) a system of disbursement reconciliation and refunds of funds from those schools not meeting the eligibility criteria or utilization guidelines is introduced (this reconciliation is based on administrative data generated from the GMS.</p> <p>Upgraded EMIS (overall design and action plan for EMIS enhancement will be specified in Year 1) include at least: (a) EMIS unit with adequate ICT infrastructure, network capacity, and maintenance service; (b) fully operational modules to support all key SEDP interventions; (c) institution, teacher, and student information system, covering all institutions; (d) real-time updating system for institutions; (e) linkage system with other MISs supporting SEDP; and (f) dynamic reporting functions accessible to all stakeholders for data management and verification.</p> <p>District EMIS report includes information on student (enrolment, dropout, repetition, promotion), teachers (subject-wise, qualification, gender), school facilities (classrooms, labs, library, water and sanitation, and so on), and school finances (including financial statements of grants) and program specific interventions like AGP. DEO will be responsible for producing District EMIS report and sharing it with DSHE and institutions</p> <p>Year 1: This target is considered achieved when SEDP implementation progress report shows the evidence that (a) dedicated Grant Management Unit(GMU) is in place at DSHE to support the GMS (b) adequate facility to support GMS is in place including but not limited to, manpower, expertise, signed MoU with a partnering agency, sufficient annual budget in AOP – which are satisfactory to WB/DPs (c) reconciliation facility in place between GMS, GMA, iBAS++ (d) commitment from MoE to ensure compliance verification mechanism is in place and provision of refund in case of ineligible institutions; (e) EMIS integration and strengthening plan, including new modules approved; (f) Undertake a third-party data consistency verification survey as the baseline which will including reporting on the percent of data inconsistency between self-reported EMIS data and actual data.</p> <p>Year 2-5: The target is considered achieved when (a) DDOs of SEDP have access to iBAS++ (b) non ICB contracts according to approved procurement plan, is processed through eGP (eGP report showing progress is shared with WB/DPs); (c) Annual EMIS and annual performance report published; (d) the EMIS sample verification is conducted with a representative sample by an independent agency and data consistency calculated</p> |           |             |                                 |                                    |

| Indicator Name (#)   | Description  | Frequency | Data Source                     | Methodology for Data Collection | Responsibility for Data Collection |
|--|--|-----------|---------------------------------|---------------------------------|------------------------------------|
|  | from verification of self-reported EMIS data.  |           |                                 |                                 |                                    |
| <b>IO Indicator 3.2:</b><br>Number of institutions receiving performance Grants for meeting minimum accountability requirements and performance indicators | <p>Year 1: School grants manual outlines different categories of grants, with eligibility and compliance criteria and procedures, disbursement and compliance verification process. Grants categories are (a) performance grants for meeting minimum accountability criteria (such as SMC/PTA, social audit, EMIS data, and so on), and meeting performance indicators (such as student attendance, retention, teacher attendance and time-spent-teaching, student learning outcomes), and (b) earmarked need-based grants for improving sanitation facility, and (c) earmarked non-MPO salary grants for new teachers in under-served areas; (d) Incentive grants for teachers for re-allocation in disadvantaged area; (e) Non-MPO salary grants for additional class teachers in English, Mathematics and Science in select institutions</p> <p>The target is considered achieved when (a) the grants manual approved by DSHE and endorsed by Steering Committee specifies criteria, procedure and grants disbursement system and compliance verification arrangement for each of the three grants.; (b) Copy of the manual along with signed meeting minutes confirming approval is shared with WB/DPs.</p> <p>Year 2-5: Performance grant refers to formula based grant for schools which meet accountability criteria define above and achieve performance indicators. Implementation is considered completed when funds are disbursed to eligible schools according to approved grants manual and bank reconciliation process is completed. The target in the respective year is achieved when SEDP implementation progress report provides detailed information on (a) number of school selection completed in a transparent and fair manner according to the criteria of the approved manual; (b) evidence of funds reaching the upazilla is supported by allotments letters, government orders, and report from iBAS++; (c) field verification report on sample basis (at least 5%) undertaken by independent party confirming funds reaching schools.</p> | Annually  | Progress Report                 | Reporting, iBAS++               | MOE/DSHE                           |
| <b>IO Indicator 3.3:</b><br>Number of institutions that have adequate number of teachers as per student-teacher norms, including English,                  | <p>Adequate number of teachers will be determined based on two criteria (a) availability of qualified subject teacher, and (b) overall teacher student ratio in school (to be agreed). Having adequate number of qualified teachers according to student-teacher norms mean (a) to have student-teacher ratio smaller than 60 (to be confirmed in the revised MPO guideline) students per teacher which is the MOE's minimum standard student teacher ratio as of 2017, and (b) to have at least one English teacher and two Mathematics &amp; General Science teachers, regardless of their MPO status.</p>   | Annually  | MOE DSHE report endorsed by PCU | Reporting                       | MOE/DSHE                           |

| Indicator Name (#)  | Description   | Frequency | Data Source                                 | Methodology for Data Collection | Responsibility for Data Collection |
|---|---|-----------|---|---------------------------------|------------------------------------|
| Math, and Science   | <p>Updated MPO guidelines includes MPO rationalization scheme with phased teacher redeployment/reallocation plan which include, among others: (a) need-based allocation of positions by schools; (b) deployment and re-deployment of MPO teachers; (c) transparency in MPO teacher selection; (d) monthly payment to teachers based on compliance certification; (e) incentives to teachers serving in rural or hard-to-reach areas; and (f) per capita non-MPO salary grants to schools for un-served students (un-served by MPO positions).</p> <p>Year 1: The target is considered achieved when the updated MPO guidelines, including the agreed elements is drafted by MOE and shared with DPs.</p> <p>Year 2-5: Number of institutions that have adequate number of teachers according to student-teacher norms</p> |           |   |                                 |                                    |
| <b>IO Indicator 3.4:</b><br>Harmonization of sector program implementation (Percentage reduction of stand-alone projects) | <p>As of June 2017, 13 stand-alone projects are on-going under DSHE including SESIP and SEQAEP</p> <p>Year 1-5: The targets are considered achieved when the number of stand-alone projects (PIUs) under DSHE for secondary education is reduced by 10%, 20%, 30%, 40%, and 50%, respectively.</p>  | Annually  | MOE<br>DSHE<br>report<br>endorsed<br>by PCU | Reporting                       | MOE/DSHE                           |

### Annex 3: Disbursement Linked Indicators, Disbursement Arrangements, and Verification Protocols

Table 3.1. Disbursement-Linked Indicator Matrix

| DLI  | Total Financing Allocated to DLI | As % of Total Financing Amount | DLI Baseline  | DLRs <sup>17</sup>  |   |  |   |                                     |
|--|----------------------------------|--------------------------------|---|---|---|--|---|-------------------------------------|
|  |                                  |                                |   | Year 1 (January 2018-December 2018)   | Year 2 (January 2019-December 2019)   | Year 3 (January 2020 – December 2020)  | Year 4 (January 2021-December 2021)   | Year 5 (January 2022-December 2022) |
| <b>DLI 1</b><br><b>Effective and relevant curriculum is in place</b> |                                  |                                | Secondary Education Curriculum (2012) does not adequately serve the needs of diverse student population | <b>DLR 1.1</b> MOE has approved NCPF for grades from pre-primary to 12 <sup>th</sup> grade                              | <b>DLR 1.2</b> NCTB has been strengthened with: (i) 80% of staffing positions filled with appropriate qualifications and specialization, (ii) NCTB organogram approved, and (iii) implementation plan with the revised NCTB structure approved. | <b>DLR 1.3</b> National Curriculum Coordination Committee (NCCC) of MOE has approved the revised national curriculum for grades 6-12 developed based on the NCPF | <b>DLR 1.4</b> E-learning and digital universal content of curriculum available at all Institutions <sup>18</sup>           |                                     |
| <b>Allocated amount (US\$, millions)</b>                             | 40                               | 8                              |   | 10  | 10  | 10   | 10  |                                     |
| <b>Disbursement deadline and formula</b>                             |                                  |                                |   | <b>DLR 1.1</b><br>Roll Over: Yes, up to June 30, 2019<br><br>Financing Formula: \$10 million upon achievement of target | <b>DLR 1.2</b><br>Roll Over: No<br><br>Financing Formula: \$10 million upon achievement of target   | <b>DLR 1.3</b><br>Roll Over: Yes, up to June 30, 2021<br><br>Financing Formula: \$10 million upon achievement of target  | <b>DLR 1.4</b><br>Roll Over: Yes, up to December 31, 2022<br><br>Financing Formula: \$10 million upon achievement of target |                                     |

<sup>17</sup> The amount will be paid in SDR equivalent of US\$

<sup>18</sup> Institutions refer to both schools and madrasahs in secondary education.

| DLI   | Total Financing Allocated to DLI | As % of Total Financing Amount | DLI Baseline  | DLRs <sup>17</sup>                  |  |   |                                     |  |
|---|----------------------------------|--------------------------------|---|-------------------------------------|--|---|-------------------------------------|--|
|   |                                  |                                |   | Year 1 (January 2018-December 2018) | Year 2 (January 2019-December 2019)  | Year 3 (January 2020 – December 2020)   | Year 4 (January 2021-December 2021) | Year 5 (January 2022-December 2022)  |
| <b>DLI 2 Assessment and examination system reforms implemented to improve teaching learning</b> |                                  |                                | Activities underway to support examination reforms but no National Examination Policy |                                     | <b>DLR 2.1</b> At least 20% of Institutions carry out Institution-based diagnostic assessments of students entering Grade 6 to gauge their readiness for secondary education | <b>DLR 2.2</b> DSHE causes the National Assessment of Secondary Students (NASS) 2019 to be carried out on nationally representative sample in grades 8 and 10 (English, Maths, Bangla) and publishes the findings |                                     | <b>DLR 2.3</b> DSHE causes the NASS 2021 and standardized exams results to be analyzed, disseminated and feedback into system improvement<br><br><b>DLR 2.4</b> All examination boards implement standardized SSC and HSC examinations |
| <b>Allocated amount (US\$, millions)</b>  | 40                               | 8                              |   |                                     | 10   | 10  |                                     | 20   |
| <b>Disbursement deadline and formula</b>  |                                  |                                |   |                                     | <b>DLR 2.1</b> Roll Over: Yes, up to December 31, 2022<br><br>Financing Formula: \$10 million upon achievement of target   | <b>DLR 2.2</b> Roll Over: No<br><br>Financing Formula: \$10 million upon achievement of target  |                                     | <b>DLR 2.3</b> Roll Over: No<br><br>Financing Formula: \$10 million upon achievement of target<br><br><b>DLR 2.4</b> Roll Over: No   |

| DLI   | Total Financing Allocated to DLI | As % of Total Financing Amount | DLI Baseline                                 | DLRs <sup>17</sup>                  |  |  |   |   |
|---|----------------------------------|--------------------------------|--|-------------------------------------|--|--|---|---|
|   |                                  |                                |  | Year 1 (January 2018-December 2018) | Year 2 (January 2019-December 2019)  | Year 3 (January 2020 – December 2020)  | Year 4 (January 2021-December 2021)   | Year 5 (January 2022-December 2022)   |
|   |                                  |                                |  |                                     |  |  |   | Financing Formula: \$10 million upon achievement of target  |
| <b>DLI 3 Improved teaching-learning in Bangla, English, Mathematics and Science</b> |                                  |                                | Unavailability of qualified subject teachers |                                     | <b>DLR 3.1</b> DSHE causes deployment of additional qualified and trained subject-teachers in English, Math and Science in 4,000 targeted Institutions | <b>DLR 3.2</b> Practical Science teaching implemented in 15,000 Institutions | <b>DLR 3.3</b> Reading skills proficiency improved by 10%                     | <b>DLR 3.4</b> Learning levels of Grade 10 students in English and Mathematics has improved by at least 5% over the levels in NASS 2017<br><br><b>DLR 3.5</b> Practical science teaching practiced in 20% of secondary Institutions |
| <b>Allocated amount (US\$, millions)</b>  | 100                              | 20                             |  |                                     | 20   | 20   | 20  | 40  |
| <b>Disbursement deadline and formula</b>  |                                  |                                |  |                                     | <b>DLR 3.1</b><br>Roll Over: No<br><br>Financing Formula: \$16 million for 3000  | <b>DLR 3.2</b><br>Roll Over: Yes, up to December 31, 2021<br><br>Financing   | <b>DLR 3.3</b><br>Roll Over: No<br><br>Financing Formula: \$16 million for 7% | <b>DLR 3.4</b><br>Roll Over: No<br><br>Financing Formula: \$20 million upon   |

| DLI   | Total Financing Allocated to DLI | As % of Total Financing Amount | DLI Baseline                   | DLRs <sup>17</sup>                  |  |  |  |  |
|---|----------------------------------|--------------------------------|--------------------------------|-------------------------------------|--|--|--|--|
|   |                                  |                                |                                | Year 1 (January 2018-December 2018) | Year 2 (January 2019-December 2019)  | Year 3 (January 2020 – December 2020)  | Year 4 (January 2021-December 2021)                                    | Year 5 (January 2022-December 2022)  |
|   |                                  |                                |                                |                                     | schools, thereafter \$4 million for additional 1000 schools  | Formula: \$16 million for 12000 schools, thereafter \$4 million for additional 3000 schools                | improvement, thereafter \$4 million for additional 3% improvement      | achievement of target<br><br><b>DLR 3.5</b><br>Roll Over: No<br><br>Financing Formula: \$20 million upon achievement of target |
| <b>DLI 4 Improved teacher management and accountability</b> |                                  |                                | Limited teacher accountability |                                     | <b>DLR 4.1</b> Incentive scheme for teachers in geographically disadvantaged areas implemented in at least 10,000 Institutions<br><br><b>DLR 4.2</b> At least 1,500 Institutions have piloted the teachers time-spent-teaching (TST) monitoring system | <b>DLR 4.3</b> MOE has approved the MPO rationalization plan and updated the MPO implementation guidelines | <b>DLR 4.4</b> 50% of Institutions have TST monitoring system in place | <b>DLR 4.5</b> Teacher (re)deployment payment fully compliant with MPO rationalization plan and updated guidelines             |
| <b>Allocated amount (US\$, millions)</b>                    | 100                              | 20                             |                                |                                     | 40   | 20   | 20   | 20   |
| <b>Disbursement deadline and formula</b>                    |                                  |                                |                                |                                     | <b>DLR 4.1</b><br>Roll Over: Yes, up to December 31, 2020  | <b>DLR 4.3</b><br>Roll Over: Yes, up to December 31, 2021  | <b>DLR 4.4</b><br>Roll Over: No<br><br>Financing                       | <b>DLR 4.5</b><br>Roll Over: No<br><br>Financing   |



| DLI  | Total Financing Allocated to DLI | As % of Total Financing Amount | DLI Baseline                              | DLRs <sup>17</sup>                  |   |  |  |  |
|--|----------------------------------|--------------------------------|---|-------------------------------------|---|--|--|--|
|  |                                  |                                |   | Year 1 (January 2018-December 2018) | Year 2 (January 2019-December 2019)   | Year 3 (January 2020 – December 2020)                      | Year 4 (January 2021-December 2021)  | Year 5 (January 2022-December 2022)              |
|  |                                  |                                |   |                                     | <p>Financing Formula: \$16 million for 8000 institutions, thereafter \$4 million for additional 2000 Institutions</p> <p><b>DLR 4.2</b><br/>Roll Over: Yes, up to December 31, 2020</p> <p>Financing Formula: \$10 million for 500 institutions, thereafter \$1 million for additional 100 Institutions</p> | Financing Formula: \$20 million upon achievement of target | Formula: \$10 million if 25% of institutions have TST, thereafter \$2 million for each additional 5%   | Formula: \$20 million upon achievement of target |
| <b>DLI 5 Improved School management and accountability</b> |                                  |                                | Schools have low accountability standards |                                     | <b>DLR 5.1</b><br>Performance-Based Grants for Institutions meeting minimum accountability requirements and achieving performance indicators released to at least 5,000   |  | <b>DLR 5.2</b><br>Performance-Based Grants for Institutions meeting minimum accountability requirements and achieving performance indicators |  |

| DLI  | Total Financing Allocated to DLI | As % of Total Financing Amount | DLI Baseline  | DLRs <sup>17</sup>  |  |   |   |  |
|--|----------------------------------|--------------------------------|---|---|--|---|---|--|
|  |                                  |                                |   | Year 1 (January 2018-December 2018)   | Year 2 (January 2019-December 2019)  | Year 3 (January 2020 – December 2020)   | Year 4 (January 2021-December 2021)   | Year 5 (January 2022-December 2022)  |
|  |                                  |                                |   |   | Institutions   |   | released to at least 7,500 Institutions   |  |
| Allocated amount (US\$, millions)                          | 60                               | 12                             |   |   | 30   |   | 30  |  |
| Disbursement deadline and formula                          |                                  |                                |   |   | <b>DLR 5.1</b><br>Roll Over: Yes, up to December 31, 2020<br><br>Financing Formula: \$20 million for 3000 institutions, thereafter \$5 million for each additional 1000 institutions |   | <b>DLR 5.2</b><br>Roll Over: No<br><br>Financing Formula: \$20 million for 5000 institutions, thereafter \$2 million for each additional 500 institutions |  |
| <b>DLI 6 Improved grade retention and cycle completion</b> |                                  |                                | Grade 10 retention rate<br>All: 69<br>Girls: 66<br>Disadvantaged students: 62 | <b>DLR 6.1</b> MOE has approved the Adolescent Girls' Program (AGP) (that includes among others separate girls toilets, counseling/awareness) including action plan<br><br><b>DLR 6.2</b> MOE has approved the harmonized stipend program | <b>DLR 6.3</b> Nation-wide roll-out of implementation of harmonized stipends program for grades 6-12   | <b>DLR 6.4</b> AGP is implemented in all institutions in two selected Divisions | <b>DLR 6.5</b> Grade 10 retention rate (of those started grade 6) of AGP beneficiaries reaches 68 percent   | <b>DLR 6.6</b> Grade 10 retention rate (of those started grade 6) of stipends beneficiaries reaches 70 percent |
| Allocated amount (US\$,                                    | 70                               | 14                             |   | 10  | 15   | 15  | 15  | 15   |

| DLI  | Total Financing Allocated to DLI | As % of Total Financing Amount | DLI Baseline   | DLRs <sup>17</sup>   |   |   |  |   |
|--|----------------------------------|--------------------------------|--|--|---|---|--|---|
|  |                                  |                                |  | Year 1 (January 2018-December 2018)  | Year 2 (January 2019-December 2019)   | Year 3 (January 2020 – December 2020)   | Year 4 (January 2021-December 2021)  | Year 5 (January 2022-December 2022)   |
| millions)  |                                  |                                |  |  |   |   |  |   |
| <b>Disbursement deadline and formula</b>         |                                  |                                |  | <b>DLR 6.1</b><br>Roll Over: Yes, up to June 30, 2019<br>Financing Formula: \$5 million upon achievement of target<br><br><b>DLR 6.2</b><br>Roll Over: Yes, up to June 30, 2019<br>Financing Formula: \$5 million upon achievement of target | <b>DLR 6.3</b><br>Roll Over: Yes, up to December 31, 2020<br><br>Financing Formula: \$15 million upon achievement of target   | <b>DLR 6.4</b><br>Roll Over: No<br><br>Financing Formula: \$10 million if AGP is implemented in 50% of institutions in each division, thereafter \$5 million when AGP is implemented in additional 50% of institutions in each division | <b>DLR 6.5</b><br>Roll Over: Yes, up to December 31, 2022<br><br>Financing Formula: \$15 million upon achievement of target                    | <b>DLR 6.6</b><br>Roll Over: No<br><br>Financing Formula: \$15 million upon achievement of target |
| <b>DLI 7 Institutional Capacity Strengthened</b> |                                  |                                | Fragmented institutional structure and need for enhanced implementation capacity for results based program | <b>DLR 7.1</b> MOE's secondary education budget FY18/19 allocation consistent with SEDP program expenditure framework  | <b>DLR 7.2</b> MOF and MOE release the fund for FY 18/19 inclusive of advance by the beginning of each quarter based on the Annual Development Program/ Annual Operations Plan (ADP/AOP) allocation | <b>DLR 7.3</b> The percentage of standalone projects has reduced by 30% in relation to the existing ones in June 30, 2017.  | <b>DLR 7.4</b> MOF and MOE release the fund for FY 20/21 inclusive of advance by the beginning of each quarter based on the ADP/AOP allocation |   |
| <b>Allocated amount (US\$, millions)</b>         | 40                               | 8                              |  | 10   | 10  | 10  | 10   |   |

| DLI   | Total Financing Allocated to DLI | As % of Total Financing Amount | DLI Baseline  | DLRs <sup>17</sup>   |  |  |   |                                     |
|---|----------------------------------|--------------------------------|---|--|--|--|---|-------------------------------------|
|   |                                  |                                |   | Year 1 (January 2018-December 2018)  | Year 2 (January 2019-December 2019)  | Year 3 (January 2020 – December 2020)  | Year 4 (January 2021-December 2021)   | Year 5 (January 2022-December 2022) |
| <b>Disbursement deadline and formula</b>                    |                                  |                                |   | <b>DLR 7.1</b><br>Roll Over: Yes, up to June 2019<br><br>Financing Formula: \$10 million upon achievement of target  | <b>DLR 7.2</b><br>Roll Over: No<br><br>Financing Formula: \$10 million upon achievement of target  | <b>DLR 7.3</b><br>Roll Over: Yes, up to December 31, 2021<br><br>Financing Formula: \$10 million upon achievement of target  | <b>DLR 7.4</b><br>Roll Over: No<br><br>Financing Formula: \$10 million upon achievement of target   |                                     |
| <b>DLI 8 Enhanced Fiduciary Management and Data Systems</b> |                                  |                                | Fiduciary system needs to be enhanced<br><br>MoE as a pilot ministry for iBAS++<br><br>Processing of procurement packages through eGP has started | <b>DLR 8.1</b> Enhanced fiduciary system is in place, (including qualified and adequate FM & Procurement staff/posts at P&F wing and at least 60% of goods & works packages included in the Annual Procurement Plan processed through e-GP portal)<br><br><b>DLR 8.2</b> Enhanced EMIS system, including School Grant Management System (GMS), MPO management and M&E reporting, | <b>DLR 8.3</b> Agreed actions by MOE and DPs (e.g. regularization of P&F Wing in DSHE) included in the updated PFM action plan based on the recommendations of previous year periodic fiduciary review are implemented | <b>DLR 8.4</b> Agreed actions by MOE and DPs (e.g. Roll-out of IBAS++ nationally to all DDOs & 100% non-ICB contracts initiated and completed through eGP) included in the updated PFM action plan implemented | <b>DLR 8.5</b> Enhanced EMIS system including School grant management system (GMS), MPO management and M&E reporting is fully operational |                                     |

| DLI  | Total Financing Allocated to DLI | As % of Total Financing Amount | DLI Baseline | DLRs <sup>17</sup>   |   |   |   |                                     |
|--|----------------------------------|--------------------------------|--------------|--|---|---|---|-------------------------------------|
|  |                                  |                                |              | Year 1 (January 2018-December 2018)  | Year 2 (January 2019-December 2019)   | Year 3 (January 2020 – December 2020)   | Year 4 (January 2021-December 2021)   | Year 5 (January 2022-December 2022) |
|  |                                  |                                |              | established  |   |   |   |                                     |
| Allocated amount (US\$, millions)          | 50                               | 10                             |              | 20   | 10  | 10  | 10  |                                     |
| Disbursement deadline and formula          |                                  |                                |              | <b>DLR 8.1</b><br>Roll Over: Yes, up to June 30,2019<br>Financing Formula: \$10 million upon achievement of target<br><br><b>DLR 8.2</b><br>Roll Over: Yes, up to June 30,2019<br><br>Financing Formula: \$10 million upon achievement of target | <b>DLR 8.3</b><br>Roll Over: No<br><br>Financing Formula: \$10 million upon achievement of target | <b>DLR 8.4</b><br>Roll Over: No<br><br>Financing Formula: \$10 million upon achievement of target | <b>DLR 8.5</b><br>Roll Over: No<br><br>Financing Formula: \$10 million upon achievement of target |                                     |
| Total Financing Allocated (US\$, millions) | 500                              | 100                            |              | 50   | 145   | 95  | 115   | 95                                  |

**Table 3.2. DLI Verification Protocol**

| <b>Area</b>   | <b>DLR</b>   | <b>Definition, Description of Achievement and Protocol to evaluate achievement</b>  |
|---|--|---|
| <b>DLI 1</b><br>Effective and relevant curriculum is in place | <b>Year 1:</b> MOE has approved NCPF for grades from pre-primary to 12 <sup>th</sup> grade   | <p><i>Definition:</i> NCPF provides policy and technical guidance for a systematic curriculum revision, and includes inter alia the following elements: (a) grade-wise and subject-wise learning outcomes and competencies, (b) diversification of curriculum, (c) availability of relevant subject choices, (d) role and responsibilities of NCTB and other relevant agencies, and (e) curriculum review and revision cycle.</p> <p><i>Achievement description:</i> This DLR is considered achieved when NCPF is approved by MOE, based on the following processes: (a) NCTB mobilizes specialists to prepare the NCPF based on the approved concept paper, (b) MOE approves the NCPF as recommended by NCTB, and disseminates to concerned stakeholders.</p> <p><i>Source of verification:</i> Approved NCPF document with minutes of approval by MOE</p> |
|   | <b>Year 2:</b> NCTB has been strengthened with: (i) 80% of staffing positions filled with appropriate qualifications and specialization, (ii) NCTB organogram approved, and (iii) implementation plan with the revised NCTB structure approved | <p><i>Achievement description:</i> This DLR is considered achieved when (a) more than 80% of existing staffing positions are filled with specialists (for curriculum revision, instruction materials development and dissemination) based on staffing guidelines, (b) revised organogram is approved, and (c) implementation plan to make the revised NCTB structure operational is approved.</p> <p><i>Source of verification:</i> Progress report from NCTB on staffing, revised organogram and implementation plan</p>   |
|   | <b>Year 3:</b> National Curriculum Coordination Committee (NCCC) of MOE has approved the revised national curriculum for grades 6-12 developed based on the NCPF   | <p><i>Achievement description:</i> This DLR is considered achieved when: (a) revised curriculum is approved by National Curriculum Coordination Committee (NCCC) of MOE as recommended by NCTB, (b) revised curriculum is disseminated to concerned stakeholders</p> <p><i>Source of verification:</i> Approved curriculum document with minutes of approval by NCCC</p>  |
|   | <b>Year 4:</b> E-learning and digital universal content of curriculum available at all Institutions  | <p><i>Definition:</i> E-learning and digital universal content means electronic learning materials that support students learning of curriculum related universal concepts and applications. All institutions mean all schools and madrasahs in secondary education that have been recognized by DSHE.</p> <p><i>Achievement description:</i> This DLI will be considered achieved if: (a) universal content electronic materials in English, Mathematics and Science are available at all institutions; (b) at least 10% of institutions report the use of these materials by teachers and students as recorded in the administrative log books.</p> <p><i>Source of verification:</i> DSHE's EMIS report on institution-level availability and use of e-learning and digital content.</p>   |

| Area   | DLR  | Definition, Description of Achievement and Protocol to evaluate achievement   |
|--|--|---|
| <b>DLI 2</b><br>Assessment and examination system reforms implemented to improve teaching learning | <b>Year 2:</b> At least 20% of Institutions carry out Institution-based diagnostic assessments of students entering Grade 6 to gauge their readiness for secondary education.                                      | <p><i>Definition:</i> Institution-based diagnostic assessment is a system and process of assessing students at grade 6 by the first month of each academic year with the purpose of providing remedial measures to students failing to achieve a minimum level of competency.</p> <p><i>Achievement description:</i> This DLR will be considered as achieved when (a) MOE approves Implementation Guidelines outlining the modality of diagnostic assessment, (b) DSHE approves implementation plan (dissemination of guidelines, training of teachers, printing of assessments, administration of assessments, analysis of data, and provision of remedial class support including deployment of temporary teachers) and, (c) at least 20% if institutions carry out the diagnostic assessments</p> <p><i>Source of verification:</i> DSHE progress report on implementation of diagnostic assessments</p> |
|  | <b>Year 3:</b> DSHE causes the National Assessment of Secondary Students (NASS) 2019 to be carried out on nationally representative sample in grades 8 and 10 (English, Maths, Bangla) and publishes the findings. | <p><i>Definition:</i> NASS is an assessment of learning levels of secondary students on a nationally representative sample (NASS has been renamed as NASS).</p> <p><i>Achievement description:</i> This DLR is considered achieved when (a) NASS 2019 framework (specifying grades, subjects, sampling method, implementation arrangement, use of assessment results in system improvement) is approved, (b) NASS is carried out by a specialized international agency supported by national survey firm(s), (c) the assessment report is endorsed by the Steering Committee, and (d) findings disseminated publicly, and (e) actionable remedial measures are identified and agreed.</p> <p><i>Source of verification:</i> DSHE's NASS Report with minutes of approval and dissemination</p>   |
|  | <b>Year 5:</b> DSHE causes the NASS 2021 and standardized exams results to be analyzed, disseminated and feedback into system improvement  | <p><i>Achievement description:</i> NASS related DLR is considered achieved when (a) an NASS 2021 analytical report (based on NASS carried out in 2021) by a specialized international agency is endorsed by the Steering Committee, and (b) findings disseminated publicly, and (c) agreed actionable remedial measures are implemented. Standardized examinations related DLR is considered achieved when (a) analytical report on standardized exams on SSC and HSC from 2021 is endorsed by the Steering Committee, and (b) findings disseminated publicly, and (c) agreed actionable remedial measures are implemented.</p> <p><i>Source of verification:</i> DSHE's TA analytical reports on NASS 2021 and Standardized exams</p>  |
|  | <b>Year 5:</b> All examination boards implement standardized SSC and HSC examinations.   | <p><i>Definition:</i> Standardized Examinations are those where the questions, conditions for administering, scoring procedures, and interpretations are consistent and are administered and scored in a predetermined, standard manner across subjects, years and boards.</p> <p><i>Achievement description:</i> This DLR is considered achieved when (a) all Examinations Boards carry out the standardized examinations for SSC and HSC in selected subjects, following MOE approved guidelines updated based on the pilots, and (b) independent consultancy prepares an analytical report on examinations administration and results validates the compliance to approved guidelines of standardized examinations.</p>  |

| Area   | DLR   | Definition, Description of Achievement and Protocol to evaluate achievement  |
|--|---|--|
|  |   | <i>Source of verification:</i> DSHE's TA report on implementation of standardized examinations   |
| <b>DLI 3</b><br>Improved teaching-learning in Bangla, English, Mathematics and Science | <b>Year 2:</b> DSHE causes deployment of additional qualified and trained subject-teachers in English, Math and Science in 4,000 targeted Institutions. | <p><i>Definition:</i> Deployment of qualified subject teachers involves the following activities: (a) identification of subject-wise teachers in target schools, (b) deployment from existing pool of teachers where feasible, (c) enlisting of qualified teachers through online application process, (d) placement of qualified teachers in needy schools, (e) contracting of the deployed teachers by concerned SMC, (f) orientation of deployed teachers and SMC chair/representative, (g) training of newly deployed teachers on pedagogy</p> <p><i>Achievement description:</i> This DLR is considered achieved when: (a) DSHE selects additional 2,000 targeted schools following approved selection criteria (2,000 continue from the current scheme), (b) DSHE enlists (by upazila or other geographic areas) qualified subject teachers following approved criteria and procedures, (c) institutions (SMC/MMC) contract teachers from the suitable teacher pool, and (d) DSHE provides grants to schools for teacher remuneration.</p> <p><i>Source of verification:</i> DSHE's implementation progress report</p> |
|  | <b>Year 3:</b> Practical Science teaching implemented in 15,000 Institutions.   | <p><i>Achievement description:</i> Practical science teaching scheme is considered implemented when the following are available at institutions: science teachers trained in practical science, science labs, science kits and organized science groups. The DLR is achieved when at least 15,000 institutions meet the above criteria.</p> <p><i>Source of verification:</i> DSHE's implementation progress report based on institutional-level EMIS data</p>   |
|  | <b>Year 4:</b> Reading skills proficiency improved by 10%   | <p><i>Definition:</i> Reading skills proficiency in Bangla refer to the reading level of students in terms of speed, comprehension and fluency specified in the NASS.</p> <p><i>Achievement description:</i> This DLR is considered achieved when at least 10% increase is seen in the average reading proficiency score among Grade 10 students in latest NASS (baseline: NASS 2017)</p> <p><i>Source of verification:</i> DSHE's NASS Report</p>   |
|  | <b>Year 5:</b> Learning levels of Grade 10 students in English and Mathematics has improved by at least 5% over the levels in NASS 2017.                | <p><i>Achievement description:</i> This DLR is considered achieved when at least 5% increase is seen in the shares of Grade 10 students achieving grade-level competency for English and Mathematics in latest NASS (baseline NASS 2017)</p> <p><i>Source of verification:</i> DSHE's NASS Report</p>  |
|  | <b>Year 5:</b> Practical science teaching practiced in 20% of secondary Institutions  | <p><i>Achievement description:</i> This DLR is achieved when (a) all institutions have trained science teachers, science labs, science kits and organized science groups as reported in EMIS report, and (b) practical science teaching-learning is practiced in at least 20% of all institutions as reported from sample classroom observations.</p> <p><i>Source of verification:</i> DSHE's implementation progress report based on institutional-level EMIS data</p>   |



| Area   | DLR   | Definition, Description of Achievement and Protocol to evaluate achievement   |
|--|---|---|
| <b>DLI 4</b><br>Improved teacher management and accountability | <b>Year 2:</b> Incentive scheme for teachers in geographically disadvantaged areas implemented in at least 10,000 Institutions. | <p><i>Achievement description:</i> This DLR is considered to be met when the following elements are implemented according to approved manual/guidelines: (a) provision of additional incentives (allowances) for teachers (who are not from the same upazila) serving in institutions in disadvantaged upazilas, (b) summary report on number of teachers and schools benefiting from the incentives program, and disadvantaged areas; and (c) evidence of disbursement as generated from GMS</p> <p><i>Source of verification:</i> DSHE's implementation progress report</p>   |
|  | <b>Year 2:</b> At least 1,500 Institutions have piloted the teachers time-spent-teaching (TST) monitoring system.               | <p><i>Definition:</i> TST refers to the actual time teachers spend inside classrooms. TST monitoring scheme will include the following elements: monitoring indicators, instruments, monitoring and reporting mechanism.</p> <p><i>Achievement description:</i> TST monitoring system is considered implemented when the interested institution (a) signs a MoU with USEO to initiate the TST scheme, (b) implements the TST system consistent with the approved guidelines, and (c) submits a consolidated TST monitoring report per semester to USEOs which includes TST in at least five subjects (English, Bangla, Math, Science, and ICT/Computer). This DLR will be considered achieved when at least 1,500 institutions implement the TST monitoring system as evidenced in the SEDP implementation progress report.</p> <p><i>Source of verification:</i> DSHE's implementation progress report based on institutional-level EMIS data and USEO reports</p> |
|  | <b>Year 3:</b> MOE has approved the MPO rationalization plan and updated the MPO implementation guidelines.                     | <p><i>Definition:</i> MPO rationalization plan refers to phased plan on teacher redeployment and reallocation and will include, among others: (a) need-based allocation of positions by schools; and (b) deployment and re-deployment of MPO teachers. MPO implementation guidelines include: (a) criteria and procedures on (i) MPO teacher selection, (ii) deployment and re-deployment of MPO teachers, (iii) monthly payment to teachers based on compliance certification; (iv) incentives to teachers serving in rural or hard-to-reach areas; and (v) non-MPO salary grants to schools in disadvantaged areas (unserved by MPO positions).</p> <p><i>Achievement description:</i> This DLR is considered achieved when MOE approves and disseminates MPO rationalization plan and MPO implementation guidelines.</p> <p><i>Source of verification:</i> Approved MPO rationalization plan and guidelines with minutes of approval by MOE</p>                  |
|  | <b>Year 4:</b> 50% of Institutions have TST monitoring system in place.   | <p><i>Achievement description:</i> This DLR will be considered achieved when at least 50% of SEDP institutions implement the TST monitoring system</p> <p><i>Source of verification:</i> DSHE's implementation progress report based on institutional-level EMIS data and USEO reports</p>  |
|  | <b>Year 5:</b> Teacher (re)deployment payment fully compliant with MPO rationalization plan and updated guidelines              | <p><i>Achievement description:</i> This DLR is considered to be met when: (a) redeployment/reallocation plan implemented according to approved MPO rationalization plan and guidelines, (b) monthly payment to all teachers based on compliance certification certified by DSHE according to GMS</p> <p><i>Source of verification:</i> DSHE's implementation progress report based on institutional-level EMIS data on</p>  |

| Area  | DLR  | Definition, Description of Achievement and Protocol to evaluate achievement   |
|---|--|---|
|   |  | MPO teachers and payments   |
| <b>DLI 5</b><br>Improved School management and accountability | <b>Year 2:</b> Performance-Based Grants for Institutions meeting minimum accountability requirements and achieving performance indicators released to at least 5,000 Institutions. | <p><i>Definition:</i> Performance grant provided to institutions for meeting minimum accountability requirements (functional SMC and PTA, annual social audit, EMIS data submission, and so on) and achieving performance targets (student attendance, TST system, teacher attendance, student achievement in SSC and HSC) as defined in school grant manual. Implementation is considered completed when funds are disbursed by DSHE to eligible institutions according to approved grants manual and bank reconciliation process is completed.</p> <p><i>Achievement description:</i> This DLR is considered achieved (a) at least 5000 institutions receive performance grants in this year according to grants manual, and (b) evidence of funds reaching the institutions according to GMS</p> <p><i>Source of verification:</i> DSHE's implementation progress report based on institutional-level GMS data on performance grants</p> |
|   | <b>Year 4:</b> Performance-Based Grants for Institutions meeting minimum accountability requirements and achieving performance indicators released to at least 7,500 Institutions. | <p><i>Achievement description:</i> This DLR is considered achieved (a) at least 7500 institutions receive performance grants in this year according to grants manual, and (b) evidence of funds reaching the institutions according to GMS</p> <p><i>Source of verification:</i> DSHE's implementation progress report based on institutional-level GMS data on performance grants</p>  |
| <b>DLI 6</b><br>Improved grade retention and cycle completion | <b>Year 1:</b> MOE has approved the Adolescent Girls' Program (AGP) (that includes among others separate girls' toilets, counseling/awareness) including action plan.              | <p><i>Definition:</i> AGP aims to promote retention and learning levels of female students in secondary institutions through: among other things, incentives for economically poor girls, separate girls' toilets, community-based counseling and awareness raising.</p> <p><i>Achievement description:</i> This DLR is considered achieved when (a) AGP is designed in partnership with Ministry of Health (MOHFW), (b) MOE approves AGP design, implementation arrangements, and costed action plan.</p> <p><i>Source of verification:</i> Approved AGP plan with minutes of approval by MOE</p>  |
|   | <b>Year 1:</b> MOE has approved the harmonized stipend program.  | <p><i>Definition:</i> Harmonized stipends program (detailed operation modalities will be defined in the harmonized stipends guidelines) means a single poverty-targeted stipend scheme with following elements: (a) beneficiary selection based on revised PMT criteria and school-based pre-screening, (b) disbursement of uniform and enhanced stipends to eligible beneficiaries based on award conformation forms (ACF), (c) engagement of partner agencies (commercial bank, PMT administrator for data processing), and (d) system of compliance verification through GMS.</p> <p><i>Achievement description:</i> The DLI is considered achieved when MOE issues order to initiate the approved</p>   |

| Area  | DLR   | Definition, Description of Achievement and Protocol to evaluate achievement   |
|---|---|---|
|   |   | scheme starting from FY2017/2018.<br><br><i>Source of verification:</i> Approved harmonized stipends program with minutes of approval by MOE  |
|   | <b>Year 2:</b> Nation-wide roll-out of implementation of harmonized stipends program for grades 6-12                      | <i>Achievement description:</i> This DLI is considered achieved when: (a) appropriate partner agencies are contracted and deployed, (b) stipends program is implemented by DSHE in all upazilas covering Grade 6-12 according to the approved guidelines; and (c) a system of beneficiary selection, ACF preparation, disbursement, compliance verification, and bank reconciliation is in place.<br><br><i>Source of verification:</i> DSHE's implementation progress report based on institutional-level GMS data on stipends program |
|   | <b>Year 3:</b> AGP implemented in all Institutions in two selected Divisions.   | <i>Achievement description:</i> This DLR is considered achieved when (a) all institutions, schools and madrasahs, in selected two divisions sign cooperation agreement with USEOs, (b) focal female teachers are trained, (c) girls student group formed, (d) AGP program interventions initiated.<br><br><i>Source of verification:</i> DSHE's implementation progress report based on institutional-level EMIS data   |
|   | <b>Year 4:</b> Grade 10 retention rate (of those started grade 6) of AGP beneficiaries reaches 68 percent.                | <i>Achievement description:</i> This DLR is considered to be achieved when the EMIS report shows evidence that Grade 10 retention rate (of those starting Grade 6) among AGP beneficiaries reaches 68%.<br><br><i>Source of verification:</i> DSHE's implementation progress report based on institutional-level EMIS and GMS data  |
|   | <b>Year 5:</b> Grade 10 retention rate (of those started grade 6) of stipends beneficiaries reaches 70 percent.           | <i>Achievement description:</i> Stipends beneficiaries are also the beneficiaries who will be eligible to receive the cycle completion bonus if they meet the eligibility criteria. This DLR is considered to be achieved when the EMIS report shows evidence that Grade 10 retention rate (of those starting Grade 6) among stipends beneficiaries reaches 70%.<br><br><i>Source of verification:</i> DSHE's implementation progress report based on institutional-level EMIS and GMS data   |
| <b>DLI 7</b><br>Institutional Capacity Strengthened | <b>Year 1:</b> MOE's secondary education budget FY18/19 allocation is consistent with SEDP program expenditure framework. | <i>Achievement description:</i> This DLR is considered to be achieved when the (a) MOE MTBF reflects program and expenditure according to PEF, (b) approved AOP for MOE's secondary education includes budget allocation in Year 2 are in line with the allocation shares of SEDP expenditure framework for key non-salary program implementation cost items (that is, textbooks and other supplies and services, grants, and stipends)<br><br><i>Source of verification:</i> MOF's FY18/19 Budget and MOE's approved AOP               |
|   | <b>Year 2:</b> MOF and MOE release the fund for FY 18/19 inclusive of advance by the beginning of each quarter based on   | <i>Achievement description:</i> This DLI is considered to meet when fund release inclusive of advance release order from MOF/MOE received by following date:<br>1st quarter advance and fund release by 31 August,<br>2nd quarter advance and fund release by 15 November,<br>3rd quarter advance and fund release by 31 January and 4th quarter advance and fund release by 30 May.  |

| Area   | DLR   | Definition, Description of Achievement and Protocol to evaluate achievement  |
|--|---|--|
|  | the Annual Development Program/ Annual Operations Plan (ADP/AOP) allocation.  | <i>Source of verification:</i> DSHE's Financial report on budget release and allotment orders  |
|  | <b>Year 3:</b> The percentage of standalone projects has reduced by 30% in relation to the existing ones in June 30, 2017.  | <p><i>Definition:</i> Stand-alone projects mean those projects which are under the SEDP program framework but implemented by separate PIUs<sup>19</sup>.</p> <p><i>Achievement description:</i> This DLI is achieved when the number of DP-supported programs is reduced by 30% (compared to baseline)</p> <p><i>Source of verification:</i> MOE's List of ongoing development projects under DSHE financed by DPs</p>   |
|  | <b>Year 4:</b> MOF and MOE release the fund for FY 20/21 inclusive of advance by the beginning of each quarter based on the ADP/AOP allocation.   | <p><i>Achievement description:</i> This DLI is considered to meet when fund release inclusive of advance release order from MOF/MOE received by following date:<br/> 1st quarter advance and fund release by 31 August,<br/> 2nd quarter advance and fund release by 15 November,<br/> 3rd quarter advance and fund release by 31 January and 4th quarter advance and fund release by 30 May.</p> <p><i>Source of verification:</i> DSHE's Financial report on budget release and allotment orders</p> |
| <b>DLI 8</b><br>Enhanced Fiduciary Management and Data Systems | <b>Year 1:</b> Enhanced fiduciary system is in place, (including qualified and adequate FM & Procurement staff/posts at P&F wing and at least 60% of goods & works packages included in the Annual Procurement Plan processed through e-GP portal). | <p><i>Achievement description:</i> Enhanced fiduciary system is in place when: (a) adequate and qualified procurement and FM staff and specialists at P&amp;F Wing are placed, (b) Annual Procurement Plan (APP) are prepared and processed through e-GP portal with at least 60% of non-ICB Goods and Works contracts, (c) IBAS++ system is operational at MOE and DSHE</p> <p><i>Source of verification:</i> MOE's progress report on fiduciary management</p>                                       |
|  | <b>Year 1:</b> Enhanced EMIS  | <i>Achievement description:</i> Enhanced EMIS system is in established when: (a) EMIS unit, modules, information   |

<sup>19</sup> Baseline – Discrete projects June 2017: (1) Secondary Education Sector Investment Program (DP); Secondary Education Access & Enhancement Project (DP); (3) Teaching Quality Improvement Project 2 (DP); (4) Secondary Education Stipend Project –Second Phase (GOB); (5) Higher Secondary Stipend Project; (6) Female Stipend Project for Degree (Pass) and Equivalent Levels (GOB); (7) Development of Post-graduate Government Colleges at the District Headquarters for Improving Quality of Education (GOB); (8) Establishment of 11 Secondary Schools & 6 Colleges in Dhaka City (GOB); (9) Transformation of Existing Non-government Schools into Model Schools in Selected 315 Upazilla Headquarters (GOB); (10) Development of Selected Non-government colleges along with ICT Facilities for Improving Quality of Education; (11) Establishment of 7 Government secondary Schools in Sylhet, Barisal and Khulna Metropolitan Cities (GOB); (12) Establishment of Foreign Language Training Centers-2 (GOB); (13) Establishment of Autistic Academy at Dhaka (GOB).

| Area | DLR   | Definition, Description of Achievement and Protocol to evaluate achievement   |
|------|---|---|
|      | system, including School Grant Management System (GMS), MPO management and M&E reporting, established.  | <p>system for students, teachers and institutions, web-based system, link with other MIS, reporting system; (b) Grant Management Unit to process and validate awards to students, teachers and institutions; compliance verification; reconciliation system; (c) MPO module on compliance is linked to EMIS; (d) M&amp;E Report on program implementation progress and achievement on KPIs and IOs.</p> <p><i>Source of verification:</i> DSHE's implementation progress report on enhanced EMIS system establishment</p>   |
|      | <b>Year 2:</b> Agreed actions by MOE and DPs (e.g. regularization of P&F Wing in DSHE) included in the updated PFM action plan based on the recommendations of previous year periodic fiduciary review are implemented. | <p><i>Achievement description:</i> Agreed actions in the PFM, as agreed between MOE and DPs, including regularization (borne in revenue budget) of posts of P&amp;F Wing in DSHE are implemented and achieved.</p> <p><i>Source of verification:</i> DSHE's implementation progress report on PFM</p>   |
|      | <b>Year 3:</b> Agreed actions by MOE and DPs (e.g. Roll-out of IBAS++ nationally to all DDOs & 100% non-ICB contracts initiated and completed through eGP) included in the updated PFM action plan implemented.         | <p><i>Achievement description:</i> Agreed action, as agreed between MOE and DPs, include (a) IBAS++ rolled-out nationally to all DDOs, (b) 100% non-ICB Goods and Works contracts are processed and completed through eGP, and (c) adequate and qualified procurement and FM staff are placed in the regular set up of Procurement and Finance Wing of DSHE and specialists placed at P&amp;F Wing</p> <p><i>Source of verification:</i> DSHE's implementation progress report on PFM</p>   |
|      | <b>Year 4:</b> Enhanced EMIS system including School grant management system (GMS), MPO management and M&E reporting is fully operational.  | <p><i>Achievement description:</i> Enhanced EMIS system is fully operational when: (a) EMIS unit produces EMIS report that includes information on students (enrollment, dropout, repetition, promotion), teachers (subjects-wise, qualification, gender), and institutions (classrooms, labs, library, water and sanitation facility), school finances (including statement of grants) and program-specific interventions, (b) Grant Management Unit maintains data on program beneficiaries (stipends, grants, teachers), including eligibility and utilization compliance; (c) EMIS Unit maintains MPO processing and payments information; (d) M&amp;E Unit produces M&amp;E Report on program implementation progress and achievement on KPIs and IOs</p> <p><i>Source of verification:</i> DSHE's EMIS Report, GMS Report, MPO Report and M&amp;E Report, along with underlying data by institution</p> |

## **Annex 4: Summary Technical Assessment**

### **I. Program Strategic Relevance and Technical Soundness**

#### **A. Strategic Relevance**

1. The proposed PforR is strategically relevant as it supports the Government's SEDP, which is in line with Bangladesh's goal to achieve the status of a MIC through significant gains in quality and relevance of relevant skills imparted by secondary education. Investment in secondary education is critical for the following: (a) because of large scale improvements in primary school completion, demand for quality secondary education is increasing rapidly; (b) while there has been great success in increasing enrolment rates and in achieving gender parity, the incidence of drop outs remain relatively high, more so for female students mainly at higher grades. A large number of youth (particularly those from disadvantaged households) are dropping out at secondary level and getting trapped in low wage informal sector work, thus ensuring the quality secondary education is vital for retaining students in secondary schools and providing them with relevant cognitive and noncognitive skills for further education, labor market or other livelihoods; (c) as widely accepted, access to quality secondary education for females has broader critical impacts given the importance of mothers' education on delaying early marriage, lower fertility, and child's ECD and nutrition, and so on; and (d) current level of learning outcomes at the secondary level is poor and unequal.

#### **B. Technical Soundness**

2. The PforR is technically sound because the Program design is based on the GOB's reform priorities and strategy as articulated in its SEDP. It builds on the lessons learned from the World Bank's engagement in this sector, particularly successful secondary education female stipends projects that have helped achieve gender parity at secondary level, and the current Bank-financed SEQAEP 2008-2017 which has piloted a number of innovative and successful quality-enhancing interventions. It also draws upon the recommendations provided in the most recent analytical sector work carried out by the Bank "Education Sector Review - Seeding Fertile Ground: Education That Works for Bangladesh (ESR 2013)", strategic goals described in the draft Bangladesh Education Strategy Note (2016), and the World Bank's experience with the education sector in Bangladesh, across the region, and the globe. Building on the lessons learnt from past and ongoing operations, the Program will take the quality agenda forward through an increased focus on the quality of education and systems. The World Bank's support will use DLI-based (focus on results rather than inputs) reforms in school/teacher management/accountability and system strengthening in data/fiduciary arrangements. A strong partnership between the Government, the World Bank and ADB is expected to play a critical role in strengthening and using the country systems in the proposed PforR operation, which add to the technical soundness of the overall program.

3. Lessons learned from past and ongoing operations. The lessons learned as described in Box 4.1 and in the justification of DLIs presented in table 4.6, are incorporated in the Program design and choice of DLIs.

#### **Box 4.1: Lessons Learned from World Bank's Engagement in the Secondary Sector**

##### **1. Improving Learning Levels in Secondary Education**

- The number of public examinations in Bangladesh (grades 8, 10, and 12) across 9 zonal boards is one of the highest in South Asia. Competency-based assessments, rather than the current public examinations (that encourage rote learning-based educational practices but not build students' cognitive competencies and noncognitive skills like problem solving) would be more useful in understanding the strengths and weaknesses of students' learning. Moreover, they are not standardized across boards nor over time. Early experience from undertaking national student assessment at primary and secondary (LASI) levels show good promise for subsector linkages (consistencies across primary and secondary) and harmonized TA (both international and national TA).
- The GoB has piloted promising school-level interventions, such as DRH and providing additional class teachers (in mathematics, science, and English). These have the potential to be expanded nationally.
- Teachers are an important determinant of learning; yet, the current system does not attract, constitute, and retain the best professionals, and once recruited, the system provides few incentives to keep the teachers motivated. Even for the high-quality, merit-based primary teacher recruitment policy, the use of annually determined quotas (gender, family history, disability status, and so on), together with 'low' qualification criteria for determining merit, in fact, results in the system providing 'wrong' signaling for good performance among aspiring primary school teachers.
- Another case in point is the subvention that the Government provides to secondary school teachers in the form of an MPO. Although the policies regarding subventions have clear criteria linking them to school performance, schools are hardly penalized for underperformance. Political influence, rather than adherence to quality criteria, appears to be more important for the continuation of MPOs. As a result, MPO schools—constituting some 98 percent of secondary schools in Bangladesh—perform well below the expected level. School grants if carefully designed and managed can have the intended effect, as has been shown in the SEQAEP school grants supported interventions.
- Bangladesh has a good policy of involving communities in the oversight of secondary schools in the form of SMCs. The policy empowers communities to make all of the management decisions (such as teacher recruitment) regarding schools at the local level. However, this well-intended policy translates into a bad practice because of the political capture of SMCs, as schools often welcome political support/influence to withstand such policy enforcement.

##### **2. Equity: Ensuring Effective Schooling Opportunities for Marginalized Groups**

- Previous conditional stipends targeted at girls have proved effective in increasing access to and retention of girls in secondary schools. To address poverty-related imbalance, the World Bank-supported SEQAEP introduced a PMT-based stipends program to poor boys and girls alike. Impact evaluation suggests that SEQAEP's PMT-based stipend program is associated with a 20 percent increase in secondary school retention among males and 15 percent increase among females. It will be important for the Government to build on this successful program when it considers the next phase of the secondary education stipends program under the harmonized national stipends program at this level.
- To increase student cycle completion, the stipends program needs to complementary student incentives: (i) cycle completion bonus given to students completing grade 8, 10 and 12 from geographically disadvantaged areas; and (ii) adolescent girls incentives for grades 9 through 12, also from geographically disadvantaged areas.

##### **3. Systems: Strengthening Education Systems Strategically**

- Good policies can be rendered ineffective if incentives for good performance are nonexistent or minimal. For instance, good policies such as the criteria-based MPO subvention and autonomous SMCs in secondary education have stumbled during implementation because of inadequate incentives for compliance and/or disincentives to prevent noncompliance. Thus, there is a need for a more effective implementation of a formula-based funding (based on needs and performance).
- Various quality improvement reform measures have been introduced, but many are uncoordinated among different actors and projects, thereby undermining the effectiveness of the reforms. Thus, there is a need for a harmonized program in the subsector.

## **II. Program Expenditure Framework**

4. **Macroeconomic context.** The GoB has a firm, long-term commitment to the sustained improvement of education sector. This is evidenced by budgetary allocations to the education sector in the Medium-Term Macroeconomic Framework that increase year by year both in absolute and in percentage terms. During the past five years, the share of education budget has ranged between 10.7 percent and 13.8 percent of the total Government budget and between 1.96 percent and 2.5 percent of the country's GDP. Of the total education budget, post-primary education budget under the MoE accounted for 55 percent in 2016/17. External DPs have been providing support to ensure continued priority for education sector investments, particularly through World Bank-supported SEQAEP, Primary Education Development Program (PEDP3),

Higher Education Quality Enhancement Project (HEQEP), Skills and Training Enhancement Project (STEP), and College Education Development Project (CEDP), and ADB-funded SESIP and TQI project. In the secondary education subsector, ADB and the World Bank are the largest external financiers.

5. **Secondary Education budget FY2017.** Secondary education (covering grades 6–12) accounts for the largest share of MoE investments in education. The budget allocation to the MoE for FY17 was Tk 268.6 billion (US\$3.32 billion), which is a 33 percent increase from FY16 in nominal terms. The secondary education budget (MoE budget excluding tertiary education, technical education, some other non-secondary education institutes, and officer and teacher pensions) accounted for Tk 194.1 billion (US\$2.4 billion) which is 72.3 percent of the total MoE budget. In the past, secondary education’s share (excluding pensions) of the MoE budget ranged between 68 percent and 73 percent.

6. **Secondary Education Program 2018-2022.** The Government has prepared a harmonized secondary education program 2018–2022 (covering grades 6–12) based on the NEP 2010, seventh five-year Strategic Plan (2017–2022), SDG 4 goals, and lessons learned from past and ongoing development projects, mainly SESIP, SEQAEP, and TQI. The Government program document includes summary programs of both development and non-development activities in line with the MTBF. The program expenditure framework (PEF) describes resource envelope, program cost estimates and financing sources for the harmonized secondary education program.

7. **Secondary Education Resource Envelope:** Under the moderate scenario<sup>20</sup>, the resource envelope (macro fiscal space) for MoE for five years (2018–2022) is estimated at US\$ 28.5 billion of which the envelope for secondary education is estimated at US\$ 19.8 billion (Table 4.1). However, according to the optimistic<sup>21</sup> scenario, the same resource envelope amounts to US\$ 33.9 billion for the MoE and US\$ 22.4 billion for the secondary education sub-sector. In case of pessimistic<sup>22</sup> scenario, the resource envelope amounts to US\$ 24.5 billion for the MOE and US\$ 16.2 billion for secondary education. The estimates of the secondary education resource envelopes are based on (a) GDP estimates, and (b) trend shares of education sector in GDP, post primary education sub-sector, and secondary education subsector. The growth rates and inflation assumptions used in determining the resource envelope are based on published figures in the latest medium term macroeconomic policy framework.

**Table 4.1: Resource Envelope by Scenarios in Current Prices US\$ billion (2017-22)**

| Year                         | Pessimistic | Moderate | Optimistic |
|------------------------------|-------------|----------|------------|
| Education Budget             | 41.3        | 48.0     | 57.0       |
| MOE Budget                   | 24.5        | 28.5     | 33.9       |
| Secondary Education envelope | 16.2        | 19.8     | 22.4       |

<sup>20</sup>Resource envelope refers to the fiscal space that can be provided for the secondary education sub sector and is estimated based on GDP growth, inflation rate, share of education in GDP. The moderate scenario assumes average annual real GDP growth of 7.1 percent, an annual inflation rate of 6.9 percent, share of education in GDP of 2.6 percent, and share of the Secondary Education sub-sector at 66 percent of the total MoE budget during the five-year program period.

<sup>21</sup>The optimistic scenario assumes 7.6% GDP growth, 7.4% inflation, 3.0% share of education in GDP, 66% share of secondary in MOE budget.

<sup>22</sup>The pessimistic scenario assumes 6% GDP growth, 7% inflation, 2.3% share of education in GDP, 66% share of secondary in MOE budget.



Source: MOE estimates

8. **Secondary Education cost requirements.** Based on the MTBF estimates and a trend analysis, the estimated secondary education expenditures covering all eligible cost categories is estimated to be US\$17.2 billion for five years (2018–2022), which falls within the projected secondary education sub-sector fiscal space of \$19.8 billion according to the moderate scenario. It is noted that of the total cost requirements for the secondary education sector, US\$13.7 billion (accounting for 79%) is for recurrent expenditures on government staff salaries and allowances and on government and MPO teacher salaries, and **US\$3.5 billion (accounting for 21%) will be for secondary education development program specific expenditures** (Table 4.2).

**Table 4.2. SEDP Expenditure Estimate (Moderate scenario, current prices), 2018-2022**

|  | (Tk, billions) | (US\$, billions) | %         |
|--|----------------|------------------|-----------|
| Recurrent expenditures trend estimate            | 1,096          | 13.7             | 79        |
| <b>SEDP Program Specific Investment estimate</b> | <b>281</b>     | <b>3.5</b>       | <b>21</b> |
| Total SEDP                                       | 1,376          | 17.2             | 100       |

Source: MOE estimates. Note: a. Includes all secondary related expenditures (expenditures of agencies involved with secondary education) except pensions. b. capital expenditure and revenue expenditure is estimated to account for approximately 20% and 80% respectively of total SEDP expenditure

9. **SEDP program Expenditure:** Table 4.3 presents five-year SEDP program expenditure requirements by cost category. The main expenditure items include recurrent items (80%) comprising government officers salaries and MPO teacher salaries, textbooks and other items of recurrent nature. Under the program specific investment expenditure (20% of all SEDP), school grants accounts for the largest share, and other items comprises school grants, operational and management costs, school grants, implementation manpower, operational and maintenance, training, workshops and evaluations, stipend payments, civil works, goods and vehicles, and technical assistance activities.

10. **Transforming Secondary Education for Results Program (TSERP):** TSERP to be financed by the World Bank Program-for-Results (PforR) lending instrument, will support the subset of the SEDP program specific interventions and associated expenditures contributing to reforms and result areas that are transformational in their expected impacts. As seen in table 4.3, the TSERP expenditure is estimated to be US\$1,997 million and comprises (i) school grants (64 percent), (ii) implementation manpower, operating and maintenance cost (27 percent), and (iii) training, workshops and evaluations (9 percent).

11. **School Grants:** The major expenditure cost category in TSERP is school grants and consists of the following: (a) improvement in teaching-learning practices in Bangla, English, Mathematics and Science (additional class teachers, development the reading skills, practical science teaching), (b) performance-grants to schools, (c) support to schools to cover non-MPO teacher positions in under-served areas, (d) incentives to teachers to be relocated to hard-to-reach areas, (e) need-based grants for school sanitation, water and other facilities, (f) adolescent girls (Grades 9-12) incentives in disadvantaged areas, and (g) completion bonus for boys and girls who complete Grade 8, 10 and 12 (lower secondary, secondary and higher secondary cycles) in disadvantaged upazilas and disadvantaged schools. These school grants finance activities and interventions in all three results areas.

**Table 4.3. Expenditure Framework, 2018–2022, Government’s program and PforR Program**

| Item  | Amount<br>(Tk, Bil) | Amount<br>(US\$, Bil) | Share of<br>Total<br>(%) |  | Amount<br>(Tk,<br>Bil) | Amount<br>(US\$,<br>Bil) | Share<br>of<br>Total<br>(%) |
|---|---------------------|-----------------------|--------------------------|--|------------------------|--------------------------|-----------------------------|
|   | SEDP                |                       |                          |  |                        | PforR                    |                             |
| <b>A. Recurrent Costs</b>   | <b>1,095.87</b>     | <b>13.698</b>         | <b>80%</b>               |  |                        |                          |                             |
| 1. Pay of officers, pay of establishment and allowances and government teachers   | 33.65               | 0.421                 |                          |  |                        |                          |                             |
| 2. Salaries and Allowances MPO Teachers   | 768.81              | 9.610                 |                          |  |                        |                          |                             |
| 3. Other recurrent items (textbooks, works and others)  | 293.41              | 3.668                 |                          |  |                        |                          |                             |
| <b>B. Program-specific costs</b>  | <b>280.79</b>       | <b>3.510</b>          | <b>20%</b>               |  |                        |                          |                             |
| <b>1. Grants (performance-based, non-MPO teacher salaries for underserved regions, salary grants for additional class teachers in English, Mathematics and Science, incentive grants for teachers for relocation in remote areas, ISF, student level completion bonus and Girls-AGP incentives)</b> | 102.97              | 1.287                 | 7%                       |  | 102.97                 | 1.287                    | 64%                         |
| <b>2. Training, workshops, evaluations</b>  | 14.30               | 0.179                 | 1%                       |  | 14.30                  | 0.179                    | 9%                          |
| <b>3. Operational and Management cost</b>   | 42.46               | 0.531                 | 3%                       |  | 42.46                  | 0.531                    | 27%                         |
| 4. Civil works  | 27.15               | 0.339                 | 2%                       |  |                        |                          |                             |
| 5. Stipends   | 69.05               | 0.863                 | 5%                       |  |                        |                          |                             |
| 6. Goods and Vehicles   | 23.10               | 0.289                 | 2%                       |  |                        |                          |                             |
| 8. Technical Assistance   | 1.76                | 0.022                 | 0.1%                     |  |                        |                          |                             |
| <b>Total</b>  | <b>1,376.66</b>     | <b>17.21</b>          | <b>100%</b>              |  | <b>159.73</b>          | <b>1.997</b>             | <b>100%</b>                 |

Source: World Bank Staff estimates based on program expenditure framework for secondary education program sub-sector. Note: SEDP program specific investment costs does not include the recurrent expenditure trend estimates for pay of officers, pay of establishment and allowances, and salaries of government teachers or MPO teachers.

**12. Excluded items from PforR:** Of the SEDP program expenditures, recurrent costs items – current salary obligations, production of textbooks and stipends, and capital cost items – civil works, and procurement of ICT goods requiring International Procurement– are excluded. The main justification for exclusion is as follows: civil works activities managed by EED and are neither part of Bank’s strategic focus or value-added; production (printing) of textbooks by NCTB is a regular recurrent activity which is also not part of the Bank’s value-added. Stipends is and has been the Bank’s focus area in the past. However, the targeted stipends program is now expected to be institutionalized as a recurrent activity under a broader umbrella social assistance program of the Government and is thus not included in the PforR.

13. **TSERP Financing.** It is expected that the World Bank would finance US\$500 million and the Government would bear the remaining US\$1,497 billion (96.8 percent) (table 4.4).

**Table 4.4: Program Financing Plan (2018–2022)**

| Source             | Amount (US\$ million) | Share of Total (%) |
|--------------------|-----------------------|--------------------|
| Government         | 1,497                 | 75                 |
| IDA Credit (PforR) | 500                   | 25                 |
| <b>Total</b>       | <b>1,997</b>          | <b>100</b>         |

Note: 1. IDA Credit of US\$10 million and GFF Grant of US\$10 million for TAF using IPF instrument are not included in the PforR Program financing plan, but are part of the Government's SEDP program specific costs. 2. ADB is expected to finance US\$225 million to the SEDP program specific costs and if ADB's program boundary and the World Bank's PforR boundary overlap, it would reduce the Government contribution to the PforR boundary financing by the size of the overlap (by a maximum of US\$225 million).

### Assessment of the Expenditure Framework

14. World Bank financing will be channeled through the Government's consolidated fund, provided by the assessment made on the SEDP expenditure framework in terms of effectiveness, efficiency and economy, adequacy, and affordability/sustainability.

15. **Effectiveness.** The main issues that limit effectiveness include (a) focus on input and activity-based budgeting without links to expected results; (b) inadequate budget for quality-enhancing programs; (c) limited resources channeled to schools; (d) inadequate qualified subject teachers in secondary level (grades 9–12) especially in mathematics, science, and English; (e) lack of adequate budget allocation to higher secondary education (grades 11–12) to ensure affordability among the poor; and (f) minimal public funds allocated to the nongovernment secondary schools except the MPO salaries which go directly to teachers.

16. The Program reforms aimed to address the above issues include (a) costing of prioritized quality-improving interventions in secondary education; (b) plan to introduce a more robust MTBF in consistency with the SEDP expenditure framework to ensure appropriate annual budget allocations; (c) revising the school grant system to support performance-based financing and improving the reliability of the EMIS to enhance the effectiveness of resources going to schools; (d) enhanced teacher management and accountability (including additional teacher positions in English, mathematics, and science); and (e) rationalization of the MPO system to strengthen PPP and enhance its accountability.

17. **Efficiency and economy.** School sector planning and budgeting face problems of suboptimal allocation and less than satisfactory utilization. Challenges in terms of efficiency (timeliness) and economy (cost-effectiveness) are summarized in the following paragraphs with key strategies proposed to overcome them:

- **Weak planning and budget preparation.** The subsector planning to date has been carried out by norms rather than by needs and the DSHE's budget allocation is mostly centralized and does not reflect the needs of the field offices and schools. The program will strengthen bottom-up planning processes and improve annual planning and budgeting, given that DPs and the MoE have agreed on results-based financing in the SEDP.
- **Delayed budget release, actual expenditure, and utilization.** On the positive side, most of the allocated funds (over 90 percent) for secondary education are spent, indicating efficiency of the system. However, utilization of funds is not as effective because of (a) delays in budget release to program expenditures; (b) unit costs for Program interventions (on quality and equitable access enhancing interventions) are less than reasonable; and (c) a weak grant compliance monitoring mechanism. The Program aims to address these through (a) improving the FM system for timely fund release to schools, (b) revising the school grant mechanism that responds to specific needs, (c) creating more capacity for supervision and monitoring of civil works, (d) increasing the reliability of EMIS data through third-party verification for effective functioning of school grants, and (e) strengthening field-level and school management capacity for supervision and monitoring of school grants to achieve results.
- **Earmarked school grants.** Except for MPO funds, schools are not provided any resources that they can plan and spend on education quality improvements. The Program plans to improve the school financing mechanism with emphasis on need-based allocation of resources by linking to results and effective grants utilization so as to enhance Program economy (that is, achievement of results with lower costs).

18. **Adequacy.** The overall expenditure framework allows adequate resources for (a) providing Bangla, mathematics, science, and English teachers in secondary schools and implementing the harmonized stipends program nationwide; (b) providing training to subject teachers and delivering activity-based kits focusing on Bangla, mathematics, science, and English; (c) providing grants to 20,000 schools; and (d) implementing capacity-building plans for improving governance and management of the school system. Price and physical contingencies are also included in the costing exercise to avoid underfinancing of activities due to price and physical uncertainties.

19. The PEF is adequate since it is based on detailed SEDP cost estimates by the MoE for achieving intended results. It is important that the Government reflects this framework in the education sector MTEF and the annual budgeting and execution cycle for the MoE (being strengthened under the SEDP).

20. **Fiscal affordability and sustainability.** Secondary education resource requirement falls within the estimated sub-sector resource envelope (plausible medium scenario), indicating the feasibility of the required budget allocation (internal and external sources combined) to meet the estimated SEDP cost during 2018–2022 (table 4.1). This analysis assumes that the economy grows at an average annual rate of 7.1 percent until 2020/2021 at constant prices and the MoF provides about 2.6 percent of GDP to education expenditure. Since the Government is committed

to implementing NEP reform, it is anticipated that the education sector would receive adequate budget allocations to meet the required cost of achieving the program objectives.

21. The long-term sustainability considerations are built in the SEDP design through (a) use of country systems for budgeting, accounting, reporting, and auditing; (b) strengthening institutions in secondary education which will sustain the sector improvements; (c) use of DLIs to trigger results; and (d) strengthening governance and management.

### III. Program and Results Framework

22. An RF with SMART targets are included in the TSERP. KPIs include a mix of process, output, and outcome indicators, covering all three results areas of the Program. The RF is fully aligned with the objectives of the Government's SEDP. Results and subresults areas with key interventions and targets are included in the Program and RF. These results are expected to be achieved through a comprehensive and interlinked set of interventions across three results-areas. Required costs are also estimated to achieve the identified results. Based on the PRF, a common DLI framework is being identified for disbursement of Word Bank/ADB funds.

#### A. Disbursement Linked Indicators

23. DLIs for the Program are a logical and balanced mix of outputs, IOs, and outcomes. The proposed DLIs to be financed under the Program have been selected on the basis of: (a) priority results areas; (b) strategic focus on the education quality enhancement as envisaged in the Government's SEDP; (c) identification of a few key actions and results that will support fundamental system-level transformations; and (d) local and global evidence on what works (including lessons learned from projects implemented within the MOE).

24. The proposed DLIs are all transformational in nature: without the results-based incentives, they are unlikely to be initiated and implemented to the fullest; if successfully implemented, they have the potential to bring significant positive impacts on the secondary education system and on the lives and prospects of young generation that is the building block for nation building. Justification for each of the DLIs is presented in Table 4.5.

**Table 4.5. Bangladesh PforR: Justification for DLI Selection**

| Result areas, DLIs and DLRs   | Justification for choice of DLIs/DLRs   |
|---|---|
| <b>1. Effective and relevant curriculum is in place</b>   |   |
| 1) MOE has approved NCPF for grades from pre-primary to 12 <sup>th</sup> grade (Year-1)<br>2) NCTB has been strengthened with: (i) 80% of staffing positions filled with appropriate qualifications and specialization, (ii) NCTB organogram approved, and (iii) implementation plan with the revised NCTB structure approved (Year-2)<br>3) National Curriculum Coordination Committee (NCCC) of MOE has approved the revised national curriculum for grades 6-12 developed based on the NCPF (Year 3)<br>4) E-learning and digital universal content of curriculum available at all Institutions (Year 4) | <ul style="list-style-type: none"> <li>• There is no policy nor a framework for curriculum revision and implementation (thus ad-hoc revisions of curriculum and textbooks)</li> <li>• Existing school curriculum is not integrated across levels and subjects, does not respond adequately to labor market needs, and is perceived to be too heavy and thus not catering to the needs of diverse student populations (with regard to academic abilities but also with regard to aptitude and career aspirations).</li> <li>• This DLI will bring transformational change in the medium to long term by strengthening NCTB capacity and providing opportunities to students to choose subjects according to their ability and interest and as relevant to personal and market needs, contributing to system efficiency (retention) and ultimately to nation building.</li> </ul> |

| Result areas, DLIs and DLRs   | Justification for choice of DLIs/DLRs  |
|---|--|
|   | <ul style="list-style-type: none"> <li>Supplementary e-learning and digital content will help in enhancing student learning of universal content and applications</li> </ul>   |
| <b>2. Assessment and examination system reforms implemented to improve teaching learning</b>  |  |
| <ol style="list-style-type: none"> <li>At least 20% of Institutions carry out Institution-based diagnostic assessments of students entering Grade 6 to gauge their readiness for secondary education (Year 2)</li> <li>DSHE causes the National Assessment of Secondary Students (NASS) 2019 to be carried out on nationally representative sample in grades 8 and 10 (English, Maths, Bangla) and publishes the findings (Year 3)</li> <li>DSHE causes the NASS 2021 and standardized exams results to be analyzed, disseminated and fed back into system improvement (Year 5)</li> <li>All examination boards implement standardized SSC and HSC examinations (Year 5)</li> </ol> | <ul style="list-style-type: none"> <li>The current public examinations (Grades 8, 10, and 12) tend to encourage rote learning-based educational practices but not build students' cognitive competencies and noncognitive skills.</li> <li>Exams not standardized (not comparable across multiple boards and across time)</li> <li>Standardizing examinations would help the system by making it competency-based, that is, measuring students' relevant skills.</li> <li>LASI has been initiated but needs further strengthening, particularly on design and analysis, and feedback to policy makers and quality improvements.</li> <li>A more advanced and credible national learning assessment system is an ultimate goal for any good education system.</li> </ul>  |
| <b>3. Improved teaching-learning in Bangla, English, Mathematics and Science</b>  |  |
| <ol style="list-style-type: none"> <li>DSHE causes deployment of additional qualified and trained subject-teachers in English, Math and Science in 4,000 targeted Institutions (Year-2)</li> <li>Practical Science teaching implemented in 15,000 Institutions (Year-3)</li> <li>Average reading proficiency score among Grade 10 students has improved by at least 10% over the score in NASS 2017 (Year-4)</li> <li>Learning levels of Grade 10 students in English and Mathematics has improved by at least 5% over the levels in NASS 2017 (Year-5)</li> <li>At least 20% of secondary Institutions practice practical science teaching (Year-5)</li> </ol>                     | <ul style="list-style-type: none"> <li>Challenges include Low learning levels in English and Math; declining enrollments in science subject; and limited reading habits and proficiency and thus need focused and systematic interventions to improve teaching-learning in these areas.</li> <li>This DLI will bring transformational change in teaching learning practices.</li> </ul>  |
| <b>4. Improved teacher management and accountability</b>  |  |
| <ol style="list-style-type: none"> <li>Incentive scheme for teachers in geographically disadvantaged areas implemented in at least 10,000 Institutions (Year-2)</li> <li>At least 1,500 Institutions have piloted the teachers time-spent-teaching (TST) monitoring system (Year-2)</li> <li>MOE has approved the MPO rationalization plan approved and updated the MPO implementation guidelines (Year-3)</li> <li>50% of Institutions have TST monitoring system in place (Year-4)</li> <li>Teacher (re)deployment payment fully compliant with MPO rationalization plan and updated guidelines (Year-5)</li> </ol>   | <ul style="list-style-type: none"> <li>Teachers are the most important actors in teaching-learning. Teachers (salaries) are the most expensive budget item (more than 60% of the SE budget goes to salaries). However, the existing tools, including MPO system of teacher allocation and compliance, is yet to be effective in ensuring that schools receive adequate number of teachers based on norms and teachers actually spend time in classrooms teaching according to prescribed curriculum norms. Poor teacher management becomes the single most important factor that bleeds public resources intended for quality education.</li> <li>This DLI provides incentives to the Government, schools, and their teachers to address this long-standing problem of MPO and non-MPO teacher imbalance (some have surplus and some deficit) and TST monitoring.</li> <li>Both of these DLI triggers are challenging but achievable as proposed but phased implementation plan should mitigate potential risks and provide opportunities for in-program modifications.</li> <li>The impact from improved teacher deployment and TST monitoring are expected to be large.</li> </ul> |
| <b>5. Improved School management and accountability</b>   |  |
| <ol style="list-style-type: none"> <li>Performance-Based Grants for Institutions meeting minimum</li> </ol>   | <ul style="list-style-type: none"> <li>Nonexistent or minimal incentives and accountability mechanisms have rendered otherwise good policies</li> </ul>  |

| Result areas, DLIs and DLRs  | Justification for choice of DLIs/DLRs   |
|--|---|
| <p>accountability requirements and achieving performance indicators released to at least 5,000 Institutions (Year-2)</p> <p>2) Performance-Based Grants for Institutions meeting minimum accountability requirements and achieving performance indicators released to at least 7,500 Institutions (Year-4)</p>   | <p>ineffective, that is good policy on decentralized SMC/MMCs has stumbled due to lack of resources provided to institutions</p> <ul style="list-style-type: none"> <li>• Use of performance grants to institutions based on meeting accountability and performance indicators is expected to strengthen school management and sustain PPP</li> <li>• Increased resources to schools is likely to improve student retention through reduced school fees and quality improvements.</li> <li>• The results in this DLI are unlikely to be achieved in the default scenario, given that this requires a fundamental shift in funding formula: changes the school governance dynamics by linking a portion of school financing to accountability and performance.</li> </ul>  |
| <p><b>6. Improved grade retention and cycle completion</b></p> <p>1) MOE has approved the Adolescent Girls' Program (AGP) (that includes among others separate girls' toilets, counseling/awareness) including action plan (Year-1)</p> <p>2) MOE has approved the harmonized stipend program (Year-1)</p> <p>3) Nation-wide roll-out of implementation of harmonized stipends program for grades 6-12 (Year-2)</p> <p>4) AGP implemented in all Institutions in two selected Divisions (Year-3)</p> <p>5) Grade 10 retention rate (of those started grade 6) of AGP beneficiaries reaches 68 percent (Year-4)</p> <p>6) Grade 10 retention rate (of those started grade 6) of stipends beneficiaries reaches 70 percent (Year-5)</p>  | <ul style="list-style-type: none"> <li>• There is scope to design and implement adolescent girls program to address the key issues affecting dropouts among these girls</li> <li>• Multiple stipends programs implemented – with varying stipends rates, selection criteria and procedures.</li> <li>• Cycle completion remains a challenge, particularly for children from disadvantaged families and geographic areas.</li> <li>• The DLI will promote partnership among MOE, MOH and other DPs including NGOs to increase both health and education outcomes. Evidence show that education is the best platform to maximize health and life opportunities among this age-group.</li> <li>• This DLI provides incentives to the GOB to initiate a cycle completion bonus program and strengthens capacity to implement it effectively.</li> </ul> |
| <p><b>7. Institutional Capacity Strengthened</b></p> <p>1) MOE's secondary education budget FY18/19 allocation is consistent with SEDP program expenditure framework (Year 1)</p> <p>2) MOF and MOE release the fund for FY 18/19 inclusive of advance by the beginning of each quarter based on the Annual Development Program/ Annual Operations Plan (ADP/AOP) allocation (Year-2)</p> <p>3) The percentage of standalone projects has reduced by 30% in relation to the existing ones in June 30, 2017 (Year-3)</p> <p>4) MOF and MOE release the fund for FY 20/21 inclusive of advance by the beginning of each quarter based on the ADP/AOP allocation (Year-4)</p>   | <ul style="list-style-type: none"> <li>• Fragmented institutional structure, and limited decentralization, with 13 projects under DSHE</li> <li>• Need for enhanced implementation capacity in view of results-based program approach</li> <li>• This DLI will incentive GOB to adopt a unified, sound streamlined structure, with decentralized educational management, in view of harmonized SEDP program</li> </ul>  |
| <p><b>8. Enhanced Fiduciary Management and Data Systems</b></p> <p>1) Enhanced fiduciary system is in place, (including qualified and adequate FM &amp; Procurement staff/posts at P&amp;F wing and at least 60% of goods &amp; works packages included in the Annual Procurement Plan processed through e-GP portal) (Year 1)</p> <p>2) Enhanced EMIS system, including School Grant Management System (GMS), MPO management and M&amp;E reporting, established (Year 1)</p> <p>3) Agreed actions by MOE and DPs (e.g. regularization of P&amp;F Wing in DSHE) included in the updated PFM action plan based on the recommendations of previous year periodic fiduciary review are implemented (Year 2)</p> <p>4) Agreed actions by MOE and DPs (e.g. Roll-out of IBAS++ nationally to all DDOs &amp; 100% non-ICB contracts initiated and completed through eGP) included in the updated PFM action plan</p> | <ul style="list-style-type: none"> <li>• The GMS is necessary because a significant proportion of program resources is expected to go directly to schools and once the GMS is operational it would provide significant credibility to the system that funds are in fact going to eligible beneficiaries (schools, teachers, or students) and are used for intended purposes.</li> <li>• There is considerable scope to enhance reliability/utilization of EMIS data and M&amp;E systems by streamlining roles and responsibilities and accountability (production of good quality reports) and independent verification for self-reported EMIS data and by making it web-based.</li> <li>• There is evidence of weak FM practices and internal control environment across all levels, as seen from</li> </ul>                                       |

| Result areas, DLIs and DLRs   | Justification for choice of DLIs/DLRs   |
|---|---|
| <p>implemented (Year-3)</p> <p>5) Enhanced EMIS system including School grant management system (GMS), MPO management and M&amp;E reporting is fully operational (Year-4)</p> | <p>recurring incidence of audit observations, and there is scope to substantially strengthen the fiduciary system including implementation capacity across all levels. IBAS++ and eGP together GMS will support this.</p> <ul style="list-style-type: none"> <li>Without the DLI triggers, the proposed targets on improved fiduciary, grant management and data systems are less likely to be achieved. Importantly, these are foundational priorities for a results-based Program to succeed</li> </ul> |

## B. Managing Risks and Improving Capacity

25. Risks associated with weak institutional capacity, Program design, and fiduciary management are considered as Substantial. The Program will mitigate these risks through a combination of efforts: dedicated TAF, set of critical actions in the form of PAP, and policy and institutional reforms in the form of DLIs to bring key changes in the system, aimed at increasing the quality of education and accountability of teachers and schools.

## IV. Monitoring and Evaluation System

26. The MEW of the DSHE will be responsible for M&E activities and publication of monitoring report that will include, among other things, program implementation progress (physical and financial), achievement on KPIs and IO indicators, and compliance on eligibility and funds utilization. The MEW would also mobilize specialized agencies and survey firms to undertake learning assessments in secondary institutions (LASI) and impact evaluation activities. The EMIS Wing of the DSHE will collect, maintain, and utilize program-specific data on students, teachers and institutions and publish an EMIS report that will include information on students (enrollment, dropout, repetition, promotion); teachers (by subject, qualification, gender); school facilities (classrooms, labs, library, ISF, and so on); and school finances (including financial statements of grants). BANBEIS would collect and publish comprehensive statistical information on the sector and carry out compliance verification and annual school census for the program.

27. The Program would also support strengthening of data management and monitoring capacity at the field level (ZEOs, DEOs, USEOs, and institutions). Annual EMIS reports and annual M&E reports will be published by April and October, respectively, to take stock of the status and achievements in the secondary education sector. To support the result-based modality, the Program will considerably enhance the M&E system. The MoE and DPs will undertake semiannual reviews/consultations in March and November of each year to review progress in program implementation (including the achievement of DLRs).

### A. Assessment of the Monitoring and Evaluation System

28. The Program M&E system builds on the achievements under the SEQAEP and SESIP to improve reliability, adequacy, and timeliness of monitoring information on results. The MEW has become fully staffed and integrated in the regular system of the DSHE, and the web-based EMIS has expanded its software and hardware capacity and data management scope covering all the institutions and several project interventions. Envisaged reforms and actions to improve the



M&E system and related capacity development during the SEDP include (a) institutional strengthening for manpower and technical capacity of the MEW and the EMIS for sustainable result-based operation; (b) strengthening of decentralized education management capacity of the DSHE at zonal, district, and upazila offices to monitor the implementation progress and results achievement at local levels; (c) refinement of data collection forms and processes to align with the SEDP results and indicators and upgrading of the EMIS to support utilization of program data including that for analytical and monitoring; (d) implementation of third-party data verifications to increase the reliability of data; (e) enhancement of the feedback mechanism to schools through school report cards; (f) use of independent third-party verification on the achievements of the DLI targets; and (g) operationalization of the GMS to ensure the compliance on grant eligibility and utilization.

## **B. Managing Risks and Improving Capacity**

29. The major M&E risk identified for the SEDP is fragmented M&E activities within DSHE and whether the Program can generate timely and reliable data required for results and DLI reporting. This is further exacerbated by limited human resources and technical capacity. Mitigation measures include strengthening of M&E system, as described above, through DLIs, PAP and TA from the World Bank and other DPs.

## **V. Economic Justification of the Program**

30. The Program aims to provide quality secondary education to students and better prepare them for higher education and employment. Education increases the employability and future income of individuals by enhancing their productive capacities. The IRR is calculated using an elaborate method to measure the benefit and effectiveness of the Program and its viability. This method derives the rate of return after calculating the discount rate that equates the NPV of the benefit stream arising from additional investment in schooling with the NPV of the cost stream. The cost-benefit analysis presents an assessment of benefits and costs associated with the Program using a ‘counterfactual’ identification approach whereby the Program ‘investment’ is the estimated additional cost over and above the current trend spending.

31. **Benefits and costs.** The Program benefits are taken to be those changes in the quantity, quality, and reduction in internal inefficiency of education that it will produce over the Program period. Benefits come from three sources: (a) more secondary education completers who earn higher wages (relative to noncompleters), (b) greater quality of secondary education resulting in higher wage premiums for all secondary education completers, and (c) less wastage of public and private resources as a result of fewer dropouts and repetitions. The Program will enhance internal efficiency and will result in low ‘wastage’, that is, fewer school dropouts and repeaters, and lower unit costs. The Program costs include additional investments and private costs that comprise direct household outlays as well as opportunity costs. Additional Program investment is derived from the difference between the ongoing program trend spending and the proposed Program cost estimates.

32. **IRR.** Based on a discount rate of 12.0 percent for the benefit and cost streams described above, the present discounted value of benefits for the base-case scenario is estimated to be US\$4.40 billion, while the present discounted value of costs is estimated to be US\$3.13 billion,

and therefore, the NPV of Program benefits is US\$1.27 billion. Both costs and benefit are calculated in FY2016/17 constant prices. The economic analysis results in an IRR of 18.1 percent for the Program.

33. **Sensitivity analysis.** Estimates based on pessimistic scenario (decrease in market-determined wage rate, a decrease in the quantity of additional completers, a decrease in internal efficiency, and an increase in public investment costs) show that IRR is 13.6 percent. In addition, the results are conservative lower-bound estimates, given that the externality benefits have not yet been accounted for, arising from healthier, more educated citizens, and more equitable/inclusive society that may result from the interventions.

## **Annex 5: Summary Fiduciary Systems Assessment**

### **Introduction**

1. An integrated FSA, carried out as part of PforR preparation, is based on the analysis of available documents and working sessions with the key stakeholders. The FSA considers whether the Program's fiduciary systems for the program are reliable and provide reasonable assurance for transparency, accountability with clear decision making and performance, that the capacities in place are adequate for proper implementation of the program activities and appropriate use of the funds; and that the risks identified are properly mitigated. The FSA comprises separate assessments of the risks relating to the Program's procurement, financial management, and fraud and corruption aspects.

2. This assessment considers the integrated FSAs carried out by the World Bank for the Health Sector Program and value added tax modernization program as well as the recently completed Bangladesh Public Expenditure and Financial Accountability assessment. The team also noted the assessment carried out for the SEQAEP and ADB's assessment on SESIP in addition to the lessons learned from the previous fiduciary reviews and missions conducted throughout the implementation of the SEQAEP. The FM systems were assessed to gauge the extent to which the planning, budgeting, accounting, controls, funds flow, financial reporting and auditing systems, and practices provide reasonable assurance on the appropriate use of funds and safeguarding of assets. Similarly, the procurement systems have also been assessed to establish the extent to which the arrangements and practices provide a reasonable assurance in support of achievement of the PforR. In addition, the assessment considered how the country governance systems manage the risks of fraud and corruption and how such risks will be mitigated. The assessment also synthesized consultations held with the key stakeholders on core fiduciary issues and challenges that might have a bearing on the PforR.

3. The DSHE under the MoE will serve as the main IA and will have overall responsibility for policy guidance, coordination, and oversight for Program implementation. DME will be the implementing agency for program activities targeted to Madrasahs. However, as is currently the case, DSHE will continue to provide necessary fiduciary mechanisms and responsibilities for funds flow within the PforR program activities until such systems are fully functional at DME. This assessment covers DSHE fiduciary systems and thus an additional assessment is expected to be carried out to assess DME fiduciary systems when they are in place. The World Bank will provide financing support through the PforR instrument. The Program would cover grades 6–12, annually supporting more than 13 million students and 357,000 teachers from more than 20,300 general schools, 9,400 madrasahs, and 1,190 school-based vocational/technical institutions across the country.

4. The five-year secondary education budget is estimated to be US\$19.6 billion, which falls within the estimated secondary education subsector resource envelope or fiscal space (US\$19.8 billion) according to moderate scenario, indicating the feasibility of the Government to allocate the necessary additional budget (internal and/or external sources). The Government program expenditures associated with SEDP program specific investment expenditures is estimated to be US\$3.5 billion, of which the World Bank's PforR Program expenditure is estimated to be US\$1.997 billion. The planned contribution from the World Bank would be US\$500 million for

the PforR (ADB will potentially provide US\$225 million subject to agreement between ADB and the Government). In addition, the Technical Assistance component will be supported through the IPF instrument and will be financed from the IDA Credit of US\$10 million and the GFF US\$10 million Grant.

5. Based on the initial findings of the FSA, the Program Fiduciary Systems are expected to provide reasonable assurance that the financing proceeds will be used for the intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability.

6. The Government's SEDP Program was approved in October 2017. In the absence of an existing national program, it was not possible to assess how national fiduciary functions are working currently; the assessment therefore is only based on the design of the proposed SEDP as well as current practices in other secondary education programs such as ADB-funded SESIP (which uses the country system on FM and disbursements) and SEQAEP which also has a number of innovative internal control and grant compliance schemes.

7. Some of the current good practices in terms of internal control systems in the secondary education system include the following:

- Dedicated finance and procurement unit in the DSHE (supported through the SESIP and expected to be mainstreamed under the SEDP);
- Use of treasury system for funds flow (started with the SESIP);
- More efficient MPO system (also through the SESIP);
- Use of rigorous ACF system and compliance verification systems in the SEQAEP (to ensure funds such as stipends, teacher salaries, and other school grants are used for intended purposes at the field level). ACF system collects and verifies data from the school level every six months for continued eligibility;
- Use of e-GP system for procurement (started with the SESIP); and
- Increased school-level accountability through social audits, PTA, and provision of grants (in the SEQAEP).

8. However, there are several gaps and weaknesses in the existing country system that could potentially affect the program in achieving the overall program objectives. They are described in detail in the following sections.

### **Financial Management:**

9. The main expenditure items in the secondary education program specific investment<sup>23</sup> include school grants; textbooks; stipends; civil works; training; and operational and management cost. The PforR Program expenditures will include school grants; manpower, operational and management costs; and training/workshops/evaluation (see table 4.3 and table 4.4 in Annex 4 for details).

---

<sup>23</sup> 74 percent of the secondary education expenditures will be for salaries and allowances of the Government and nongovernment teachers and staff under the budget estimates, but these expenditures are of recurrent nature and are outside of the program specific investment cost estimates.

10. Despite a number of measures, the GoB is yet to implement a financial reporting framework conforming to International Public Sector Accounting Standards 'cash basis' standards. Further, timeliness in generating financial reports has been an issue where the program/project includes both development and non-development expenses. It can take 6–9 months to generate a financial statement after the year end. Since the country accounting systems do not reconcile and adjust 'advance payments', the reliability and accuracy of the Program expenditure will remain in question.

11. The OCAG of Bangladesh is mandated to carry out external audit of all government accounts. There are ten audit directorates under the OCAG. Each of the Audit Directorates is headed by a DG who is responsible for conducting external audits in a specific functional area of the public sector. Out of the ten directorates, FAPAD has been mandated to carry out the audit of all donor-funded projects and programs, which includes development expenditure of the Government. On the other hand, the revenue expenditure of the MoE has been historically audited by the Civil Audit Directorate. The OCAG as per recent arrangement will authorize the Local Audit Revenue Directorate (LARD)/Civil Audit Directorate (CAD) to conduct the audit of the entire program including TAF component. There will be one audit certification of the program financial statements for the expenditures under the respective codes. The Bank will share a Statement of Audit Needs (SOAN) specifying audit coverage of the program within three months of project effectiveness. The SOAN will be discussed during entry meeting for ensuring appropriate audit focus on the expenditure boundaries of the program. The Bank will review the audit report and communicate its comments to Ministry of Education and Directorate of Secondary and Higher Education for taking corrective measures to address any material issues within an agreed time frame. In case of material audit findings requiring further investigation, MOE, as per country practice will set up an enquiry commission to substantiate the allegations and take necessary actions. Comptroller & Auditor General's (CAG) would conduct an audit of the project's annual financial statements within nine months from the end of the fiscal year.

12. However, since the civil audit/local and revenue audit directorate lacks capacity in audit certification process and its compliance nature of audit follow local language (Bangla), appropriate TA for capacity building will be necessary. While capacity development of the directorates will be included in the broader TA project for the OCAG, provision has been made, as a short-term measure, in the TAF under the operation. This will include, among other things, training of staff before commencement of the audit and translation of audit report into English.

13. There is a significant delay in submitting the external audit reports to the parliamentary oversight committee. The legislature's oversight of public accounts in the form of 'ex post' scrutiny is carried out through review of audit reports on the executive branch. The review is carried out mainly by the Public Accounts Committee (PAC). Its main function is to scrutinize the irregularities and lapses in public accounts and financial statements as audited by the OCAG and reported to the Parliament as required by the OCAG's constitutional mandate. The PAC plays a principal role in resolving audit objections.

14. Slow release of funds to field offices and delay in approval of the AOP process can affect Program implementation activities. Historically, the approval process of the AOP takes no less than two months at the beginning of each financial year. During this period, the IAs do not commit or spend funds as planned. This slowness in approval process hinders the implementation progress of the program at the same time. Based on the Program document, the annual work plan and budget will be detailed in the AOP covering revenue and capital expenditures. It was also seen a ‘rush of expenditure’ toward the end of the fiscal year, which essentially compromises the quality of spending and is mostly prevalent in expenditure of development budget. On the positive side, 90 percent of the allocated budgets were spent in the secondary education sector.

15. Despite its efforts to reform budgeting practices through the introduction of the MTBF, Bangladesh in practice has two parallel processes for the preparation of the non-development and development budgets. The non-development budget primarily includes recurrent expenditures and the development budget is primarily concerned with capital expenditures but also includes recurrent expenditures. Budget formulation follows two completely separate procedures. The preparation of the non-development budget is the responsibility of the Finance Division. The PC formulates the ADP, which is the basis for the development budget. This fragmentation in the budget-setting process undermines the wider objective of introduction of the MTBF. In addition, while the recurrent budget has a medium-term budget outlook, the development budget is prepared on an annual basis with no medium-term outlook. Apart from fragmentation and duplication of functions, there remains an important challenge which is the lack of engagement of policy makers in the budget policy planning exercise early in budget setting process.

16. There is an internal audit unit at the level of the MoE with limited manpower without an appropriate audit mandate. The DIA was established to inspect institutions/schools to check compliance with agreed policies and procedures only. Internal audit function continues to be largely absent in Bangladesh due to various systemic constraints, including lack of a separate cadre, lack of relevant professional qualifications, and lack of understanding of internal control framework. Internal audit cells in line ministries conduct routine transaction and compliance testing and do not employ modern internal audit techniques and methodology. The internal audit follow-up process is not tracked, monitored, and acted upon by senior management.

17. There are long pending audit observations from the external audit carried out by FAPAD in development projects financed by development partners. Audit observations resolution takes a long time, particularly on the development project in the secondary education sector. In the result-based program approach, the resolution may take even longer because of lack of ownership in fulfilling the requirements to resolve audit issues. In the case of the ongoing SEQAEP project implemented by DSHE under MOE and financed by the World Bank, there are no pending observations from previous fiscal years. In addition, it is noted that there are no outstanding audit reports for the MOE.

18. Management of physical assets across the GoB remains a challenge. Generally, it is exposed to significant risks and wastages. A substantial amount of resources both under non-development and development budgets are allocated to ministries/divisions for acquisition of assets every year. In recent years, the allocation for assets increased significantly. This necessitates a robust system for asset management that is yet to be set up. There is an obligation

on the part of the line ministries and the relevant departments to undertake annual inventory to track the existence of assets, but this is not done on a regular basis and in some cases, not done at all.

19. Manual for internal control developed by the MoF Finance Division has not been adopted by the executing ministry. However, the function of authorization, recording, custody of assets, reconciliation, and audit are apparently well organized. However, the CGA has put in place an Internal Control Unit that works on tracking exceptions reported by the system with a good degree of success for cases that have been identified and resolved.

20. Donor funds will be pooled to the Consolidated Account of the Government. A separate window to trace the source of funds will be maintained at the treasury level but the individual expenses will not be tracked. The MoE will request release of funds from the treasury based on its forecast on a monthly basis against the approved budget. Manual release of Program budget to cost centers/field offices can significantly contribute to inefficiencies. iBAS++ currently proposes to introduce a 'budget execution module' which envisages electronic release of funds for development projects and development programs financed by the revenue budget to help cash management. In the existing country system, the advances given to the field are accounted as expenses. A manual reconciliation and adjustment needs to be made to account for the advances at the year end. However, timeliness in adjusting advances has always been an issue in the DSHE.

21. The Country Accounting and Financial Reporting System does not reconcile account balances in a timely manner, which affects accuracy of the financial statements prepared at the agency level. The iBAS is currently used in 49 Chief Accountant Offices and 64 District offices on a daily basis to electronically record payment transactions. Also, the 420 upazilla accounts office can connect to the iBAS primary data center. The existing system does not provide full functionality on the budget preparation, budget execution, accounting, reporting, and payroll. The MoE has been granted direct access to generate reports from the system, which enables them to adequately monitor the execution of their budget and accounts. The CAO office of the MoE will generate the financial reports primarily from the iBAS platform and will reconcile the accounts to prepare an acceptable financial statement for audit purposes.

### **Detailed Expenditure Framework**

22. **Excluded Items:** MPO teacher salary and pay of officers, staff and government teachers, constitutes the largest share of secondary education budget (74%) but these are treated as recurrent expenditures and not part of the secondary education program specific investments. Stipends, textbooks and civil works are part of the program specific investment costs but are excluded from the PforR Program and thus not assessed as part of fiduciary assessment.

23. Since school grants constitutes the largest share of PforR expenditures, it is an important area for Fiduciary System Assessment in terms of events-chain, internal controls and administrative authority over budget, cash flow and oversight. DSHE will use Grant Management Unit (GMU) under Secondary Education wing to manage all aspects of school grants. Based on the verified data on school grants beneficiaries, GMU will prepare detail statement for award confirmation forms (ACF) for all types of school grants under the Program.

MOE will approve the ACF statement for each period and CAO will issue payments through commercial banks to the grant beneficiaries, i.e. beneficiary institutions. At year end, DSHE will issue a circular requesting all commercial banks to refund remaining undisbursed money to the government treasury and inform DSHE with copy of treasury chalan. As per General Financial Rules (GFR), any unspent money will be deposited in the government treasury by June 30<sup>th</sup>. Non-compliance banks will be audited as all parties concerned strictly need to follow budgetary discipline and financial rules. Strengthened grant management system - one of the reforms and DLIs in the PforR Program – is expected to improve the internal controls regarding beneficiary eligibility, payment processes and utilization, and reconciliation.

### **Procurement issues:**

24. The Government has promulgated the PPA 2006 and the PPR 2008 which will be the legal and regulatory framework for procurement under the Program. Both PPA 2006 and PPR 2008 embodied a number of international good procurement practices such as provisions for preparing formal procurement plans, ensuring value for money, publishing contract award information, annual post procurement audit, and a graduated formal complaint-handling mechanism for bidders that included an independent review panel.

25. Central Procurement Technical Unit (CPTU) formulated a large body of procurement documents (for example, standard bidding documents, standard request for proposal) that are needed to carry out public procurement. All of these standard bidding documents contain required internationally accepted provisions. The IA of the Program, the DSHE, is using these standard documents for government-funded procurements. It also undertook a program of capacity building through imparting international standard procurement training to procurement practitioners in government organizations including the IA for the Program. The Government has also introduced the e-GP system, which is being used increasingly by the procuring entities. The Government is going to implement another project which will focus on more advanced levels of public procurement such as including contract management module in e-GP, strategic communication, and citizen engagement in public procurement.

26. The most recent achievement of Bangladesh in its procurement reform efforts have been the introduction of e-GP, an electronic bidding system for public financed contracts that enhances and strengthens security and ensures fair competition, transparency, accountability, and efficiency in the procurement process. e-GP was first introduced in four IAs (that is Roads and Highways Department, Local Government Engineering Department, Bangladesh Water Development Board, and Rural Electrification Board). In addition, a large number of other public sector organizations are using e-GP for their procurement processing. The DSHE is using e-GP for all National Competitive Bidding (NCB) contracts under revenue budget and under the SEQAEP. It is expected that the DSHE will continue to use e-GP in their procurement under the Program.

27. A mixture of centralized and fragmented procurement exists in the education sector. Two categories of procurement of substantial value—textbook procurement and constructing buildings of educational institution—are centrally processed. The NCTB, is mandated to print and distribute preprimary, primary, secondary, ebtedayee, dakhil, and dakhil vocational-level



textbooks. It is also mandated to develop and revise the national curriculum for preprimary, primary, secondary, and higher secondary education. The EED is mandated to plan, design, monitor, and report on construction of educational institutions.

28. While it is likely that wastage through redundant and excessive procurements has been kept to a minimum in the case of centralized procurement, it is not known if there is any agency to coordinate activities, avoid duplication of efforts and expenditure, and control waste and other leakages in the fragmented part of procurement. Considering the fact that development financing institutions (DFI) funding represents about 20 percent of public expenditure of the country in education, it is possible that a withdrawal of DFI oversight, as is designed to happen in PforR, may lead to a nontrivial downshift in the current risk profile of the education sector of Bangladesh, keeping everything else unaltered.

29. A qualitative assessment of the secondary education subsector has been carried out using the parameters listed in the PforR guidelines under Procurement Considerations under PforR Operations. It should be noted that the education sector, or any other sector in the public domain, does not operate in isolation but is acted upon, sometimes in a pronounced manner, and also acts upon the economic, social, political, legal, and technological environment that it operates in. Procurement assessment for PforR financing, therefore, out of necessity proceeds from an overall systemic analysis against each parameter that is assessed and gradually looks at how the specific IA performs under it and what can be done to mitigate risks.

30. A large number of best procurement practices are in built in the national procurement laws. These include the following:

- Procurement procedures are freely accessible to the public.
- Procurement arrangements provide for wide advertising of bidding opportunities.
- Open competition is the default approach.
- The qualification, evaluation, and award criteria are clearly defined in bidding documents and are relevant and nondiscriminatory.
- Bidding documents provide for equitable conditions of contract.
- Bidders have access to a complaints-handling mechanism.
- The outcome of the procurement process is disclosed to the public.
- Procurement of goods and services is consolidated to the extent appropriate, for economy of scale.
- Availability of complete records of the procurement processes.
- Clear ethics standards.
- Procurement decisions are made by competent authorities on the basis of established processes and are generally not overruled.
- Bidding procedures preserve the integrity of the process (for example, there is a chain of custody of the bids, and evaluations are confidential).
- Timeliness of payment.
- Resolution of contractual disputes.
- Application of contractual remedies.

31. However, all these best practices are not well practiced in many of the public sector organizations. The application and understanding of the national procurement laws vary widely among Government agencies, and among personnel associated with procurement within the same agency. Most of the officials are exclusively compliance oriented with little attention to building capacity for strategic thinking and clear understanding that are the hallmarks of sound practitioners in the procurement profession.

32. It was found that in some cases IAs were unable to respond adequately to complaints received by them and that many agencies did not maintain any complaint box nor records of the nature and volume of complaints. They were, as a result, unable to keep track of complaints and follow up on resolutions. The delay in fund release at the beginning of the financial year, and the uncertainty of funds availability in the fourth quarter, adversely affect both the preparation and the execution of procurement plans. Planned procurements are inevitably tailored to budget availability rather than to addressing end-user needs, and actual procurement is constrained by the rate of release of allocated funds.

33. Staff shortage is also chronic in many of the organizations. Persons with professional qualifications in procurement do not enter Government service because procurement is not a cadre in public service and therefore does not offer any career path. The Government introduced a program a few years ago under which a small number of its officials obtained professional qualification in procurement. The education sector nominated a very small number of its procurement-related staff to that program.

34. The Government has a long-standing rule that staff will be transferred away from their current position every three years. Procurement-related staff are often found to be transferred to non-procurement-related positions. It is thus exceptional for a Government employee to accumulate experience in procurement. The experience of the procuring organizations in the secondary education sector has been mixed, with a few remaining at procurement desks for five years or more, but others leaving much earlier.

35. Observance of the ethics standards has remained imperfect in public procurement. Bidder complaints and audit observations have noted, at various points in time, breach of ethics in preparing specifications, competing for contracts, maintaining confidentiality of the procurement process, bid/proposal evaluation, ensuring the quality of goods/works/services received, contract administration, and making payments.

36. The PforR is not financing any contracts of EED. DSHE furnished data regarding procurement of goods and services processed by it, which included goods and services procured for SESIP. DSHE is also implementing SEQAEP with financing from the Bank and its APP has goods and services procurement contracts. It was decided to obtain processing data from the project office for a sample set selected from that APP. Ultimately data was made available for (i) Procurement of goods by DSHE with revenue budget; (ii) Procurement of goods by DSHE (for SESIP) with development budget; (iii) Procurement of services by DSHE (for SESIP) with development budget; (iv) Procurement of goods by SEQAEP with development budget; and (v) Procurement of services by SEQAEP with development budget.

37. The first subset of data as mentioned above, that of goods procured by DSHE with revenue budget, presented unique difficulties. DSHE keeps all contract documents relating to procurement with revenue budget in a single large file. Crucial information like when tenders were actually opened, which parties submitted bids, bid securities submitted, when bid evaluation was completed and approved, etc. were generally not available in the file. As a result, as far as procurement with revenue budget was concerned, it was difficult to determine (i) If each step of the procurement process was completed on time; (ii) If there was fair and wide competition; (iii) If there was any bidder complaint; (iv) If contracts were re-tendered; (v) If contract was signed within bid validity; (vi) If delivery of goods was completed within the period stipulated in the contract; or (vii) If there was any issue regarding the quality or quantity of goods supplied. Given that procurement with revenue budget does not undergo any review by donors, this practice carries risk in PforR because procurement will not be prior- or post-reviewed by the Bank.

38. The actual times taken by DSHE have been compared for each contract against its respective standard time, either prescribed in the national procurement law or derived from common practice, as part of the procurement assessment. It was observed that although the delay in processing for goods was reasonable, that for services was found to be significantly higher.

39. Observations of the external audit reports for the IA have also been incorporated in the assessment. These external audit reports include: (i) Integrated Fiduciary Review of SEQAEP, 2013-14; (ii) Integrated Fiduciary Review of SEQAEP, 2014-16; (iii) FAPAD Audit of SEQAEP (2014-15 and 2015-16); (iv) Annual Fiduciary Review (AFR) of SESIP (2013-14). The two Interim Financial Reports have given generally clean bills of health to procurement under the DSHE. The two FAPAD reports practically did not touch procurement. Apart from systemic issues discussed in detail earlier, procurement under the DSHE itself does not appear to be particularly at risk. Of the two AFRs the earlier AFR focused exclusively on financial matters while the latter one paid attention to both financial and procurement matters. The two AFRs together have pointed to a range of FM and procurement compliance and capacity building challenges in secondary education service providers and these would have to be addressed in the forthcoming Program.

40. Some of the specific issues concerning the secondary education sub-sector that can weaken its procurement performance are: (i) Education sector of the country is not immune to country-wide governance issues; (ii) Procurement that is not subject to direct development partner oversight may be awarded under conditions of restricted competition; (iii) Large number of secondary education institutions and other agencies provide services in the sub-sector. Monitoring and evaluating their performance under a PforR arrangement would need to be carefully planned and executed.

41. Based on the assessment carried out, a number of actions are required to reduce/mitigate procurement risk. Some proposed actions are described in the following sections:

- A sustained program should be undertaken by the procuring entities to establish the observance of good governance and strategic thinking in procurement, monitor progress in these areas, and ensure value for money in public procurement.
- Build capacity and awareness in procuring entities to effectively use the nationally developed procurement documents and to conduct fair and impartial evaluations.
- Auditors should start scrutinizing the terms of awarded contracts to ensure that those uphold the legitimate interests of both the supplier and the purchaser.
- Establish a system and associated procedures that will ensure that complaints actually reach the procuring entities are disposed of in a legitimate manner and can be reviewed and verified by stakeholders during a five-year period following their disposal.
- A long-term program for formulating policy and reforming procedures should be undertaken to coordinate budget operation, procurement planning, and procurement plan execution.
- There is a lack of trained procurement personnel in the DSHE. Although several interventions under DP-funded projects (such as PCDP under the SESIP) had positively contributed in building procurement capacity of entities under secondary education, there are still risks involved with low manpower and existing capacity of the DSHE. To address this, a number of procurement consultants (at least one senior and two junior procurement consultants) should be engaged for the entire program period.
- The Auditors should be trained to effectively carry out procurement audit in each procuring entity. At the same time, an effective and sustainable mechanism of internal audit in those entities must be established.
- All the NCB contracts should be done through e-GP. Other procurement activities (ICB for goods and works, consultancy services) will increasingly follow e-GP when they become available in the e-GP system. All the concerned officials will be trained on e-GP.
- Procurement consultant and the desk officers who directly deal with procurement should be included as members of evaluation committees.
- Record keeping and custody of procurement-related documents and communications should be improved. Specific measures will still be required to maintain security, confidentiality, integrity, and availability of information in electronic systems.
- Units/cells should be formed in procuring entities and adequately staffed with trained and qualified personnel, for effective contract management.

### **Fraud and Anti-Corruption:**

42. Bangladesh has anticorruption, anti-money laundering, and mutual legal assistance legislation in place and has also ratified the United Nations Convention against Corruption in 2007. However, the prevalence and public perception of corruption in Bangladesh generally remains high. According to Transparency International's 2015 Corruption Perception Index, Bangladesh is one of 114 countries that scores below 50 out of 100, indicating serious levels of public sector corruption.

43. The most common governance issue emanates from inappropriate delegation of financial authority and lack of technical expertise in the line ministries. At the directorate level, the PFM functions are carried out in a fragmented manner by different units with very little coordination among them. Often procurement decisions are influenced by external factors like political preferences. Assets are procured routinely and are not used and monitored for the purposed

intended. Proper maintenance of assets to provide services to the beneficiaries is also constrained due to the lack of necessary skills/training to operate them. Despite huge budgetary allocation for training, because of inappropriate planning, necessary skills in the human resources have not been built. Often disciplinary actions and remedial measures follow a long-haul process.

44. Another challenge is a weak grievance redress mechanism and complaint handling. There is a lack of awareness among the stakeholders regarding the existence of the grievance redressal facilities. Experience within the sector has shown that corruption cases are largely related to heavy item civil works, textbook contracts, and other large procurement packages. In relation to civil works and textbooks, one of the common deviations seen largely relates to contractor compromising with the quality of construction and textbook printing. Another example is collusion of bidders within the same community to rotate bids.

45. The Anticorruption Commission (ACC), as the primary anticorruption agency in Bangladesh but it remains institutionally and operationally challenged to operate under its mandate. Enforcement of anticorruption laws and penalties is perceived to be weak or ineffective. There are a large number of unresolved enquiries (3,121) which is a concern given the existing capacity and mandate. Until recently the relevant legal framework governing the ACC required parliamentary approval and presidential authorization. Accordingly, Transparency International and the donor community had serious concerns about the requirement of ACC needing to obtain approval from the executive before the ACC can proceed with presenting cases before the judiciary against high-level officials.

46. However, the Government has recently finalized the draft Bangladesh Civil Service (BCS) Act 2017 that has endowed ACC with significant formal independence in investigating and prosecuting corruption by civil servants and officials. This provision has reversed the earlier situation, and now allows ACC to act independently.

47. The Government will use its own systems to take all appropriate measures to prevent fraud and corruption in connection with the Program. The World Bank's Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing, dated February 1, 2012 and revised July 10, 2015 (the ACG), will apply. The MOE through a Government Order will instruct DSHE and other implementing units on their obligations to comply with the provisions of ACGs during Program implementation. The GoB will use the World Bank's easily-accessible procurement debarment list before awarding contracts. The MOE will share with the World Bank information on the allegations in the Program and how they are being addressed via the semi-annual reports during Program implementation. The reporting template<sup>24</sup> is shown in table 5.1.

---

<sup>24</sup> A similar reporting template is used in another World Bank-supported PforR program "VAT Improvement Program" in Bangladesh.

**Table 5.1. TSERP Complaints Handling Report, MOE**  
(6-month report from XXX to XXX)

| No . | Compl aint ID in system | Who submitted (Full name - Address/ if not anonymous) | Complai nt Summar y | Complaint Date | Who received the complaint | Means of submitting the complaint         | Substance of the complaint                                      | Resolved Results      |                     | Recommen -dation |
|------|-------------------------|---|---------------------|----------------|----------------------------|---|---|-----------------------|---------------------|------------------|
|      |                         |   |                     |                |                            | (e.g. telephone, e-mail, writing, verbal) | (brief description of the allegation or reason for complaining) | Transfer applications | Executed Resolution |                  |
| 1    |                         |   |                     |                |                            |   |   |                       |                     |                  |
| 2    |                         |   |                     |                |                            |   |   |                       |                     |                  |
| 3    |                         |   |                     |                |                            |   |   |                       |                     |                  |
| 4    |                         |   |                     |                |                            |   |   |                       |                     |                  |
| 5    |                         |   |                     |                |                            |   |   |                       |                     |                  |
| ...  |                         |   |                     |                |                            |   |   |                       |                     |                  |

**PREPARED BY**

*(Signature and full name)*

48. Discussions have been held with the Government on the World Bank's prerogative of administrative inquiry for allegations of fraud and corruption. The Government is committed to supporting the World Bank on the administrative inquiries into allegations which the World Bank intends to pursue. In accordance with the World Bank's ACG for PforR operations, the Program will take steps to ensure that "any person or entity debarred or suspended by the Bank is not awarded a contract under or otherwise allowed to participate in the Program during the period of such debarment or suspension." The MoE will verify the names of the contractor against the World Bank's database of debarred or suspended contractors to ensure that no such contractor is awarded any contract under the Program.

49. The MoE will (a) take all appropriate measures to ensure that the Program is carried out in accordance with the World Bank's ACGs; (b) take all appropriate measures to prevent fraud and corruption in connection with the Program, including (but not limited to) adopting and implementing appropriate fiduciary and administrative practices and institutional arrangements to ensure that the proceeds of the loan are used only for the purposes for which the loan was granted; (c) promptly inform the World Bank of all credible and material allegations or other indications of fraud and corruption in connection with the Program that come to its attention, together with the investigative and other actions that the borrower proposes to take with respect thereto; (d) unless otherwise agreed with the World Bank with respect to a particular case, take timely and appropriate action to investigate such allegations and indications; report to the World Bank on the actions taken in any such investigation, at such intervals as may be agreed between

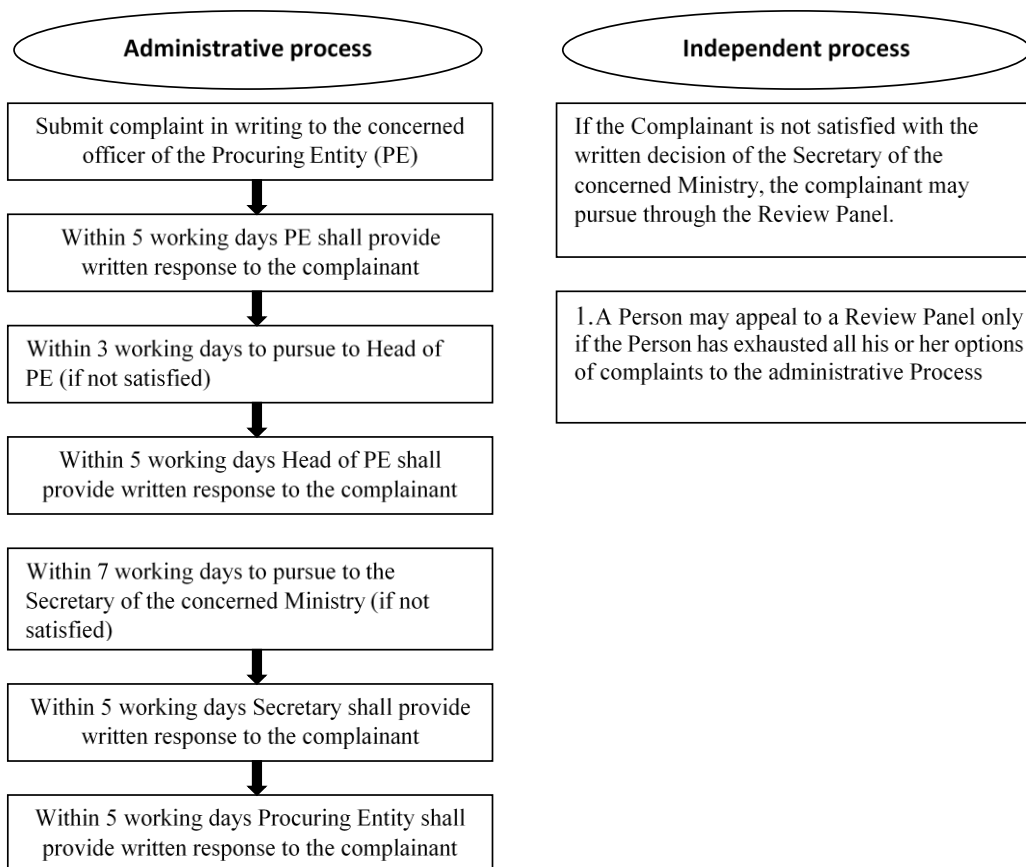
the borrower and the World Bank; and, upon the completion of any such investigation, promptly report to the World Bank the findings thereof; (e) if the borrower or the World Bank determines that any person or entity has engaged in fraud and corruption in connection with the Program, take timely and appropriate action, satisfactory to the World Bank, to remedy or otherwise address the situation and prevent its recurrence; and (f) ensure that any person or entity debarred or suspended by the World Bank is not awarded contract under or otherwise allowed to participate in the Program during the period of such debarment or suspension.

50. Any potential fraud and corruption issue arising from statutory audit is handled within the existing mandate of OCAg. The three public finance-related committees in Bangladesh – namely Public Accounts Committee (PAC), Estimates Committee (EC) and Public Undertakings Committee (PUC) – provide legislature’s oversight of public accounts in the form of ‘ex-post’ reviews of audit reports. The PAC plays a principal role in resolving audit objections as per applicable laws. The World Bank will review the audit report and communicate its comments to MOE and DSHE for taking corrective measures to address any material issues within an agreed time frame.

51. The Program will handle fraud and corruption complaints by (a) receiving complaints from concerned citizens via a complaints box at the DSHE and Upazila offices and in the web-based portal managed by the MoE; (b) providing guidance to citizens or Program officials on grievance handling through a dedicated helpline at the MoE; and (c) using the MoE’s Grievance Redress and Complaints-Handling Guidelines (2015) to deal with complaints/allegations from submission to investigation, resolution, and sanctions. The MOE provides status of complains and progress to the Cabinet Division as part of its Annual Performance Reporting. Moreover, complaints and allegations associated with the Program can also be lodged thorough the ACC hotline number and ACC field-level complains box system, thus allowing concerned population direct access to an independent body such as ACC that operates under the ACC law (amended 2016).

52. Complaints related to procurement processes are handled under the National Procurement Laws, as illustrated in Figure 5.1. The process applies to all ministries and departments, including the MOE and the DSHE - the executing and the implementation agencies respectively for the Program.

**Figure 5.1. Procurement related Complaints-handling Mechanism**



53. The following TSERP design features are expected to mitigate potential fraud and corruption risks:

- **GMS:** This is the primary risk mitigation measure to ensure that funds (grants and incentives) are sent to the intended beneficiaries and are used for the intended purpose; the GMS would be a system established at the DSHE, and supported by a specialized partner agency, to ensure that (a) all grants to schools are disbursed based on the ACF prepared using self-reported data from schools; (b) a system of compliance verification of eligibility criteria and utilization of funds by schools is in place; and (c) a system of disbursement reconciliation and refunds of funds from those schools not meeting the eligibility criteria or utilization guidelines is introduced (this reconciliation is based on administrative data generated from the GMS);
- **DLIs on fiduciary strengthening** will provide incentives to improve FM, procurement and data systems for the program, and in turn reduce potential for fraud and corruption.
- **Dedicated TAF and PAP** to strengthen implementation capacity and to trigger prior actions to achieve the Program results;
- **Citizen engagement at the school** (parent teacher associations, parent assembly and social audits);



- Further strengthening of school accountability through the use of performance-based grants tied to minimum accountability requirements (functional SMC/PTA, social audit, etc.);
- MoE's Grievance Redress and Complaints-Handling Guidelines (2015) to deal with complaints/allegations from submission to investigation, resolution, and sanctions;
- Revised MPO guidelines to ensure that provision of MPO teachers and payment of MPO teacher salaries are linked to compliance on eligibility (teacher qualification as well as institution eligibility), accountability (such as teacher's presence in classrooms) and performance (teaching performance);
- Exclusion of certain expenditures – namely printing of textbooks, civil works managed by EED; purchase of ICT assets; procurement of goods and services requiring ICB guidelines; procurement of goods, works and services above OPRC thresholds – also alleviates concerns associated with potential fraud and corruption.
- Technical assistance: During implementation of the PforR Program, the World Bank would provide technical assistance and policy guidance as necessary to strengthen the anticorruption systems at MOE, DSHE and other relevant agencies.

### **Summary risks and mitigation measures**

54. The following is a summary of key fiduciary risks in the system:

- Potential delays in approving AOP and Program budget.
- Less than satisfactory accuracy and timeliness of financial statement for the Program.
- Delay in resolving audit observation due to lack of ownership on the part of both the MoE and OCAG.
- Weak capacity of the DIA (internal audit) within the MoE.
- Adjustment of 'advance payments' to the DSHE that takes longer than the standard rules.
- Absence of a robust asset management system in the MoE.
- Linkage of Procurement Plan with available budget and end user needs.
- Inadequate internal procurement audit.
- Inadequate integrity in the bidding process, particularly custody of bids, and confidentiality of evaluation.
- Poor functioning of complaint-handling mechanism.
- Inadequate trained procurement professionals in the IA.
- Inadequate understanding in the MoE on the World Bank's ACGs.
- Given the Program nature that includes a large number of beneficiaries (some 30,000 schools and 13 million students), the fiduciary risks can be significant if accountability mechanisms are not robust enough.
- Implementing a large program of such nature through non-development budget for the first time requires careful planning and decision making.

55. In view of the above, the overall fiduciary risk for the Program is rated High. In terms of individual component risks, procurement risk is rated substantial and FM is rated high.

56. Specific fiduciary risk mitigation measures are described in table 5.2. These include covenants, PAP actions and DLIs:

**Table 5.2: Fiduciary Risk Mitigation measures**

| <b>Particulars</b>   | <b>PAP, and other action deadlines</b>    | <b>Responsibility</b> |
|--|---|-----------------------|
| Ministry of Education as a pilot ministry for iBAS ++  | June 30, 2018                             | CGA                   |
| Full iBAS functionality at the Office of Chief Accounts Office in the Ministry of Education to <i><b>Generate Budget report and financial statements- monthly, quarterly and annually</b></i>                    | June 30, 2018                             | CGA/MoE               |
| Strengthened Procurement and Financing Wing of DSHE helps <i><b>reconcile the financial reports</b></i> generated from iBAS  | March 31, 2018                            | MoE, DSHE             |
| Preparation of Financial Statement of the Program  | September each year                       | CAO/MoE               |
| Submission of <i><b>Program External Audit Report</b></i>  | 9 months after end of each financial year | OCAG                  |
| Preparation and approval of annual operation and financial plan  | May 31 each year                          | DSHE                  |
| <i><b>Adjustment of advances</b></i> to be made to DSHE  | within August 31 each year                | DSHE/CAO              |
| Audit monitoring tool introduced and tripartite quarterly audit review meeting with decision   | December 31, 2018                         | MoE                   |
| Release of funds as per AOP ensured and advance funds released to field offices. Monitoring of expenditures and fund release ensured through a dedicated BMC   | July each year                            | MoE/DSHE              |
| Internal Audit operationalized with appropriate level of capacity and mandate, which would include procurement function audit on a regular interval  | June 30, 2019                             | MoE                   |
| AFR conducted and recommendations endorsed   | March for previous fiscal year            | MOE                   |
| Effectiveness implementation of GMS  | June each year                            | DSHE                  |
| Effective implementation of complaints-handling system   | Periodic                                  | MoE                   |
| Effective implementation of approved PFM action plan (which includes IBAS++ roll-out, use of eGP, adequate staffing of P&F wing, internal audit, Web-based accounting system and so on)                          | August 15 each year                       | DSHE                  |
| Integrity in the bidding process particularly custody of bids, confidentiality of evaluation strictly maintained (e.g. evaluation will not be done by a person who is not a member of the evaluation committee.) |   | DSHE                  |

### Disbursement Linked Indicators on Fiduciary

| DLI  | DLI Baseline  | Year 1   | Year 2   | Year 3  | Year 4  |
|--|---|--|--|---|---|
| Enhanced Fiduciary Management and Data Systems | Fiduciary system needs to be enhanced<br><br>MoE as a pilot ministry for iBAS++ | <b>DLR:</b> Enhanced fiduciary system is in place, including qualified and adequate FM & Procurement staff/posts at P&F wing; at least 60% of goods & works packages included in the Annual Procurement Plan are processed through e-GP portal | <b>DLR:</b> Agreed actions (e.g. regularization of P&F Wing in DSHE) included in the updated PFM action plan based on the recommendations of previous year periodic fiduciary review are implemented | <b>DLR:</b> Agreed actions by MOE and DPs (e.g. roll-out of IBAS++ nationally to all DDOs & 100% non-ICB contracts initiated and completed through eGP) included in the updated PFM action plan implemented | <b>DLR:</b> Enhanced EMIS system, including School grant management system (GMS), MPO management and M&E reporting, fully operational |

## **Annex 6: Summary Environmental and Social Systems Assessment**

1. In accordance with the World Bank's policy on 'PforR Financing', the World Bank has conducted an ESSA of Bangladesh's existing environmental and social management systems (ESMSs) for the secondary education sector. The ESSA describes the extent to which the applicable government environmental and social policies, legislations, program procedures, and institutional systems are consistent with the six 'core principles' of OP/BP 9.00 (Program-for-Results Financing) and recommends actions to address the gaps and to enhance performance during Program implementation. The ESSA provides a comprehensive review of relevant government systems and procedures that address environmental and social issues associated with the Program.
2. The assessment team used various approaches to review the environment and social systems that are relevant to Secondary Education Sector Program. It included analysis of information/data on previous assessments and reports on the status of different aspects of its management of environmental and social issues (for example, access to safe water and sanitation, access to education by vulnerable groups [VGs]) and national consultations with all key stakeholders related to secondary education.
3. The ESSA identified the potential risks and opportunities and analyzed the compatibility of the program with respect to the core principles. The ESSA concludes that the environmental and social impacts of the Program are moderate. The Program will invest in minor physical infrastructures inside the school premises. These include construction of new classrooms, toilets, and water facilities. The Program will not support any civil works activities that will require land acquisition. Potential social benefits of the Program are enormous. The Program will (a) focus on adolescent girls' school health program through provision of separate toilets for girls, and counselling programs to raise awareness about empowerment, schooling outcomes, and health/hygiene; (b) provision of stipends for children from disadvantaged groups and children with special needs; and (c) disabled access-friendly toilets/sanitation facilities. One of the compliance criteria to receive stipends will be remaining unmarried.
4. Overall, the ESSA recommends that the National Environmental and Social systems are acceptable for the Program implementation and adopting the PforR instrument. The ESSA finds that there are adequate legal provisions to safeguard against adverse impacts of pollution activities due to civil construction (Environment Conservation Act 1995, ECR 1997) and adequate guidelines and manuals are available for the procedures of providing safe water supply and sanitation in school facilities. An Environmental Management Framework (EMF) and Environmental Assessment and Risk Framework (EARF) were developed by the DSHE for the SEQAEP funded by World Bank and the SESIP funded by ADB. The EMF and EARF outlines the environmental safeguard activities necessary regarding installation of tube wells and sanitation facility in the school premises. The DSHE has hired consultants to oversee the safeguard activities who have been providing monitoring reports on implementation of the EMF and EARF. However, the ESSA has identified gaps in the implementation of the environment and social safeguards owing to inadequate staff with technical capacity to supervise implementation of environment and social risk management measures at both the field and

central level. The ESSA recommends addressing these institutional capacity constraints and gaps in ESMS. The measures for improvement of the ESMS have been discussed with the IAs and have been incorporated in the PAP.

**Table 6.1 Measures to Strengthen System Performance for Environmental and Social Management**

| Objective  | Measures  |
|--|---|
| <b>Environmental systems management:</b>   |   |
| Strengthen institutional capacity and compliance regarding civil works                                   | <ul style="list-style-type: none"> <li>The current EARF developed by the MoE is adequate to address environmental safeguard issues associated with small-scale civil works for the proposed PforR. However, recent assessment suggests that there are gaps in implementation of various environmental safeguard-related issues during construction phase of subprojects. The incorporation of site-specific EMP in the contractor's bidding documents must be made by the EED. There needs to also be enhanced monitoring/supervision of the implementation of the works to ensure the EMPs are followed.</li> <li>Currently, there is no maintenance policy for civil works in the DSHE. Although the Program will support the establishment of a five- year need-based infrastructure development plan, it is essential that a maintenance policy is also in place. Development and approval of a maintenance policy can be suggested as an action under the Program.</li> </ul>  |
| Strengthen institutional capacity and compliance regarding provision of safe water supply and sanitation | <p>Several gaps in EMF implementation identified over past assessments should be addressed by strengthening institutional capacity for environmental compliance and oversight. These areas are the following:</p> <ul style="list-style-type: none"> <li>All tube wells should be screened annually and interventions should be taken at schools where the tube wells have been found damaged/choked up. The Government's program should have a provision of testing arsenic in every institution's water facilities.</li> <li>Replace all arsenic-contaminated tube wells and take necessary action for mitigation according to Bangladesh National Policy for Arsenic Mitigation, 2004.</li> <li>For existing sanitation facilities, the drainage systems need to be improved to prevent waterlogging. This may be included in the maintenance policy of civil works.</li> <li>For existing tube wells, the drainage system needs to be improved to prevent waterlogging. This may also be included in the maintenance policy of civil works.</li> <li>For working tube wells with damaged bases, interventions should be taken to repair and prevent contamination. This is to be included in the maintenance policy of civil works.</li> <li>According to standard practice, handwashing facilities should be available at all latrines and in proper working conditions.</li> <li>Provisions for menstrual hygiene management should be made in schools.</li> <li>It should be ensured that for new installations of either tube wells or latrines, the minimum safe distance between the two should be maintained according to standard practice. For existing facilities where the standards have not been made, the tube well water should be continuously screened for bacterial contamination and adequate water treatment (filtering, chlorination) should be adopted where water has been found to be bacteriologically contaminated.</li> </ul> <p>Compliance criteria for school sanitation facility grant can be proposed for maintaining good practices of maintaining tube wells and latrines.</p> |
| Additional monitoring  | All tube wells need to be screened for bacteriological contamination each year.   |
| Hygiene promotion in all schools   | The hygiene best practices should be made an integral part of the curricula. Appropriate set of hygiene promotion materials should be provided to the schools and their progress in this regard should be monitored.  |

| Objective   | Measures   |
|---|--|
| Budget allocation   | <ul style="list-style-type: none"> <li>Budgetary provisions for monitoring should be increased to include arsenic/manganese screening of all tube wells, mitigation of arsenic from existing tube wells, and testing for bacterial contamination of existing tube wells.</li> <li>There should also be budgetary allocation for environmental due diligence and monitoring for civil construction and rehabilitation works.</li> </ul>   |
| Preparation of Environmental Safeguards operation plan  | <p>With multiple players involved with implementation, it is important to ensure that the environmental compliance and supervision is coordinated by one agency under the MoE. It is recommended that the DSHE Planning Division supported by PSU should take the lead role to ensure environmental safeguards monitoring and supervision of the Program. The basic principles of the previous safeguard document (EMF and EARF) need to be integrated into the operational plan of the new Program. It is recommended that the PSU prepare a safeguards operational plan considering the mitigation measures, guidelines, and monitoring protocols of the EMF and EARF.</p> <p>It has been assessed that the PSU does not have sufficient technical capacity for managing environmental safeguard issues. Therefore, capacity building of the PSU (dedicated focal person for environmental safeguards) needs to be done.</p> |
| General Awareness   | Local USEOs, UAS, SMCs, and PTAs need to raise awareness within community and schools. As a departure point, the Program can arrange awareness trainings and workshops at field level from time to time. As a suggestion of frequency, one workshops/training can be arranged every six months.  |
| <b>Social Systems Management:</b><br>In this Program, the MoE is the legal and regulatory authority to commit resources and implement actions for social management. As a number of ministries are involved, an IPSC would work to tie the loose ends involving actions of various ministries on the Program. The experience of working with IDA and other NGOs through the SEQAEP and SEQAEP AF would be a great asset in this regard. However, shortage of adequate competent staff and adhoc organizational setup to implement the program are major weaknesses within the MoE. The program has inbuilt screening of environmental and social effects in the Program design, and relevant stakeholders including IDA have been consulted from the initiation of the Program. |  |
| Strengthen Institutional Capacity for updating Secondary Educational Curriculum   | The experience of the SEQAEP has given the MoE enough experience and scope for developing institutional strength in handling nationwide educational program. However, inadequate and qualified staff remain a problem that has been identified by the MoE and this needs to be addressed effectively. The NCPF meant to revise and update secondary education under curriculum of the MoE have to be made effective by year 1 of the Program. This will require restructuring of the NCTB with additional competent staff to take on the task of revising and implementing curriculum for grades 6–10 by the end of the fifth year (including dissemination of curriculum, distribution of textbooks, and evidence of schools offering differentiated subjects).   |
| Social safeguards Implementation  | Though there are adequate implementation arrangements made by the MoE at the macro and micro level, the SEDP needs a dedicated social safeguards implementation mechanism. While the DSHE with its DG as Executive Director and PCU and PSU are established to coordinate and implement various responsibilities, it is imperative that some focal point is established to monitor social safeguard issues. It should be adequately staffed and resources to work effectively at the micro level and provide inputs at the macro level.  |

| Objective  | Measures   |
|--|--|
| Coordination among various ministries                                      | <p>The MoE has developed IPSC to oversee the coordination and monitoring of the SEDP. Chaired by the Secretary, SHED, it will need to work at the macro level and communicate the harmonized decisions at the micro level to various GoB entities working under different ministries and elected representatives at the district, upazila, and management committees at the schools and colleges. The MoE can initiate IEC on the benefits of the SEDP in coordination with the Ministry of Information (MoI), Ministry of Home Affairs, and Ministry of Public administration as was done by the MoHFW by forming the Gender, Equality, Voice, and Accountability (GEVA) structure to harmonize interministerial matters effectively. Print and electronic media should also be utilized. Civil societies should promote secondary education for all and voice against eve teasing. The MoE should undertake effective and sustained IEC in the community including the TP areas. Press Information Department of the MoI could conduct street dramas and radio programs in Bangladesh Betar and local radio to communicate the importance of girls' access to secondary education. Signage of the program may be displayed at the appropriate places around the school/college. Leaflets and banners should be distributed and displayed in the urban slums and hard-to-reach areas.</p> <p>District and Upazila Law and Order Situation Review Committees may be given specific responsibilities to ensure safety and security of adolescent girls through mobilizing the society and using the law-enforcing agencies. At times, mobile courts may be run by the administration to punish the eve teasers in situ.</p> |
| Integrating Local Leadership/leadership at the Micro level                 | <p>District Parishad Chairman and Upazila Parishad Chairmen, Union Parishad Chairmen, and members as people's representatives should be taken on board in furthering access of adolescent girls in secondary education, particularly girls from the pro-poor households including VGs and TP. Local leadership has a very important role in developing people's perception of the GoB/MoE-run program. The MoE/DSHE should use the PCU to coordinate with ZEO, DEO, and USEO to integrate local political and apolitical leadership with the SEDP. Local leadership in coordination with DSEO/ISEO, management committees, institutional heads, and so on can work on the awareness program addressing areas, namely drawbacks of early marriage, eve teasing, gender empowerment, and importance of girls' education.</p> <p>Local leadership/local administration may be requested to educate the parents about access to secondary education by girls and its social benefits in the TP-inhabited areas.</p>  |
| Inclusion of representatives from all clusters in forming different bodies | <p>There has to be inclusion of relevant stakeholders and the VG/TP representatives in the social management process. The appropriate framework has to be developed at the micro level by the MoE/DSHE and communicated to all concerned.</p> <p>The School/College Management Committee must be organized by including personalities from mainstream population, TP representatives, women, community elders, students and so on. All the discussions must be free, audience should be well-informed, and their prior consent should be taken while decisions are taken.</p> <p>Community procurement method should be strictly followed while spending funds allotted to the institution.</p> <p>Local community may arrange common transportation system for adolescent students using local transports (bus, motorized or rickshaw van, boat, and so on). This way, girls undertaking secondary education can move together safely at low cost while averting harassment.</p>  |
| Systems for information disclosure and stakeholder consultation            | <p>Grants for social audit are included in the Program. The school-level social audit report provides public information on school performance and accountability. The MoE will use its existing citizen engagement mechanisms, including social audits to seek feedback and continue with stakeholder consultations on mainstreaming GEVA and</p>   |

| Objective   | Measures   |
|---|--|
|   | social inclusion activities.   |
| Budget  | The MoE will ensure that sufficient budgets for social safeguards are allocated for institution procurements following community procurement method.   |
| Social Safeguards monitoring, developing consciousness among the population in favor of secondary education | <p>The MoE is to develop effective means to monitor social safeguard issues up to Upazila level. Effective arrangements to be made to educate the teachers/management committees about gender sensitivity, cultural diversity and accommodation of the special needs of the adolescent girls from the indigenous people community pursuing secondary education. The DSHE Planning Division supported by PSU could be advised to take the lead role to ensure social safeguards monitoring and supervision of the program. This can be recommended as a PAP action.</p> <p>The society, particularly the conscious citizenry, should be encouraged to conduct seminars, symposiums, and so on for developing consensus against child labor, child marriage, dowry, early motherhood, and the like. They should also unite people in favor of completion of secondary education by girls of all walks of life for a just and fair society.</p>   |
| AGP<br><br>Children with Special Needs  | <p>The proposed Program plans to work toward improving (a) inclusion of adolescent health in curriculum; (b) promotion of menstrual hygiene with disposal facilities; (c) awareness raising for students, teachers, and community; (d) formation of school-based girls' committees supported by female guardian teacher; and (e) introduction of student and peer counselling. The AGP is expected to maximize social impact to the beneficiaries and therefore will need to be carefully designed and rolled out to at least two divisions by Year 3 of the program (proposed as a DLI) and all divisions by Year 5.</p> <p>The program supports mainstreaming students with special needs. The harmonized stipends program (which is included in SEDP but outside the PforR boundary) will support all students with special needs. In addition, disabled access-friendly toilets/sanitation facilities will be supported by the Program. The Program should provide training to SMCs and teachers on inclusive education.</p> |



**Annex 7: Systematic Operations Risk Rating Tool (SORT)**  
**Bangladesh: Transforming Secondary Education for Results**

| <b>Risk Category</b>  | <b>Rating</b> |
|---|---------------|
| 1. Political and Governance                                     | Substantial   |
| 2. Macroeconomic  | Moderate      |
| 3. Sector Strategies and Policies                               | Substantial   |
| 4. Technical Design of Project or Program                       | Substantial   |
| 5. Institutional Capacity for Implementation and Sustainability | Substantial   |
| 6. Fiduciary  | High          |
| 7. Environment and Social                                       | Moderate      |
| 8. Stakeholders   | Substantial   |
| 9. Other  |               |
| <b>OVERALL</b>  | Substantial   |

*Note: H = High; S = Substantial; M = Moderate; and L = Low.*

1. The overall risk of the Program is considered to be Substantial. Key risks to achieving the project development objective include the following. *Political and Governance* is rated Substantial. Political disturbances in the country may worsen and hamper the Program operation especially around the time of the next general election in 2019. Security concerns continue to be high and may deteriorate during the program. *Sector Strategies and Policies* is rated as Substantial because of the uncertainty surrounding when and how the transition of grades 6–8 from lower secondary to basic education system will be implemented by the MoPME and MoE. *Technical Design and Policies* is rated as Substantial because the DLIs of the Program are associated with a number of transformational reforms and initiatives that have high-reward, high-risk profile, and non-development budget program design is a major pilot initiative taken up by the Government for the first time. *Institutional Capacity for Implementation and Sustainability* is rated Substantial. Capacity of the main IA, the DSHE, for managing and coordinating Program implementation remains a challenge, especially as the Program activities will require extensive collaboration with multiple central-level IAs and partners as well as with local education offices. Data accuracy, adequacy, and timeliness are still an issue in the M&E system. Staff turnover of the Government officials is also a significant challenge. Transition of implementation system from the project-based approach to program-based one requires careful planning, strong commitment, and coordinated execution.

2. *Fiduciary* is rated High due to inadequate fiduciary management capacity of DSHE to deal with weak internal control and reporting, nature of the program supporting a large number of beneficiaries, and delays in resolving audit issues. Fiduciary tasks for much of development activities have been handled by stand-alone projects. The DSHE has established a designated wing for PFM; however, the wing is yet to be regularized and has inadequate experience. In terms of fiduciary components, procurement risk is rated as Substantial and FM as High. *Stakeholders* is rated Substantial given the complexities involved with a large number of beneficiaries and the two

ministries involved in the transition of grades 6–8 from secondary to basic level during the Program period.

3. These risks will be mitigated through (a) establishment of high-level policy dialogue and engagement platforms across the MoE and MoF through IPSC and budget and FM committee; (b) establishment of a coordination mechanism including PCU under the MoE to assist the Program implementation and coordination; (c) clarity of roles and responsibilities for implementation, coordination, and M&E arrangements of all the central implementation agencies, local education offices, and institution management; (d) clarity of and high-level commitment on the transition plan for harmonization of Program implementation; (e) needs-based and flexible use of TAFs to support capacity development of IAs; and (f) fiduciary PAP and TA, which will be included in the Program design to mitigate the fiduciary issues along with DLRs dedicated to fiduciary management. The World Bank is expected to provide strategic advice to the Government on difficult issues such as those associated with proposed phased transition of grades 6–8 from secondary (MoE) to basic education (MoPME). The World Bank’s role will continue to be critical in the pacing and sequencing of transformative reforms in the context of evolving institutional capacity, financial resources, and political will during the Program period.

### Annex 8: Program Action Plan

| Action Description   | DLI                      | Covenant                 | Due Date                               | Responsible Party | Completion Measurement   |
|--|--------------------------|--------------------------|--|-------------------|--|
| <b>Technical</b>   | <input type="checkbox"/> | <input type="checkbox"/> |  |                   |  |
| 1. Satisfactory implementation of Curriculum Implementation Plan (CIP)   | 1                        |                          | June 30, every year                    | NCTB/MoE DSHE     | The approved CIP for grades 6–12 disseminated, revised textbooks distributed, and teacher-orientation completed according to plan. CIP implementation progress report prepared every year  |
| 2. National Examination Plan on SSC and HSC, to move toward standardization approved and piloted   | 2                        |                          | June 2018<br>June 30, Every year       | MOE BISE          | MOE/BISE approves, by June 2018, the National Examination Plan on SSC and HSC, to move toward standardization across subjects, year, and boards and plan to establish NAC<br><br>Progress report on pilot implementation of standardized exams on SSC and HSC every year   |
| 3. NASS framework approved for 2019 and 2021   | 2                        |                          | March 31, 2019 and March 31, 2021      | MoE               | Approved framework for NASS for English, Bangla, and mathematics for grades 8 and 10   |
| 4. Strategic implementation plan to improve teaching and learning in Bangla, English, mathematics, and science approved by MoE and implemented by DSHE | 3                        |                          | April 30, 2018<br>June 30 of each year | MoE DSHE          | Approved minutes on strategic plan, which includes rollout of DRS, additional classes in three specified subjects, PST, available by June 2018<br>Annual implementation progress on these three interventions  |
| 5. TST monitoring scheme approved by MoE and implemented by DSHE   | 4                        |                          | March 2018<br>June 30 of each year     | MoE               | Approved TST scheme includes monitoring mechanism, TST indicators, implementation arrangement, and phasing-in plan.<br><br>Annual implementation progress  |
| 6. Detailed assessment on teacher supply and demand (surplus and deficit by institutions, levels, and subjects)  | 4                        |                          | March 31, 2019                         | MoE DSHE          | Draft report with detailed information by institution and recommendations for MPO reforms and rationalization necessary to improve teacher management and accountability   |
| 7. School Grants Manual approved   | 5                        |                          | March 2018                             | MoE               | Approved Manual includes types of grants (performance-based, cycle completion, sanitation facility, non-MPO salary for additional classes, incentives for disadvantaged area teachers), with eligibility and compliance criteria and procedures, grant amount, disbursement, and compliance verification process |

| Action Description  | DLI | Covenant | Due Date                                 | Responsible Party | Completion Measurement   |
|---|-----|----------|--|-------------------|--|
| 8. Secondary education (grades 6–10) stipend programs under GoB, SEQAEP, and SESIP upazilas follow a single modality and adequate resources are allocated for implementation                | 6   |          | March 2018                               | MoE               | Plan to implement single stipends program with same rates, selection modality, compliance monitoring, and disbursement mechanism approved by the MoE<br>Evidence of adequate resource allocation |
| 9. MoU signed between MoE and MoHFW to implement AGP  | 6   |          | March 2018                               | MoE               | Signed MoU includes roles and responsibilities of different stakeholders (including MoE, MoHFW, local administration) in the implementation of AGP design and implementation arrangements.       |
| 10. SEDP implementation structure strengthening approved and operational  | 7   |          | March 2018                               | MoE               | Approved structure includes PCU at MoE, PSU at DSHE, and with adequate manpower, staffing and consultants at different DSHE Wings  |
| 11. AOP, consistent with the PEF, approved in a timely manner   | 7   |          | July 15 each year                        | DSHE/MoE          | Each year, AOP is approved by the Steering Committee   |
| 12. Partnership agreement signed between DSHE and suitable agency to function as GMA to support GMU within DSHE   | 8   |          | March 2018                               | MoE               | Signed partnership agreement is shared with DPs. Partnership agreement to outline implementation, financing, monitoring, and reporting arrangements of the GMA                                   |
| 13. Effective implementation of TAF   |     |          | June 30 each year                        | MoE               | Effective implementation means the TA Unit within PSU is established and operationalized by December 2017; and at least 85% of financial progress is made each year                              |
| <b>Fiduciary</b>  |     |          |  |                   |  |
| 14. Quarterly Audit monitoring to review audit observations   |     |          | Every quarter                            | MOE               | Meeting minutes from the audit review meeting organized by MoE   |
| 15. AFR conducted and recommendations endorsed  |     |          | March for previous fiscal year           | DSHE, MoE         | The independently carried out AFR report recommendations are endorsed by the Steering Committee.   |
| 16. Release of funds according to AOP ensured and advance funds released to field offices   |     |          | July each year                           | MoF/MoE           | After approval of AOP, BFC authorizes release of funds (regular and advance) through allotment letters   |
| 17. Effectiveness implementation of GMS   |     |          | June each year                           | DSHE              | Annual Progress Report   |
| 18. Effective implementation of approved PFM action plan (which includes IBAS++ roll-out, use of eGP, adequate staffing of P&F wing, internal audit, Web-based accounting system and so on) |     |          | December 2018<br><br>August 15 each year | DSHE              | Internal audit system and web-based accounting system is established in December 2018.<br><br>Financial reports generated using web-based system covering all DDOs                               |

| Action Description   | DLI | Covenant | Due Date          | Responsible Party      | Completion Measurement   |
|--|-----|----------|-------------------|------------------------|--|
| 19. Effective implementation of complaints-handling system   |     |          | Periodic          |                        | Web-based publication of updated progress on grievance redress and complaints handling in PforR  |
| <b>Environmental and Social Safeguards</b>   |     |          |                   |                        |  |
| 20. Approval of maintenance policy for school infrastructure (including sanitation facilities and classrooms) and updated operational plan to integrate EMF and EARF |     |          | June 2018         | MoE                    | Maintenance policy approved by Steering Committee and published on the MoE/DSHE website<br><br>Approved Integrated Environmental Systems Operational Plan published on MoE website   |
| 21. Maintenance of hygiene latrine, sanitation facilities, and tube wells incorporated as compliance criteria for school sanitation facility grant                   |     |          | June 2018         | DSHE                   | Approved School Grants Manual to include compliance criteria for sanitation facility grant incorporating maintenance of hygiene latrine, sanitation facilities, and tube wells   |
| 22. Adequate resources for and effective implementation of social and environmental safeguards systems under the Program   |     |          | June 30 each year | MoE<br><br>PSU<br>DSHE | Budget allocation in approved AOP for social and environmental safeguards systems, including provision of a focal staff and a specialist at PSU, and training for field-level implementation<br><br>Annual implementation progress |

## **Annex 9: Implementation Support Plan**

1. The implementation support plan for the World Bank will be based on several mechanisms that will enable enhanced implementation support to the Government and on-time and effective monitoring of the overall results-based financing with the PforR approach and guidance to the IA on technical, fiduciary, social, and environmental aspects, as necessary. The implementation support will comprise (a) joint review missions, (b) regular technical meetings and field visits, (c) progress reporting on DLI achievement; (d) M&E; and (e) harmonization among key stakeholders including the DPs.

2. The World Bank's implementation support will broadly consist of the following:

- Capacity-building activities to strengthen the ability to implement the Program, covering the technical, fiduciary, and social and environmental dimensions
- Provision of technical advice and implementation support geared to the attainment of the PDOs, DLIs, and intermediate results indicators
- Ongoing monitoring of implementation progress, including regularly reviewing key outcome and intermediate indicators, and identification of bottlenecks
- Review and verification of DLI progress following agreed protocols
- Monitoring risks and identification of corresponding mitigation measures
- Close coordination with other donors and DPs to leverage resources, ensure coordination of efforts, and avoid duplication
- Review and follow-up on the TAF activities

3. The World Bank's implementation support team will be composed of a headquarters-based and country-office based Co-Task Team Leaders and both headquarters-based and country office-based operations and specialist staff, who will work closely with the client on a regular basis on implementation monitoring. Consultants will also be engaged for additional support in policy dialogue in the key areas of reforms including governance, fiduciary, and safeguard management.

4. The resource needs (skills requirements, funds, and staff/consultant weeks) will be based on the DLI areas, reform initiatives, and TA areas that the World Bank will be supporting. Given the nature of the PforR and the substantial risks involved in the beginning, it is expected that more resources will be mobilized in the first year of Program implementation.

## **Annex 10: Technical Assistance Facility**

1. **Introduction.** The TAF Component aims to strengthen the capacity of the MoE/DSHE and other IAs and provide support facility for achieving the results in the priority areas. The TAF arrangement will allow the DSHE/MoE greater flexibility and facilitate achievement of results areas by minimizing technical and fiduciary risks.

2. **Description.** The TAF will be implemented on a needs based flexible source of funds in line with IPF guidelines for an amount of US\$20 million (US\$10 million from IDA and US\$10 million from the GFF). The TAF will complement the PforR component by supporting the achievement of the DLIs in the three results areas. TAF will support TA activities which include provision and utilization of services, skills, knowledge, and technology in the form of short-term and long-term consultants, consulting firms, non-consulting agencies, contract staff, workshops, research, and logistics support to strengthen the capacity of the SEDP implementation and help deliver the program results.

3. **TAF areas:**

- Effective and Relevant Curriculum is in place (DLI 1). TAF will provide experts and logistics support for preparation and implementation of the NCPF.
- Assessment and examination system reforms implemented to improve teaching learning (DLI 2). TAF will support the design, implementation, and analysis of standardized examinations. It will provide international and national experts and logistics support to (a) design, implement, and analyze LASI and school-based DAs and (b) administration of LASI.
- Improved teaching-learning in Bangla, English, Mathematics and Science (DLI 3). TAF will provide national experts to (a) support preparation of strategic plan and implementation of deployment of additional teachers and (b) support the implementation of DRS program quality expansion of DRS program.
- Improved teacher management and accountability (DLI 4). Some of the major constraints in teacher management include (a) availability of required number of qualified and trained teachers in some schools; (b) unavailability of an effective mechanism to monitor time-spent-teaching; TAF will provide logistics supports and national consultants to support (a) MPO rationalization plan, developing revised guidelines, and conducting needs assessment and (b) design and implementation of TST.
- Improved School management and accountability (DLI 5). Introduction of performance based grants to institutions meeting performance indicators, non-MPO grants for unserved students, and basic grant for meeting minimum eligibility criteria requires expert support for policy dialogue as well as logistics support. TAF will provide logistics support and national experts to support preparation of school grants manual, including school grants funding formula, funds disbursement modality, and implementation.
- Improved grade retention and cycle completion (DLI 6). TAF will provide training, logistics support, and national consultants to support the design and implementation of the cycle completion school grant program and AGP (Program costs will be borne by PforR ).

- Institutional Capacity Strengthened (DLI 7). Strengthening the national capacity is important for the success of the RBF approach. TAF will provide logistics support and national experts for support PCU on AOP preparation, program review, and coordination. It will provide national experts to PSU and will also include provision of international travel to learn about best practices.
- Enhanced Fiduciary Management and Data Systems (DLI 8). A sound system for management of grants is important for the success of the program. To enhance grant management, TAF will include provision for establishment of GMS (non-consulting services). It will support the design and maintenance of EMIS, provision for compliance verification surveys, fiduciary reviews, and provision for logistics support for iBAS, e-GP, GMS, EMIS, and M&E.

**Table 10.1: SEDP and TAF Activities by Area**

| SEDP Result areas   | TA Activities  | Cost <sup>25</sup> (US\$, millions) |
|---|--|-------------------------------------|
| <b>1. Effective and relevant curriculum is in place</b>   |  | 0.3                                 |
| 1) MOE has approved NCPF for grades from pre-primary to 12 <sup>th</sup> grade (Year-1)   | • International consultants to support preparation and implementation of NCPF, e-learning, and digital universal content | 0.2                                 |
| 2) NCTB has been strengthened with: (i) 80% of staffing positions filled with appropriate qualifications and specialization, (ii) NCTB organogram approved, and (iii) implementation plan with the revised NCTB structure approved (Year-2) | • Workshops/meetings/logistics support for NCTB restructuring/strengthening and textbooks revision                       | 0.1                                 |
| 3) National Curriculum Coordination Committee (NCCC) of MOE has approved the revised national curriculum for grades 6-12 developed based on the NCPF (Year 3)   |  |                                     |
| 4) E-learning and digital universal content of curriculum available at all Institutions (Year 4)  |  |                                     |
| <b>2. Assessment and examination system reforms implemented to improve teaching learning</b>  |  | 2.5                                 |
| 5) At least 20% of Institutions carry out Institution-based diagnostic assessments of students entering Grade 6 to gauge their readiness for secondary education (Year 2)   | • International consultants to support the design, implementation, and analysis of standardized examinations             | 0.5                                 |
| 6) DSHE causes the National Assessment of Secondary Students (NASS) 2019 to be carried out on nationally representative sample in grades 8 and 10 (English, Maths, Bangla) and publishes the findings (Year 3)                              | • International consultants to support the design, implementation and analysis of NASS and institution-based DAs         | 0.9                                 |
| 7) DSHE causes the NASS 2021 and standardized exams results to be analyzed, disseminated and fed back into system improvement (Year 5)  | • National consultant and firms to support administration of NASS  | 1.0                                 |
| 8) All examination boards implement standardized SSC and HSC examinations (Year 5)  | • Workshops/meetings/logistics support for design and dissemination standardized examination results and NASS results    | 0.1                                 |
| <b>3. Improved teaching-learning in Bangla, English, Mathematics, and Science</b>   |  | 1.5                                 |
| 9) DSHE causes deployment of additional qualified and trained subject-teachers in English, Math and Science in 4,000 targeted Institutions (Year-2)   | • National consultants to support preparation of strategic plan and implementation of deployment of additional teachers  | 0.5                                 |
| 10) Practical Science teaching implemented in 15,000 Institutions (Year-3)  | • National consultants to support implementation of DRS program quality expansion of DRS                                 | 1.0                                 |
| 11) Average reading proficiency score among Grade 10  |  |                                     |

<sup>25</sup> Workshop costs exclude allowances and honoraria



| SEDP Result areas   | TA Activities   | Cost <sup>25</sup> (US\$, millions) |
|---|---|-------------------------------------|
| <p>students has improved by at least 10% over the score in NASS 2017 (Year-4)</p> <p>12) Learning levels of Grade 10 students in English and Mathematics has improved by at least 5% over the levels in NASS 2017 (Year-5)</p> <p>13) At least 20% of secondary Institutions practice practical science teaching (Year-5)</p> | program (operating cost of DRS program to be borne by SEDP)   |                                     |
| <b>4. Improved teacher management and accountability</b>  |   | 0.8                                 |
| 14) Incentive scheme for teachers in geographically disadvantaged areas implemented in at least 10,000 Institutions (Year-1)  | • National consultants to support MPO rationalization plan, revised guidelines, and needs assessment  | 0.5                                 |
| 15) At least 1,500 Institutions have piloted the teachers time-spent-teaching (TST) monitoring system (Year-2)  | • National consultants to support design and implementation of TST and incentive scheme for teachers  | 0.2                                 |
| 16) MOE has approved the MPO rationalization plan approved and updated the MPO implementation guidelines (Year-3)   | • Workshops/meetings/logistics support for MPO reforms and TST design   | 0.1                                 |
| 17) 50% of Institutions have TST monitoring system in place (Year-4)  |   |                                     |
| 18) Teacher (re)deployment payment fully compliant with MPO rationalization plan and updated guidelines (Year-5)  |   |                                     |
| <b>5. Improved School management and accountability</b>   |   | 0.5                                 |
| 19) Performance-Based Grants for Institutions meeting minimum accountability requirements and achieving performance indicators released to at least 5,000 Institutions (Year-2)   | • NC to support preparation of School Grants Manual, including school grants funding formula, funds disbursement modality   | 0.2                                 |
| 20) Performance-Based Grants for Institutions meeting minimum accountability requirements and achieving performance indicators released to at least 7,500 Institutions (Year-4)   | • Workshops/meetings/logistics support for School Grants design and implementation, including support for taskforce assigned to design and endorse the school grants funding system | 0.3                                 |
| <b>6. Improved grade retention and cycle completion for marginalized and for girls</b>  |   | 1.4                                 |
| 21) MOE has approved the Adolescent Girls' Program (AGP) (that includes among others separate girls' toilets, counseling/awareness) including action plan (Year-1)  | • NCs to support implementation of cycle completion school grants program (cycle completion bonus administration cost through school grants from regular budget)                    | 0.5                                 |
| 22) MOE has approved the harmonized stipend program (Year-1)  |   |                                     |
| 23) Nation-wide roll-out of implementation of harmonized stipends program for grades 6-12 (Year-2)  | • International/national consultants to support the design and implementation of AGP (program costs borne by regular budget)  | 0.5                                 |
| 24) AGP implemented in all Institutions in two selected Divisions (Year-3)  | • Workshops/training/logistics  | 0.4                                 |
| 25) Grade 10 retention rate (of those started grade 6) of AGP beneficiaries reaches 68 percent (Year-4)   |   |                                     |
| 26) Grade 10 retention rate (of those started grade 6) of stipends beneficiaries reaches 70 percent (Year-5)  |   |                                     |
| <b>7. Institutional Capacity Strengthened</b>   |   | 5.2                                 |
| 27) MOE's secondary education budget FY18/19 allocation is consistent with SEDP program expenditure framework (Year 1)  | • National consultants to support PCU on AOP preparation, program review, and coordination  | 0.6                                 |
| 28) MOF and MOE release the fund for FY 18/19 inclusive of advance by the beginning of each quarter based on the Annual Development Program/ Annual Operations Plan (ADP/AOP) allocation (Year-2)   | • PSU national consultants  | 1.2                                 |
|   | • NC to support MoF BFC   | 0.2                                 |
|   | • Workshops/logistics/training for reviews and missions   | 0.7                                 |
| 29) The percentage of standalone projects has reduced by 30% in relation to the existing ones in June 30, 2017  | • International visits for best practice  | 2.5                                 |

| SEDP Result areas  | TA Activities   | Cost <sup>25</sup> (US\$, millions) |
|--|---|-------------------------------------|
| (Year-3)<br>30) MOF and MOE release the fund for FY 20/21 inclusive of advance by the beginning of each quarter based on the ADP/AOP allocation (Year-4)   |   |                                     |
| <b>8. Enhanced Fiduciary Management and Data Systems</b>   |   | 7.6                                 |
| 31) Enhanced fiduciary system is in place, (including qualified and adequate FM & Procurement staff/posts at P&F wing and at least 60% of goods & works packages included in the Annual Procurement Plan processed through e-GP portal) (Year 1) | <ul style="list-style-type: none"> <li>• Non-consulting service support to GMS establishment and operations (first year only, after second year institutionalized in SEDP regular budget)</li> </ul>        | 2.0                                 |
| 32) Enhanced EMIS system, including School Grant Management System (GMS), MPO management and M&E reporting, established (Year 1)   | <ul style="list-style-type: none"> <li>• NCs to support design and maintenance of EMIS and M&amp;E and preparation of respective reports (multiple NCs for system analysis, programming, report)</li> </ul> | 0.6                                 |
| 33) Agreed actions by MOE and DPs (e.g. regularization of P&F Wing in DSHE) included in the updated PFM action plan based on the recommendations of previous year periodic fiduciary review are implemented (Year 2)                             | <ul style="list-style-type: none"> <li>• Logistics and equipment support for EMIS upgrading</li> </ul>  | 1.0                                 |
| 34) Agreed actions by MOE and DPs (e.g. Roll-out of IBAS++ nationally to all DDOs & 100% non-ICB contracts initiated and completed through eGP) included in the updated PFM action plan implemented (Year-3)                                     | <ul style="list-style-type: none"> <li>• Non-consulting/consulting services for compliance verification surveys</li> </ul>  | 0.4                                 |
| 35) Enhanced EMIS system including School grant management system (GMS), MPO management and M&E reporting is fully operational (Year-4)  | <ul style="list-style-type: none"> <li>• International consultant to support design and implementation of improved fiduciary management (3 months each year for 5 years)</li> </ul>                         | 0.3                                 |
|  | <ul style="list-style-type: none"> <li>• National consultants to support implementation of improved fiduciary management</li> </ul>   | 1.0                                 |
|  | <ul style="list-style-type: none"> <li>• Support to audit authority</li> </ul>  | 0.3                                 |
|  | <ul style="list-style-type: none"> <li>• Fiduciary reviews</li> </ul>   | 0.6                                 |
|  | <ul style="list-style-type: none"> <li>• Workshops/training/logistics for IBAS, e-GP, GMS, EMIS and M&amp;E</li> </ul>  | 0.4                                 |
| Miscellaneous  | <ul style="list-style-type: none"> <li>• IVA services, Time on task studies, evaluations, and so on</li> </ul>  | 1.2                                 |
| <b>Overall TAF</b>   |   | <b>20.0</b>                         |

Note: These are tentative cost estimates.

4. **Categories of TAF.** The TAF Facility will support the SEDP under the following categories of expenditure.

**Table 10.2: TAF by Cost Category**

| Category   | US\$, millions |
|--|----------------|
| Goods, Consultant services, Non-consultant services, Training Workshops, and Operating Costs | 20.0           |

Note: These are tentative cost estimates.

5. **Implementation arrangements.** The DSHE will be the designated IA for TAF. Implementation arrangements will follow the SEDP implementation structure under the guidance of SEDP Steering Committee or PCU as appropriate. The PSU under the DG, DSHE will be responsible for managing the TAF activities. The DSHE with support from PCU and other agencies will implement the TAF activities. The DSHE would operate the separate designated account and be responsible for managing and reporting the expenditures. TAF budget would be reflected in each AOP and approved by the steering committee. The roles and responsibilities of the agencies are given in table 10.3.

**Table 10.3: Roles and Responsibilities**

| Area                       | PCU/Steering Committee     | DSHE/PSU  |
|----------------------------|----------------------------|---|
| Preparation of AOP for TAF | Review and endorse TAF AOP | Prepare TAF AOP annual plan and forward to PSC/PCU  |
| Procurement of services    |                            | DSHE, with support from PSU, to procure services following GoB/IDA guidelines (terms of reference (ToRs), Expression of Interest, short-listing, Request for Proposal, selection) and deploy to DSHE, PCU, and other concerned agencies |
| Procurement of goods       |                            | Procure goods in line with the procurement provisions made in the Financing Agreement   |
| FM                         |                            | Will maintain account, prepare IUFR   |

## Financial Management

6. **Designated Account and flow of funds.** The TAF will flow through separate Designated Accounts in the form of Convertible Taka Special Account to be opened in separate bank account. The designated account shall be managed by the DSHE and will be used to finance activities under the TAF. The DSHE shall operate this Designated Accounts and submit withdrawal applications for the initial and subsequent advances to the Designated Accounts and documentation of eligible expenditures.

7. **External audit.** The annual consolidated financial statements of TAF, including receipts, expenditures, and balance in the Designated Account, to be operated by the DG, DSHE, will be audited by an appropriate audit directorate as nominated by the OCAG. The audited financial statements will be submitted to IDA within six months of the end of each fiscal year or at a later date as may be agreed with IDA. A Statement of Audit Needs will be agreed with the CAG outlining the methodology and focus of the audit.

8. **Internal audit.** TAF will be subject to regular supervision and control checks according to Directorate of Internal Audit's regular due diligence. If required, the MOE will hire a reputed chartered accountancy firm to audit TAF operation according to agreed Terms of Reference. Adequate resource to ensure such arrangement will be included as part of the total project costs.

9. **Accounting and reporting.** The project will follow GoB Project Accounting Manual in maintaining books of accounts and in complying with monthly, quarterly, and annual financial reporting requirements of various Government agencies as well as the World Bank. The project will provide IUFRs.

10. **Disbursement.** To simplify processes, report-based disbursements using the IUFRs will serve as the basis for withdrawal of funds from the IDA credit and the Grant. Advances would be made to the Designated Accounts for the TAF operations based on six-month projections.

## Procurement Arrangements

11. Procurement for the TAF Component will be carried out by the DSHE/other IAs. The PSU will provide enhanced support to the DSHE/other IAs to carry out procurement tasks. The MoE/DSHE will ensure that all the procurement under the component is carried out according to the procedures mentioned in the Financing Agreement.

12. Procurement under TAF will be carried out in accordance with the World Bank Procurement Regulations for IPF Borrowers ('Procurement Regulations'), July 2016, and its associated STEP system for online procurement planning and end-to-end tracking system. The DSHE's PFW will be briefed and trained on the use of the Procurement Regulations and the STEP system, and procurement packages will use the new framework for flexibility, quality, and greater value of public spending. A Project Procurement Strategy for Development (PPSD) has been developed by the DSHE in agreement with the World Bank, considering the nature and volume of procurement, prevailing market conditions, activity level risk, and so on. All procurement will be done in accordance with the project details and strategy mentioned in the PPSD.

13. **Procurement Risk Assessment.** Since the DSHE will be the designated IA, its procurement risk assessment will be carried out and findings will be uploaded in the Procurement Risk Assessment and Management System after finalization of the project preparation. Procurement risk would be managed through deployment of qualified procurement consultant through TAF, use of e-GP for goods, and disclosure of all procurement contracts-related information on the DSHE's website and CPTU's website, when applicable.

### **Procurement Activities**

14. *Consultancies.* Most of the procurement activities envisaged will be limited to consultancy services such as hiring of consultants/experts at PSU, supporting M&E, and impact evaluation. The Procurement Plan will specify the selection method, market approach (International/National, Open/Limited/Direct), and contract modality for selection of each of the consultants, following the World Bank's Procurement Regulations.

15. *Goods/Non-consulting services.* Except as otherwise agreed in the Procurement Plan, goods and non-consulting services may be procured on the basis of Request for Bids) (Open-International) procurement method. As allowed in the World Bank's Procurement Regulations, other selection methods, market approach, and contract arrangement will be agreed in the Procurement Plan on a case-to-case basis.

16. *Procurement staff.* The PSU under the MoE shall include procurement specialist(s) to facilitate procurements under the TAF component, provide need-based procurement support to other IAs, and collect procurement management information.

17. *Complaint handling mechanism.* On receipt of complaints, the DSHE would take immediate action to acknowledge the complaint and redress within a reasonable time frame. All complaints would be addressed at levels higher than that of the level at which the procurement process was undertaken. Any complaint received would be forwarded to the World Bank for information and the World Bank would be kept informed after the complaint is redressed.

18. *Post review.* According to the agreed thresholds specified in the Procurement Plan, the procurements shall be prior reviewed by World Bank. Contracts not covered under prior review will be subject to post review during Joint Review Missions and/or special post review missions, including missions by consultants hired by the World Bank.