Financing Agreement

(Additional Financing for the Secondary Education Quality and Access Enhancement Project)

between

PEOPLE'S REPUBLIC OF BANGLADESH

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated Feb. 26, 2014
FINANCING AGREEMENT

AGREEMENT dated February 2, 2014, entered into between PEOPLE'S REPUBLIC OF BANGLADESH (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to one hundred seventy-two million eight hundred thousand Special Drawing Rights (SDR 172,800,000) (variously, “Credit” and “Financing”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).

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

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Payment Dates are 15 May and 15 November in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
2.07. The Payment Currency is Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the project through MOE’s DSHE in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension consists of the following, namely that any of the Cooperation Agreement, the MOU, the Agrani Bank Limited Participation Agreement, the DPHE Participation Agreement, or the LGED Participation Agreement, has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the carrying out of the Project.

4.02. The Additional Event of Acceleration consists of the following, namely that the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Association to the Recipient.

ARTICLE V — TERMINATION

5.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

5.02. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is the Secretary or the Additional Secretary, or any Joint Secretary, Joint Chief, Deputy Secretary, Deputy Chief, Senior
Assistant Secretary, Senior Assistant Chief, Assistant Secretary, or Assistant Chief of the Economic Relations Division of the Ministry of Finance.

6.02. The Recipient’s Address is:

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

   Facsimile:

   88029180788

6.03. The Association’s Address is:

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

   Facsimile:

   1-202-477-6391
AGREED at Dhaka, People's Republic of Bangladesh, as of the day and year first above written.

PEOPLE'S REPUBLIC OF BANGLADESH

By

[Signature]

Authorized Representative

Name: Muhammad Mojibuddin
Title: Secretary

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to assist the Recipient in improving the quality of its secondary education and monitoring of learning outcomes systematically, and in increasing access and equity in education in Project Upazilas.

The Project consists of the following parts:

Part 1: Improving Education Quality and Monitoring Learning Levels

1.1. Provision of monetary incentives, in the form of awards, to rural students, teachers and PEIs to encourage them to reach and maintain higher levels of achievement.

1.2. Improving the performance of students and classroom teaching-learning processes and interaction through:

(a) the provision of Grants to PEIs to finance resource teachers/additional class teachers of English language, sciences and mathematics;

(b) the organization of additional classes in PEIs before/after regular classes or during holidays; and

(c) the provision of management, technical and supervisory services associated with the additional class scheme in said institutions.

1.3. Providing:

(a) support to PEIs for setting up a reading program at classroom levels for grades 6 to 10, in PEIs;

(b) support to PEIs for the acquisition of age- and ability-appropriate books in Bangla and English, including books for awards to high performing student readers;

(c) Grants to PEIs to finance incentive for librarians and teacher-coordinators to maintain the PEIs libraries and reading programs; and

(d) the management, technical and supervisory services associated with developing reading habit schemes, including annual students reading tests.
1.4. Providing support to Implementing Agencies to enhance their capacity in measuring the quality of learning in Bangla language, English language and mathematics on a nationally representative sample basis, by administering competency-based learning assessment through *inter alia*:

(a) the development of testing instruments for Bangla, English and mathematics;

(b) the administration of such instruments, and processing and analysis of data; and

(c) the dissemination of findings to stakeholders at all levels.

Part 2: Improving Equity and Access

2.1. (a) Increasing access and retention of poor children in PEIs through the provision of stipends based on PMT-based pro-poor targeting;

(b) providing Grants to PEIs for tuition on behalf of the PMT stipend recipient students in paragraph (a) above;

(c) providing non-consulting services to administer the PMT; and

(d) providing Operating Costs related to the disbursement of PMT-based stipends.

2.2. Supporting the Recipient’s ongoing general stipends program, until the PMT-based pro-poor targeting carried out under Part 2.1 above has been scaled-up to cover all Project *Upazilas*.

2.3. Improving the water and sanitation facilities in selected PEIs, including:

(a) the provision of Grants to PEIs for:

(i) the acquisition of safe drinking water facilities, and

(ii) the construction of twin latrines for boys and girls with running water facilities;

(b) the provision of technical advisory services for testing of existing and new PEIs’ tube-wells for arsenic, salinity and manganese contamination; and

(c) the provision of field test kits test tube-wells.
Part 3: Institutional Capacity Strengthening

3.1. Provision of:

(a) technical advisory services, goods and logistical assistance to the SEQAEU Unit to facilitate the carrying out of the different activities under Parts 1, 2 and 3 of the Project; and

(b) Operating Costs to support (i) the Project activities under paragraph (a) above; and (ii) the Upazila secondary education offices.

3.2. Strengthening of the capacity of MOE to provide services at the central, district, Upazila, and community levels through the organization of focused orientation and workshops, and provision of Training.

3.3. Enhancing accountability and transparency in the PEIs and strengthening of, inter alia, School Management Committees, the Madrasah Management Committees and the Parent-Teachers Associations through the provision of school Grants, including:

(a) Grants to PEIs for providing information communications technology support PEIs SMCs and MMCs to access the internet for monitoring and communication; and

(b) Grants for carrying out social audit to all PTAs to organize parent assembly and disseminate school performance information.

3.4. Providing Grants to all PTAs for, inter alia, carrying out education awareness and community mobilization activities.

Part 4: Monitoring and Evaluation

4.1. Strengthening the capacity of the MOE and the Implementing Agencies in, inter alia: (i) results monitoring; (ii) system monitoring through annual census of all PEIs; and (iii) PMT validation and compliance monitoring surveys.

4.2. Providing support to evaluate the impact of the Project on access, equity and quality of education through qualitative assessments and quantitative impact evaluations including the design of evaluation strategy, carrying out of baseline and follow-up surveys, analysis of data and dissemination of findings.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Recipient shall cause MOE to ensure that DSHE carries out:
   (a) Parts 1.1., 1.2., 1.3, 2.2. and 3. of the Project through its SEQAEP Unit;
   (b) Part 2.1 of the Project through its SEQAEP Unit with the support of LGED;
   (c) Part 2.3 of the Project through its SEQAEP Unit with the support of DPHE; and
   (d) Parts 1.4 and 4 of the Project through its MEW with the support of BANBEIS.

2. The Recipient shall allocate a budget to DSHE and ensure, at all times, that sufficient funds are transferred to DSHE on a timely manner to carry out the implementation of the Project.

3. The Recipient shall maintain until the completion of the Project, the SEQAEP Unit and the MEW within DSHE, both with terms of reference and staffing acceptable to the Association.

4. The Recipient shall not distribute stipends or awards, or approve any Grant until the MOE enters into a Participation Agreement with Agrani Bank Limited to carry out banking activities related to such stipends, awards and Grants satisfactory to the Association, which shall provide, inter alia, for:
   (a) the procedures for distributing stipends, Grants and awards to students, teachers and PEs, as the case may be;
   (b) Agrani Bank Limited responsibilities on maintaining records; and
   (c) auditing of Agrani Bank Limited activities under said Parts of the Project.

5. Prior to carrying out:
   (a) Part 2.1. of the Project, the Recipient shall cause MOE and LGED to amend the LGED Participation Agreement signed under the Original
Project, satisfactory to the Association, including, *inter alia*, detailed provisions regarding the implementation of the PMT scheme and related services;

(b) Part 2.3 of the Project, the Recipient shall cause MOE and DPHE to amend the DPHE Participation Agreement signed under the Original Project, in form and substance satisfactory to the Association, including, *inter alia*, provisions regarding tube-well testing for arsenic contamination and related services; and

(c) Part 1.4. and Part 4. of the Project, the Recipient shall through MOE amend the MOU with BANBEIS signed under the Original Project, satisfactory to the Association.

6. The Recipient shall cause every PEI to establish and maintain until the completion of the Project, a SMC or a MMC, and a PTA with terms of reference acceptable to the Association.

7. The Recipient shall, by no later than December 31 of each year, and prior to declaring eligibility of a PEI for funds for the subsequent Academic Year, enter into an annually renewable Cooperation Agreement with each such PEI, in form and substance satisfactory to the Association.

8. The Recipient shall:

(a) update by the earlier of one (1) month after the Effective Date and the date on which the first DLI Expenditure is proposed by the Recipient to be verified by the Association, the Project Implementation Manual developed for the Original Project which consists of specific manuals for each sub-part of the Project;

(b) ensure that the Project Implementation Manual shall include: (i) implementation arrangements; (ii) procurement procedures as set forth in Section III of this Schedule and standard procurement documentation; (iii) reporting requirements, financial management procedures and audit procedures as set forth in Section II.B of this Schedule; (iv) Project performance indicators; (v) the Environment Management Framework, and the Social Management Framework; (vi) criteria for the selection of beneficiaries of Grants and stipends, including eligibility and disbursement of Grants along with their terms and conditions; (vii) the Governance and Accountability Action Plan; and (viii) the mechanism the Recipient and the Association will follow to: (A) verify each DLI Target, including the protocol/verification referred to in Schedule 4 to this Agreement, (B) verify the eligibility of each DLI Expenditure, and
(C) request withdrawal (on the part of the Recipient) and disburse (on the part of the Association) the DLI Value;

(c) submit the updated manual referred to in paragraph (a) above to the Association for its review and concurrence;

(d) at all times carry out the Project in accordance with the Project Implementation Manual; and

(e) not assign, amend, suspend, abrogate, waive or permit to be assigned, amended, suspended, abrogated, or waived, the Project Implementation Manual, or any provisions thereof without the prior written agreement of the Association; and in the event of any inconsistency between the provisions of this Agreement and those of the said manual, the provisions of this Agreement shall prevail.

9. The Recipient shall:

(a) by March 1 and September 1 of each year, commencing in March 1, 2014, carry out a comprehensive review of the progress of the Project during the preceding Academic Year; and

(b) promptly furnish to the Association with the findings and recommendations of such review as well as a work program for the following Academic Year, for concurrence of the Association.

10. The Recipient shall, no later than June 30 each year, cause MOE to prepare and furnish to the Association for its concurrence, a detailed training plan for the following twelve (12) month period.

B. Anti-Corruption

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

2. Without limitation on the provisions of paragraph 1 above, the Recipient shall:
(a) carry out the Governance and Accountability Action Plan in accordance with its terms; and
(b) without limitation on its other reporting obligations under this Agreement, furnish to the Association as part of the Project Report the status of implementation of the said plan.
C. Safeguards.

1. The Recipient shall carry out the Project in accordance with the Environmental Management Framework, the Social Management Framework, and each relevant Safeguards Assessment and Plan and Tribal People’s Plan.

2. Whenever an additional or revised Safeguard Assessment and Plan or Tribal People’s Plan shall be required for any Project activity in accordance with the provisions of the Environmental Management Framework or the Social Management Framework, as the case may be, the Recipient shall:

   (a) prior to the commencement of such activity, proceed to have such Safeguard Assessment and Plan or Tribal People’s Plan: (i) prepared in accordance with the provisions of the Environmental Management Framework and the Social Management Framework, as the case may be; (ii) furnished to the Association for review and approval; and (iii) thereafter adopted and disclosed as approved by the Association, in a manner acceptable to the Association; and

   (b) thereafter take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such Safeguard Assessment and Plan and Tribal People’s Plan.

3. The Recipient shall not amend, suspend or waive the Environmental Management Framework or the Social Management Framework, or any provision of either framework, unless the Association has provided its prior approval thereof in writing, and the Recipient has complied with the same consultation and disclosure requirements as applicable to the original adoption of the said instruments.

4. Without limitation on its other reporting obligations under this Agreement, the Recipient shall collect, compile and submit to the Association on an annual basis (or such other frequency as may be agreed with the Association) consolidated reports on the status of compliance with the Environmental Management Framework, the Social Management Framework, the Safeguard Assessments and Plans, and the Tribal People’s Plans, giving details of:

   (a) measures taken in furtherance of the said instruments;

   (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the said measures; and

   (c) remedial measures taken or required to be taken to address such conditions.
5. In the event of any conflict between the provisions of any of the Environmental Management Framework, the Social Management Framework, the Safeguard Assessments and Plans, or the Tribal People’s Plans, and the provisions of this Agreement, the provisions of this Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants’ Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance
with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods, Works and Non-consulting Services**

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

2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, following the procedures of the Procurement Laws subject to the additional provisions set forth in paragraph 3 below; (b) Shopping; (c) Direct Contracting; and (d) Community Participation in Procurement.

3. For the purpose of National Competitive Bidding, the following shall apply:

   (a) post bidding negotiations shall not be allowed with the lowest evaluated or any other bidder;

   (b) bids should be submitted and opened in public in one location immediately after the deadline for submission;

   (c) lottery in award of contracts shall not be allowed;

   (d) bidders’ qualification/experience requirement shall be mandatory;

   (e) bids shall not be invited on the basis of percentage above or below the estimated cost and contract award shall be based on the lowest evaluated bid price of compliant bid from eligible and qualified bidder; and

   (f) single stage two (2) envelope procurement system shall not be allowed.
C. Particular Methods of Procurement of Consultants’ Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. **Other Methods of Procurement of Consultants’ Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants’ services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection, (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Association of Procurement Decisions

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

Section IV. **Withdrawal of the Proceeds of the Financing**

A. General

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

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) PMT-based stipend under Part 2.1 (a) of the Project</td>
<td>84,700,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Grants under:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part 1.2.(a) and (b), Parts 1.3. (c), Part 2.1 (b), and Part 2.3 (a)</td>
<td>25,200,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) consulting services, non-consulting services, goods, Training and Operating Cost under:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parts 1.2.(a) and (c), Parts 1.3. (a), (b) and (d), Part 2.1.(c),</td>
<td>25,700,000</td>
<td>91%</td>
</tr>
<tr>
<td>Parts 2.3 (a) and (b) Part 3.1.(a) and (b), and Part 3.2. of the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4) consulting services, non-consulting services, goods, Training and Operating Cost under: Parts 1.4 and 4 of the Project</td>
<td>4,600,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) DLI Expenditures</td>
<td>32,600,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>172,800,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

### B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section:

   (a) no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed fifteen (15) million Dollars equivalent may be made for payments made prior to this date but on or after May 31, 2013, for Eligible Expenditures under Category (1);
(b) no withdrawal shall be made for payments made under Categories (1) or (2), unless: (i) expenditures have been made in conformity with the criteria and procedures described in the Project Implementation Manual; and (ii) the Association has approved the work program prepared by the Recipient for the forthcoming Academic Year pursuant to paragraph 9.(b) of Section 1.A of Schedule 2 to this Agreement;

(c) no withdrawal shall be made for payments related to Training, under Categories (3) and (4), unless expenditures for such Training have been made in conformity with a training plan approved by the Association pursuant to paragraph 10 of Section 1.A of Schedule 2 to this Agreement;

(d) the Recipient shall only request withdrawal for DLI Expenditures under Category (5) if the Recipient shall have: (i) complied with the additional instructions referred to in Section IV.A.1 of Schedule 2, including the submission to the Association of the applicable IUFR evidencing the incurrence of eligible DLI Expenditures during the respective DLI Period for which payment is requested; and (ii) furnished evidence satisfactory to the Association, in accordance with the verification protocol set out in Schedule 4 to this Agreement, that the DLI Target for the respective DLI Period for which payment is requested has been achieved; and

(e) withdrawals under Category (5) shall not exceed the lesser of: (a) the DLI Value allocated to each DLI Target during the respective DLI Period; and (b) the amount of DLI Expenditures incurred during the DLI Period for which payment is requested.

3. Notwithstanding the foregoing:

(a) if the Association is satisfied that a DLI Target has been achieved fully in accordance with sub-paragraph (b) below before the end of the applicable DLI Period, the Association may authorize the withdrawal of an amount of the Financing corresponding to the level of achievement of such DLI Target before the end of such period; and

(b) if (i) the Association is satisfied that the unmet portion of a DLI Target for which a withdrawal was authorized under sub-paragraph (a) above has been achieved fully before the end of the subsequent DLI Period for the corresponding subsequent DLI Target, and (ii) such subsequent DLI Target for such subsequent DLI Period has been fully achieved, then the Association may authorize the withdrawal of such portion of the withheld amount of the Financing as corresponds to the level of achievement of the unmet portion of such DLI Target.
4. In the event that the Association has withheld, or was entitled to withhold, any part of the Financing pursuant to paragraph 3 above, the Association may at any time, by notice to the Recipient, cancel the amount(s) so withheld/to be withheld, and/or reallocate them, whether in full or in part, to any other Category or Categories.

5. The Closing Date is December 31, 2017.
**SCHEDULE 3**

**Repayment Schedule**

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each 15 May and 15 November:</td>
<td></td>
</tr>
<tr>
<td>commencing 15 May 2024 to and including 15 November 2033</td>
<td>1%</td>
</tr>
<tr>
<td>commencing 15 May 2034 to and including 15 November 2053</td>
<td>2%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.
# SCHEDULE 4

## DLIs and Verification Mechanisms

<table>
<thead>
<tr>
<th>Areas</th>
<th>Indicator</th>
<th>Baseline</th>
<th>2013 (Year 0)</th>
<th>2014 (Year 1)</th>
<th>2015 (Year 2)</th>
<th>2016 (Year 3)</th>
<th>2017 (Year 4)</th>
<th>Protocol/Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learning Assessment</td>
<td>DLI 1: Learning assessment carried out nationally</td>
<td>One round completed in SEQAEPE Upazilas in 2012</td>
<td>MOE/DSHE to determine that learning assessment be carried out on nationally representative sample</td>
<td>US$4 m</td>
<td>US$4 m</td>
<td>US$4 m</td>
<td>2014 and 2016- MOE letters approving the learning assessment frameworks for 2015 and 2017 assessments, respectively. Framework to include objectives, subjects, grades, time frame, and implementation arrangements. Including implementing bodies. 2015- Nationally representative sample defined as relevant grade to be represented at all boards of intermediate and secondary education. Learning assessment report with proof of dissemination to key stakeholders</td>
<td></td>
</tr>
<tr>
<td>Institutionalization of MEW</td>
<td>DLI 2: MEW institutionalized and financed through revenue budget</td>
<td>MEW under SEQAEPE project budget</td>
<td>MOE to submit proposal along with DSHE organogram to create new positions in DSHE's permanent structure to the organization and management wing of MOPA</td>
<td>US$4 m</td>
<td>MOE proposal, including job descriptions approved by MOPA and forwarded to MOF</td>
<td>US$4 m</td>
<td>MOE submits to the Association a copy of the proposal sent to MOPA</td>
<td></td>
</tr>
<tr>
<td>DLI Value</td>
<td>DLI Value</td>
<td>DLI Value</td>
<td>DLI Value</td>
<td>DLI Value</td>
<td>DLI Value</td>
<td>DLI Value</td>
<td>DLI Value</td>
<td>DLI Value</td>
</tr>
<tr>
<td><em>Responsible agency: MOE, MEW/DSHE</em></td>
<td><em>Responsible agency: MOE, MEW/DSHE</em></td>
<td><em>Responsible agency: MOE, MEW/DSHE</em></td>
<td><em>Responsible agency: MOE, MEW/DSHE</em></td>
<td><em>Responsible agency: MOE, MEW/DSHE</em></td>
<td><em>Responsible agency: MOE, MEW/DSHE</em></td>
<td><em>Responsible agency: MOE, MEW/DSHE</em></td>
<td><em>Responsible agency: MOE, MEW/DSHE</em></td>
<td><em>Responsible agency: MOE, MEW/DSHE</em></td>
</tr>
<tr>
<td><em>DLI Value</em></td>
<td><em>US$4 m</em></td>
<td><em>US$4 m</em></td>
<td><em>US$4 m</em></td>
<td><em>US$4 m</em></td>
<td><em>US$4 m</em></td>
<td><em>US$4 m</em></td>
<td><em>US$4 m</em></td>
<td><em>US$4 m</em></td>
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<tr>
<td>Areas</td>
<td>Indicator</td>
<td>Baseline</td>
<td>2013 (Year 0)</td>
<td>2014 (Year 1)</td>
<td>2015 (Year 2)</td>
<td>2016 (Year 3)</td>
<td>2017 (Year 4)</td>
<td>Protocol/Verification</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
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<td>---------------</td>
<td>-------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Monitoring and evaluation activities</td>
<td>DLI 3: Monitoring and evaluation surveys conducted as scheduled</td>
<td>Last round of impact evaluation survey in 2009</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2014 - DSHE submit survey reports and proof of corrective action taken based on the respective survey report to the Association</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Last round of validation in 2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2015 - DSHE submit survey reports and proof of corrective action taken based on the respective survey report to the Association</td>
</tr>
<tr>
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<td></td>
<td>Last round of compliance survey in 2010</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>2016 - DSHE submit proof of corrective action taken based on the respective survey report to the Association</td>
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<tr>
<td>DLI Value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>2017 - DSHE submit survey reports and proof of corrective action taken based on the respective survey report to the Association</td>
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<tr>
<td>Submission of achievement report</td>
<td></td>
<td></td>
<td>December 2013</td>
<td>October 2014</td>
<td>October 2015</td>
<td>October 2016</td>
<td>June 2017</td>
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<tr>
<td>Disbursement</td>
<td></td>
<td></td>
<td>February 2014</td>
<td>December 2014</td>
<td>December 2015</td>
<td>December 2016</td>
<td>August 2017</td>
<td></td>
</tr>
<tr>
<td>Number of DLIs</td>
<td>Total: 12</td>
<td></td>
<td></td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>DLI Values (US$ m)</td>
<td>Total US$50m</td>
<td></td>
<td>7m*1=7m</td>
<td>4m*3=12m</td>
<td>4m*3=12m</td>
<td>4m*3=12m</td>
<td>3.5m*2=7m</td>
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</tr>
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APPENDIX

Definitions

1. “Academic Year” means the Recipient’s school academic year commencing in January and ending in December.

2. “Agrani Bank Limited” means the financial institution, established under the Bangladesh Bank’s (Nationalization) Order 1972.

3. “Agrani Bank Limited Participation Agreement” means the Agreement between MOE (as hereinafter defined) and Agrani Bank Limited, referred to in Section I.A.4. of Schedule 2 to this Agreement.


5. “BANBEIS” means Bangladesh Bureau of Educational Information and Statistics, an Apex body established by the Recipient to be in charge of educational information management and coordination, and attached to MOE, or any successor thereto.

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


8. “Co-operation Agreement” means the agreement between the DSHE and a PEI , satisfactory to the Association, specifying the purposes, major activities and expected duties of DSHE and such PEI.

9. “DLI Expenditures” means the reasonable cost, incurred by the Recipient under budget codes acceptable to the Association, of:

(a) incentives (awards) under Part 1.1. of the Project;

(b) stipends under Part 2.2 of the Project; and

(c) Grants under Parts 2.1(b), 3.3 and 3.4 of the Project.
10. "DLI Period" means the calendar period specified in Schedule 4 to this Agreement, during which each DLI Target is set to be achieved.

11. "DLI Target" means the target specified in Schedule 4 to this Agreement set to be achieved by the MOE during the respective DLI Period.

12. "DLI Value" means the amount of the Financing allocated in Schedule 4 to each respective DLI Target.


14. "DPHE Participation Agreement" means the agreement referred to in Section I.A.5.(b) of Schedule 2 to this Agreement.

15. "DSHE" means the Directorate of Secondary and Higher Education, within MOE, or any successor thereto.

16. "Environmental Management Framework" means the Recipient’s Environmental Assessment and Environmental Management Framework of Secondary Education Quality & Access Enhancement Project dated April 7, 2008 and updated on September 24, 2013 duly approved by the Association and referred to in Section I.C.1. of Schedule 2 to this Agreement, which sets forth the principles and procedures, governing, inter alia: (i) screening for eligible activities under the Project; (ii) screening for potential safeguard issues, including the required actions to prepare safeguard documents, including, inter alia: Environmental Management Plans when required; and (iii) and the environmental protection measures, if any, required to be undertaken in order to avoid or mitigate potential adverse environmental impacts; as said framework and any annexes or schedules to such framework, may be revised from time to time with the prior written approval of the Association.

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

18. "Finance Division" means the Finance Division under the MOF responsible for inter alia: economic management, preparation of national budget and expenditure control, or any successor thereto.
19. "FY" means the Fiscal Year of the Recipient commencing from July 1 and ending on June 30 of each year.


21. "Governance and Accountability Action Plan" means the plan prepared by the Recipient and endorsed by the Association, dated October 29, 2013, setting forth actions and measures to be taken by the Recipient to ensure integrity, transparency and accountability in the implementation of the Project and the use of the proceeds of the Financing.

22. "Grants" means collectively grants:

(a) to PEls:

(i) to finance teachers under Part 1.2 (a) of the Project;

(ii) to finance incentives for librarians and teacher coordinators under Part 1.3 (c) of the Project;

(iii) for tuition under Part 2.1 (b) of the Project; and

(iv) for the provision of water and latrines facilities under Part 2.3 (a) of the Project,

(b) to PEls for providing information technology support under Part 3.3 (a) of the Project;

(c) to all PTAs for carrying out social audits under Part 3.3 (b) of the Project, and

(d) to all PTAs for carrying out education awareness and community mobilization activities under Part 3.4 of the Project.

23. "Implementing Agencies" means collectively DSHE, BANBEIS, DPHE, and LGED.


25. "LGED Participation Agreement" means the agreement referred to in Section I.A.5.(a) of Schedule 2 to this Agreement.

26. "MEW" means the Monitoring and Evaluation Wing within DSHE.
27. “MMC” and “Madrasah Management Committee” means each committee at the madrasah level referred to in Part 3.3 of this Project.


29. “MOF” means the Recipient’s Ministry of Finance, and includes any successor thereto.

30. “MOPA” means the Recipient’s Ministry of Public Administration, and includes any successor thereto.

31. “MOU” means the Memorandum of Understanding, between MOE and BANBEIS agreement referred to in Section I.A.5.(c) of Schedule 2 to this Agreement.

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

33. “Original Financing Agreement” means the financing agreement for a Secondary Education Quality and Access Enhancement Project between the Recipient and the Association, dated August 14, 2008 as amended to the date of this Agreement (Credit No 4475-BD).

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

35. “PEI” means a Project educational institution selected by the Recipient, and agreed with the Association, for inclusion in the Project and which have entered into Cooperation Agreements referred to Section I.A.6. of Schedule 2 to this Agreement, and “PEIs” means all such institutions.

36. “PMT” means Proxy Means Testing, a systematic mechanism for targeting the poor.

“Procurement Laws” means collectively, the Recipient’s Public Procurement Act 2006 (Act No. 24 of 2006), Public Procurement Rules 2008 (as amended in August 2009) and Public Procurement Act (1st Amendment) 2009.

“Procurement Plan” means the Recipient’s procurement plan for the Project, dated October 27, 2013 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

“Project Implementation Manual” means all the manuals issued by the Recipient during the implementation of the Original Project and to be updated in accordance with Section I.A.8. of Schedule 2 to this Agreement, for the purpose of carrying out the Project, containing, inter alia, work programs, training programs, implementation time-table, criteria, methods and procedures for the selection and approval of awards and Grants, key performance indicators, and financial, procurement and safeguards compliance methods and procedures, to be used in the implementation of the Project.

“Project Upazilas” means the Upazilas (as hereinafter defined) selected by the Recipient for inclusion in the Project with the concurrence of the Association.

“PTA” means a Parent-Teacher Association.

“Safeguards Assessments and Plans” means any EMP or Tribal People’s Plan or other plan prepared or to be prepared by the Recipient in accordance with the Environmental Management Framework and/or the Social Management Framework and the provisions of Section I.C.2.(a) of Schedule 2 to this Agreement; and “Safeguard Assessments and Plans” means, collectively, all such assessments and plans.

“SEQAEP Unit” means the Project Implementation Unit referred to in Section I.A.3. of Schedule 2 to this Agreement.

“Social Management Framework” means the Recipient’s framework satisfactory to the Association, dated April 7, 2008 and updated on September 24, 2013 duly approved by the Association and referred to in Section I.C.1. of Schedule 2 to this Agreement, which sets forth the principles and procedures, governing, inter alia: (i) screening for eligible activities under the Project, and (ii) screening for potential social issues, including the required actions to prepare safeguard documents, including, inter alia: Tribal Peoples Plans, when required; as said framework and any annexes or schedules to such framework, may be revised from time to time with the prior written approval of the Association.

“SMC” and “School Management Committee” means each committee at the school level referred to in Part 3.3 of this Project.
47. “SSC” means a Secondary School Certificate.


49. “Tribal People” means, for purposes of the Project, the social groups residing or engaged in livelihood activities under the Project from time to time; each of which possesses a distinct social and cultural identity that makes it vulnerable to being disadvantaged in the development process, including the presence in varying degrees of the following characteristics: (i) close attachment to ancestral territories and to the natural resources in these areas; (ii) self-identification and identification by others as members of a distinct cultural group; (iii) a language, often different from the Bangla language; (iv) presence of customary social and political institutions; and (v) primarily subsistence-oriented production.

50. “Tribal People’s Plan” means a plan, acceptable to the Association and prepared on the basis of the Social Management Framework, detailing the specific actions, measures and policies designed to address any impact on Tribal People and facilitate the achievement of the objectives of the Social Management Framework; as said plan and any annexes or schedules to such plan, may be revised from time to time with the prior written approval of the Association.

51. “Upazila” means a sub-district, an administrative unit in the territory of the Recipient.

52. “Training” means training, workshops and study tours conducted in the territory of the Recipient and abroad, including reasonable and necessary incremental expenditures incurred on account of organizing or attending learning and knowledge dissemination events, including, fees for educational institutions; fees and allowances for resource persons; travel, board and lodging for resource persons and trainees; logistics and materials associated with conferences, seminars, workshops, and study tours; and other training costs directly associated with the Project but excluding those provided through consulting services.