

**PROGRAM-FOR-RESULTS INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

Report No: PIDA0118237

Program Name	Transforming Secondary Education for Results Prog
Region	South Asia
Country	Bangladesh
Sector	Public Administration Education, Secondary Education
Lending Instrument	Program for Results
Program ID	P160943
Parent Program ID	--
Borrower(s)	Bangladesh
Implementing Agency	Ministry of Education
Date PID Prepared	May 1, 2017
Estimated Date of Appraisal Completion	May 19, 2017
Estimated Date of Board Approval	July 28, 2017

I. 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 sq.-km. With 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 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 \$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 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, 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. Gender equity was attained at primary and secondary education levels well ahead of the

MDG target for 2015. Similarly, enrolment 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 enrolment 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 laudatory, Bangladesh has more progress to make to be on par with other large middle-income countries.

3. As Bangladesh aspires to move up the value chain and become a middle-income country (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, 2.1 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 under-educated – less than 25% of the 57 million workers in the domestic labor market have secondary education – and 89% 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 investment¹. 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. 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 7th Five Year Plan (2016-2020 Accelerating Growth Empowering Citizens)² and to achieve the Sustainable Development Goals (SDGs). Accordingly, the Government is preparing to implement a five-year secondary education development program (SEDP) focused on results and quality.

II. 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. In the secondary education sector, Bangladesh has pursued a service-delivery strategy that adopted a public-private partnership 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 non-government schools which enroll 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

¹ 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.

² The 7th 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 non-cognitive skills)*.

education. The secondary sub-sector currently supports about 12 million students in grades 6-12 across 20,000 general schools and 10,000 Madrasahs (with more than 2 million students). Government and non-government schools and madrasahs³ receive public funds for teacher salaries (in the form of Monthly Pay Orders MPOs), free textbooks and stipends and tuition to disadvantaged students, particularly female students in rural schools⁴.

5. 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 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 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' enrolment in the sub-sector. Building on the earlier successful secondary education female stipends projects that have helped achieve gender parity at secondary level, the current Bank financed Secondary Education Quality and Access Enhancement Project (SEQAEP: 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. Importantly, SEQAEP has also piloted a number of innovative quality improvement interventions. These include: (i) 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; (ii) provision of additional teachers in English, mathematics and science in 1500 targeted schools; and (iii) 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 project'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 sub-sector's system delivery and efficiency in the absence of a common sector program.

Challenges

6. As a result, despite remarkable achievements in gender parity in secondary education

³ The Program supports Aliyah madrasahs

⁴ In terms of management, MOE provides overall policy guidance and oversight while Directorate of Secondary and Higher Education (DSHE) is the main implementing agency for secondary education sector activities. Zonal, District Education Offices and 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 Boards 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 level. BISE are responsible for conducting SSC and HSC public examinations and granting recognition to non-government secondary schools.

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 non-government providers, subsequent move towards 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.

7. The most pressing challenge in this sub-sector 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 (LASI 2015). There are large differences amongst sub-populations: urban areas do better than rural ones, more disadvantaged 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 Rajshashi), 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 socio-economic groups. According to LASI 2013, while 67% of grade 8 students from the richest decile have grade 8 level competency in Bangla, only 45.3% of students in the lowest decile achieved the adequate competency standards. Stark inequalities in performance exist between tribal and non-tribal groups as well.

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

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

- secondary education is fragmented across programs/projects (i.e. there are multiple uncoordinated quality, access and system enhancing projects) and development partners (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 EMIS data and M&E systems; and
- low levels of public investment in education by international and regional standards⁵, 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.

10. The proposed Bangladesh Transforming Secondary Education for Results (TSER) using the Program-for-Results (PforR) instrument aims to address these challenges through a results-

⁵ Bangladesh's public spending on education has remained relatively stable in the last 10 years, oscillating between 2.2–2.5 percent of the gross domestic product (GDP), while countries like India and Nepal have had ratios ranging from 3.1–4.4 percent and 3.0–4.6 percent, respectively, in the same period.

based operation by focusing on quality improvements and system strengthening.

III. Program Scope

11. The World Bank Operation is clustered around three SEDP results areas under the PforR component (US\$490 million) and a separate Technical Assistance Facility (TAF, US\$20 million) using the Investment Project Financing (IPF) instrument (US\$10 million from IDA and US\$10 million from GFF). The scope of the proposed PforR will be to support the subset of the Government's SEDP program. The Program will cover Grades 6-12, annually supporting more than 12 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 Ministry of Education (MoE) excluding those for higher education (post Grade 12), technical and vocational education and training under the Directorate of Technical Education (DTE) and Bangladesh Technical Education Board (BTEB).

Table 1. PforR Scope

Item	Government Program	Program Supported by WB PforR
Title	Secondary Education Development Program (SEDP)	Transforming Secondary Education for Results (TSER)
Implementation Period	FY2017/18–FY2021/22	FY2017/18–FY2021/22
Geographic scope	Nationwide	Nationwide
Objective	Purpose: A more efficient, equitable and quality secondary education system.	PDO: to improve student outcomes in secondary education and the effectiveness of the secondary education system.
Activities or outputs	<ul style="list-style-type: none"> Covers 6-12 grades (Grade 6-8 junior secondary until it is phased out to basic level) and secondary education (Grades 9-12) in general schools, Madrasahs and school-based technical and vocation institutions. Finances both the revenue and capital expenditures Program Results areas are Improving Quality (curriculum reforms, teacher professional development, teaching-learning in Bangla, English, Mathematics and Science; assessments and examinations reforms; ICT; pre-vocational education; teacher management and accountability; and school management and accountability); Access and Retention (infrastructure; poverty-targeted stipends program; adolescent girls program) and Education management and governance (sector planning, institutional capacity, decentralized management, EMIS, M&E, and fiduciary). 	<ul style="list-style-type: none"> Coverage would be same as the Government's Program Excludes large-scale civil works (including school construction) managed by EED, textbooks production and purchase of ICT assets and equipment requiring ICB. These three categories do not provide any value-added from the World Bank (textbook production has been managed well by the Government), or are managed by agencies outside of Directorate of Secondary and Higher Education (EED in the case of civil works and ICT Division in the case of purchase of ICT equipment)

Financial Management	Uses country system; Expenditures will be pre financed by GoB through treasury system and non development budget; Audit conducted as per OACAG's mandate	Uses Country system; Funds flow to Treasury; Annual Audit Required
Procurement method and approval	Uses country system; PPA/PPR shall apply subject to any exceptions	Uses Country system No prior or post-review required
Program expenditure	US\$18.8 billion	Tentative US\$15.18 billion
Financiers	GOB, World Bank, ADB and other development partners	GOB, World Bank, ADB

12. The Program is clustered around three SEDP results areas: (a) Enhanced quality and relevance 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 Disbursement Linked Indicators (DLIs, table 2).

Table 2. Results Areas and DLIs

Results Area	DLIs
Results Area 1: Enhanced quality of secondary education	<ul style="list-style-type: none"> • Effective and relevant curriculum in place • A national assessment and examination quality assurance system in place • Improved teaching/learning in Bangla, English, Mathematics and Science • Improved teacher management and accountability • Improved secondary level institution management accountability
Results Area 2: Improved equitable access and retention	<ul style="list-style-type: none"> • Enhanced grade retention and cycle completion for disadvantaged students and for girls
Results Area 3: Strengthened governance, and management	<ul style="list-style-type: none"> • Institutional capacity strengthened • Enhanced fiduciary management and Data Systems

13. **The IPF Technical Assistance Facility⁶** (TAF) Component aims to strengthen the capacity of MOE/ Directorate of Secondary and Higher Education (DSHE) and other implementing agencies and provide support facility for achieving the results in the priority areas. TAF arrangement will allow DSHE/MOE greater flexibility and facilitate achievement of results areas by minimizing technical and fiduciary risks. The TAF will be an Investment Project Financing (IPF) Credit for an amount of US\$20 million (US\$10 million from IDA and US\$10 from Global Financing Facility). The TAF will complement the PforR component by supporting the achievement of the DLIs in the three results areas. The 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 SEDP program implementation and help deliver the program results.

IV. Program Development Objective(s)

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

⁶ TAF activities refers to consulting and non-consulting services but also activities such as goods, operational costs, logistics support, training and research activities.

V. Environmental and Social Effects

15. 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.

16. The ESSA concludes that the environmental and social impacts of the Program are Moderate. The Program will invest on 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 (i) 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; (ii) provision of stipends for children from disadvantaged groups and children with special needs; (iii) disabled access friendly toilets/ sanitation facilities. One of the compliance criteria to receive stipends will be remaining unmarried.

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

18. The ESSA suggests that these challenges can be addressed by ensuring that the (i) maintenance policy for civil works is approved by steering committee and published on MOE/DSHE website, and implementation monitored annually; (ii) an integrated environmental systems operational plan is prepared and published; (iii) maintenance of hygiene latrine, sanitation facilities and tubewells incorporated as a compliance criteria for school sanitation facility grant; and (iv) adequate resources for and effective implementation of social and environmental safeguards systems under the Program. 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 2 divisions under the Program.

VI. Financing

19. The planned contribution from the World Bank would be US\$490 million for PforR and ADB US\$225 million. In addition, the World Bank and the Global Financing Facility (GFF) will finance an amount of US\$10 million each towards the IPF TAF component.

Table 3: Financing Plan

Source	Amount (\$ million)	Share of Total (%)
Government	14,215	93.6
IDA Credit (PforR)	490	3.3
ADB loan	225	1.5
Financing gap	250	1.6
Total Program Cost	15,180	100
Technical Assistance Facility	20	

VII. Program Institutional and Implementation Arrangements

20. **The Program will use the government system for implementation, oversight, financial management (FM), procurement, safeguards, monitoring and evaluation (M&E), and reporting arrangements.** The Secondary and Higher Education Division (SHED) at MOE will serve as the executing agency and will have overall responsibility for policy guidance, coordination and oversight for program implementation. A Program Coordination Unit headed by an Additional Secretary will be established under the MOE/SHED, with representatives from the Technical Education and Madrasah Divisions. DSHE is the main implementing agency and will be responsible for overall implementation and coordination of the SEDP activities across the DSHE and other implementing agencies with support from Program Support Unit. The Budget and Finance Committee under the Ministry of Finance (Finance Division) will be established to review quarterly progress on expenditures, disbursements progress on DLIs and ensure adequate resource allocation and timely funds release.

VIII. Contact point

World Bank

Contact : Dilip Parajuli
Title: Senior Economist
Email: dparajuli@worldbank.org

Borrower/Client/Recipient

Contact: Kazi Shofiqul Azam
Title: Secretary, Economic Relations Division
Tel: 9180675
Email: addl-secy2@erd.gov.bd

Implementing Agencies

Contact: Md. Shohrab Hossain
Title: Secretary
Tel: 9576679

Email: info@moedu.gov.bd

IX. For more information contact:

The InfoShop

The World Bank

1818 H Street, NW

Washington, D.C. 20433

Telephone: (202) 458-4500

Fax: (202) 522-1500

Web: <http://www.worldbank.org/infoshop>