Financing Agreement

(College Education Development Project)

between

PEOPLE’S REPUBLIC OF BANGLADESH

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated September 8, 2016
FINANCING AGREEMENT

AGREEMENT dated September 8, 2016, entered into between PEOPLE’S REPUBLIC OF BANGLADESH ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). 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 seventy million six hundred thousand Special Drawing Rights (SDR 70,600,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 May 15 and November 15 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 objective of the Project. To this end, the Recipient shall carry out the Project through its Ministry of Education 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 — EFFECTIVENESS; TERMINATION

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

4.02. 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 V — REPRESENTATIVE; ADDRESSES

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

5.02. The Recipient’s Address is:

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

Facsimile: 880 2 9180671
5.03. The Association’s Address is:

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

Telex: Facsimile:
248423 (MCI) 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: KAZI SHOHIDUL AZAM
Title: Additional Secretary

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]
Authorized Representative

Name: Zahid Hussain
Title: Acting Country Director
SCHEDULE 1

Project Description

The objectives of the Project are to strengthen the strategic planning and management capacity of the college education subsector and to improve the teaching and learning environment of Participating Colleges.

The Project consists of the following parts:

Part 1: Strengthening Strategic Planning and Management Capacity

Strengthening strategic planning and supporting the improvement of government and nongovernment college teachers recruitment and management processes of the college subsector through the financing of Eligible Expenditure Programs.

Part 2: Improving Teaching and Learning Environment in Participating Colleges

Improving the quality and relevance of college education at the institutional level through the financing of Eligible Expenditure Programs.

Part 3: Project Management, Communication, and Monitoring and Evaluation

Provision of support for efficient Project management including: (a) strengthening the Project Management Unit, capacity building and technical assistance necessary for Project implementation, implementation of the Governance and Accountability Action Plan, and communication and information dissemination; and (b) monitoring and evaluation of Project activities including DLI verifications, progress reporting, surveys and studies.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall establish, by no later than August 30, 2016, and thereafter maintain throughout the implementation of the Project, a Project Steering Committee with composition and terms of reference satisfactory to the Association. The Project Steering Committee shall be responsible for providing overall policy and implementation guidance for the Project.

2. The Recipient shall establish, by no later than the earlier of August 30, 2016 or the first date on which a Verification Report shall be required under the Project, and thereafter maintain throughout the implementation of the Project, a Project Management Unit under the direction of qualified management provided with sufficient resources, and staffed with competent personnel in adequate numbers and with qualifications, experience and under terms of reference acceptable to the Association. The PMU shall be responsible for overall coordination and implementation of the Project.

3. The Recipient shall cause the National University to establish, by no later than the earlier of August 30, 2016 or the first date on which a Verification Report shall be required under the Project, and thereafter maintain throughout the implementation of the Project, a Project Implementation Committee under the direction of qualified management provided with sufficient resources, and staffed with competent personnel in adequate numbers and with qualifications, experience and under terms of reference acceptable to the Association. The PIC shall be responsible for overseeing day to day implementation of Project activities.

B. Project Financing and Implementation Manuals

1. The Recipient shall provide at all times throughout the implementation of the Project adequate and sufficient budget, financial and other resources for the implementation of Parts 1 and 2 of the Project.

2. The Recipient shall: (a) adopt, by no later than the earlier of August 30, 2016 or the first date on which a Verification Report shall be required under the Project, a Project Implementation Manual and an IDG Operations Manual, each manual shall be in form and substance satisfactory to the Association; and (b) carry out the Project in accordance with the provisions of the Project Implementation Manual and IDG Operations Manual; and (b) not amend, revise or waive, nor allow to be amended, revised or waived, the provisions of the Project Implementing Manual
and the IDG Operations Manual or any part thereof without the prior written consent of the Association.

3. In the event of any inconsistency between the Project Implementation Manual and/or and the IDG Operations Manual and this Agreement, the provisions of this Agreement shall prevail.

C. 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 of this Part C, the Recipient shall: (a) carry out the Project in accordance with the Governance and Accountability Action Plan; and (b) without limitation on its other reporting obligations under this Agreement, prepare quarterly reports and furnish the same to the Association, as part of the Project Reports, on the status of implementation of the Governance and Accountability Action Plan.

3. In the case of any conflict between the provisions of the Governance and Accountability Action Plan and the provisions of this Agreement, the provisions of this Agreement shall prevail.

D. Safeguards

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Safeguard Frameworks and Safeguard Plans.

2. Whenever an additional or revised Safeguard Plan shall be required for any proposed Project activity in accordance with the provisions of the respective Safeguard Framework, the Recipient shall:

   (a) prior to the commencement of such activity, proceed to have such Safeguard Plan: (i) prepared in accordance with the provisions of the respective Safeguard Framework; (ii) furnished to the Association for review and approval; and (iii) thereafter adopted, disclosed, and implemented 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 Plan.

3. The Recipient shall not amend, abrogate or waive, or permit to be amended, abrogated or waived any Safeguard Framework or Safeguard Plan, 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. The Recipient shall ensure that no land acquisition shall be required or allowed with respect to any Project activity.

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

6. In the event of any conflict between the provisions of any of the Safeguard Frameworks or the Safeguard 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 and set forth in the Project Implementation Manual. Each Project Report shall cover the period of six (6) months and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

2. The Recipient shall: (a) on or about the date thirty (30) months after the Effective Date, prepare and furnish to the Association a mid-term report, in such detail as the Association shall reasonably request, documenting progress achieved in the carrying out of the Project during the period preceding the date of such report, taking into account the monitoring and evaluation activities performed pursuant to paragraph 1 of this Part A, and setting out the measures recommended to ensure the continued efficient carrying out of the Project and the achievement of its objectives during the period following such date; and (b) review with the Association such mid-term report, on or about the date forty-five (45) days after its submission, and thereafter take all measures required to ensure the continued efficient implementation of the Project and the achievement of its objectives, based on the conclusions and recommendations of the mid-term report and the Association’s views on the matter.
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 in 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) Framework Agreements; and (d) Direct Contracting.

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

   (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 (1) 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; (e) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; and (f) 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. Without limitations to the provision to the provisions of Part A.1 above, the Recipient shall make withdrawals for Eligible Expenditure Programs under Parts 1 and 2 of the Project on the basis of results (“Disbursement Linked Results” or “DLRs”) achieved by the Recipient, as measured against specific indicators (“Disbursement Linked Indicators”, or “DLIs”) as described in the Attachment to this Schedule 2.

3. 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:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (exclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Eligible Expenditure Program (&quot;EEP&quot;) under Parts 1 and 2 of the Project</td>
<td>63,550,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, consultants' services, Incremental Operating Costs, and Training under Part 3 of the Project</td>
<td>7,050,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>70,600,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made:

   (a) prior to the date of this Agreement except that withdrawals up to an aggregate amount not to exceed SDR 14,120,000 may be made for payments made prior to this date but on or after July 15, 2015 for Eligible Expenditure Programs; and

   (b) under Category (1) unless and until the Recipient has furnished to the Association evidence, including the relevant Verification Report(s) as satisfactory to the Association that the respective DLR has been fully achieved.

2. Notwithstanding the provisions of Part B.1 of this Section:

   (a) if the Association is not satisfied that any DLR has been fully achieved by the end of the fiscal year corresponding to said DLR, then the Association may, at any time, by notice to the Recipient, decide to: (i) authorize the withdrawal of all or a portion of the unwithdrawn proceeds of the Financing then allocated to said DLR, at such later date (prior to the Closing Date) if and when the Association shall be satisfied, on the basis of evidence acceptable to the Association, that such DLR has been fully achieved; (ii) reallocate all or a portion of the proceeds of the Financing then allocated to such DLR to any other DLR(s); and/or (iii) cancel all or a portion of the proceeds of the Financing then allocated to such DLR; and
(b) with respect to the DLR Period current at the time of any withdrawal, in the event that a DLR for a subsequent DLR Period has been partially or fully achieved in such current DLR Period, the Association, may at any time, by notice to the Recipient, decide to authorize withdrawal of EEPs incurred in such current DLR Period of up to the DLR Value of the subsequent DLR Period achieved during such current DLR Period, and the DLR Value in the subsequent DLR Period shall be correspondingly reduced.

3. Notwithstanding the provisions of Parts B.1 and B.2 of this Section, withdrawals under Category (1) shall not exceed the lesser of: (a) the total DLI Value allocated to each DLR achieved up to the respective DLR Period; and (b) the amount of the EEPs incurred but not paid by the proceeds of the Financing as of the DLR Period for which payment is requested.

4. The Closing Date is June 30, 2022.
## ATTACHMENT TO SCHEDULE 2

### Disbursement Linked Indicators and Disbursement Linked Results

<table>
<thead>
<tr>
<th>Disbursement Linked Indicators</th>
<th>DLR for Year 1 (Effective - Dec 2017)</th>
<th>DLR for Year 2 (Jan – Dec 2018)</th>
<th>DLR for Year 3 (Jan – Dec 2019)</th>
<th>DLR for Year 4 (Jan – Dec 2020)</th>
<th>DLR for Year 5 (Jan – Dec 2021)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DLI 1: development of college sub-Sector strategic plan</td>
<td>(a) MOE has established a national strategic planning committee and six expert groups under the terms of reference acceptable to the Association; and (b) the six expert groups have drafted background studies.</td>
<td>MOE has finalized a draft college sub-sector strategic plan, disclosed on the MoE website for public comments, and carried out consultation workshops.</td>
<td>MOE has: (a) approved the college sub-sector strategic plan; and (b) drafted at least one Development Project Proposal (DPP) in line with the approved college sub-sector strategic plan</td>
<td>ECNEC has approved MOE’s DPP</td>
<td>MOE has implemented the first year activities of the DPP</td>
</tr>
</tbody>
</table>

| DLR Value (in SDR) | 12,708,000.00 | (a) 1,412,000.00 | (b) 1,412,000.00 | (a) 1,412,000.00 | (b) 1,412,000.00 | 2,824,000.00 | 2,824,000.00 | 1,412,000.00 |
| DLI 2: the number of government college teacher vacancies filled | (a) MoE has submitted requisition of at least 2,700 government college teacher positions to the Public Service Commission; and (b) MOE has filled 900 government college teacher vacancies | MOE has filled, cumulatively, 1500 government college teacher vacancies. | MOE has filled, cumulatively, 2700 government college teacher vacancies. | MOE has completed a needs assessment for new teacher posts | |

- **DLI** 1: development of college sub-Sector strategic plan
- **DLI** 2: the number of government college teacher vacancies filled
<table>
<thead>
<tr>
<th>DLR Value (in SDR)</th>
<th>Disbursement Linked Indicators</th>
<th>DLR for Year 1 (Effective - Dec 2017)</th>
<th>DLR for Year 2 (Jan – Dec 2018)</th>
<th>DLR for Year 3 (Jan – Dec 2019)</th>
<th>DLR for Year 4 (Jan – Dec 2020)</th>
<th>DLR for Year 5 (Jan – Dec 2021)</th>
</tr>
</thead>
<tbody>
<tr>
<td>12,708,000.00</td>
<td>DLI 3: Improvement of teacher management system for non-government colleges</td>
<td>(a) 2,824,000.00 (b) 2,824,000.00</td>
<td>2,824,000.00</td>
<td>2,824,000.00</td>
<td>1,412,000.00</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>scalability</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>SDR 1,412,000 for 600 teacher appointed, thereafter SDR 1,412,000 for a set of 600 teachers appointed, up to a maximum of SDR 2,824,000</td>
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<tr>
<td>8,482,000.00</td>
<td></td>
<td>(a) The Recipient has issued a gazette to amend rules of Non-Government Teachers Registration and Certification Authority (NTRCA); and (b) The Recipient has initiated drafting of NTSC Act</td>
<td>2,123,000.00</td>
<td>2,123,000.00</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
## Disbursement Linked Indicators

<table>
<thead>
<tr>
<th>Disbursement Linked Indicators</th>
<th>DLR for Year 1 (Effective - Dec 2017)</th>
<th>DLR for Year 2 (Jan – Dec 2018)</th>
<th>DLR for Year 3 (Jan – Dec 2019)</th>
<th>DLR for Year 4 (Jan – Dec 2020)</th>
<th>DLR for Year 5 (Jan – Dec 2021)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DLI 4: Improved teaching and learning environment in selected government and non-government colleges</td>
<td>(a) MOE has issued an operation manual for the colleges’ competitive funding program; (b) MOE has signed Performance contracts with the selected colleges for round 1 competitive funding in accordance with the operation manual</td>
<td>(a) On average 20% of the allocated budget of the round 1 competitive funding is utilized in accordance with the operation manual, and (b) MOE has signed performance contracts with the selected colleges for round 2 competitive funding in accordance with the operation manual</td>
<td>(i) On average 40% of the total allocated budget of the round 1 &amp; round 2 competitive funding is utilized in accordance with the operation manual</td>
<td>On average 75% of the total allocated budget of the round 1 &amp; round 2 competitive funding is utilized in accordance with the operation manual</td>
<td>On average 90% of the total allocated budget of the round 1 &amp; round 2 competitive funding is utilized in accordance with the operation manual</td>
</tr>
<tr>
<td><strong>DLR Value (in SDR)</strong></td>
<td>15,532,000.00</td>
<td>(a) 1,412,000.00 (b) 2,824,000.00</td>
<td>(a) 1,412,000.00 (b) 1,412,000.00</td>
<td>2,824,000.00</td>
<td>2,824,000.00</td>
</tr>
<tr>
<td><strong>Scalability</strong></td>
<td>against achievement of 30% utilization, thereafter, SDR</td>
<td>SDR 1,412,000 against achievement of 55% utilization, thereafter, SDR</td>
<td>SDR 1,412,000 against achievement of 82% utilization, thereafter, SDR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disbursement Linked Indicators</td>
<td>DLR for Year 1 (Effective - Dec 2017)</td>
<td>DLR for Year 2 (Jan – Dec 2018)</td>
<td>DLR for Year 3 (Jan – Dec 2019)</td>
<td>DLR for Year 4 (Jan – Dec 2020)</td>
<td>DLR for Year 5 (Jan – Dec 2021)</td>
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<tr>
<td>DLI 5: Number of teachers and managers in Honours and Masters colleges trained in subject, pedagogical, and managerial trainings</td>
<td>(a) MOE has signed international partnership agreement with partners for the provision of teacher and manager training; and (b) MOE has completed a need assessment for teachers and managers training</td>
<td>Cumulatively 800 teachers and managers are trained under the partnership</td>
<td>Cumulatively 2,000 teachers and managers are trained under the partnership</td>
<td>Cumulatively 5,000 teachers and managers are trained under the partnership</td>
<td>Cumulatively 8,000 college teachers and managers are trained under the partnership</td>
</tr>
<tr>
<td></td>
<td>1,412,000 for additional 10% utilization up to a maximum of SDR 2,824,000.00</td>
<td>1,412,000 for additional 20% utilization up to a maximum of SDR 2,824,000.00</td>
<td>thereafter, SDR 1,412,000 for additional 8% utilization up to a maximum of SDR 2,824,000.00</td>
<td>1,412,000 for additional 10% utilization up to a maximum of SDR 2,824,000.00</td>
<td></td>
</tr>
<tr>
<td>Disbursement Linked Indicators</td>
<td>DLR for Year 1 (Effective - Dec 2017)</td>
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<td>DLR for Year 5 (Jan – Dec 2021)</td>
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</tr>
<tr>
<td>DLR Value (in SDR)</td>
<td>14,120,000.00</td>
<td>(a) 1,412,000.00</td>
<td>2,824,000.00</td>
<td>2,824,000.00</td>
<td>2,824,000.00</td>
</tr>
<tr>
<td></td>
<td>(b) 1,412,000.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scalability</td>
<td>SDR 1,412,000 for 400 teachers and managers trained, thereafter, SDR 1,412,000 for additional 400 teachers and managers trained, up to a maximum of SDR 2,824,000.00</td>
<td>SDR 1,412,000 for 1,400 teachers and managers cumulatively trained, thereafter, SDR 1,412,000 for additional 600 teachers and managers trained, up to a maximum of SDR 2,824,000.00</td>
<td>SDR 1,412,000 for 3,500 teachers and managers cumulatively trained, thereafter, SDR 1,412,000 for additional 1,500 teachers and managers trained, up to a maximum of SDR 2,824,000.00</td>
<td>SDR 1,412,000 for 6,500 teachers and managers cumulatively trained, thereafter, SDR 1,412,000 for additional 1,500 teachers and managers trained, up to a maximum of SDR 2,824,000.00</td>
<td></td>
</tr>
</tbody>
</table>
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 May 15 and November 15, commencing November 15, 2022, to and including May 15, 2054</td>
<td>1.5625%</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.
APPENDIX

Section I. Definitions


2. "Cabinet of Ministers" means the Recipient's cabinet of ministers, or any successor thereto.

3. "Category" means a category set forth in the table in Section IV.2 of Schedule 2 to this Agreement.


5. "Development Project Proposal" and the acronym "DPP" mean the Recipient's document to be prepared by MoE incorporating, among other things, the budget required for implementing the proposed activities under MoE's college education subsector strategic plan.

6. "Disbursement Linked Indicator" and the acronym "DLI" mean an indicator, referred to in Section IV.A.1 of Schedule 2 to this Agreement and set forth in the table in the Attachment to Schedule 2 to this Agreement, on the basis of which a DLR is to be measured; and "Disbursement Linked Indicators" or "DLIs" means, collectively, more than one, or all said indicators (as the context may require).

7. "Disbursement Linked Result" and the acronym "DLR" mean a result, referred to in Section IV.A.1 and set forth in the table in the Attachment to Schedule 2 to this Agreement, on the basis of the achievement of which a DLR Value may be withdrawn in accordance with the provisions of said Section; and "Disbursement Linked Results" or "DLRs" means, collectively, more than one, or all said results (as the context may require).

8. "DLR Period" means the calendar year specified in the Attachment to Schedule 2 of this Agreement, during which each the respective DLR is set to be achieved

9. "DLR Value" means an amount of the Financing allocated to each DLR, expressed in Dollars, and set forth in the table in the Attachment to Schedule 2 to this Agreement, which may be withdrawn following the achievement of the respective DLR.
10. "ECNEC" means the Recipient’s Executive Committee of the National Economic Council, or any successor thereto.

11. "Eligible Expenditure Program" and the acronym "EEP" mean the salaries required for the implementation of Parts 1 and 2 of the Project and included in the Project’s budget lines consisting of the following items and corresponding budget codes: Salaries-Officers (4501) and Salaries-Establishment (4601), as such corresponding budget codes may be revised from time to time.

12. "Environmental Management Framework" and the acronym "EMF" mean the Recipient’s Environmental Management Framework dated February 4, 2016, which sets forth the principles and procedures, governing, among other things: (a) screening for eligible activities under the Project; (b) screening for potential safeguard issues, including the required actions to prepare safeguard documents, including EMPs when required; and (c) the environmental protection measures, if any, required to be undertaken in order to avoid or mitigate potential adverse environmental impacts; as said framework may be revised from time to time with the prior written consent of the Association; and such term includes any annexes or schedules to such framework.

13. "Environmental Management Plans" and the acronym "EMPs" mean, collectively, the Recipient’s environmental management plans, acceptable to the Association, to be prepared to be prepared in accordance with the provisions of the EMF, in each case setting out mitigation, enhancement, monitoring and institutional measures, including capacity building through training, required to: (a) eliminate adverse environmental impacts of activities to be implemented under the Project; (b) offset them, or reduce them to acceptable levels; (c) enhance any positive impacts thereof; and/or (d) ensure compliance with the Recipient’s statutory environmental requirements; as said plans may be amended and/or supplemented from time to time with the prior written consent of the Association; and “EMP” means any one of such EMPs, individually considered.


15. “Governance and Accountability Action Plan” means the plan agreed between the Association and the Recipient, dated November 22, 2015, setting out the 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.

16. "Incremental Operating Cost" means the reasonable costs required for the day-to-day coordination, administration and supervision of Project activities, including leasing and/or routine repair and maintenance of vehicles, equipment, facilities and office premises, office supplies, utilities, consumables, communication expenses,
translation, printing, photocopying and postal expenses, bank charges, advertising expenses, insurance, costs of clearing, forwarding, inspection, survey and transportation of goods, Project-related meeting expenses, and Project-related travel, providing that payment is made using the banking system; excluding salaries, allowances and honorarium of officials of the Recipient’s civil service and/or other honorarium of any other nature.

17. “Institutional Development Grant” and the acronym “IDG” mean a grant to be provided by the Recipient under Part 1 (a) of the Project in accordance with the provision of the PIM.

18. “IDG Operations Manual” means the Recipient’s manual setting forth policies, rules, procedures, and eligibility criteria for provision of IDGs.


21. “Non-Government Teacher Selection Commission” means a commission to be established for selection of teachers for the non-government educational institutions under Part 1 of the Project.

22. “NTRCA” means the Recipient’s Non-Government Teachers Registration and Certification Authority established and operating pursuant to the Recipient’s Non-Government Teachers Registration and Certification Authority Act 2005.

23. “NTSC Act” means Non-government Teachers Selection Commission Act to be prepared as part of the strengthening of teacher management system under Part 1 of the Project.

24. “Participating Colleges” means the Recipient’s colleges to be selected under the Project for improving teaching and learning environments, in accordance with terms and conditions satisfactory to the Association and set forth in the PIM.


27. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 3, 2016 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.

28. "Project Implementation Committee" and the acronym "PIC" mean the committee to be established by the National University and referred to in Section I.A.3 of Schedule 2 to this Agreement.

29. "Project Implementation Manual" and the acronym "PIM" mean the Recipient’s manual, acceptable to the Association, setting forth the implementation plan, performance indicators, and DLR verification protocol of the Project, as said manual may be revised from time to time with the prior written consent of the Association, and such term includes any annexes or schedules to such manual.

30. "Project Management Unit" and the acronym "PMU" mean the management unit to be established by MoE and referred to in Section I.A.2 of Schedule 2 to this Agreement.

31. "Project Steering Committee" means the steering committee to be established by MoE and referred to in Section I.A.1 of Schedule 2 to this Agreement.

32. "Public Service Commission" means the Recipient’s Public Service Commission, or any successor thereto.

33. "Safeguard Frameworks" mean, collectively, the EMF, SMF and/or SEVCDF, and "Safeguard Framework" means any one of these frameworks individually considered.

34. "Safeguards Plans" means, collectively, the EMPs, SEVCDPs, and/or any additional or revised instrument required to be prepared pursuant to and of the Safeguard Frameworks, and "Safeguard Plan" means any one of such plans individually considered.

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

36. "Small Ethic and Vulnerable Communities Development Framework" and the acronym “SEVCDF” mean the framework dated February 4, 2016, which sets forth
the policies and procedures to ensure that ethnic and vulnerable communities affected by the Project receive culturally appropriate social and economic benefits, and if any potential adverse effects on such communities are identified, measures to ensure their effects are avoided, minimized, mitigated, or compensated, as well as the preparation of SEVCDPs during the implementation of the Project, as said framework may be revised from time to time with the prior written consent of the Association, and such term includes any annexes or schedules to such framework.

37. “Small Ethic and Vulnerable Communities Development Plans” and the acronym “SEVCDPs” mean, collectively, the small ethnic and vulnerable community development plans, to be prepared in accordance with the provisions of the “SEVCDF” in form and substance satisfactory to the Association, setting forth measures designed to ensure that small ethnic and vulnerable communities affected by the Project receive culturally appropriate social and economic benefits, and if any potential adverse effects on such communities are identified, measures to ensure their effects are avoided, minimized, mitigated, or compensated; said plans may be amended from time to time with the prior written consent of the Association; and “SEVDP” means any one of such SEVDPs, individually considered.

38. “Social Management Framework” and the acronym “SMF” mean the Recipient’s Social Management Framework dated February 4, 2016, which sets forth the principles and procedures, governing, inter alia: (a) screening for eligible activities under the Project; (b) screening for potential social issues, including the required actions to prepare safeguard documents, including, inter alia the SEVCDP as per the relevant framework, when required; and (c) and the social safeguard measures, if any, required to be undertaken in order to avoid or mitigate potential adverse social impacts; as said the framework may be revised from time to time with the prior written consent of the Association; and such term includes any annexes or schedules to such framework.

39. “Training” means the reasonable costs required for the participation of personnel involved in training activities, workshops and study tours under the Project which have been approved by the Association in writing on annual basis, including: (a) travel, hotel, and subsistence costs for training, workshop and study tour participants provided that such allowances are paid directly to the eligible recipient using the banking system; (b) costs associated with rental of training and workshop facilities, preparation and reproduction of training and workshop materials, costs of academic degree studies, and other costs directly related to training course, workshop or study tour preparation and implementation, but excluding salaries of civil servants and honorarium of any other nature.

40. “Verification Report” means each report to be provided by the Recipient under terms of reference satisfactory to the Association as evidence that one or more DLRs has been met as required by Section IV.B.1 of Schedule 2 to this Agreement.