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PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF SDR 86.2 MILLION
(US$130 MILLION EQUIVALENT)

TO THE

THE PEOPLE'S REPUBLIC OF BANGLADESH

FOR A

REACHING OUT-OF-SCHOOL CHILDREN PROJECT II

September 4, 2012

Human Development Unit
South Asia Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective July 31, 2012)

Currency Unit	=	Bangladesh Taka (BDT)
US$ 1	=	BDT 81.8
BDT 1	=	US$ 0.0122
US$ 1.508	=	SDR 1

FISCAL YEAR
July 1 – June 30

ABBREVIATIONS AND ACRONYMS

ACF	Award Confirmation forms
AUEO	Assistant Upazila Education Officer
BBS	Bangladesh Bureau of Statistics
BEC	Bid Evaluation Committee
BNFE	Bureau of Non-formal Education
BOM	Bid Opening Minutes
C&AG	Comptroller and Auditor General of Bangladesh
CARTA	Citizen Action for Results, Transparency and Accountability
CAS	Continuous Assessment System
CM	Community Mobilizer
CMC	Center Management Committee
CMU	Country Management Unit
CONTASA	Convertible Taka Account
CPTU	Central Procurement Technical Unit
CQ	Consultant's Qualification
DP	Developing Partner
DPD	Deputy Project Director
DPE	Directorate of Primary Education
DPV	Discounted Present Value
EA	Education Allowance
EIA	English in Action
EMF	Environmental Management Framework
EMIS	Education Management Information System
EMP	Environmental Management Plan
ERP	Education Resource Provider
ESP	Education Service Provider
FAPAD	Foreign Aided Project Audit Directorate
FBS	Fixed Budget Selection
FM	Financial Management
FY	Fiscal year
GAAP	Governance Accountability Action Plan
GDP	Gross Domestic Product
GER	Gross Enrollment Rate
GOB	Government of Bangladesh
GPN	General Procurement Notice

GPS	Government Primary School
GPS	Global Positioning System
HIES	Household Income and Expenditures Survey
HOI	Human Opportunity Index
HSC	Higher Secondary Certificate
HT	Head Teacher
IBRD	International Bank of Reconstruction and Development
ICB	International Competitive Bidding
ICT	Information Communications Technology
IDA	International Development Association
IED	Institute of Educational Development of BRAC University
IER	Institute of Education and Research of Dhaka University
IFR	Interim Financial Report
IRR	Internal rate of return
KPI	Key Performance Indicators
LC	Learning Center
LCS	Least-Cost Selection
LGED	Local Government Engineering Department
M&E	Monitoring and Evaluation
MDG	Millennium Development Goals
MICS	Multiple Indicator Cluster Survey
MIS	Management Information System
MO	Monitoring Officer
MOF	Ministry of Finance
MOPME	Ministry of Primary and Mass Education
MOU	Memorandum of Understanding
MTR	Mid-Term Review
NAPE	National Academy for Primary Education
NCB	National Competitive Bidding
NCTB	National Curriculum and Textbook Board
NEP	National Education Policy
NGO	Non-government organization
NPV	Net present value
OTM	Open Tendering Method
P4R	Program-for-Results
PAD	Project Appraisal Document
PD	Project Director
PDO	Project Development Objectives
PEDP	Primary Education Development Project
PEDP III	Third Primary Education Development Program
PETS	Public Expenditure Tracking Survey
PFP	Procurement Focal Point
PIC	Project Implementation Committee
PO	Partner Organization
PPA	Public Procurement Act
PPR	Public Procurement Plan
PRMP	Procurement Risk Mitigation Plan
PSQL	Primary School Quality Level
QBS	Quality Based Selection
QCBS	Quality- and Cost-Based Selection
QWC	Quality Working Committee
RNGPS	Registered Non-Government Primary School

ROSC	Reaching Out-of-School Children Project
ROSC II	Second Reaching Out-of-School Children Project
ROSCU	Reaching Out-of-School Children Project Unit
RP	Resource Person
RTI	Right To Information
SAN	Statement of Audit Needs
SIL	Specific Investment Lending
SIMF	Social Inclusion and Management Framework
SMS	Short Message Service
SSS	Single Source Selection
TC	Training Coordinator
TCDP	Tribal Children Development Plan
TF	Trust Fund
TOR	Terms of Reference
UCEP	Underprivileged Children's Educational Programs
UEC	Upazila Education Committee
UEO	Upazila Education Officer
UNICEF	United Nations Children's Fund
WFP	World Food Program

Regional Vice President:	Isabel M. Guerrero
Country Director:	Ellen A. Goldstein
Sector Director:	Jesko S. Hentschel
Sector Manager:	Amit Dar
Task Team Leaders:	Subrata S. Dhar & Dilip Parajuli

Bangladesh

Reaching Out-of-School Children Project II

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PAD DATA SHEET

Bangladesh

Reaching Out-of-School Children Project II (P131394)

PROJECT APPRAISAL DOCUMENT

SOUTH ASIA

SASED

Basic Information			
Project ID	Lending Instrument	EA Category	Team Leaders
P131394	Specific Investment Loan	B - Partial Assessment	Subrata S. Dhar & Dilip Parajuli
Project Implementation Start Date		Project Implementation End Date	
01-Jan-2013		31-Dec-2017	
Expected Effectiveness Date		Expected Closing Date	
17-Dec-2012		31-Dec-2017	
Joint IFC			
No			
Sector Manager	Sector Director	Country Director	Regional Vice President
Amit Dar	Jesko S. Hentschel	Ellen A. Goldstein	Isabel M. Guerrero

Borrower: The People's Republic of Bangladesh	
Responsible Agency: Ministry of Primary and Mass Education (MoPME)	
Contact:	Title:
Telephone No.: (880-2) 861-2484	Email: rosc@dhaka.net

Project Financing Data(US$M)				
[ ]	Loan	[ ]	Grant	Terms of Credit: Standard, with 40 years maturity.
[X]	Credit	[ ]	Guarantee	
For Loans/Credits/Others				
Total Project Cost (US$M): 137.50				
Total Bank Financing (US$M): 130.00				

Financing Source	**Amount(US$M)**
BORROWER/RECIPIENT	7.50
International Development Association (IDA)	130.00
Total	137.50

Expected Disbursements (in USD Million)									
Fiscal Year	2013	2014	2015	2016	2017	2018	0000	0000	0000
Annual	10.00	30.00	30.00	25.00	20.00	15.00	0.00	0.00	0.00
Cumulative	10.00	40.00	70.00	95.00	115.00	130.00	0.00	0.00	0.00

Project Development Objective(s)

The key project development objective is to improve equitable access, retention and completion in quality primary education for out-of-school children in selected under-served areas.

Components

Component Name	Cost (USD Millions)
Increasing equitable access	113.5
Enhancing education quality	11.3
Improving project management and capacity	7.7
Establishing effective M&E	5.0

Compliance

Policy

Does the project depart from the CAS in content or in other significant respects?	Yes [ ]	No [X]
Does the project require any waivers of Bank policies?	Yes [ ]	No [X]
Have these been approved by Bank management?	Yes [ ]	No [ ]
Is approval for any policy waiver sought from the Board?	Yes [ ]	No [X]
Does the project meet the Regional criteria for readiness for implementation?	Yes [X]	No [ ]

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	X	
Natural Habitats OP/BP 4.04		X
Forests OP/BP 4.36		X
Pest Management OP 4.09		X
Physical Cultural Resources OP/BP 4.11		X
Indigenous Peoples OP/BP 4.10	X	
Involuntary Resettlement OP/BP 4.12		X
Safety of Dams OP/BP 4.37		X
Projects on International Waterways OP/BP 7.50		X
Projects in Disputed Areas OP/BP 7.60		X

Legal Covenants

Name	Recurrent	Due Date	Frequency
Project Management	X		Yearly

Description of Covenant

The Recipient shall maintain, throughout the period of Project implementation, the Reaching Out-of-School Children Unit, headed by a Project Director and a Deputy Project Director, responsible for the day-to-day implementation of the Project; and the Recipient shall ensure that the Project is carried out in accordance with the Operations Manual, the Governance and Accountability Action Plan (GAAP), the Environmental Management Framework (EMF) and the Social Inclusion and Management Framework (SIMF).

Name	Recurrent	Due Date	Frequency
Learning Center Management	X		Yearly

Description of Covenant

The Recipient shall cause the ROSC Unit to (i) cause the establishment and maintenance, throughout the period of Project implementation, of a Center Management Committee, with terms of reference acceptable to the Association, for each Learning Center; and (ii) enter into an annually renewable Cooperation Agreement with each CMC by January 31 of each academic year under project implementation.

Name	Recurrent	Due Date	Frequency
Provision of Grants, Educational Allowances and Vouchers	X		Quarterly

Description of Covenant

The Recipient shall make Grants to CMCs and provide Educational Allowances and Vouchers to students in accordance with eligibility criteria and procedures acceptable to the Association, and under a Cooperation Agreement with the respective CMC on terms and conditions approved by the Association.

Name	Recurrent	Due Date	Frequency
Monitoring and Evaluation	X		Six monthly

Description of Covenant

The project will maintain a Management Information Systems (MIS) under terms and conditions satisfactory to IDA; will use the MIS for, inter alia, tracking Key Project Indicators, and for monitoring and evaluating the progress of project implementation; and furnish project report, covering one academic semester (six months), at least four weeks before the semi-annual supervision mission.

Name	Recurrent	Due Date	Frequency
Financial Management, Financial Reports and Audits	X		Quarterly

Description of Covenant

The Recipient shall furnish to the Association: (i) within 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; (ii) within 6 months the audited Financial Statements for each fiscal year; and (iii) trimester-wise reconciliation statement by the Disbursement Bank.

Name	Recurrent	Due Date	Frequency
Participation Agreements	X		Yearly

Description of Covenant

The Recipient shall cause ROSCU to deploy, throughout the period of Project implementation, implementing partner agencies for MIS and Monitoring, teacher development and disbursement of Grants, Allowances and Vouchers by entering into participation agreement/service contracts as appropriate set forth under terms and conditions satisfactory to the Association.

Conditions: N.A.

Team Composition

Bank Staff

Name	Title	Specialization	Unit
Subrata S. Dhar	Senior Operations Officer	Team Lead	SASED
Dilip Parajuli	Senior Economist	Team Lead	SASED
Md. Mokhlesur Rahman	Senior Operations Officer	Senior Operations Officer	SASED
Shiva Raj Lohani	Consultant	Education quality	SASED
Seo Yeon Hong	Consultant	Monitoring and Evaluation	SASED
Jay Pascual	Counsel	Country Lawyer	LEGES
Junxue Chu	Sr Finance Officer	Sr Finance Officer	CTRLN
Suraiya Zannath	Sr Financial Management Specialist	Sr Financial Management Specialist	SARFM
Arvind Prasad Mantha	Financial Management Analyst	Financial Management Analyst	SARFM
Marghoob Bin Hussein	Senior Procurement Specialist	Senior Procurement Specialist	SARPS
Ishtiak Siddique	Procurement Specialist	Procurement Specialist	SARPS
Sandra X. Alborta	Program Assistant	Program Assistant	SASHD
Nazma Sultana	Program Assistant	Program Assistant	SASHD
Sabah Moyeen	Social Development Specialist	Social Development Specialist	SASDS
Nadia Sharmin	Consultant	Environmental Specialist	SASDI

Locations

Country	First Administrative Division	Location	Planned	Actual	Comments
Bangladesh	Rajshahi Division	Rajshahi Division	X	X	
Bangladesh	Dhaka Division	Dhaka Division	X	X	
Bangladesh	Chittagong	Chittagong	X	X	
Bangladesh	Khulna Division	Khulna Division	X	X	
Bangladesh	Borishal	Borishal	X	X	
Bangladesh	Sylhet Division	Sylhet Division	X	X	
Bangladesh	Rangpur Division	Rangpur Division	X	X	

Institutional Data				
Sector Board				
Education				
Sectors / Climate Change				
Sector (Maximum 5 and total % must equal 100)				
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Education	Primary education	80		
Education	Pre-vocational Training	5		
Health and other social services	Other social services	15		
Total		100		
☑ I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.				

Themes		
Theme (Maximum 5 and total % must equal 100)		
Major theme	Theme	%
Human development	Education for all	50
Social dev/gender/inclusion	Participation and civic engagement	25
Social dev/gender/inclusion	Gender	25
Total		100

I. STRATEGIC CONTEXT

A. Country Context

1. Bangladesh has made remarkable progress in the last twenty years in term of economic growth and social transformation, accompanied by significant reduction in poverty and enhancement in human development. Gross Domestic Product (GDP) growth rate has averaged around 6 percent annually during the last decade and the growth has largely remained stable. Poverty headcount has declined from 57 percent in the early 1990s to 32 percent in 2010, more than one percentage point a year—that too in the face of some debilitating conditions such as recurrent political imbroglio, fragile governance, and frequent natural calamities. An oft-quoted strength of the country is the resilience of its people and their willingness to move forward amidst many odds. Remittance from the self-initiated unskilled and semi-skilled migrants to other countries, strong growth of the garments industry under private initiatives and community and women's empowerment in rural Bangladesh through the initiatives of the Non-Government Organizations (NGOs) are but a few examples of people's endeavor to build their own destiny. A little supportive environment to help people take charge of their lives has always proved to make a big difference.

2. Human development indicators have also improved significantly. The decline in infant and child mortality rates, from 140 and 95 respectively in 1972 to about 60 and 30 in 2000, was among the fastest in the developing world. Infant mortality has gone down to 51 by 2011. Life expectancy has increased by 10 years between 2000 and 2011. In terms of education, the sector has recorded considerable achievement in expanding educational opportunities at the primary, secondary and tertiary levels. At the primary level, the gross enrollment rate has reached 101 per cent, thanks to all out efforts from the Government of Bangladesh (GOB), NGOs and Development Partners (DPs). The country has also achieved gender parity in both primary and secondary school enrollment, an important Millennium Development Goal (MDG) that Bangladesh has achieved well before 2015. Bangladesh's success in expanding girls' education is used as a model all over the developing world. The pass rates both at primary and secondary levels have gone up substantially over the past five years exerting pressure on the intake capacity of institutions at tertiary level. Although enrollment in tertiary education is still very low (with a GER of 8 percent), compared to even the neighboring countries which lag behind Bangladesh in other social indicators, a significant growth in private provision of tertiary education has effectively removed the bottleneck in expansion of tertiary education.

3. However, the country's full potential is still to be realized. The number of extreme poor in Bangladesh remains at a staggering 35 million. Over half the country is still functionally illiterate. Despite remarkable expansion in access and high gross enrolment rates, achievement is not evenly distributed. Many school-aged children are still out of school, particularly those from poor households and under-served areas. Quality of education at all levels demands serious attention. Completion rates are very low. Barely one out of 10 children entering Grade 1 completes Grade 12. Child malnutrition rates are among the highest in the developing world. Maternal mortality rates, albeit lower than in India, Pakistan and Nepal in the region, remains among the highest in the developing world outside of Sub-Saharan Africa. Continued high rates of under-nutrition among children and mothers will impede further significant reductions in infant, child and maternal mortality.

4. A major potential of the country comes from its demographic dividends—the bulging youth population. However, employment to youth population ratio, as of 2008, was only 56 percent. These

young people, if educated, trained and harnessed properly, would enter the job market—both internal and external—with skills and contribute enormously to the economic growth of the country. Ensuring quality education for them is invariably the starting point.

B. Sectoral and Institutional Context

5. The Government has undertaken a number of targeted interventions, as part of its National Education Policy (NEP, 2010) and its strategy in primary education to ensure hundred per cent enrollment and completion of primary education before 2015. A major intervention of the Government is the Third Primary Education Development Program (PEDP III), a precursor to the Program-for-Results lending instrument. This is a highly innovative sector-wide program co-financed by the Government of Bangladesh and nine Development Partners (DPs) including IDA and the investment introduces a new way of doing business for all DPs engaged in PEDP III, focusing on results and linking disbursements to key achievements in reform areas. Funding modalities are harmonized and built upon strengthening the use of country systems. PEDP III aims to increase the number of children enrolled and completing primary education and to improve the measurement of student learning. PEDP is expected eventually to be a fully comprehensive intervention in primary education. However, it will take time for adequate institutional mechanisms to be fully in place for a comprehensive primary education program. At this stage, it still cannot cater for all primary school age children, particularly the ones who have dropped out and those who never enrolled. On the other hand, the Bureau of Nonformal Education (BNFE) looks after government interventions and coordinates NGO interventions in nonformal education which in aggregate cater for basic education of some 1.9 million children. While finding equivalency of nonformal provision with the formal one has long been an issue, the recent introduction of terminal examinations after Grade 5, the completion of which is a requirement for entry to secondary education has a harmonizing effect in this regard.

6. Despite all these efforts to increase access, a large number of children aged 6-13 remain out of schools in under-served areas. The educational needs of the children in urban slums still remain largely unattended. It is imperative that these children be brought into school and be provided quality education to increase their life opportunities for the Government to achieve its education goals. Therefore, GoB itself has initiated or continued several complementary projects to achieve its strategic goal and encouraged NGOs to complement government initiatives through their own interventions.

7. The Reaching Out-of-School Children (ROSC) Project, launched in 2004, is one such GOB intervention that has played a key role in providing a second chance primary education to out–of-school children in targeted rural upazilas (sub-districts). ROSC project complements the efforts of PEDP in improving access, quality and strengthening education management at all levels. The project builds upon the experiences of both public and NGO provision of education and blends formal education with non-formal means of delivery to the young learners, providing them with an opportunity to complete grade five and transition to secondary education. To date, ROSC has provided "second chance" primary education to more than 780,000 out of school children in 23,000 learning centers. Beneficiary students, 50% of them girls, came from the 90 poorest upazilas of the country. Achievements have exceeded the original targets in terms of enrolment, retention and learning. The pass rate of ROSC students that appeared in the nationally-conducted grade five terminal examinations was 73 percent in 2011, providing ample opportunity to students with primary completion equivalency for a transition to secondary education or vocational skills training programs. Findings from an

independent impact evaluation suggest significant effects of ROSC intervention on enrollments and student learning levels. Women constitute more than 80 percent of all ROSC schoolteachers and close to 90 percent of all center management committee heads were females, together representing significant female empowerment at the local level. Public expenditure tracking survey (PETS) carried out under the project provided evidence that more than 90% of resources were reaching the intended beneficiaries. Moreover, the project Management Information System (MIS) is unique in that it tracks each child from the beginning of enrollment into the ROSC project and keeps records of her/his grade progression. This is complemented by an innovative third party monitoring scheme that involves semi-annual validation of learning centers and their students. Importantly, the project has demonstrated that carefully designed grants and allowances scheme can mobilize communities and NGOs in an accountable and transparent manner so that resources reach the intended beneficiaries.

8. However, much more needs to be done, particularly in the remote upazilas, disaster-prone areas, and urban slums. In 2011, the primary education cycle completion rate was below 60 percent, leaving a significant proportion of children out of school. One out of four children aged 6-12 from the poorest quintile are reported to be not enrolled in school according to HIES (2010) data. Second, the quality of education has been a major concern at all levels of education, including primary education. ROSC faces additional constraints because its mode of program delivery, of necessity, differs from the norms in primary schools in order to cater to specific needs of students (e.g. ROSC students tend to be older than regular primary school students; students from multi-grade backgrounds are taught by a single class teacher; and students and teachers follow a flexible school timing to suit their convenience). Third, since the regular primary education management structure at the field level (Upazila Education Offices) is largely preoccupied with providing support to formal primary schools, it is necessary to enhance implementation capacity by mobilizing communities, NGOs and other partner agencies for operation of ROSC. In order to assess linkages between inputs, processes, outputs and outcomes, it is also important that a robust monitoring and evaluation system be designed and implemented.

9. The current ROSC project was started as a pilot initiative to deliver formal primary education to out-of-school children through non-formal approach. The success of ROSC approach of mobilizing communities and NGOs, and in providing direct grants to communities to operate LCs, and education allowances to attract and retain out of school children has created significant demand for replication in other needy upazilas and other underserved areas. It is also important that such interventions be tested in other underserved areas such as the urban slums. The nonformal approach (community managed and monitored, flexible school hours, etc.) in ROSC is more suited for second chance education (for dropouts as well as never enrolled ones) compared to the conventional approach in PEDP III, already a very large sector supporting some 17 million students. More time is needed to develop implementation modalities and build operational capacities in order to bring all interventions under a comprehensive approach of PEDP. Over time, all ROSC type operations are expected to be mainstreamed into the regular PEDP program.

C. Higher Level Objectives to which the Project Contributes

10. The Project is expected to contribute to enhancing life opportunities for disadvantaged children, bringing them into the productive force for further economic growth of the country and providing them with the tools to combat poverty. This objective is well aligned with country's National Education Policy (2010), Sixth Five Year Plan (2010/11-2014/15) and the Perspective Plan 2021. The project

would contribute to the outcome 3.4 of the Bank's Country Assistance Strategy (CAS): "Improved student learning based on quality education services" under strategic objective 3—improving social service delivery.

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

11. The key project development objective is to improve equitable access, retention and completion in quality primary education for out-of-school children in selected under-served areas.

B. Project Beneficiaries

12. The direct beneficiaries of ROSC II would be 720,000 out-of-school children in 21,700 learning centers from about 148 upazilas. Among these, 260,000 students and 8,400 learning centers (LC) in the ongoing ROSC project in 48 upazilas would continue to be supported. 450,000 out-of-school children and 13,000 LCs would be supported in 100 new upazilas. The selection of these 100 most deprived upazilas is based on the human opportunity index (HOI) which combines the school participation rate among basic school aged children and the distribution of schooling opportunity in each upazilas. In addition, more than 20,000 children would benefit from the urban slum pilot and pre-vocational skills training pilot programs. The project would also directly benefit all teachers and center management committees in these 21,700 LCs.

C. PDO Level Results Indicators

13. The proposed Key Project Indicators (KPIs) are as follows (Details are in **Annex 1**):

Key Performance Indicators

Indicator	Baseline (2012)	End-of-Project Target	Source of Project Data Collection
1. The number of out-of-school children enrolled in Learning Centers	260,000	720,000	ROSCU/MIS-Cell
2. The percentage of female students enrolled*	50%	50%	ROSCU/MIS-Cell
3. The percentage of students from disadvantaged groups	70%	85%	ROSCU/MIS-Cell
4. Average Grade retention rate	60%	71-75%	ROSCU/MIS-Cell
5. Completion rate for LC students*	73%	75%	ROSCU/MIS-Cell
6. Completion of two rounds of systematic student learning assessments*	0	Grade 3 & 5	DPE

*These are core sector indicators

III. PROJECT DESCRIPTION

A. Project Components

14. The ROSC II project, to be implemented from January 1, 2013 to December 31, 2017, would support access to learning opportunity for out-of-school children by providing education allowances to students and grants to Learning Centers. With community management as the fulcrum, buttressed by a

partnership between the government and non-governmental organizations (NGOs), the approach would focus on the establishment of learning centers by community based Center Management Committees (CMC) following a transparent mapping of underserved areas. ROSC II will finance activities to (i) continue supporting students in currently operational ROSC LCs (established in 2010 and 2011 from additional financing) to enable them to complete grade 5; (ii) scale up ROSC operation in 100 new upazilas; and (iii) pilot ROSC intervention in selected urban slums and a pre-vocational skills training scheme for older ROSC students. The proposed project would consist of: (1) increasing equitable access; (2) enhancing education quality; (3) improving project management and capacity; and (4) establishing an effective monitoring and evaluation system (**Annex 2** Detailed Project Description).

Component 1: Increasing Equitable Access

15. The objective of this component is to reduce number of out-of-school children in selected under-served areas through provision of access to formal primary education with Grants to Learning Centers and Education Allowances to eligible students. This component would finance: *(i) Grants and Allowances*, and *(ii) ROSC Pilot in selected urban areas*.

16. Key activities under *Grants and Allowances* include establishment of LCs, operation and managements of LCs by providing grants, and provision of education allowances to students. The activities related to LC establishment include enlistment of Partner Organizations (PO), identification and mobilization of targeted communities, enlistment of LC teachers, formation of CMCs, selection of eligible students, and approval of LC establishment applications meeting agreed criteria and procedures. Once eligible LCs established, LCs are operated and managed by CMCs through grants from the project to finance LC establishment, student uniforms and basic stationery, monthly teacher salary, monthly rental and maintenance of LC venues, and to cover to management costs associated with salary of upazila level training coordinators (TC). The education allowances, intended to attract out-of-school children to enroll in LCs and retain them through the primary cycle, would be provided to the students enrolled in ROSC LCs who meet the following criteria: (i) belonging to disadvantaged households; (ii) aged between 8 and 14 inclusive at the time of initial enrolment; (iii) having a project ID card; (iv) attending 80 percent of classes on average every academic semester; and (v) passing semester exams in respective grades.

17. *ROSC Pilot in selected urban areas* will finance LC type of intervention in urban slums and voucher program for children working as domestic workers (child domestics). The main rationale for including this group of beneficiaries in ROSC pilot is to address the long-standing neglect that the group has had in educational opportunities for decades. The urban slums pilot would support establishment and operation of 100 LCs in 15 selected slums in Dhaka in first two years and additional 200 LCs in other slums based on evaluation of the pilot. The child domestics voucher scheme would initially support 700 child domestics on student education allowance and tuition fees to the schools the students are enrolled, and based on the impact evaluation of the pilot, the program would be considered for expansion. All disbursements (grants, allowances and vouchers) will be processed based on the verified data on LCs and institutes in urban areas and individual students, and remitted through the designated banking system. Technical assistance would be mobilized to design, implement and evaluate pilot schemes.

Component 2: Enhancing Education Quality

18. The objective of this component is to improve retention in and completion of primary education cycle through three sub-components: (i) teacher development, (ii) classroom support, and (iii) pre-vocational skills training pilot for eligible ROSC students. Institute of Education Research (IER) of Dhaka University has been identified to serve as a training agency to support the project on teacher development and classroom support. Activities financed under teacher development sub-component would include initial foundation training, annual refresher training, and subject-based training with focus on English and Mathematics. Quality Working Committee (QWC) would guide and oversee the quality of this sub-component and Training Coordinator (TC) is responsible for coordinating LC teacher training activities in the respective upazila. While the bulk of the teacher development program will be undertaken by the training agency (IER), The National Academy for Primary Education (NAPE) will also play an important role in the training of LC teachers. NAPE representative will provide inputs as appropriate on teacher training modules. Given the full scale engagement of NAPE in PEDP III, NAPE's direct involvement in LC teacher training will be considered after a proper assessment of its capacity and discussion with the actors in PEDP III. Moreover, technical assistance would be provided to complement IER on teacher development program and subject-based training activities.

19. Under *classroom support* sub-component, Assistant Upazila Education Officers (AUEOs), head-teachers (HTs) from nearby government primary school, and upazila TCs would be mobilized to provide academic guidance to LC teachers on the use of subject plans, teaching-learning materials, and continuous student assessments. Government of Bangladesh would continue to provide free NCTB textbooks to ROSC students. Supplementary teaching-learning materials developed and used by different agencies will be identified and arrangements would be made to make the materials available at ROSC LCs.

20. *Pre-vocational skills training pilot* sub-component aims to support ROSC students who have completed at least grade 3 but are aged 15 and above. Under this pilot, the project would provide vouchers to 5,000 eligible students to participate in the existing skills training programs in the country implemented by government and non-government agencies, including the IDA supported Skills and Training Enhancement Project (STEP) and SKT sub-component under the ROSC I which supported UCEP to impart skills training to working children. Technical assistance would be mobilized to design, implement and evaluate the pilot schemes. The voucher would cover student education allowances as well as tuition fees in the training institutes the students are enrolled in. Based on the impact evaluation of the pilot, the program would be considered for expansion.

Component 3: Improving project management and capacity

21. The objectives of this component are to establish an effective project implementation structure and enhance project implementation capacity through mobilization of communities and involvement of capable partner agencies to deliver quality primary education to out-of-school children. This component comprises: (i) *project management and capacity building,* and *(ii) social awareness and advocacy*. The Directorate of Primary Education (DPE) under the Ministry of Primary and Mass Education (MOPME) would continue to implement ROSC II under the similar arrangement as in the current ROSC project. ROSC Steering Committee would oversee overall project implementation, carry out joint annual reviews, and resolve implementation issues. ROSC Unit (ROSCU) will continue to be

responsible for day-to-day implementation of the Project and its capacity would be enhanced with a provision of a Deputy Project Director (DPD). A quality working committee (QWC) would be formed to guide and oversee the quality component of the project. Project implementation committee (PIC), chaired by the Director-General, DPE, and composed of the Director Planning, DPE; Deputy Chief, MOPME; and representatives of the ROSC II MIS Cell, Institute of Education and Research, Sonali Bank Limited, Planning Commission, and IMED, would be responsible for facilitating project implementation and reporting to the Steering Committee on the progress of project implementation. Technical assistance for specialized activities by consulting firms will be also mobilized. Project implementation will also benefit from technical assistance from IDA.

22. At the Upazila level, the Upazila Education Committee (UEC) would continue to support Upazila Education Officer (UEOs) for all upazila level coordination activities. UEO capacity would be enhanced through deployment of Training Coordinator (TC) for training of ROSC LC teachers and coordinating other training activities. AUEOs and HTs would be mobilized in classroom support activities at the field level. ROSCU will implement the proposed ROSC II project with support of partner agencies and mobilization of communities.

23. The capacity building activities under this sub-component would include: (i) in-country training in the areas of management, M&E, educational development, procurement and financial management, and Right to Information (RTI) compliance; (ii) international training to observe and share best practices in relevant education programs; (iii) community-level training to CMCs.

24. The objective of *social awareness and advocacy* sub-component is to increase social awareness to all relevant stakeholders and communities, and build advocacy on key project features including the pilot schemes. Activities to be financed under this sub-component would include: (i) development of communications strategy and implementation plan; (ii) preparation and dissemination of ROSC Operation manual, brochures, posters and audio-visual materials; (iii) central and upazila-level conferences and workshops including horizontal peer learning sessions among upazilas and communities, and community-level meetings; (iv) foundation and refresher training of CMC members; and (v) mobilization of the print and the electronic media (newspapers, TV, online posts).

Component 4: Monitoring and Evaluation

25. The objective of this component is to establish an effective monitoring and evaluation system to monitor inputs, processes and outputs, and assess the impact in relation to the stated project development objectives. This component comprises (a) *monitoring* of inputs, process and outputs, and (b) *evaluation* of ROSC interventions including learning assessment pilots and impact evaluation of specific ROSC interventions. Key *monitoring* activities include: preparation of database (student, teachers, CMCs, LCs, RPs, TCs, CMs, and MOs) by ROSC II MIS-Cell; validation of LCs (student, teacher and LC location) by monitoring officers (MOs); trimester self-reported monitoring forms (ACF) from LCs to UEO/TC; and sample-based monitoring including compliance verification of education criteria and procedures by MOs; public expenditure tracking survey by third party; internal monitoring of LC; and regular management reviews. Use of ICT such as SMS monitoring and data validation through smart phones would be a significant new feature. ICT based programs would benefit from technical assistance from the World Bank.

26. *Evaluation* sub-component comprises learning assessment pilot and impact evaluations of specific ROSC interventions. Learning assessment pilot would administer two rounds of student learning assessments for grades 3 and 5 to support ROSC-type learning assessment system through technical assistance. Impact evaluation aims to assess the impact of ROSC interventions on schooling outcomes. The sub-component would finance: (a) baseline survey to update baseline and target indicators; (b) follow-up surveys to assess the impact on KPIs and other outcome indicators; and (c) impact evaluations of pilot interventions (urban slums, voucher schemes for domestic child labor, pre-vocational skills, and SMS monitoring). These activities will be financed through project funds as well as trust fund resources.

B. Project Financing

Lending Instrument

27. The lending instrument for the proposed project is a Specific Investment Credit (SIL) of $130 million.

Project Cost and Financing

28. The total project cost is estimated to be US$137.5 million. It is expected that IDA would contribute US$130 million (95%) and GOB US$7.5 million (5%). (Table 2 below has cost and financing summary; **Annex 8** has details).

Table 2: Project Cost and Financing Summary (US$ million)

Component	Total Cost	IDA Amount	IDA Share
1. Increasing Equitable Access	113.5	111.8	98%
2. Enhancing Education Quality	11.3	10.6	94%
3. Improving project management and capacity	7.7	4.6	63%
4. Establishing effective M&E	5.0	3.0	62%
Total	**137.5**	**130.0**	**95%**

C. Program Objective and Phases

Not applicable

D. Lessons Learned and Reflected in the Project Design

29. The first ROSC Project, being a pilot intervention, has provided an opportunity to learn many lessons. Blending of formal education with nonformal provision and using a system that seeks synergy among government officials, NGOs and the communities was certainly a challenging task. Besides, putting the communities, which have long remained disempowered, at the center of the whole intervention managing and demanding services from those who have always considered themselves to be the benefactors of these communities churned out many lessons worth reckoning for any similar interventions. Some of the lessons learned are summarized below.

30. **With carefully designed grants and allowances scheme, communities, government and NGOs can effectively join hands to provide educational opportunities to disadvantaged children**

in an accountable and transparent manner. The process of establishing and operationalizing Learning Centers (LCs) has gone through several rounds of refinements over time. One of the main lessons learned is the importance to create ownership of UEOs and Upazila Education Committee (UEC) of the project and involve them effectively in the identification of LC location. Leaving these activities only to local NGOs, who are sometimes politically influential, without adequate government oversight didn't prove effective at the early stage of project implementation. Bringing UEOs and UEC into the picture increased the number of actors with dissimilar stakes and thereby increased local vigilance of LC issues.

31. **The risk of inflating student number can be avoided with appropriate monitoring measures.** There is a potential risk to inflate the number of students in an LC since the resource grants and educational allowances are based on the number of students that are enrolled in the LC. A three-tiered validation system at the beginning, first from the head teacher of the local primary school, then from the upazila education officer and finally from the national NGOs in charge of quality enhancement has been put in place in the current project. It will continue to be so in the proposed ROSC II to offset any risk. A slight modification will be that there will be dedicated Monitoring Officers at upazilas, in place of national NGOs, directly accountable to the Project Director. The student ID profile, coupled with the Management Information System (MIS), uniquely identifies each student in the project system. This not only serves as a useful monitoring tool but also an essential compliance confirmation tool to process and disburse grants and allowances to LCs and their students. Compared to the two disbursement installments in the earlier project, ROSC II will provide three installments of grants and allowances (start-up grants at the beginning of the Academic session, student allowances and other recurrent grants in the middle and before the end of the academic session) to address disbursement needs at the beginning of the academic year. ROSC II project would also explore the possibilities of mobilizing more than one commercial bank and mobile/postal banking options to increase the effectiveness of service delivery.

32. **Multiple systems of checks and balances are important.** With numerous activities taking place at the ground level, it is simply impossible to monitor all of them for their propriety from a central location. Therefore, engaging various stakeholders for monitoring at the local level has been found effective. ROSC II will follow a model of cross-checking activities both from the center and through involving monitoring officers stationed in the upazilas. At the same time, monitoring mechanism will be in place to get feedback from other sources on the ground (e.g., UEOs/AUEOs, UECs, Training Coordinators, etc.). Use of ICT such as SMS monitoring to track confirmation of service delivery or funds disbursement and smart phones for on-site validation of LC and student level data will be introduced as a major monitoring feature. Experience from other countries in the region will be used to design and implement ICT technology.

33. **Quality Enhancement requires focus on proper teacher management (selection), development (training with support from professional agencies) and incentives (salary etc.).** ROSC was started as a pilot project with emphasis on increasing enrolment and access. Two issues have been identified during the course of project cycle: teacher qualifications are generally poor and Education Resource Providers (ERPs) – the national NGOs - have not been able to deploy and mobilize the Master Trainers adequately. In ROSC II, teachers would be recruited from a pre-enlisted pool with appropriate qualifications and incentives would be enhanced to attract and retain them. Moreover, teacher training and support program would be revamped. The project would seek

partnerships with Institute of Education and Research (IER) of Dhaka University and other relevant institutions in this quality enhancement endeavor.

34. **Community-based NGOs, if selected properly, play an important role during initial stage of LC operation until LC management committee is empowered.** Education Service Providers (ESPs) were the local level NGOs that provided management support to communities in establishing and running the LCs. The risks of political interference in selection of these ESPs - observed during the early stage of the first project- have been successfully mitigated through rigorous scrutiny of the selection process at various levels and also by redistribution of responsibilities and period of engagement for NGOs. Experience from ROSC I shows that the dividend from using them to support LCs was marginal after first year. ROSC II will use these lessons to enlist the local partner organizations based on clearly defined criteria and procedure and deploy them for the first year of LC establishment only.

35. **Community awareness about LC operations is crucial.** ROSC sought to empower communities by putting them into the center and making them ask for services they were buying from NGOs. This clearly was a shift away from the traditional relations between the communities and NGOs where NGOs have always thought to have represented the communities. Here, the communities were in charge of their own learning centers and the NGOs were the service providers for a charge and, therefore, accountable to the communities. Challenging as it was, much of the success of the model depended on clear understanding of the communities of the roles of various actors and the power they were expected to exercise in this gamut of activities. Building and sustaining this awareness proves to be a challenge. Building on the experiences of ROSC I, the new project will design a robust communication strategy and will implement it throughout the life of the project.

36. **Impact evaluation is important for assessing pilot programs such as ROSC**. Impact evaluation carried out under ROSC I has shown significant effects of ROSC intervention on enrollments and student learning levels, and additionally provided evidence that more than 90% of resources are reaching the intended beneficiaries. Recognizing the importance of sound impact evaluation and analytical work associated with ROSC type of service delivery, ROSC II proposes to explore the effectiveness of the main ROSC operation in additional rural areas as well new innovations such urban slums pilots, vocational training voucher schemes and the use of ICT monitoring (detailed evaluation methodology in **Annex 1**). The evidence from these evaluations would generate knowledge that could inform future operations in Bangladesh and beyond.

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

37. The Directorate of Primary Education (DPE) under the Ministry of Primary and Mass Education (MOPME) has implemented the first ROSC project. The proposed ROSC II will be implemented under the same arrangement. The ROSC Steering Committee would oversee overall project implementation, carry out annual reviews, and resolve implementation issues. A Project Implementation Committee, chaired by the Director-General, DPE, would be responsible for facilitating project implementation. The ROSC II Unit (ROSCU) will continue to be responsible for day-to-day implementation of the Project and its capacity would be enhanced with a provision of a

Deputy Project Director (DPD). Total number of the staff will be the same as that of the ROSCU for the on-going ROSC project. (**Annex 3** Detailed Implementation Arrangements)

38. ROSCU will implement the ROSC II project with support of partner agencies: Local Government Engineering Department, LGED to serve as ROSC II MIS Cell under a Participation Agreement, Institute of Educational Research (IER) at Dhaka University to serve as a training agency, and Sonali bank for funds disbursement under service contracts. The project will form a Quality Working Committee (QWC) chaired by PD and represented by IER, other relevant agencies and experts to oversee the teacher development sub-component. The data processing and monitoring agency will deploy full-time monitoring officers to support data collection, validation and compliance monitoring activities.

39. Upazila Education Committee (UEC) would continue to support Upazila Education Officer (UEOs) for all upazila level activities. UEO capacity would be enhanced through deployment of Training Coordinator (TC) in each upazila for training of ROSC LC teachers and coordinating other training activities. Assistant Upazila Education Officers (AUEOs) and Head-Teachers (HT) from nearby primary schools would be mobilized in classroom support activities at the field level. The project would enter into an annually renewable cooperation agreement with CMCs. This cooperation agreement would be comprehensive and include roles and responsibilities of CMCs for all project activities, including water and sanitation, inclusion of students from various disadvantaged groups, education allowances and Grants related activities.

40. The Project would be implemented according to an agreed Project Operations Manual and detailed agreed guidelines. Agreed amendments to these manuals and guidelines will be made periodically to incorporate adjustments during project implementation. The Operations Manual will include, *inter alia*, the Governance Accountability Action plan (GAAP), the Environmental Management Framework (EMF) and the Social Inclusion and Management Framework (SIMF).

B. Results Monitoring and Evaluation

41. The proposed project monitoring and evaluation will build on the current project experience to strengthen data collection, validation and utilization. The project monitoring system aims to track project inputs (students, teachers, Grants and Allowances, and instructional materials), processes (compliance to agreed criteria and procedures of project activities and disbursements) and outputs (teacher training, grade progression, learning levels). (Detailed arrangements in **Annex 1**).

42. Key monitoring activities include: (a) preparation of database (student, teachers, CMCs, LCs, RPs, TCs, CMs, MOs); (b) validation of LCs (student, teacher and LC venue) for first year of LC establishment; (c) trimester-wise self-reported monitoring forms from LCs to UEO/TC who would certify the forms and send to ROSC II MIS Cell for ACF processing; (d) sample-based monitoring including compliance verification of education criteria and procedures (33% of LCs each trimester and covering all LCs every year); (e) public expenditure tracking survey (PETS); (f) internal monitoring of LCs based on classroom visits by ROSCU staff, consultants, training agency, AEUOs, and HTs; and (g) regular management reviews (participation agreement and service contracts with partners, implementation support missions including Mid-Term Review, financial, procurement and safeguards reviews). There are five major actors in this arrangement: (i) Monitoring Officers (MOs); (ii) data

processing and monitoring agency (ROSC II MIS Cell at LGED); (iii) SMS monitoring Unit under MIS Cell; (iv) ROSCU; and (v) independent evaluation survey firm and learning assessment agency.

43. The ROSCU would utilize monitoring data provided by MOs and ROSC II MIS Cell for the results-based planning and implementation. Monitoring reports would be used to take appropriate actions on the identified issues. In addition, ROSCU would prepare and disseminate LC report cards through ROSCU web site and local education officials to each LC. LCs, CMCs and parents would make informed education decisions based on LC report cards.

44. Key evaluation activities include: (a) baseline survey for the planned impact evaluation activities; (b) follow-up surveys to assess the impact on KPIs and other outcome indicators; (c) impact evaluations of pilot interventions (urban slums, voucher schemes for domestic child labor, pre-vocation skills, SMS monitoring); and (d) piloting of DPE learning assessment system for ROSC students to administer two rounds of assessments for grades 3 and 5. These activities will be financed through project funds as well as trust fund resources. Impact evaluation methodology is elaborated in **Annex 1.**

C. Sustainability

45. ROSC II sustainability would depend on five main factors: political ownership, institutional capacity, technical design, financial commitment and community demand.

a. The ownership of the implementation agency has been instrumental in making ROSC one of the most successful projects implemented by the Government of Bangladesh. Because of the nature of the ROSC intervention in reaching out to out-of-school children from the most marginalized communities, the commitment from the government is likely to continue.
b. The Directorate of Primary Education (DPE) under the Ministry of Primary and Mass Education (MOPME) has implemented the first ROSC project. In view of the success of the first project and in line with the strategic goal in primary education, the Government has proposed to implement ROSC II under the similar arrangement. Maintaining continuity in core staffing and the willingness to mobilize implementing partners (NGOs, consulting firms or other government agencies) should help with institutional sustainability. Moreover, a study would be carried out, financed by grant resources, to assess the capacity of the Bureau of Non-Formal Education to implement ROSC-type operations in the future.

c. In terms of technical design, the community-centered approach with partnership between the government and NGOs would need to be continued in the project. Community mobilization before the establishment of LCs and the subsequent empowerment of these communities to operate the LCs will be the key features.

d. The government's mainstream primary education program PEDP-3 financing framework of allocating at least 1.3% of GDP to primary education is expected to include ROSC-like interventions in its budgetary and institutional framework in future, and both the government and development partners including the World Bank are likely to commit financial support as necessary. ROSC type intervention is eventually to be merged within the Primary Education Development Program (PEDP), a sector-wide program, which is expected to be fully comprehensive in future. The Government is fully committed to supporting primary education

system, under a single system, through PEDP when all its institutional mechanisms to support a comprehensive sector-wide program will be in place. The Government is working toward that goal under PEDP.

e. The success of ROSC approach of mobilizing communities and NGOs, and in providing direct grants to communities to operate LCs, and education allowances to attract and retain out-of-school children has created significant demand for replication in other needy upazilas and other underserved areas including urban slums. The government is responding to this popular demand through ROSC II and will continue to do so as evident from support for ROSC from successive governments.

V. KEY RISKS AND MITIGATION MEASURES

A. Risk Ratings Summary Table

Stakeholder Risk	**Low**
Implementing Agency Risk	
- Capacity	**Substantial**
- Governance	**Substantial**
Project Risk	
- Design	**Moderate**
- Social and Environmental	**Moderate**
- Program and Donor	**Low**
- Delivery Monitoring and Sustainability	**Moderate**
Overall Implementation Risk	**Moderate**

B. Overall Risk Rating Explanation

46. Primary stakeholders in the project are communities, supporting NGOs, the Government and development partners. With time and conscious effort, the synergy between the communities, the Government and NGOs has been achieved under ROSC, leading to significant ownership and commitment from all sides. ROSC II will continue with this time-tested approach and therefore the stakeholder risk is considered to be low. While the current ROSC management has been steady with support from the ministry, implementation agency risk remains substantial given potential risks on limited overall capacity, high staff turnovers and placement of ineffectual project directors. Governance risk associated with political interference in selection of NGOs, which was observed during the early stage of the first project, was successfully mitigated through rigorous scrutiny of the selection process at various levels and also by redistribution of responsibilities and period of engagement for NGOs. Fraud and Corruption risks on the other hand remain substantial, in view of a project design that will deliver resource grants to a large number of Learning Centers and students, with the potential for misuse of the grants and misrepresentation of the data. Mitigation measures for this risk are described in Governance and Accountability Action Plan (GAAP) in Annex 6. In terms of

project design, the main risks are associated with the scaled-up operation in rural areas. The readiness of the implementing agency to complete all preparatory activities (such as community mobilization, training of teachers and establishment of Learning Centers on time) and forge partnership with specialized and experienced agencies on areas of teacher quality enhancement, urban slums and vocational skills pilot schemes, and ICT monitoring are important issues. However, the Government is fully convinced of the necessity to scale it up to meet its educational goals which has led to its commitment evident in all its iterations over the past year. Besides, they have partnered with external agencies and NGOs also in the First ROSC Project. Given this, the risk is moderate. Social and environmental safeguard risks are moderate since potential impacts from these areas are limited due to the nature of project interventions. Program and donor risks are low given the fact only IDA will directly deal with the Government and IDA and the Government have built a strong partnership over the years. This partnership is expected to continue in future as well. Project interventions, including service delivery and monitoring activities, are highly decentralized. The project relies on support from implementing partners and mobilization of communities. Community empowerment is expected to be even more institutionalized under ROSC II due to various measures being undertaken and also because of gradual acceptance of the modality of ROSC delivery. ROSC II would use a number of ICT monitoring and service delivery mechanism to enhance project implementation and achievement towards project objectives and results. Based on the foregoing, overall risk rating is moderate.

VI. APPRAISAL SUMMARY

A. Economic and Financial Analyses

47. The economic analysis presents assessment of benefits and costs associated with the Bangladesh ROSC II program. Benefits are taken to be those changes in the quantity, quality and reduction in internal inefficiency of education produced over the period as a result of ROSC II. Similarly, costs include project costs and private costs that comprise direct household outlays as well as opportunity costs for schooling. The main sources of data used in the analysis come from ROSC-I MIS, HIES 2010 and the Project Documents of ROSC II. The economic analysis focuses on the five-year program (2013-2017) and the benefit and cost streams over 20 years.

48. Benefits are from three sources: (i) improved access to primary education resulting in increased number of primary school completers who earn higher wages (US$ 87 per person per annum); (ii) increased quality and relevance of education through more learning resulting in higher productivity and earnings for all primary school completers and pre-vocational training participants (3-6% wage premium); and (iii) progress in internal efficiency through reduced dropouts and repetitions resulting in decreased wastage of public and private resources (0.5 reduced year in primary completion cycle).

49. ROSC II project costs are estimated based on the projected total number of students in ROSC II, teacher development and classroom support programs, and monitoring and evaluation cost estimates (per student cost US$58). Per student private household cost is about US$4 in 2010 as estimated using HIES 2010 data and projected for future years. From the same data, opportunity cost (forgone earnings) per student per year while attending school is estimated to be US$21 per student age 6-12 year old in 2010.

50. Based on a discount rate of 12 percent for the benefit and cost streams over 20 years, the present discounted value of benefits for the base-case scenario is estimated to be $347 million while the present discounted value of costs is estimated to be $161 million, and therefore the net present value (NPV) of program benefits is $187 million. The internal rate of return (IRR) associated with this NPV is 23 percent. A large part of the benefits accrues from wage-premium for ROSC II primary school completers.

B. Technical

51. The proposed ROSC II would largely follow the current ROSC approach in which project provides access to learning opportunity for out-of-school children by using demand-side financing (grants to LCs and allowances to students), supporting management of LCs by the community, and a public/private partnership in implementation (community, Government and NGOs). A ROSC Learning Center is established and operated by a functional Center Management Committee (CMC) directly accountable to parents and students, as well as MOPME, with support from upazila education officers (UEO) and non-government organizations as implementation partners. Operational program delivery differs from the norms in primary schools in order to cater to specific needs of students (e.g. ROSC students tend to be older than regular primary school students; students from multi grade/age backgrounds are taught by a single class teacher; and students and teachers follow a flexible school timing to suit their mutual needs). The current project has shown that with carefully designed grants and allowances scheme, communities and NGOs can mobilize resources in an accountable and transparent manner.

52. In addition, ROSC II would feature a number of new ideas: increased focus on quality of learning through incentive-based teacher development and support program, and a number of pilot schemes to extend ROSC-type intervention in selected urban slums, vocational skills training vouchers to older ROSC students, and the use of ICT such as mobile phones for funds disbursement as well as monitoring of service delivery at the beneficiary level. The proposed project would continue to build on ROSC approach with refinements in implementation partnerships as necessary to mitigate risks associated with new features. The new ideas have all been derived from experiences both in Bangladesh and in other countries in Asia with successful track records.

C. Financial Management

53. The Financial Management assessment was carried out in accordance with the Financial Management Manual for IDA financed investment operations issued by the Financial Management Sector Board on March 01, 2010. The objective of this assessment was to determine whether the implementing agency DPE under MOPME which is responsible for the overall implementation, management and monitoring of the Project has adequate financial management capacity in place to execute this Project. The financial management arrangements for this Project will mostly follow the existing Government policy and procedures, and will benefit from the institutional arrangements that were established under the original ROSC project. As per design, the project delivers resource grants and allowances to a large number of Learning Centers and students, and thus FM risk is '**substantial' before mitigation**. Based on the assessment, the actions to improve FM capacity have been agreed with the implementing agency. The assessments concluded that, with implementation of these actions, the proposed FM arrangements will satisfy IDA's minimum requirement as established in OP/BP

10.02. Taking into account the risk mitigation measures, the **residual FM risk** of this project is assessed as **'moderate'** post risk mitigation (details for FM arrangements are in **Annex 3**.)

D. Procurement

54. The procurement capacity assessment, carried out by the Bank in June-July 2012, notes that ROSCU has shortage of staff with procurement knowledge causing delays in procurement process and that project is not immune to systemic issues affecting procurement efficiency and performance. In addition to adequate staffing for procurement needs, emphasis also needs to be laid on areas of internal control, documentation, information dissemination, administration of contract including delivery follow up, payments, handling complaints etc. The project is rated as "Substantial Risk" from procurement operation and contract administration viewpoint. In order to minimize procurement associated risks, the following measures have been agreed upon with the Government: *Identification of procurement focal points (PFP), deployment of national procurement consultant, use of Bid Evaluation Committee (BEC), establishing of a functional webpage for ROSCU with procurement related information accessible to the public, and establishing of a system for handling complaints.* (Details are in **Annex 3** procurement section).

E. Social (including Safeguards)

55. The social assessment carried out in June/July 2012 indicated that OP 4.12 Involuntary Resettlement is not triggered for this project since no private land acquisition or displacement of people from public lands or any adverse impacts on livelihoods is anticipated due to the project activities. Existing public spaces or private spaces will be rented for the establishment of the new learning centers. However, OP 4.10 Indigenous Peoples is triggered because the project targets the disadvantaged groups including children from tribes, minor races, and ethnic sects (tribal groups). The project plans to track beneficiaries by tribal groups, gender and vulnerability. The Social Inclusion and Management Framework (SIMF) has been prepared and publicly disclosed. Project implementation would follow the guidance in the SIMF.

F. Environment (including Safeguards)

56. The environmental assessment carried out by the Bank showed that project will not finance any new construction/renovation of LCs. LCs will be housed in a rental room under a contractual agreement with house owner for specific period of time. The project is not expected to create any significant or long-term adverse environmental impact if adequate attention is given during the LC site selection and operations phase to assess and mitigate risks. However, special attention will be required to ensure safe drinking water supply, acceptable sanitation facilities for girls and boys, and drainage facility at the schools. The implementing agency has prepared and disclosed an Environmental Management Framework (EMF) for the proposed program. The EMF has addressed a number of issues for mitigation and monitoring arrangements, and has explained the involvement of Community Management Committee, NGOs and teachers in the process of LC selection, screening/assessment procedure, standard mitigation and operational health & safety measures.

G. Other Safeguards Policies Triggered

None

Annex 1: Results Framework and Monitoring

Bangladesh: Reaching Out-of-School Children Project II

Project Development Objective (PDO): The key project development objective is to improve equitable access, retention and completion in quality primary education in selected under-served areas.

PDO Level Results Indicators	Core	Unit of Measure	Baseline (ROSC1)	Cumulative Target Values**					Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (indicator definition etc.)
				YR 1	YR 2	YR3	YR4	YR5				
Indicator One: Beneficiaries: Number of out-of-school children enrolled in LCs	☐	Number	260,000	440,000	720,000	720,000	720,000	720,000	Once a year (April)	Student Database/ MOs	ROSCU/ MIS-Cell	Number of out-of-school children enrolled in LCs (cumulative)
Indicator Two: Percentage of female students enrolled in LC	☒	Percentage of female students	50%	50%	50%	50%	50%	50%	Once a year (April)	Student Database/ MOs	ROSCU/ MIS-Cell	Number of female students divided by total students enrolled in LCs.
Indicator Three: Percentage of disadvantaged students*	☐	Percentage	70%	77%	85%	85%	85%	85%	Once a year (April)	Student Database/ MOs	ROSCU/ MIS-Cell	Number of LC students from disadvantaged group divided by total number of LC students
Indicator Four: Average Grade retention rate	☐	Percentage	60%	62%	62-64%	64-67%	67-71%	71-75%	Once a year (April)	Student Database/MOs	ROSCU/ MIS-Cell	Percentage of students retained in next grade (average across grades 2-5).
Indicator Five: Completion rate for LC students	☒	Percentage	73 %	73%	74%	-	75%	75%	Once a year (April)	Student Database/MOs, TCs, UEOs	Teachers and TCs/ ROSCU/ MIS-Cell	Number of students passing grade 5 terminal exam divided by total number students appearing in the exams
Indicator Six: Completion of systematic student learning assessment	☒	Yes/No	No		Yes (Grade 5)		Yes (Grade 3 and 5)		Second Semester of 2014 and 2016	DPE/ Learning Assessment Survey Firm	DPE/ Survey Firm	Independent student learning assessment for Bangla, English, and Mathematics

PDO Level Results Indicators	Core	Unit of Measure	Baseline (ROSC1)	Cumulative Target Values**					Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (indicator definition etc.)
				YR 1	YR 2	YR3	YR4	YR5				
INTERMEDIATE RESULTS												
Intermediate Result (Component One): Access												
Number of LCs supported	☐	Number	8,400	13,500	21,500	21,700	21,700	21,700	Once a year (April)	LC Database/ MOs	ROSCU/ MIS-Cell	Includes currently operating LCs under ROSC I and newly established under ROSC II.
Student attendance rate	☐	Percentage	75%	77%	79%	81%	83%	85%	Once a year (April)	Student Database/MOs	ROSCU/ MIS-Cell	
Percentage of LC venues equipped with water/sanitation facility	☐	Number	50%	65%	70%	75%	80%	80%	Once a year (April)	LC Database/MOs	ROSCU/ MIS-Cell	
Number of students in urban slum pilots	☐	Number	-	4,200	4,200	12,000	12,000	12,000	Once a year (April)	Student Database/MOs	ROSCU/ MIS-Cell	Number of students enrolled in urban slum LCs plus number of vouchers utilized by domestic child labor
Intermediate Result (Component Two): Quality												
Number of teachers trained under the project	☐	Number	-	13,500	21,500	21,700	21,700	21,700	Once a year (April)	Teacher Database/ TCs&MOs	ROSCU/ MIS-Cell/IER	Number of teachers benefiting from foundation or refreshers training
Teacher Attendance Rate	☐	Percentage	70%	75%	80%	85%	85%	85%	Once a year (April)	Sample based monitoring/SMS monitoring	ROSCU/MIS-Cell	
Grade 5 terminal exam appearance rate	☐	Percentage	45%	50%	53-56%	56-59%	59-62%	62-65%	Once a year (April)	Student Database/ MOs	ROSCU/MIS-Cell	Number of grade 5 students appeared in terminal exam divided by total number of grade 5 enrollees
Percentage of LC received classroom support	☐	Percentage	60%	65%	70%	75%	75%	75%	Once a year (April)	Sample based monitoring	ROSCU/ MIS-Cell	

PDO Level Results Indicators	Core	Unit of Measure	Baseline (ROSC1)	Cumulative Target Values**					Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (indicator definition etc.)
				YR 1	YR 2	YR3	YR4	YR5				
Percentage of LC students transit to secondary school (grade 5 to grade6)	☐	Percentage	60%	62%	64%	67%	71%	75%	Once a year (April)	Student Database/ MOs	ROSCU/ MIS-Cell	Grade 6 enrollees divided grade 5 terminal exam passes
Number of skills training voucher utilized	☐	Number	-	5,000	10,000	15,000	20,000	25,000	Once a year (April)	Student Database/ MOs	ROSCU/ MIS-Cell	Cumulative
Intermediate Result (Component Three): Management												
Percentage of LCs receiving Grants/allowances within a month of schedule	☐	Percentage	-	70%	75%	80%	85%	90%	Trimester/ Semester	SMS Monitoring	ROSCU/ MIS Cell	Within one month of disbursement schedule
Number of CMC Members trained	☐	Number	-	54,000	86,000	86,000	86,000	86,000	Once a year (April)	CMC Database/MOs	ROSCU/ MIS-Cell	
LC Report Card is disseminated on website and at LC level	☐	Yes/NO	-	Yes	Yes	Yes	Yes	Yes	March, July, and Nov	Project Progress Report	ROSCU/ MIS-Cell	Dissemination of LC Report Card on website and at LC
Intermediate Result (Component Four): Monitoring and Evaluation												
Number of LCs utilized SMS Monitoring	☐	Number	-	400	400	17,000	17,000	17,000	Once a year	SMS Monitoring Agency	ROSCU	Total number of LCs used SMS monitoring
Number of Monitoring Reports	☐	Number	4	5	5	5	5	5	Trimester/ Semester	MIS Database/Sample monitoring	MIS Cell/ ROSCU	Three sample based monitoring reports and semiannual statistic reports
Number of LCs utilized Smartphone Validation	☐	Number	-	13,500	21,500	21,700	21,700	21,700	Once a year	MOs	ROSCU	Total number of LCs used smart phone validation
Number of Impact Evaluation Studies	☐	Number	1 baseline report	3 baseline reports	4 follow-up reports	-	4 follow-up reports	-	Twice	Independent evaluation agency	ROSCU	Total Number of Reports from Impact Evaluation Studies
Public Expenditure Tracking Surveys	☐	Yes/No	Yes	-	-	Yes	-	-	Once	Independent evaluation agency	ROSCU	

Note: Disadvantaged student is required to meet at least one of the following criteria; i) parents with less than primary completion education; ii) parents working as daily laborers; iii) from a landless (no land or land less than 0.5 acre) household; iv) from hill tract areas; v) from tribes, minor races and ethnic sects; and vi) from a distressed female headed household (widowed or divorced), a disabled or orphaned child.

Arrangements for Monitoring of Input, Process, and Output

1. The project monitoring system aims to track project inputs (students, teachers, Grants and Allowances, and instructional materials), processes (compliance to agreed criteria and procedures of project activities and disbursements) and outputs (teacher training, grade progression, learning levels).

2. Key monitoring activities include: (a) preparation of database (student, teachers, CMCs, LCs, RPs, TCs, CMs, MOs); (b) validation of LCs (student, teacher and LC venue) for first year of LC establishment; (c) trimester-wise self-reported monitoring forms from LCs to UEO/TC who would certify the forms and send to ROSC II MIS Cell for ACF processing; (d) sample-based monitoring exercises including compliance verification of education criteria and procedures (33% of LCs each trimester and covering all LCs every year); (e) public expenditure tracking survey (PETS); (f) internal monitoring of LCs based on classroom visits by ROSCU staff, consultants, training agency, AEUOs, and HTs; and (g) regular management reviews (participation agreement and service contracts with partners, implementation support missions including Mid-Term Review, financial, procurement and safeguards reviews). There will be five major actors in this arrangement: (i) Monitoring Officers (MOs); (ii) data processing and monitoring agency (LGED ROSC II MIS Cell); (iii) SMS monitoring Unit under MIS Cell; (iv) ROSCU; and (v) independent evaluation survey firm and learning assessment agency.

3. Monitoring Officers (MOs) will visit LCs to validate self-reported forms submitted by CMCs (100 % LC validation in the initial year of LC establishment), verify process compliance based on a sample based monitoring (33% each trimester to cover all LCs in every year), and facilitate other monitoring activities. MOs will use smartphone to transfer the validated LC data and the compliance checklist (detailed in operation manual) along with GPS coordinates to ROSC II MIS Cell via wireless Internet. GPS-equipped smartphone will ensure that the monitoring officers in fact visited the LCs and validated the data. The use of ICT is expected to provide two key benefits: to mitigate risks associated with potential falsification of data on self-reported forms, and to enable faster processing of award confirmation forms (ACF) to disburse the funds.

4. ROSC II MIS Cell at LGED will process and maintain database (students/parents, teachers, LCs, CMCs, RPs, TCs, CMs, and MOs). Each database includes the socio-demographic information (age, gender, parents education, contact information, residence, LC venue and LC GPS coordinates), performance (student attendance and score, skill assessment, teacher attendance, teacher performance in teacher training session, teacher performance during classroom visit by TCs and HTs), and tracking of individual students and other beneficiaries during the entire project period.

5. SMS monitoring would entail the project sending SMS (Short Message Service) to all LCs (teachers and sample of parents) within two weeks of sending the funds via Sonali Bank and LCs returning the SMS to the project confirming whether and when funds were received. Other areas of service delivery can include confirmation of instructional material distribution and management support services from local NGOs. Teacher attendance will be monitored via SMS monitoring. SMS monitoring would also be used to communicate relevant project activities/schedules/directives to LCs. A checklist for SMS monitoring would be included in the Operations Manual. This would involve the project sending SMS to the head of learning center management committee (CMC) on a random basis

and CMC head returning the SMS to the project on whether the LC class took place on that particular day.

6. The ROSCU would utilize monitoring data provided by MOs and ROSC II MIS Cell for the results-based planning and implementation. Monitoring reports would be used to take appropriate actions on the identified issues. In addition, ROSCU would prepare and disseminate LC report cards through ROSCU web site and local education officials to each LC. LCs, CMCs and parents would make informed education decisions based on LC report cards.

7. Independent agencies will carry out baseline and follow-up surveys to measure the effectiveness and impact of project interventions; and to administer student learning assessment tests.

Impact Evaluation Methodology

8. There are four service delivery interventions and one monitoring intervention to be evaluated under ROSC II. The first two include establishment and operation of learning centers in the targeted communities in the 100 rural upazilas and selected urban slums in Dhaka metropolitan area. The second two interventions comprise voucher schemes financing education allowance and school tuition for child domestics to enroll in nearby primary schools and for older ROSC children to enroll in pre-vocational training institutes. The monitoring intervention is the use of SMS technology in monitoring of disbursement of grants and allowances and teacher attendance.

9. Specific evaluation questions would include: (i) whether the community based learning center intervention in under-served rural areas and urban slums is an effective tool to raise school participation, retention, primary completion and transition to secondary school; ii) whether the school voucher program for the child domestics has impacts on their school participation and improvement of basic cognitive skills (e.g., literacy and numeracy); and iii) whether the pre-vocational skill training program improves the job placement of participating students.

10. Individual intervention will have its own specific evaluation design: i) randomized phase-in design at the community level for LC intervention in rural undeserved area; ii) randomization at slum level for LC intervention pilot in urban slums; iii) randomization at child level for child domestics pilot program; and iv) randomization at LC level for skill training voucher pilot and SMS monitoring pilot.

11. The design and the implementation of impact evaluation activities will be supported by technical assistance from specialized agencies and other trust fund resources. Independent survey firm with a solid track record would be deployed to carry out the baseline and follow-up surveys. This requires the services of a survey firm with considerable experience in conducting panel surveys – longitudinal surveys of the same set of children, households, communities, and schools. The panel data will be essential for conducting the impact evaluation.

Annex 2: Detailed Project Description

Bangladesh: Reaching Out-of-School Children Project II

I. Project Development Objectives

1. The key project development objective is to improve equitable access, retention and completion in quality primary education in selected under-served areas.

II. The Project by Component

2. The proposed project would consist of: (a) increasing equitable access in primary education; (b) improving retention in and completion of primary education cycle[1]; (c) enhancing project implementation capacity through mobilization of communities and partner agencies; and (d) establishing an effective monitoring and evaluation system. The project components and sub-components are summarized in Table 1 below.

Table 1: Proposed project components and sub-components

Components	Sub-components
1. Increasing Equitable Access	1.1 Grants and Allowances
	1.2 Urban Slums Pilot
2. Enhancing Education Quality	2.1 Teacher Development
	2.2 Classroom Support
	2.3 Pre-vocational Skills Training Pilot
3. Improving Project Management and Capacity	3.1 Project Management and Capacity Building
	3.2 Social Awareness and Advocacy
4. Establishing Effective M&E	4.1 Monitoring
	4.2 Evaluation

Component 1: Increasing Equitable Access (US$113.5 million)

3. The objective of this component is to reduce the number of out-of-school children in selected under-served areas through provision of access to formal primary education with Grants to Learning Centers (LC) and Education Allowances to eligible students. This component comprises of: (a) LC Grants, (b) Education Allowances, and (c) ROSC pilot in urban slums.

Sub-component 1.1: Grants and Allowances

4. This sub-component aims to establish new LCs in targeted under-served communities, support operation and management of all new and current LCs, and provide education allowances to eligible students.

5. The activities under LC establishment include: (i) enlisting of Partner Organizers (PO) to deploy Community Mobilizers (CMs) in each upazila; (ii) identification and mobilization of targeted

[1] Retention and completion are taken to be short/medium term measures of quality. To measure longer-term quality outcomes, ROSC II would introduce and administer two rounds of learning assessments during the project period and is part of the evaluation sub-component. This would contribute to building the appropriate capacity to mainstream the systematic assessment system for feedback to policymakers and stakeholders to raise awareness about the quality of education, and adjust quality-related policies and interventions accordingly.

communities (catchment areas); (iii) enlisting of LC teachers by Upazila Education Offices; (iv) formation of Center Management Committee (CMC); (v) selection of eligible students; and (vi) approval of LC establishment applications.

6. ROSCU would approve LCs based on agreed criteria and the procedures related to LC establishment for the selection of LC venue, students and teachers; formation of CMC; opening of Bank accounts for LCs and student's mother; ID card for teachers and students; and signing of Cooperation Agreement between CMC and ROSCU (to be elaborated in LC establishment Manual). Grants will be provided to eligible LCs that have signed the Cooperation Agreement in the initial year, renewed it in each subsequent year and enrolled 35 students initially. These grants would include: (a) establishment grant; (b) grant to each student for school uniform and basic stationery; and (c) operating grant to cover monthly teacher salary, monthly rental and maintenance for LC venue; and (d) management grant to cover costs associated with salary of upazila level training coordinators (TC). The first two grants are disbursed at the beginning of the academic year (January) while the latter two in three installments (January, May and October). The first three Grants will be channeled to CMC Bank accounts (procedures detailed in the disbursement manual).

7. LC Grants and student Education Allowance rates are shown in Table 2.

Table 2: LC Grants and Education Allowance Rates (in Taka)

Category	Type	Initial	First Semester	Second Semester	Annual Total
A. Per LC					
a. Establishment grant (first year only)	LC grants	7,875			7,875
b. Operating grant to cover monthly teacher salary, monthly LC venue rental and annual maintenance	LC grants	17,600	13,600	13,600	44,800
c. Management grant for TC salary[2]	LC grants	2,500	2,000	2,000	6,500
B. Per Student					
a. Student uniforms and basic stationary	LC grants	400	200	200	800
b. Class 1-3 Allowance	EA		480	480	960
c. Class 4-5 Allowance	EA		600	600	1,200
d. Participation in Grade 5 Terminal Exam	EA			1000	1,000
e. Enrollment in Class 6	EA		2000		2,000

Note: Each LC would enroll 35 students.

8. The purpose of education allowances is to attract out-of-school children to enroll in LCs, retain them through the primary cycle and transition to secondary school. Allowances are provided to students enrolled in ROSC LCs meeting the following criteria: (i) coming from disadvantaged[3]

[2] LC grants for TC salary are estimated using a minimum of 50 LCs per upazila (initial year) and thus denote the maximum. The actual rates would vary depending on the number of LCs per upazila.

[3] Disadvantaged student is required to meet at least one of the following criteria; i) parents with less than primary completion education; ii) parents working as daily laborers; iii) from a landless (no land or land less than 0.5 acre) household; iv) from hill tract areas; v) from tribes, minor races and ethnic sects; and vi) from a distressed female headed household (widowed or divorced), vii) a disabled or orphaned child.

households, (ii) aged between 8 and 14 inclusive at the time of initial enrolment, (iii) having a project ID card, (iv) average attendance of 80 percent every academic semester, and (v) passing semester exams in respective grades. These allowances are kept below the government primary stipend rates to avoid switching of students to ROSC LCs from formal primary schools. The education allowance is expected to bear partial costs associated with enrollment in school, and would vary across grades. As an incentive to appear in grade 5 terminal examinations and subsequently enroll in grade 6, project would also provide additional allowances to eligible students. All disbursements will be through Award Confirmation Forms (ACF) prepared on the basis of data on LCs and individual students. All types of allowances will be disbursed through mothers' or guardians' bank accounts based on ACF. A Bank Passbook/Disbursement card will be used to remit and record the disbursement. Education Allowance will be disbursed twice a year, through temporary booths set up by the disbursing bank.

9. Disbursement of grants and allowances through post office using postal cash card system will be piloted in two upazilas (one nearby and one remote) and scaled up based on evaluation of the pilot.

Sub-component 1.2: ROSC Pilot in Urban Areas

10. This sub-component aims to pilot ROSC intervention in selected urban areas to develop appropriate non-formal primary education program for urban areas out-of-school children. Two interventions under this sub-component are LC type of intervention in urban slums, and voucher program for children working as domestic workers (child domestics). The main rationale for including this group of beneficiaries (child domestic helps and out of school children in urban slums) in ROSC pilot is to address the long-standing neglect that the group has had in educational opportunities for decades.

11. The urban slums pilot would support establishment and operation of 100 LCs in 15 selected slums in Dhaka in the first two years and additional 200 LCs in other slums based on evaluation of the pilot. Key features of the urban slums pilot would include: (i) delivery of formal primary curriculum through non-formal approach; (ii) flexible LC hours to accommodate the needs of working children; (iii) higher than regular education allowance and grants rates in view of higher costs of living and the opportunity costs in the urban areas; (iv) implementation in partnership with education resource providers (national NGOs with relevant experience); and (v) disbursement of grants and allowances using the disbursement manual.

12. The child domestics voucher scheme would support education allowance to the enrolled children and tuition fees to the schools enrolling the eligible children. Features of this voucher scheme would consist of: (i) identification of eligible child domestics using informal contacts with potential employers; (ii) informal understanding on the terms and conditions of enrolling the eligible children in nearby schools; (iii) identification of potential schools and cooperation agreement to enroll the identified children; (iv) provision of vouchers to schools to cover tuition fees and student allowances; (v) implementation in partnership with education resource providers (national NGOs with relevant experience); and (vi) disbursement of vouchers using the disbursement manual (voucher section). The pilot scheme would benefit 700 eligible children in the first two years and based on the impact evaluation, it can support up to 800 additional children.

13. To implement these two pilots, national NGOs will be enlisted from among the current Education Resource Provider (ERPs) working in ROSC I and contracted through respective institutions/LCs for the project period. The pilots would benefit from experience from existing urban slums and domestic child workers education programs in the country implemented by government and non-government agencies. Technical assistance would be mobilized to design, implement and evaluate the pilot schemes. The implementation arrangements would be detailed out in the Pilots Manuals.

Component 2: Enhancing Education Quality (US$11.3 million)

14. The objective of this component is to improve retention in and completion of primary education cycle through teacher development, classroom support, and pre-vocational skills training for eligible ROSC students.

Sub-component 2.1: Teacher Development

15. This sub-component aims to prepare LC teachers to deliver quality primary education to out-of-school children. Upazila Education Offices (UEOs) enlist potential ROSC teachers using minimum qualification criteria and competitive selection procedures. CMC recruits the teacher from the pool on temporary contract. All LC teachers will be provided with initial foundation training, annual refresher training, and subject-based training with focus on English and Mathematics. Each LC teacher would receive a 15-day foundation training within three months of LC establishment and completion of foundation training would be a condition for renewal of cooperation agreement. Teacher's contract with CMCs would have a provision that the teacher without foundation training will not be eligible to receive salary from LC Grants. The project would also support a two-day refresher training to each teacher twice a year for subsequent years, and these refresher training programs would be catered to meet the needs of respective grades. In addition to providing the basic competencies, the foundation training program would also impart skills necessary for continuous assessment system of students. This is expected to help LC teachers maintain achievement profile of each ROSC student and use the information for individualized learning and class promotion.

16. To facilitate implementation of this subcomponent, Institute of Education Research (IER) of Dhaka University has been identified to serve as a training agency. ROSCU would enter into a service contract (with clear TORs and budgets) with IER. While the bulk of the teacher development program will be undertaken by the training agency (IER), The National Academy for Primary Education (NAPE) will also play an important role in the training of LC teachers. NAPE representative will provide inputs as appropriate on teacher training modules. Given the full scale engagement of NAPE in PEDP III, NAPE's direct involvement in LC teacher training will be considered after a proper assessment of its capacity and discussion with the actors in PEDP III. In addition, a national level specialized agency will be identified and engaged through technical assistance to complement IER activities to enhance the teacher development sub-component.

17. Key activities to be supported under this sub-component will include: (i) formation of quality working committee (QWC) to guide and oversee the quality component; (ii) deployment of training partner agency by ROSCU; (iii) enlisting of resource persons (RPs) and upazila-level Training Coordinators (TCs) by ROSCU and training agency; (iv) development of training modules for TCs and LC teachers; (v) training of RPs and TCs; and (vi) training of LC teachers by TCs and RPs. TCs are

enlisted by ROSCU and deployed by the training agency for each upazila at UEO office. MOPME/DPE would ensure that UEOs facilitate the work of TCs. TCs would work on a full-time basis and are paid by the project on behalf of the CMCs they serve (through LC Grants ACF). Criteria and procedures for enlisting RPs and TCs will be included in the ROSC operation manual. Training funds (costs including remuneration of RPs, subsistence and travel allowances of trainees, venue, materials and other logistics costs) will be disbursed (as per agreed guidelines) based on actual expenditures incurred by the training agency.

18. TC is a key focal person for all teacher development and training activities in the respective upazilas and would be responsible for: a) serving as a trainer together with RPs in foundation and refresher training; b) coordinating upazila level training activities; and c) work with the training agency in teacher development activities. ROSCU would maintain a pool of trained RPs, who would be deployed by the training agency as necessary on a part-time basis and remunerated for the actual days of service.

Sub-component 2.2: Classroom Support

19. The purpose of this sub-component is to provide academic support to LC teachers, promote the use of teaching-learning materials in LC classrooms, and support continuous student assessments. Assistant Upazila Education Officers (AUEOs), primary school head-teachers (HTs) from nearby schools and upazila TCs would be mobilized to implement this sub-component. AUEO/TC will regularly visit classroom to observe and provide feedback on teaching and learning methods. AUEO will include LC teachers to participate in bimonthly sub-cluster training along with other primary school teachers. HT will conduct monthly Teacher Group Meetings (TGMs) on Fridays. In addition, UEOs would provide additional orientation program to LC teachers teaching grades 4 and 5. MOPME would approve this proposed activity and a draft circular would be issued to mobilize AUEOs and HTs.

20. Government of Bangladesh would continue to provide free NCTB text books to ROSC students, and ROSCU/DPE would be delivered to students on time. In addition, the use of instructional materials (such as textbook based posters, flashcards, alphabet/number charts, audio clips), subject lessons plans, and supplementary reading materials would be promoted. These teaching-learning materials developed and used by different agencies (for example NCTB, BRAC Education Program, BRAC-IED, English in Action (EIA) and Save the Children) will be indentified and arrangements would be made to make the materials available at ROSC LCs. ROSCU would identify the available materials, suggest necessary arrangements to obtain them for use in ROSC LCs (centrally procured), prepare a plan to develop additional materials as needed.

Sub-component 2.3: Pre-vocational Skills Training Pilot

21. This sub-component aims to pilot a pre-vocational skills training program targeted to ROSC students who have completed at least grade 3 but are aged 15 and above. Features of this voucher scheme would consist of: (i) identification of eligible students, relevant training institutes and market responsive courses; (ii) cooperation agreement with training institutes to enroll the identified students; (iv) provision of vouchers to institutes and students to cover tuition fees and student allowances; (v) implementation in partnership with a relevant experienced agency; and (vi) disbursement of vouchers

using the disbursement manual (voucher section). The pilot scheme would benefit 5,000 eligible students in the first year and based on the impact evaluation, it can support up to 5,000 additional students each subsequent year.

22. The pilot would benefit from experience from existing skills training programs in the country implemented by government and non-government agencies, including the IDA supported Skills and Training Enhancement Project (STEP) and SKT sub-component under the ROSC I which supported UCEP to impart skills training to working children. Technical assistance would be mobilized to design, implement and evaluate the pilot scheme. The implementation arrangements would be detailed out in the Pilots Manuals.

Component 3: Improving project management and capacity (US$7.7 million)

23. The objectives of this component are to establish an effective project implementation structure and enhance project implementation capacity through mobilization of communities and partner agencies capacity to deliver quality primary education to out-of-school children. This component comprises of: (a) project management and capacity building, and (b) social awareness and advocacy.

Sub-component 3.1: Project Management and Capacity Development

24. The ROSC II would be implemented under the same arrangement as in the first ROSC project which was implemented by the Directorate of Primary Education (DPE) under the Ministry of Primary and Mass Education (MOPME). ROSC Steering Committee would oversee overall project implementation, carry out joint annual reviews, and resolve implementation issues. ROSC Unit (ROSCU) will continue to be responsible for day-to-day implementation of the Project and its capacity would be enhanced with a provision of a Deputy Project Director (DPD). A quality working committee (QWC) would be formed to guide and oversee the quality component of the project. Project implementation committee (PIC), chaired by the Director-General, DPE, and composed of the Director Planning, DPE; Deputy Chief, MOPME; and representatives of the ROSC MIS Cell, Institute of Education and Research, Sonali Bank Limited, Planning Commission, and IMED, would be responsible for facilitating Project implementation and reporting to the Steering Committee on the progress of Project implementation.

25. Details of the project organogram, staffing and key roles and responsibilities are described in the implementation arrangements in **Annex 3**. Project implementation would be carried out in accordance with the agreed Operations Manuals, the GAAP, the SIMF, and the EMF.

26. At the Upazila level, the Upazila Education Committee (UEC) would continue to support Upazila Education Officer (UEOs) for all upazila level coordination activities. UEO capacity would be enhanced through deployment of Training Coordinator (TC) for training of ROSC LC teachers and coordinating other training activities. AUEOs and HTs would be mobilized in classroom support activities at the field level.

27. ROSCU will implement the proposed ROSC II project with support of partner agencies and mobilization of communities. ROSCU would: (a) deploy Community Mobilizers (CMs) through Partner Organizations (POs) to support establishment of LCs and their operations during the first year of LC establishment; (b) continue the services of data processing and monitoring agency (current

ROSC MIS Cell at Local Government Engineering Department, LGED); (c) continue the services of funds disbursement agency (Sonali Bank); (d) deploy teacher training agencies to develop training courses, enlist RPs, carry out training of TCs, and support LC teacher training; and (e) establish a Center Management Committee (CMC) for each LC to manage the LCs. The data processing and monitoring agency will deploy full-time monitoring officers (enlisted by ROSCU in consultation with ROSC II MIS Cell) to support data collection, validation and compliance monitoring activities. Draft Participation Agreement with LGED and terms of references for service contracts with IER and Sonali Bank are attached in **Annex 3**.

28. The capacity building activities under this sub-component would include: (i) in-country training in the areas of management, M&E, educational development, procurement and financial management, and Right to Information (RTI) compliance; (ii) international training to observe and share best practices in relevant education programs; (iii) community-level training to CMCs. To enhance local community capacity, the project would support implementation of standardized CMC training in the areas of LC management including fiduciary responsibilities (resource management, supervision, procurement). A detailed capacity building plan (including costs and implementation arrangements) will be agreed in the first year of the project.

29. **Technical assistance.** ROSCU would be supported by individual consultants including management, FM and procurement. Technical assistance for specialized activities by consulting firms will also be mobilized. Project implementation in respective sub-components will also benefit from technical assistance from the World Bank as well as other trust fund resources.

Sub-component 3.2: Social Awareness and Advocacy

30. The purpose of this sub-component is to increase social awareness to all relevant stakeholders and communities, and build advocacy on key project features including the pilot schemes. Activities to be financed under this sub-component would include: (i) development of communications strategy and implementation plan; (ii) preparation and dissemination of ROSC Operation manual, brochures, posters and audio-visual materials; (iii) central and upazila-level conferences and workshops including horizontal peer learning sessions among upazilas and communities, and community-level meetings; (iv) foundation and refresher training of CMC members; and (v) mobilization of the print and the electronic media (newspapers, TV, online posts). The sub-component will be implemented by two actors: (a) communications firm deployed by ROSCU; and (b) IER managing CMC training. This sub-component will also benefit from technical assistance from the World Bank. Project related information at the central, upazila and LC level will be disseminated using appropriate channels including websites, LC report cards, social audits and print/electronic media (on the use of ICT for dissemination, please see attachment 2a).

Component 4: Monitoring and Evaluation (US$5 million)

31. The objective of this component is to establish an effective monitoring and evaluation system to monitor inputs, processes and outputs, and assess the impact in relation to the stated project development objectives. This component comprises (a) monitoring of inputs, process and outputs, and (b) evaluation of ROSC interventions including impact evaluation of specific interventions and learning assessments (**Annex 1**).

Sub-component 4.1: Monitoring

32. This sub-component aims to establish monitoring system to track project inputs (students, teachers, grants and allowances, and instructional materials), processes (compliance to agreed criteria and procedures of project activities and disbursements) and outputs (teacher training, grade progression, learning levels). The draft Results Framework and Monitoring Matrix is presented in **Annex 1**. Key activities under this sub-component include: (a) preparation of database (student, teachers, CMCs, LCs, RPs, TCs, CMs, MOs); (b) validation of LCs (student, teacher and LC venue) for first year of LC establishment; (c) trimester-wise self-reported monitoring forms from LCs to UEO/TC who would certify the forms and send to ROSC II MIS Cell for ACF processing; (d) sample-based monitoring including compliance verification of education criteria and procedures (33% of LCs each trimester and covering all LCs every year); (e) public expenditure tracking survey (PETS); (f) internal monitoring of LCs based on classroom visits by ROSCU staff, consultants, training agency, AEUOs, and HTs; and (g) regular management reviews (participation agreement and service contracts with partners, implementation support missions including Mid-Term Review, financial, procurement and safeguards reviews). The Results Framework and Monitoring included in the Annex would be updated during MTR.

33. ROSCU will enter into a participation agreement with LGED to establish ROSC II MIS Cell as data processing and monitoring agency. The participation agreement would include clear terms of reference, deliverables and reporting arrangements. Monitoring Officers (MOs), enlisted by ROSCU and deployed by ROSC II MIS Cell, would validate LCs and students (first year of LC establishment), visit and verify LC compliance based on a sample-basis (33% each trimester to cover all LCs in every year), and facilitate other monitoring activities.

34. Monitoring would be enhanced through the use of ICT technology including the use of SMS technology for monitoring and smart phone for validation. SMS monitoring and smart phone validation would be administered by the MIS Cell. Smartphone validation features provision of application-equipped smart phones to each MO and internet-based data transfer from the field to MIS Cell for further processing. SMS monitoring would use the mobile phone service provider to carry SMS messages from the field to MIS Cell data server for further processing. These two programs would also benefit from technical assistance from the World Bank. The detailed use of ICT for monitoring and service delivery is attached (Attachment 2a).

Sub-component 4.2: Evaluation

35. This sub-component aims to evaluate the impact of ROSC interventions on schooling outcomes. The sub-component will finance: (a) baseline survey to update baseline and target indicators; (b) follow-up surveys to assess the impact on KPIs and other outcome indicators; (c) impact evaluations of pilot interventions (urban slums, voucher schemes for domestic child labor, pre-vocation skills, SMS monitoring).; and (d) piloting of a student learning assessment system for ROSC-type intervention to administer two rounds of assessments for grades 3 and 5. These activities will be financed through project funds as well as trust fund resources. Impact evaluation methodology is elaborated in **Annex 1**.

Attachment 2a: Use of ICT for Monitoring and Service Delivery

- **Context**: ICT use has seen a rapid increase in programs/projects in developing countries. Given the relatively low cost of mobile phone technology in the country and a number of benefits it may bring in the area of social accountability and service delivery, Bangladesh's ROSC project is a good example to introduce ICT. As mentioned earlier, the project would feature innovative uses of ICT for monitoring, validation, dissemination of information, and service delivery. The use of ICT would also be highlighted in the implementation of the Governance and Accountability Action Plans (GAAP) as well as project's compliance with right to information (RTI).

- **Mobile Phone for SMS monitoring of disbursement of Grants and Allowances to Learning Centers (LC) and students.** This would involve project sending SMS (Short Message Service) to all LCs (teachers and sample of parents) within two weeks of sending the funds via Sonali Bank (or any other agency) and LCs returning the SMS to the project confirming whether and when funds were received. There are three installments per year – initial Grants to LCs, first semester and second semester Grants to LCs and allowances to students. Other areas of service delivery can include confirmation of instructional material distribution and management support services from local NGOs. SMS monitoring requires costing of actual SMS use and processing of data.

- **Mobile Phone for SMS monitoring of teacher attendance.** This would involve project sending SMS to the head of learning center management committee (CMC) on a *random basis* and CMC head returning the SMS to the project on whether the LC class took place on that particular day.

- **Smart Phone use by monitoring officers (project plans to deploy one monitoring officer per upzaila) for validation of self-reported data sent by LCs.** To receive Grants or allowances, each LC sends self-reported monitoring form to the project with details on LC venue, teacher and each student's compliance on educational criteria (ID card, class attendance, trimester test results, etc.). Project intends to mobilize monitoring officers to visit each LC and validate the information. The use of smart phone to enter validation information and send back to the project with GPS coordinates of the LCs would ensure that the monitoring officers in fact visited the LCs and validated the data. This can be processed fast to prepare award confirmation forms (ACF) to disburse the funds. The main cost items here would be the purchase of smart phones (about 130 in total), software design, transmittal of validation data and data processing. The design and implementation arrangements for both smart phone and SMS monitoring pilots can use relevant experience from ICT use in Pakistan health and education sectors.

- **GPS mapping of LCs.** This activity would be incorporated in the regular MIS database for ROSC II. This can be combined with smart phone monitoring whereby GPS coordinates of each LC can be recorded together with the validated data.

- **LC Report Card and web-site**. LC report card based on the information collected during LC validation by monitoring officers and through random SMS monitoring can be made available on the project web-site along with information on the disbursement of the grant and allowances. This information can be also sent to parents and students through SMS.

- **Post office cash cards for service delivery to beneficiaries.** The current system uses Sonali Bank upazila branches to set up booths in communities to disburse money to the learning centers and students (both LCs and mothers of students have individual bank accounts for this purpose). The pilot would involve Bangladesh Post Office serving as disbursing agency. Individual LCs and beneficiary students/parents would receive Grants and Allowances in post office cash cards. Lesson can be drawn from the World Bank supported Social Protection project on the scope, design and implementation arrangements for this pilot.

Annex 3: Implementation Arrangements

Bangladesh: Reaching Out-of-School Children Project II

Project Institutional and Implementation Arrangements

1. The Directorate of Primary Education (DPE) under the Ministry of Primary and Mass Education (MOPME) has implemented the ROSC project. The proposed ROSC II will be implemented under similar arrangement. The ROSC Steering Committee would oversee overall project implementation, carry out annual reviews, and resolve implementation issues. A Project Implementation Committee, chaired by the Director-General, DPE, and composed of the Director Planning, DPE; Deputy Chief, MOPME; and representatives of the ROSC II MIS Cell, Institute of Education and Research, Sonali Bank Limited, Planning Commission, and IMED, would be responsible for facilitating project implementation and reporting to the Steering Committee on the progress of project implementation.

2. The ROSC Unit (ROSCU) will continue to be responsible for day-to-day implementation of the Project and its capacity would be enhanced with a provision of a Deputy Project Director (DPD). The total number of the professional staff will be the same as that of the ROSCU for the on-going ROSC project.

3. **ROSC II Unit**: The objective of this Unit is to enable DPE to establish a strong management capacity to implement the project. Based on ROSC experience, DPE/ROSC II Unit would be staffed with a modest number of key management, technical, procurement, and FM staff. In addition, project management and implementation capacity will be augmented through the use of several government and other specialized agencies. The Upazila Education Officers (UEOs) will be supported through training and capacity building activities. (See Attachment 3a,b Organogram and Staffing, Attachment 3c,d Key Roles and Responsibilities, Attachment 3e Job Descriptions of Key Staff).

4. **Participating Specialized Agencies**: ROSCU will implement the proposed ROSC II project with support of partner agencies and mobilization of communities. ROSCU would: (a) deploy Community Mobilizers (CMs) through Partner Organizations (POs) to support establishment of LCs and their operations during the first year of LC establishment; (b) continue the services of data processing and monitoring agency (current ROSC MIS Cell at Local Government Engineering Department, LGED); (c) continue the services of funds disbursement agency (Sonali Bank); (d) deploy training agency (Institute of Educational Research, IER, Dhaka University) to manage LC teacher and CMC training activities including deployment of TCs; and (e) establish a Center Management Committee (CMC) for each LC to manage the LCs. The project will form a Quality Working Committee (QWC) chaired by PD and represented by IER, other relevant agencies and experts to oversee the teacher development sub-component. The data processing and monitoring agency will deploy full-time monitoring officers (MOs, enlisted by ROSCU in consultation with ROSC II MIS Cell) to support data collection, validation and compliance monitoring activities. Draft Participation Agreement for LGED and terms of references for service contracts with IER and Sonali Bank are attached (Attachment 3g,h,i).

5. **Upazila Level Coordination**: Upazila Education Committee (UEC) would continue to support Upazila Education Officer (UEOs) for all upazila level activities. UEO capacity would be enhanced through deployment of Training Coordinator (TC) in each upazila for training of ROSC LC teachers

and coordinating other training activities. AUEOs and HTs would be mobilized in classroom support activities. Upazila level monitoring activities would be enhanced by deployment of MOs who rotate through different upazilas at trimester basis.

6. **Learning Centre Management**: The project would enter into an annually renewable cooperation agreement with CMCs. This cooperation agreement would be comprehensive and include roles and responsibilities of CMCs for all project activities, including water and sanitation, inclusion of students from various disadvantaged groups, education allowances and Grants related activities.

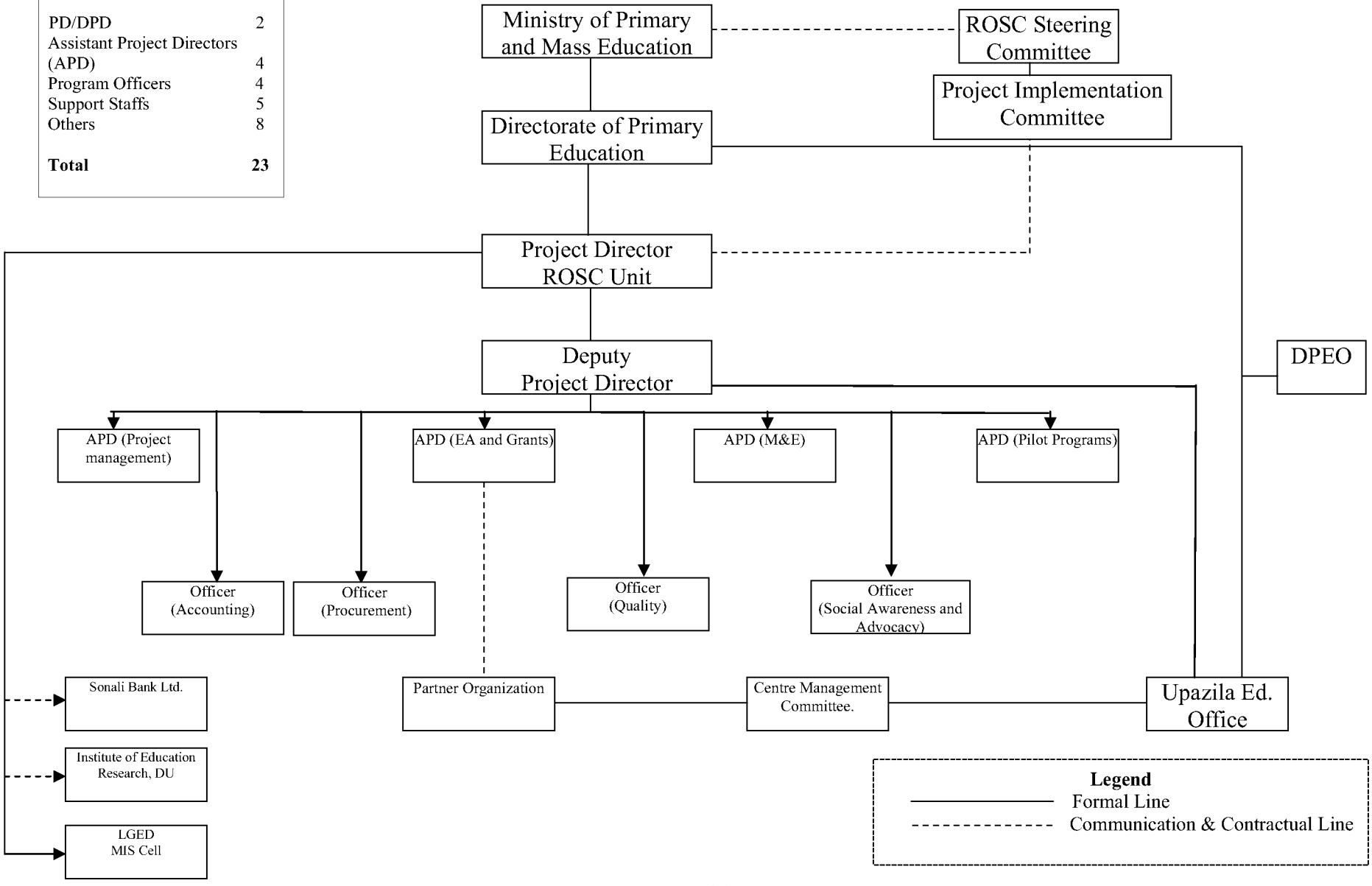
7. **Technical assistance**: ROSCU would be supported by individual consultants (full-time or part-time as per needs of different project components) and by specialized service agencies (consulting firms). Technical assistance will be enhanced from the World Bank implementation support as well as trust fund resources.

8. **Operation Manual**: The Project would be implemented according to an agreed Project Operations Manual and detailed agreed guidelines. Agreed amendments to these manuals and guidelines will be made periodically to incorporate adjustments, as needed, during project implementation.

9. **GAAP, EMF, SIMF**: Governance and Accountability Action Plan (GAAP), Environmental Management Framework (EMF) and Social Inclusion and Management Framework (SIMF) would be part of the implementation arrangements.

REACHING OUT-OF-SCHOOL CHILDREN PROJECT II
Attachment 3a: PROPOSED ORGANIZATION STRUCTURE

PD/DPD	2
Assistant Project Directors (APD)	4
Program Officers	4
Support Staffs	5
Others	8
Total	**23**



Attachment 3b: Staffing Plan

	PD/DPD	APD	Officers	Support Staff	MLSS & Driver	Consultant/ specialist	Total
Overall	2			5	8		
1. Education Allowance & Grants		1					
2. ROSC Pilot Programs		1					
3. Quality			1				
4. Project Management and Capacity Building		1					
5. Social Awareness and Advocacy			1				
6. Monitoring		1					
7. Learning Assessment Pilot							
8.Financial Management and Accounting			1				
9. Procurement			1				
Total	2	4	4	5	8	60 person months per year	Staff: 23

Attachment 3c: Key Roles and Responsibilities at Central and Local Levels

Unit	Key Roles and Responsibilities
MOPME	• Provide overarching policy and operational guidance • Issue guidelines to Upazila level officials (UEOs, AUEOs, HTs) during project implementation • Sign MOU and Participation Agreements with relevant agencies
ROSC Steering Committee (Chaired by Secretary)	• Strategic guidance and oversee overall project implementation • Carry out annual reviews • Resolve implementation issues
Project Implementation Committee	• Facilitate ROSCU in implementation activities • Report to Steering Committee
Directorate of Primary Education (DPE)	• Facilitate ROSCU in its planning and implementation responsibilities • Provide financial oversight on project implementation • Liaise with MOPME on project implementation activities • Ensure support available from appropriate DPE line wings • Ensure that UEOs facilitate the work of TCs, TGMs and sub-cluster training activities
ROSCU	• Set up guidelines and regulations, and develop Operations Manuals • Plan, implement and manage Project activities, and prepare budget estimates/reports • Implement the project in compliance with agreed FM, procurement, safeguards and GAAP guidelines and action plans • Deliver education allowance/grants to students, teachers and institutions • Oversee/execute contracts for goods, works and services • Plan and carry out procurement activities • Oversee and manage awareness/communications campaigns undertaken by contracted agencies • Prepare annual progress report • Sign Participation/cooperation's Agreements
Quality Working Committee (QWC)	• Discuss and share the best practices and issues raised during teacher development course, training activities, and classroom support at regular basis • Facilitate collaboration in development of teacher development course materials for RPs and TCs, training materials for LC teachers, and foundation and refresher training of RPs and TCs • Ensure timely delivery of foundation and refresher training to LC teachers • Conduct annual review of teacher training and classroom support programs • Assess the performance of TCs and LC teachers • Provide other quality related technical services to ROSC as needed
Grants and Education Allowance (EA)	• Establish grants and education allowance system to ensure compliance of Grants and EA process and timely disbursement • Establish formal agreements with LC grant recipients (CMCs) • Maintain contacts with CMs and UEO/AUEO for establishment of LCs • Mobilize TCs and work closely with MOs on the preparation of the list of LCs and students eligible for Grants and EA • Prepare trimester estimates for Grants to LCs and EA to students

Unit	Key Roles and Responsibilities
	• Work closely with MIS-Cell and Sonali Bank for timely disbursement of Grants and EA • Maintain all disbursement records of Grants and EA • Identify problems and seek solutions to issues arising from Grants and EA program management
Quality	• Support IER and Quality Working Committee to carry out planned activities • Monitor teacher development and classroom support activities
Monitoring and Evaluation	• Monitor project achievements including KPIs according to Results Framework • Maintain contact with TCs, MIS-Cell, CMCs, UEOs, and AUEOs on monitoring activities • Work closely with MIS-Cell for timely feedback on the issues raised during monitoring activities • Support MIS-Cell on the completion of monitoring reports (annual report and trimester compliance reports) • Ensure quality and consistency of monitoring data collected • Produce/oversee production of semi-annual analysis of Project progress • Oversee impact studies of project effectiveness • Conduct need-based studies on assessment of specific issues raised during the implementation of project (e.g. changes in quality, changes in access, and etc.) • Prepare and disseminate LC report cards to UEOs/AUEOs, CMCs, and parents
Administration and Finance	• Be responsible for daily administration of logistics and human resource management. • Maintain close contact with MOF and organize audits and liaise with accounts department • Prepare budget estimates for fund release • Channel funds to recipients • Submit semi-annual proposals for fund release and annual financial reports • Ensure that institutions adhere to guidelines/criteria regarding utilization of resources • Keep financial accounts, reports on financial progress, ensure internal control and auditing • Maintain a computerized financial management system • Contribute to preparation of progress reports, semi- annual and annual plans • Liaise with relevant units in MOPME and other Government agencies
Sonali Bank	• Establish ROSC Disbursement Cell at the Headquarters with adequate staffing and logistics. • Carry out planned activities and provide regular reports as per service contract
IER	• Establish a Training Cell within IER to manage foundation and refresher training activities for LC teachers and CMC members. • Participate in and contribute to Quality Working Committee activities • Carry out planned activities and provide regular reports as per service contract
ROSC II MIS Cell	• Enhance ROSC MIS Cell • Process ACF, manage database, and conduct monitoring activities • Carry out planned activities and provide regular reports as per participation agreement
Social Awareness and Community Mobilization Firm	• Carry out planned activities and provide regular reports as per agreement
CMC	• Operate and manage LCs • Carry out all planned activities as per cooperation agreement with ROSC project
CM/PO	• Support community for the establishment of LCs in the initial year
RP	• Train TCs and LC teachers • Support TCs on training activities
TC	• Serve as a trainer together with RPs • Work with the training agency in teacher development activities • Coordinate Upazila level training activities • Support ROSCU on grants and education allowances related activities
UEO	• Act as focal point to provide institutional support for the activities listed under the grants and allowances, teacher development, and classroom support sub-components • Provide support and monitor activities of TCs, MOs, POs, CMCs and LCs • Facilitate participation of LC students in Grade V terminal examinations
HT	• Provide classroom support to LC teachers through regular TGMs
AUEO	• Provide classroom support through regular classroom visit • Carry out sub-cluster training programs and support TGMs
MO	• Validate all LCs (initial year) • Conduct trimester compliance monitoring (33% each trimester to cover 100 % of LCs every year) • Support TCs on the collection of ROSC forms

Attachment 3d: Key Roles and Responsibilities by project activities

	ROLES			
Key activities	**Main**	**Supporting**	**Internal monitoring**	**Decision-making**
Sub-component 1.1– LC establishment and management and Education Allowance				
1. Enlist teachers	UEC	TC	ROSCU	DPD
2. Enlist POs	PD	UEO	DPE	MOPME
3. Deploy CMs through POs	ROSCU	UEO/HTs	ROSCU and TCs	DPD
4. Select students	POs/CMs and Community	HTs of GPS and RNGPS	UEC, ROSCU and TCs	UEO
5. Form CMCs	POs/CMs	LC teacher/ parents	UEO, TCs	DPD
6. Select LC venue conforming to the environment guidelines and submit LC establishment forms	CMC/CM	PO, UEO/UEC	TCs	DPD
7. Collect ROSC LC application forms	UEOs	TCs	ROSCU	DPD
8. Validate LCs (initial year)	MOs	TCs	MIS-Cell	PD
9. Approve LCs	PD	UEC, MIS Cell/ TCs, MOs	DPD	PD
10. Collect ROSC self-reported forms at trimester basis (except for the first trimester of initial year)	TCs/UEOs	MOs	MIS-Cell	DPD
11. Prepare trimester ACF	MIS Cell	ROSCU	DPD	PD
12. Approve ACF and send to Sonali Bank, together with financial authorization letter	ROSCU	MIS Cell	DPD	PD
13. Disburse grants and allowances, and submit financial statements	Sonali Bank	CMC	TCs	DPD
14. Prepare trimester disbursement reports (including reconciliation)	Sonali Bank	CMC/TCs	ROSCU	DPD
Sub-component 1.2 – ROSC Pilot in Urban Slums				
15. Enlist ERPs to support LC establishment and operation in selected slums	PD	DPD	DPE	MOPME
16. Design Pilot Programs for Urban Slums and Child Domestics	ROSCU	ERP/ Consultant	DPD	PD
17. Implement the Pilot Programs	ROSCU	ERP/ Consultant	DPD	PD
18. Conduct evaluation of the pilots	Third Party		DPD	PD
Sub-component 2.1 – Teacher Deployment				
19. Enlist RPs and TCs	ROSCU	QWC	DPD	PD
20. Development and implement training modules for RPs and TCs	IER/Training Agency	ROSCU	QWC	PD
21. Prepare and implement foundation and refresher training programs for LC teachers and CMC members	IER	ROSCU	QWC	PD
22. Prepare completion progress report on training of each batch	IER	ROSCU	QWC	PD
23. Supply training data to MIS Cell to prepare training database.	IER	MIS-Cell	DPD	PD/ROSCU
Sub-component 2.2 – Classroom Support				
24. Prepare classroom support guidelines for use by AUEOs and HTs	IER	ROSCU	ROSCU	DPD
25. Develop a Reflective Handbook on Teachers for use in the sub-cluster training and TGM	IER	ROSCU	ROSCU	DPD
26. Provide orientation to AUEOs and HTs on classroom support guidelines and use of Reflective Handbook (RHB) and LC visit program	TCs	ROSCU	ROSCU	DPD
27. Visit LC according to schedule and write comments in the RHB	AUEOs and HTs	TC	ROSCU	DPD
Sub-component 2.3 - Pre-vocational Skills Training Pilot				
28. Design and implement Pre-vocational Skill Training Pilot Program	ROSCU	Consultant	DPD	PD

	ROLES			
Key activities	**Main**	**Supporting**	**Internal monitoring**	**Decision-making**
29. Enlist pre-vocational training institutes and identify training courses	ROSCU	DPD	ROSCU	PD
30. Identify and select students for pre-vocational training voucher	ROSCU	Consultant	DPD	PD
31. Conduct evaluation of the pilot	Third Party		DPD	PD
Sub-component 3.1 – Project Management and Capacity Building				
32. Prepare and implement ROSC II	ROSCU	Consultant	PD	MOPME
33. Ensure that EMP, IPDP and GAAP are implemented and monitoring according to agreed plans	ROSCU	DPD	PD	MOPME
34. Carry out Procurement Activities	ROSCU	Consultant	PD	MOPME
35. Carry out Financial Management Activities	ROSCU	Consultant	PD /FAPAD	MOPME
36. Prepare project reports	DPD	Consultant	PD/ ROSCU	MOPME
37. Prepare capacity building programs (including training)	ROSCU	Consultant	DPD	PD
38. Implement capacity building activities and submit reports	Capacity building program providers	ROSCU	DPD	PD, MOPME
Sub-component 3.2 – Social Awareness and Advocacy				
39. Develop and implement Communications Strategies and plans	ROSCU	ROSCU/ Consultant	DPD	MOPME
40. Prepare and disseminate ROSC operation manual	ROSCU	ROSCU/Consultant	DPD	PD
41. Provide foundation and refresher training to CMC members	IER	ROSCU	QWC	PD
42. Submit reports on social awareness and advocacy programs	ROSCU/ Communications Agency	ROSCU/ Consultant	ROSCU	MOPME
Sub-component 4.1 – Monitoring				
43. Enlist MOs	ROSCU	MIS-Cell	DPD	PD
44. Prepare and implement monitoring activities (LC validation, trimester compliance monitoring, and continuous SMS monitoring)	MIS Cell	Consultant	ROSCU	DPD
45. Develop and maintain database (Students, Parents, Teachers, CMCs, LCs, POs, RPs, TCs, MOs) linked with training and disbursement information.	MIS Cell	Consultant	ROSCU	DPD
46. Disseminate monitoring activities and LC information through web-site and support ROSCU for the preparation of LC report card	MIS-Cell	MOs/TCs	ROSCU	DPD
47. Disseminate LC Report Card (performance and monitoring information) to CMC and parents	ROSCU/TCs	MIS Cell	MOs	
48. Take a corrective action based on the findings from LC validation, compliance monitoring and SMS monitoring and Report	ROSCU	MIS Cell	MOs/TCs	PD
Subcomponent 4.2 – Evaluation				
49. Undertake Learning Assessment Pilot for grades 3 and 5	Third party	ROSCU	DPD	PD
50. Conduct baseline survey, issue-based and periodic evaluation studies, and impact evaluation studies	Third party	ROSCU	DPD	PD

Attachment 3e: Terms of Reference (TOR) for Key Staff of ROSC Unit

Position	Key Tasks	Education/ Qualifications	Experience and Skills
A. ROSC II Unit			
Project Director	• Provide technical and project management leadership to a team comprising staff and consultants in carrying out project activities under ROSC II, including procurement and financial management, reporting directly to the DG, DPE • Plan, implement, manage, supervise, monitor, and coordinate all ROSC II activities • Coordinate among all ROSC II partner agencies having entered into a Participation Agreement or service contracts or Memorandum of Understanding or consultants engaged in ROSC II activities • Be responsible for regular reporting on ROSC II activities to IDA	• On Deputation • Trained in educational development, and project management	• Minimum 5 years of project management and monitoring and evaluation experience (preferably joint secretary level) • Ability to work in foreign aided projects in a team environment • Ability to coordinate with various ministries and agencies • Proficiency in writing and speaking English • Basic computer skills (Word, Excel, etc.)
Deputy Project Director	• Provide implementation support to the Project Director, Assistant Directors and their field-level officials • Support DPE to mobilize UEOs for field level ROSC Implementation • Build synergies across components and partner agencies • Coordinate among all ROSC partner agencies having entered into a Participation Agreement or service contract or MOU or consultants engaged in ROSC activities • Consolidate component progress reports and implementation plans • Report directly to the Project Director	• On Deputation • Trained in educational development, project management, and M&E	• Minimum 5 years of experience in education projects, preferably with experience from formal or non-formal education (Professor level) • Substantial experience in DP funded projects, preferably in education sector • Proven experience in coordinating with various partner agencies • Proven ability to mobilize UEOs in education projects • Proficiency in writing and speaking English • Basic computer skills (Word, Excel, etc.)
Assistant Project Director (Grants and Education Allowances)	• Assist the Project Director, in carrying out the following sub-components: EA and G; • Assist DPD in planning, implementing, managing, monitoring and evaluating, coordinating and preparing documents related to respective sub-components • Report directly to the DPD/Project Director	• At least Master Degree, preferably in the field of management or related field	• Minimum 3 years of project management, and monitoring and evaluation experience • Ability to work in foreign aided projects in a team environment • Ability to coordinate education programs • Proficiency in writing and speaking English • Basic EMIS/Statistical skills • Basic computer skills (Word, Excel, etc.)
Assistant Project Director (Pilot)	• Assist the Project Director, in carrying out the following sub-components: Urban Slums and Pre-vocational training pilots; • Assist DPD in designing, planning, implementing, managing, monitoring and evaluating, coordinating and preparing documents related to respective pilot programs • Report directly to the DPD/Project Director	• At least Master Degree, preferably in the field of management or related field	• Minimum 3 years of urban slum project/ vocational training project management, and monitoring and evaluation experience • Ability to work in foreign aided projects in a team environment • Ability to coordinate education programs • Proficiency in writing and speaking English • Basic EMIS/Statistical skills

Position	Key Tasks	Education/ Qualifications	Experience and Skills
			• Basic computer skills (Word, Excel, etc.)
Assistant Project Director (Project Management)	• Assist the Project Director, in carrying out the following sub-components: Project management and capacity building; • Assist DPD in planning, implementing, managing, monitoring and evaluating, coordinating and preparing documents related to respective sub-components • Report directly to the DPD/Project Director	• At least Master Degree, preferably in the field of management or related field	• Minimum 3 years of project management, capacity building, and monitoring and evaluation experience • Ability to work in foreign aided projects in a team environment • Ability to coordinate education programs • Proficiency in writing and speaking English • Basic computer skills (Word, Excel, etc.)
Assistant Project Director (M&E)	• Assist the Project Director, in carrying out the following sub-components: M&E • Assist DPD in planning, implementing, managing, monitoring and evaluating, coordinating and preparing documents related to respective sub-components • Report directly to the DPD/and Project Director	• At least Master Degree, preferably in the field of educational management/economics or related field • Trained in M&E	• Minimum 3 years of project management, and monitoring and evaluation experience • Ability to work in foreign aided projects in a team environment • Ability to coordinate education programs • Proficiency in writing and speaking English • Basic EMIS/Statistical skills • Basic computer skills (Word, Excel, etc.)
Accounting Officer	• Assist Project Director in carrying out project implementation related to accounting and financial management. • Accounting Officer will be responsible for keeping accounting records and support financial management specialist • Be responsible for financial monitoring • Report directly to the Deputy Project Director and FM specialist	• At least Master Degree in accounting or financial management	• Minimum 3 years of experience in accounting • Minimum two years of experience in accounting • Ability to work in foreign aided projects in a team environment • Proficiency in writing and speaking English • Basic EMIS/Statistical skills • Basic computer skills (Word, Excel, etc.)
Procurement Officer	• Assist Project Director in carrying out project implementation related including procurement related tasks under ROSC II. Procurement Officer will be responsible for updating the procurement plan, preparing bidding documents and requesting for proposals, short-listing consultants, coordinating bid evaluation committee meetings, facilitating evaluation of bids/proposals and awarding contracts • Be responsible for procurement monitoring • Report directly to the Deputy Project Director	• Master of Business Administration • Training in procurement, management and monitoring and evaluation	• Minimum 3 years of experience in IDA project related procurement • Ability to work in foreign aided projects in a team environment • Proficiency in writing and speaking English • Basic EMIS/Statistical skills • Basic computer skills (Word, Excel, etc.)
Program Officers (Two)	• Assist Project in carrying out project implementation related to quality and social awareness tasks under ROSCII. • Assist Project in planning, implementing, managing, monitoring and evaluating, coordinating and preparing documents related to (1)	• Masters Degree in any subject, preferably in management • Training in procurement, management and	• Minimum 3 years of experience in IDA education project • Ability to work in foreign aided projects in a team environment • Proficiency in writing and speaking English • Basic EMIS/Statistical skills

Position	Key Tasks	Education/ Qualifications	Experience and Skills
	quality and (2) social awareness components • Report directly to the Deputy Project Director	monitoring and evaluation	• Basic computer skills (Word, Excel, etc.)
Financial Management Specialist	• Prepare a financial management manual • Assist the PD in preparation of annual budget estimates, revised budget and prepare financial plan • Prepare annual and quarterly disbursement forecasts • Obtain quarterly semi-annual fund release • Reconcile funds transferred and disbursed • Maintain appropriate financial records (registers, books, records, ledgers, etc.) • Ensure internal control through application of appropriate policies and procedures • Ensure early adoption of a Computerized Accounting System (CAS) • Develop a comprehensive Chart of Accounts • Maintain computerized records and inventory on fixed assets • Prepare financial statements and other monthly and quarterly reports • Obtain financial statements from School Managing Committees • Interface with internal auditors and FAPAD • Report to directly to Deputy Project Director	A professional qualification (CA/CMA) having Masters Degree in Accounting or in Business Administration/ Commerce or equivalent	• Minimum 10 years of experience in financial management (of which at least three years in a managerial position in any government/semi government organizations), GOB budget, fund release and reporting formalities, World Bank's fund operating conditions & reporting requirements. • Have had hands-on experience in Microsoft or similar computerized Accounting • Proven track record of ability to develop a Chart of Accounts befitting the relevant computerized accounting system and the report • Strong organizational and planning skills with the ability to work independently as a team player and under pressure • Strong interpersonal communicative skills, experience in team leadership and participatory management. • Ability to impart training to the project staff on financial management system

Financial Management

9. **Financial Assessment**: The Financial Management assessment was carried out in accordance with the Financial Management Manual for IDA financed investment operations issued by the Financial Management Sector Board on March 01, 2010. The objective of this assessment was to determine whether the implementing agency DPE under MOPME which is responsible for the overall implementation, management and monitoring of the Project has adequate financial management capacity in place to execute this Project. The financial management arrangements for this Project will mostly follow the existing Government policy and procedures, and will benefit from the institutional arrangements that were established under the original ROSC project. As per design, the project delivers resource grants and allowances to a large number of Learning Centers and students, and thus FM risk is **substantial** before risk mitigation. Based on the assessment, the actions to improve FM capacity have been agreed with the implementing agency. The assessments concluded that, with implementation of these actions, the proposed FM arrangements will satisfy IDA's minimum requirement as established in OP/BP 10.02. Taking into account the risk mitigation measures, the overall FM risk of this project is assessed as '**moderate**' post risk mitigation.

10. **Budgeting:** The project budgets will be prepared by the FM staff of the ROSCU under the supervision of the project director on the basis of the approved procurement and implementation plans. The original and the revised budget proposals will be submitted to the planning wing of the MOPME to obtain the planning commission's approval under the Annual Development Plan (ADP) and the revised ADP. The project director will undertake due diligence in approving realistic budgets to ensure that the project implementation is not suffered by the budgetary constraints while taking adequate care that only the resources needed for the proposed implementation is budgeted. Budgets will be prepared using the MS excel based accounting system that would be place until the computerized accounting system is adopted and operational. Actual expenditures incurred under this project will be monitored against this budget for each quarter; budget variances and their rational will be reported and discussed in the Interim financial reports (IFRs). Ministry of Finance (MOF) will monitor the budget implementation through issuance of authorization for use of the designated account and quarterly release of GOB funds. Any genuine necessary for deviation from the budget will be met by obtaining the approval through the revised Annual Development Plan.

11. **Disbursements and Funds Flow:** A Designated Account, Convertible Taka Account (CONTASA) in Nationalized Commercial Bank of the Bangladesh will be opened for this project. An initial deposit agreed during project negotiations will be transferred by the World Bank into this Designated Account after the project is declared effective. The subsequent disbursements into this Designated Account will be made by the Bank on the submission of withdrawal applications (IFRs) by the project. In addition, the project will be given flexibility to use the Direct Payment method or issuance of special commitment method to withdraw funds under this Credit (See **Attachment 3f** Funds Flow and Reporting).

(i) The Project Director or designated official of ROSCU will be authorized to operate/withdraw funds from this Designated Account for the implementation of the project.

(ii) For disbursement of student allowances and grants to the Learning centers (LCs), the ROSCU will enter into a participatory agreement with a Nationalized Commercial Bank

(which will be holding the Designated Account). The funds will be transferred to the eligible ROSC Learning Centers (LCs) and student beneficiaries through the existing banking network (i.e. local branches) of this Bank.

(iii) The grant funds under this project will be disbursed by ROSCU to the Learning Centers (LCs) in three tranches to cover the operational expenses (teacher's salary, rent, stationary & uniform etc) of four months i.e. January to April to be paid in the month of January; May to August to be paid in the month of May; and September to December to be paid in the month of September.

(iv) The education allowances to the students will be disbursed in two tranches i.e. January to June in the month of June and July to December in the month of November.

12. A summary of Credit disbursements by category is given in Table 1 below:

Table 1: ROSC II: Cost Estimates and Financing Categories (US$ million)

Category	TOTAL Cost	IDA Financing Share %	IDA Financing Amount
1. Grants and Allowances, and Training	126.6	100%	126.6
2. Consultant services, Goods, and Operating Cost	8.3	45%	3.4
3. Staff Salaries and Disbursing Bank Charges	2.6	0%	0.0
Total	137.5		130.0

13. **Financial Reporting**: The Interim financial Reports (IFRs) of this project will be prepared by ROSCU on the basis of expenditures incurred by all the cost centers and will be submitted to the Bank within 45 days from the end of each calendar quarter. The amounts disbursed to the Learning Centers (LCs) and student beneficiaries as grants and stipend/education allowances will be reported as expenditures in the IFRs. This IFR will provide information on the sources and uses of funds as per disbursement categories and project components. The formats of Interim Financial Reports (IFRs) will be developed by ROSCU in consultation with Bank before project negotiations.

14. **Accounting and financial controls:** The Treasury Rules and General Financial Rules of the Government and existing chart of accounts/codes followed in the Government's iBAS accounting system will be used for accounting and financial controls by ROSCU. There are clear guidelines prescribed by the Ministry (MoPME) for the authorization and approval of financial transactions. The MOF's existing financial powers, authority and payment responsibility outlined for the development projects (dated December 22, 2004 and amended to date) will be followed meticulously by the ROSCU for this project. Separate books of accounts and registers will be maintained for this project. The books of accounts will be initially maintained manually on a cash basis and using double-entry bookkeeping principles. Within three months of the project effectiveness a computerized accounting system (off the shelf package) will be procured and the chart of accounts will be linked to this software. All financial reports will be subsequently generated from this accounting system.

15. The disbursement, reporting and reconciliation functions at the Nationalized Commercial Bank will be strengthened through establishment of dedicated ROSC disbursement cell; staffed with appropriate personnel. The key activities to be carried out by the ROSC cell is to (a) remit grants and student stipend allowances as per agreed schedule to the beneficiaries through the Upazila Bank branches; (b) coordinate with Upazila Bank branches and submit quarterly reconciliation statements to ROSCU; (c) refund the undisbursed funds to the Designated Account. The grants to the Learning centers and student allowance will be initially transferred based on the list (award confirmation form) approved by the Project Director. This list will be provided by the MIS cell of the ROSCU based on the details submitted by the Learning center, acknowledged by the Upazilla Education Officers. Subsequent releases to the Learning centers (LCs) and students will be made by ROSCU upon receipt of the reconciliation statements from the ROSC disbursement cell of National Commercial Bank. If student allowance could not be disbursed due to non availability of eligible beneficiaries, the ROSC disbursement cell will report it to ROSCU at the time of report submission (in the Reconciliation Statement) and ROSCU will, based on information provided, make necessary adjustments before releasing next tranche and update beneficiary list including books of accounts. The project will explore new technological features like the use of smart phones and SMS monitoring to validate the disbursements made to the beneficiaries.

16. The Learning Centers (LCs) will maintain simple statement of utilization and invoices/bills for the grants spent under this project. This utilization statement has to be provided by the Learning Center to the Center Management Committee (CMC) before subsequent installments are due for payment. The Center Management Committee (CMC) at Upazilla level has to ensure that these records are maintained and are presented to the Bank team and auditors for verification.

17. The FM manual which will be part of the Operational Manual will be prepared by the project within three months of the project effectiveness. This will provide details on the following financial management arrangements: (i) Budgeting; (ii) Fund flows; (iii) Accounting; (iv) Internal controls; (v) Financial reporting (quarterly IFRs); and; (vi) External audit based on statement of audit needs agreed with C&AG (FAPAD).

18. **Staffing:** Under this project, there is a scale-up of activities with large number of spending units, covering up to 22,000 learning centers in about 148 Upazilas. It is therefore recommended to increase the staff strength of the finance section by appointing one qualified FM consultant and two accounts staff with adequate qualifications and experiences. The job descriptions and the requisite qualifications for these positions will be specified in the TORs. Appropriate provisioning for these staff positions have been made under this project. These selected staff will be provided adequate training in financial management and disbursement related aspects to meet the Bank's minimum requirements including training on 'client connection' related aspects.

19. **Internal audit:** The chartered accounting firms will be engaged to carry out the audits in accordance with the ToRs that will be agreed with the Bank. The firm will be selected through an appropriate competitive process to be prior reviewed by the Bank. The audit will cover the expenditures incurred under all the project components with a special focus on the amounts disbursed to the Learning centers and students. The audits of all the 148 Upazillas will be covered over a period of 3 years timeframe and will provide feedback to the project management on any control weaknesses and issues that require management attention. The ROSCU will take effective

steps to address the weaknesses highlighted by the auditors. It has been agreed that the internal audit reports along with the corrective actions taken by the project to address the control weaknesses (if any) will be shared with the Bank.

20. **External Audit:** The Comptroller and Auditor General of Bangladesh (C&AG) have the mandate to conduct the audit for all the donor financed projects in Bangladesh. The annual external audit for this project will be carried out by the C&AG through its Foreign Aided Project Directorate (FAPAD). A Statement of Audit Needs (SAN) will be agreed with FAPAD within 6 months of the project effectiveness. The ROSCU will be responsible for providing the audit report, project financial statements and management letter to the Bank within six months from the end of the each fiscal year. The following audit report will be received by the Bank and will be monitored in ARCS:

Implementing Agency	Audit Report	Auditor	Due Date
ROSCU of DPE, MOPME	Audit report and project financial statements	C&AG of Bangladesh	December 31, of each year

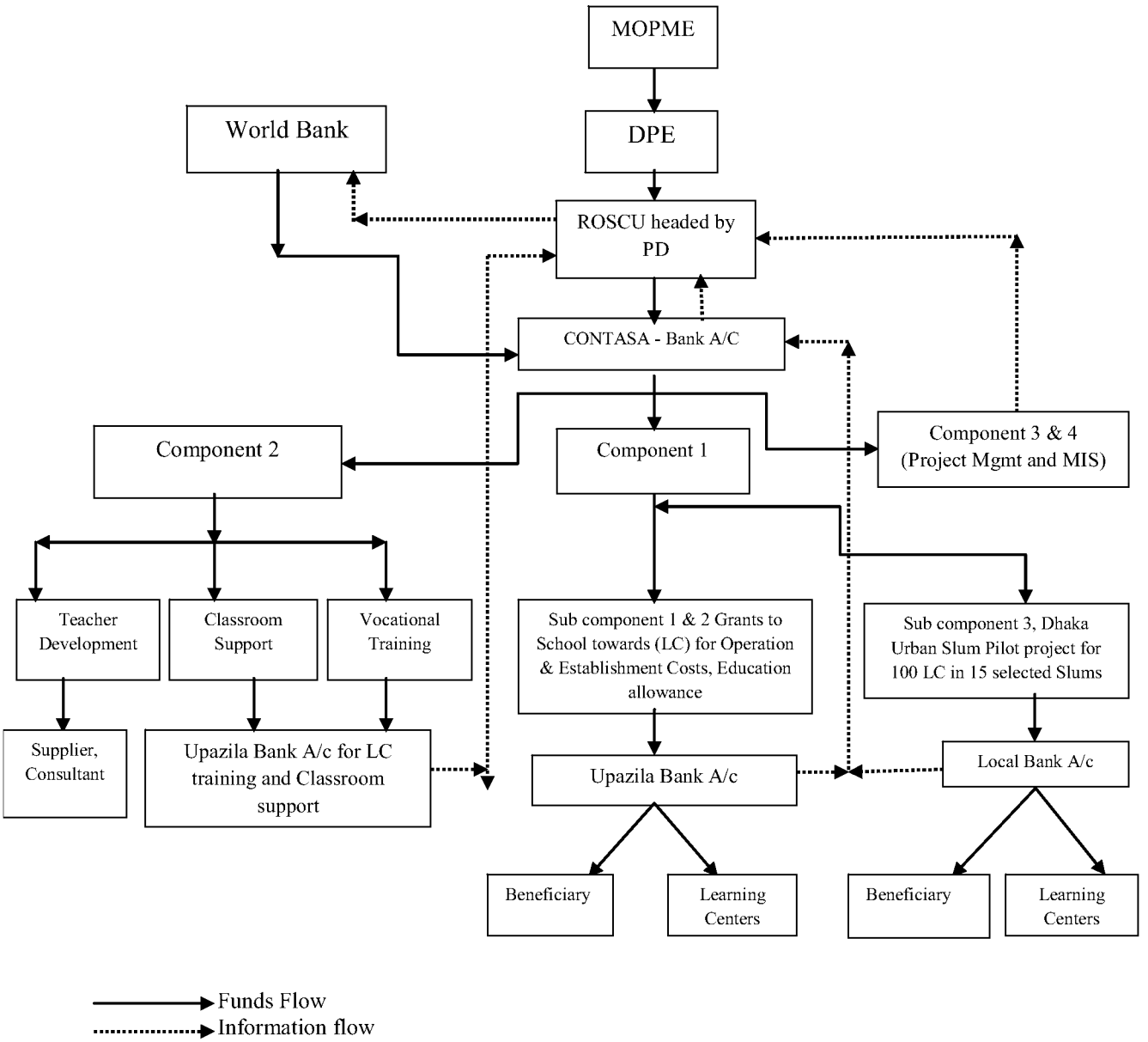
21. **Public Disclosure:** In line with the Bank's Access to Information policy, it has been agreed with ROSCU, DPE that the annual audit report and project financial statements will be disclosed on the MOPME/DPE website.

22. **Project Supervision:** During the initial stages of project implementation, the FM supervision will focus on compliance with the agreed action plan, including training on FM related aspects and addressing any disbursement related issues. As implementation progresses, the supervision would involve six monthly field visits to review the adequacy of the agreed Financial Management arrangements, reviews of IFRs, internal and external audit reports etc.

23. **Financial Management Action Plan:** The following actions have been agreed with the implementing agencies:

Agreed Actions	Responsible	Due Date
Development Project Proposal (DPP) to be recommended by PEC	GOB	Prior to Negotiation
Opening of Designated Account	GOB	Within 1 month from project effectiveness
Develop formats of Interim Financial Reports (IFRs) in consultation with Bank	ROSCU	Prior to Negotiation
Appointment of one qualified FM consultant and two account staff under TORs acceptable to the Bank.	ROSCU	Within 2 months of project effectiveness
Procurement of Computerized Accounting system (off the Shelf)	ROSCU	Within 3 months of project effectiveness
Inclusion of FM chapter in the Operational manual	ROSCU	Within 3 months of project effectiveness
ToRs for the Internal Audit Firms acceptable to the Bank	ROSCU	Within 6 months of project effectiveness
An agreement on Statement of Audit Needs with C&AG (FAPAD) acceptable to Bank	ROSCU in coordination with C&AG	Within 6 months of project effectiveness
Training to ROSCU finance staff on Financial Management related aspects	Bank	Within 1 month from project effectiveness

Attachment 3f: Funds Flow and Reporting in ROSC II



Procurement

24. **General:** Procurement for the proposed project would be carried out in accordance with the World Bank's "Guidelines: Procurement Under IBRD Loans and IDA Credits" dated January 2011 (Procurement Guidelines); and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated January 2011 (Consultant Guidelines)) and the provisions stipulated in the Financing Agreement.

25. All expected major procurement of works and consultants' services will be announced in the General Procurement Notice (GPN), published in the Bank external website and United Nations Development Business (UNDB).

26. **Procurement Responsibility:** The overall responsibility of project implementation would be with ROSCU under DPE.

27. **Particular Methods of Procurement of Goods:** Except as otherwise agreed in the procurement plan, goods may be procured on the basis of International Competitive Bidding. Procurement of goods having estimated value less than the ceiling stipulated in the Procurement Plan may follow National Competitive Bidding (NCB) and Shopping. Direct Contracting (Goods/Works) and Single Source Selection (Consultants) may be allowed under special circumstances with prior approval of the Bank. NCB would be carried out under Bank Procurement Guidelines following procedures for Open Tendering Method (OTM) of the People's Republic of Bangladesh (Public Procurement Act 2006 - PPA, 1st amendment to PPA (2009) and The Public Procurement Rules 2008, as amended in August 2009) using standard bidding documents satisfactory to the Bank. The "Request for Quotation" document based on PPA is acceptable to IDA for shopping. For the purpose of NCB the following shall apply:

- Post bidding negotiations shall not be allowed with the lowest evaluated or any other bidder;
- Bids should be submitted and opened in public in one location immediately after the deadline for submission;
- Rebidding shall not be carried out, except with the Association's prior agreement;
- Lottery in award of contracts shall not be allowed;
- Bidders' qualification / experience requirement shall be mandatory;
- 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
- Single-stage two-envelope procurement system shall not be allowed.

28. **Procurement of non-consulting services:** Except as otherwise agreed in the procurement plan, non-consulting services may be procured on the basis of International Competitive Bidding. Procurement of non-consulting services having estimated value less than the ceiling stipulated in the Procurement Plan may follow National Competitive Bidding (NCB). ROSCU will carry out such procurement using Bank Guidelines.

29. **Methods of Procurement of Consultants' Services:** Selection of Consultants will follow the Bank Consultant Guidelines. The following methods will apply for selection of consultants: Quality- and Cost-Based Selection (QCBS), Quality-based selection (QBS), Fixed Budget Selection (FBS), Consultants' Qualification (CQ), Least-Cost Selection (LCS), Individual Consultants (IC) and Single-Source Selection (SSS). Shortlist of consultants for services estimated to cost less than US$300,000 equivalent per contract may be composed entirely of national consultants. The Procurement Plan will specify the circumstances and threshold under which specific methods will be applicable.

30. **Operating Costs:** "Operating Costs" means the reasonable costs incurred on account of the implementation of the Project for office utilities, office supplies and stationeries, operation and maintenance of equipment and vehicles, hiring of vehicles, fuel, office rent, bank charges, advertising costs, and salaries and allowances related to Project-related travel and training of contracted staff but excluding salaries of the Recipient's civil servants.

31. **Assessment of the Agency's Capacity to Implement Procurement:** Bangladesh has a nodal procurement policy agency and a Public Procurement Act (PPA) 2006 with associated Public Procurement Rules 2008 (PPR) and bidding documents. It created a critical mass of about 25 procurement professionals and, as of now, provided training to over 3200 staff of about 300 organizations. To sustain the reform, with Bank's assistance, the Government has been implementing a second procurement reform project since late 2007, focusing largely on the implementation and monitoring of PPA including introduction of e-government procurement at key sectoral agencies. Notwithstanding the above progress over the past years, the current Government made a few amendments to the PPA part of which were found not consistent with the Bank's Guidelines, and as such the Bank for its projects allowed for local procurement the use of PPA / PPR with those exceptions.

32. The procurement capacity assessment was carried out by the Bank on June-July 2012. ROSCU has shortage of staff with procurement knowledge causing delays in procurement process. ROSCU is not immune to systemic issues affecting procurement efficiency and performance. In addition to adequate staffing for procurement needs, emphasis also needs to be laid on areas of internal control, documentation, information dissemination, administration of contract including delivery follow up, payments, handling complaints etc. The project is rated as "Substantial-Risk" from procurement operation and contract administration viewpoint.

33. In order to minimize procurement associated risks, the following measures have been agreed upon with the Government. Parts of these measures are already in place, while the remaining shall be implemented during preparation and implementation of the proposed project.

a. ***Procurement focal points (PFP)*:** ROSCU shall nominate a procurement focal point for their part of the proposed Project. The appointed focal person will take necessary training, both on PPR 2008 and Bank Procurement Guidelines. The focal person will help the agency in day-to-day procurement follow-up under this project and preparation of periodic procurement reporting.
b. ***Service of national procurement consultant***: ROSCU will hire a Procurement Consultant. The consultant should have sound knowledge in the Bank Procurement Guidelines and

Borrower's Public Procurement Act / Rules, and his/her service will be staggered time basis. This consultant will be a member of the bid/proposal evaluation committee for all procurements under this project.

c. ***Bid Evaluation Committee (BEC)*:** The BEC will have at least five members with two experts from outside the procuring entity with proven track record of experience in procurement; depending on the type of procurement such experts shall be either from public offices and/or from professional bodies/individual of known probity and/or individual consultants. Formation of such BEC shall be in conformity with the Bank's Guidelines and be acceptable to the Bank. ROSCU will prepare thorough terms of reference time bound action plan for the bid evaluation committee to ensure strict confidentially of the bidding process, unauthorized access of the confidential document and timely completion of the evaluation.

d. ***Establish/upgrade a functional webpage (regularly updated) for ROSCU with procurement related information accessible to the public:*** All information pertaining to bidding and procurement above the specified thresholds, as per PPR, will be published in Central Procurement Technical Unit's (CPTU's) website. In addition, the implementing agencies will publish procurement information on their own website. This information will include: invitation to bid, bid documents and RFPs (wherever applicable); latest information on procurement plan/contracts; status of evaluations once completed; contract award information; and information covering the poor performance of contractors, suppliers and consultants, including a list of debarred firms. The website would be accessible to all bidders and interested persons equally and free of charge.

e. ***Establish a system for handling complaints*** and a database for recording, monitoring and follow up on all the procurement activities under the project in ROSCU.

34. Introduce a procurement risk mitigation plan (PRMP), through reports submitted to IDA on a periodic (annual) basis with the following features:

a. *Alert bidders in pre-bid meeting*: Implementing through a notification will alert bidders during pre-bid meeting on consequences of corrupt practices (fraud and corruption, collusion, coercion, etc.). The alert message, among others, will include that if bidders are found to have adopted such practices, there may be remedial actions including debarment from bidding processes in conformity with the Bank's Guidelines. For national competitive bidding, national bidders debarred, if any, under the PPA will not be able to participate. In addition, in the pre-bid meeting, the bidders will be clarified for preparation of bids correctly.

b. *Alert internal officers/staff*: Implementing agency will issue alert letter(s) notifying on the fraud and corruption indicators and the possible consequences of corrupt and similar behavior in procurement practices and action to be taken against the official staff if they are involved in such practices. Moreover, agencies will highlight that, in case of noncompliance or material deviation from IDA's Procurement Guidelines, IDA may take remedial actions (i.e., withdrawal of funds, declaration of mis-procurement) for concerned contracts.

c. *Multiple dropping*: Multiple dropping of bids (bids submitted in more than one location and opened in one location) will not be permissible for any procurement under this project.

d. *Bid opening minutes*: During the same day of bid opening, photocopies of the Bid Opening Minutes (BOM) with readout bid prices of participating bidders will be submitted by BEC for circulation to all concerned. For prior review packages, such BOM will be shared with the IDA.

e. *Low competition among bidders and high price of bids*: The case(s) of low competition (not solely based on number of bidders) in ICB and NCB cases, coupled with high-priced bids will be inquired into and further reviewed by the implementing agency. The review and decision in this regard would be in the context of qualification criteria, the contract size (too small or too large), location and accessibility of the site, capacity of the contractors, etc.
f. *Measures to reduce coercive practices*: Upon receiving allegations of coercive practices resulting in low competition, implementing agency will look into the matter and take appropriate measures. For prior review contracts, observations of implementing agency will be shared with IDA, along with the evaluation reports. Implementing agency may seek assistance from law enforcing agencies to provide adequate security for bidders during bid submission. For ICB contracts, provision for bid submission through international/national courier services will be allowed and confirmation of the receipt of the bid will be informed to the bidders through e-mail.
g. *Rebidding*: In case of re-bidding, implementing agency will inquire into the matter, record and highlight the grounds of re-bidding (i.e. corruption or similar, high bid prices etc.) along with recommended actions to be taken. For prior review of cases, all such detailed reports will be sent to IDA.
h. *Filing and record-keeping*: implementing agency will preserve all records and documents regarding their public procurement in accordance with provisions of the Bank guideline. These records will be made readily available on request for audit/investigation/review by the Development Partners and the Government.
i. *Publication of award of contract*: implementing agency will publish contract award information within two weeks of contract award on its website, dgMarket/UNDB online, and CPTU's websites with the following information: identity of contract package, date of advertisement, number of bids sold, number of submitted bids along with names, bid prices as read out at bid opening, name and evaluated price of each bid, number of responsive bids along with name of bidder, name of bidders whose bids were rejected and brief reasons for rejection of bids, name of the winning bidder and the price it offered, proposed completion of date of contract, as well as a brief description of the contract awarded.

35. *Procurement Plan*: The Procurement Plan for the first eighteen months of the project will be prepared. It will also be available in the Project's database and in IDA's external website for this project. The Procurement Plan will be updated in agreement with ROSCU, at least annually, to reflect the actual project implementation needs and adjustments thereof.

36. *Review by IDA of Procurement Decisions*: The review by IDA of procurement decisions and selection of consultants will be governed by Appendix 1 of the Bank's Guidelines. For each contract to be financed by credit, the threshold for prior review requirements and post review contracts will be identified in the Procurement Plan. During the first 18 months of the project, IDA will carry out prior review of the following contracts. This prior review threshold will be updated annually based on the performance of the implementing agency:

a. For Goods. All the ICB Contracts and Direct Contracts irrespective of estimated cost. The NCB Contracts estimated cost equivalent or more than US$300,000.
b. For Non-consulting service. The Contracts estimated cost equivalent or more than US$600,000.

c. For Consultant's Services. Prior review will be required for consultants' services contracts estimated to cost USD 200,000 equivalent or more for firms and USD 100,000 equivalent or more for individuals. All single-source contracts will be subject to prior review by and in agreement with IDA. All Terms of References of the consultants are subject to the IDA's prior review.

37. **Overall Procurement Arrangements** for *Services* and *Goods* with tentative amounts has been agreed during the Appraisal mission.

38. **Specific Arrangements**: The following three organizations will be deployed as service providers for specific purposes under this project. The service providers will be selected by ROSCU on direct contracting or single source basis:

(i) Local Government Engineering Department (LGED)- *MIS Service for ROSCU)*:
LGED is a Government organization under Local Government Division. As customary between two Government organizations/departments, ROSCU will enter into a Participation Agreement or Memorandum of Understanding with LGED to obtain the services for the duration of the project. The rationales for engaging LGED are as follows:

- LGED has the requisite capacity, a qualified group of people in ICT, GIS, MIS and project implementation monitoring;
- Good track record in ROSC and other Bank-funded projects for GIS/MIS Services; and
- LGED's decentralized nature, field presence in almost 500 Upazilas in Bangladesh and reach to almost all remote locations of ROSC learning centers.

(ii) Institute of Education Research (IER), Dhaka University (DU)- *Training Service for 15,000 Teachers of ROSCU Schools and 60,000 CMCs:*
IER-DU is a state-owned university functioning as an autonomous organization. ROSCU will enter into a consultancy services contract with IER to obtain the services for the duration of the project. The rationales for engaging IER are as follows:

- IER is able to confer specialized professional degrees in education such as B Ed Honours, M Ed, M Phil. and PhD;
- IER has the capacity to conduct courses not only in its premises but also in other parts of the country;
- it has good track record and experience in projects funded by different Development Partners;
- engaging IER can ensure long-term sustainability so that this learning program can continue beyond ROSC II; and
- the estimated cost is significantly reasonable considering 75,000 beneficiaries.

(iii) Sonali Bank Limited- *Service charges for Disbursement of Grants and Educational Allowances*:
Sonali Bank Limited (IER) is a Public Limited Company formed under Bangladesh Banking Companies Act 1991. Though it is still fully owned by Government, it is legally and

financially autonomous. ROSCU will enter into a non-consultancy services contract with SBL to obtain the services for the duration of the project. The rationales for engaging SBL are as follows:

- SBL has the widest coverage among any Bank in Bangladesh and in ROSC II where location of many LCs are in remote places, it will be useful if disbursement through SBL takes place;
- SBL has good track record and modern IT-based tracking/monitoring system; and
- this is a continuation of the specific arrangement adopted in ROSC.

Environmental and Social (including safeguards)

39. The environmental impacts due to the selection of Learning Center are likely to be site-specific, non-sensitive or reversible, and in every case, mitigation measures can be designed to overcome or reduce the negative environmental impacts. The project will not finance any new construction/renovation of LCs. LCs will be housed in a rental room under a contractual agreement with house owner for definite period of time. Since the project will not support construction of latrines or installation of any drinking water source, supply of safe drinking water and the provision of hygienic sanitation are the two vital challenges of the program. The presence of elevated levels of arsenic in groundwater is a major health issue in Bangladesh. Safeguard against arsenic contaminated drinking water can be ensured through (i) careful site selection based on available data and arsenic testing if tube well is selected as the source of drinking water; (ii) providing alternative water supply option in case of arsenic contamination in tube-well water; (iii) annual monitoring of water (arsenic for tube-wells and fecal coliform for water supply based on dug-well, rainwater harvesting and surface water); (iv) ROSC II MIS cell data base on tube-well and alternative water supply options (quality, depth, location etc.). To ensure healthy sanitation system, the LC venue should be ensured with water sealed hygienic latrines.

40. Considering the nature and magnitude of potential environmental impacts which can be mitigated through proper LC selection, the **proposed project is to be classified as category 'B'. Only one Bank environmental safeguard policy i.e., OP/BP 4.01 Environmental Assessment has been triggered for this program**. This policy has been triggered to ensure that the program design and implementation are focused on reducing adverse impacts and enhancing positive impacts. Since the extent and exact locations of LCs is not to be known at appraisal, the requirement to carry out an environmental analysis as part of program preparation can be waived. However, to avoid any major environmental impact, a limited environmental analysis/screening will be conducted through the government systems (under the responsibility of DPE) during project implementation prior to approval of the LCs.

41. The implementing agency will appoint a dedicated Environmental Focal Person at Assistant Director Level who will be responsible for ensuring the completion of environmental screening/assessments during LC selection. S/He will supervise the implementation of the EMP**.** The Environment Specialist will ensure that the environmental management costs have been properly reflected in the M&E plan. S/He will supervise the implementation of the EMP and will ensure budgetary provision for conducting capacity building of the CMC/NGO in EMP implementation. The implementing agency will hire a short term environment consultant for four months in a year who will be responsible for conducting environmental screening/assessments during LC selection and preparation of half yearly environmental monitoring report on the implementation status and quality of the EMP which will be shared with Bank. CMC and NGOs will be involved in EMP implementation.

42. The Environmental Management Framework (EMF) prepared for the project has explained the procedure for the environmental screening/assessment, consultation, supervision, mitigation measures and monitoring procedures. Both the World Bank policy guideline and the government environmental rules were considered in preparing the EMF.

43. Similarly to the Secondary Education and Primary Education project (also supported with financing from the World Bank), the implementing agency will sign a memorandum of understanding with the Department of Public Health Engineering for annual water quality testing of the program-funded drinking water sources for the LCs. Regular Third Party Monitoring will be conducted for ensuring proper implementation of the EMP.

44. The proposed ROSC II Project would be implemented in about 100 additional upazilas of the country and the upazilas would be selected on the basis of poverty, education deprivation and other relevant criteria. It will also be extended to selected urban slums on a pilot basis. The project would support access to learning opportunity for out-of-school children by providing stipend to students and grants to learning centers. With community management at the field level synchronized with a partnership between the government and non-governmental organizations (NGO), the approach would focus on the establishment of learning centers (LC) set up through a Center Management Committee (CMC) directly accountable to parents and students. No private land acquisition or displacement of people from public lands or any adverse impacts on livelihoods is anticipated due to the project activities. Existing public spaces or private spaces will be rented for the establishment of the new learning centers. **Therefore OP 4.12 Involuntary Resettlement is not triggered for this project.**

45. The proposed ROSC II project would be implemented in about 100 additional upazilas of the country and the upazilas would be selected on the basis of poverty, education deprivation and other relevant criteria. Since a final selection of the upazilas has not been done, there is a possibility that areas may be chosen where tribes, minor races and ethnic sets are living. **Therefore OP 4.10 Indigenous Peoples is triggered for the project.** The Social Inclusion and Management Framework (SIMF) has been prepared for inclusion and gender aspects.

Monitoring & Evaluation

46. Primary responsibility for project monitoring and evaluation lies with ROSCU. MOs deployed under the project will visit LCs to validate self-reported information, collect sample-based compliance data on LC Grants and Education Allowances. MOs will use smart phone technology, equipped with GPS, for this purpose. The ROSC II MIS Cell at LGED will process and maintain detailed database on students, LCs, teachers and other beneficiaries. Monitoring will also feature the use of SMS monitoring to track delivery of funds, materials and classroom activities including teacher attendance. Independent agencies will be deployed to carry out baseline and follow-up surveys to measure the effectiveness and impact of project interventions; and to administer student learning assessment tests. Detailed arrangements are found in **Annex 1.**

Attachment 3g
DRAFT PARTICIPATION AGREEMENT (format)

Between

The Ministry of Primary and Mass Education Represented by
Reaching Out-of -School Children Project II UNIT

And

The Ministry of Local Government Rural Development and Cooperatives (LGRD)
Local Government Division Represented by
Local Government Engineering Department (LGED)

This Agreement, together with all terms and conditions hereof, called the PARTICIPATION AGREEMENT, is made on ..... day of …… between the Ministry of Primary and Mass Education represented by the Reaching Out-of-School Children Project II Unit (hereinafter called the ROSC Unit) and the Ministry of Local Government and Rural Development Represented by the Local Government Engineering Department (hereinafter called LGED).

WHEREAS through Financing Agreement (hereinafter called the FA) between the International Development Association (hereinafter called the `Association`) and the Government, the Government intends to sign an agreement with the Association for a credit to support the GoB's efforts in the implementation of the Second Reaching Out-of-School Children Project (hereinafter called the ROSC II Project), starting from 01 January 2013 and ending on 31 December 2017, unless otherwise agreed.

WHEREAS the Project [short project description]

WHEREAS it was agreed that LGED would serve as the MIS Cell of ROSC II Project for the purposes of data processing and monitoring related activities. LGED would provide services in areas including: (a) trimester data processing and ACF preparation, (b) first year validation of LC information, c) trimester compliance monitoring, (d) mobilization of monitoring officers, (e) SMS monitoring, and (f) dissemination of MIS information through website.

And, WHEREAS, the parties hereto have agreed to enter into this Participation Agreement

Now THEREFORE the parties hereto hereby agree as follows:

ARTICLE I: DEFINITIONS

Section 1.1 For the purpose of the present Agreement, the following definitions shall apply:

ARTICLE II: DESCRIPTION OF SERVICES

Section 2.1 The MIS Cell tasks shall include the following (details will be included in the Monitoring Manual):

(a) Enhance the ROSC II MIS Cell with adequate staffing and logistics. The MIS Cell shall be headed by a coordinator, specialists and support staff, acceptable to the ROSC Unit;
(b) develop several customized data entry software for the assigned tasks;

(c) mobilize and supervise MOs enlisted by ROSCU for monitoring activities including initial validation of new LCs and trimester compliance monitoring (33% of LCs each trimester);
(d) process LC level data related to LC establishment, LC validation, compliance monitoring, SMS monitoring;
(e) prepare student ID cards and LC wise student profiles by upazila
(f) prepare ACF for disbursement of Grants and Allowances on trimester basis;
(g) prepare reports including: (i) validation report, (ii) 3 trimester compliance monitoring reports, (iii) annual statistical report, and (iv) 3 trimester MIS Cell progress reports.
(h) manage SMS monitoring activities and generate SMS monitoring reports on a monthly basis;
(i) generate LC GIS maps using information from LC validation;
(j) develop and maintain a MIS website to disseminate information on LCs and monitoring reports;

Section 2.2 The Schedule of MIS Cell activities

Sl	Activity	Timeline/Deadline
1.		

ARTICLE III: ROLE OF ROSCU

Section 3.1 The ROSC Unit shall:

(a) provide required institutional and technical support to the MIS Cell to carry out its functions effectively;
(b) provide payments for associated with MIS Cell management based on trimester reports;
(c) provide support to MIS Cell's to prepare and agree on the annual plan, schedule and budget for data processing, validation, compliance monitoring and other assigned activities;
(d) provide payment for reimbursable activities;
(e) engage MIS Cell coordinator and specialists in ROSC Coordination meetings and necessary corrective actions based on monitoring reports;
(f) provide support to MIS Cell in mobilizing MOs and LC teachers;
(g) approve forms and reports prepared by MIS Cell;
(h) carry out annual performance review of MIS Cell;

ARTICLE IV: DELIVERABLES AND REPORTING

Section 4.1 The agreed deliverables that the MIS Cell shall submit to ROSC Unit include, but not limited to, the following:

(a) Annual work program with details of activities including budget estimates for each year
(b) Validation Report;
(c) Trimester Progress Report on MIS Cell activities;
(d) Trimester Compliance Monitoring Report;
(e) Printed ACF on trimester basis;
(f) Annual Statistical Report based on an agreed format;
(g) Student ID cards and student ID profiles;
(h) Dissemination of relevant reports and LC data on MIS website;

ARTICLE V: SERVICE CHARGES AND PAYMENTS

Section 5.1 Total service charge is estimated based on Taka ____ per student year including VAT and taxes. This includes data processing services at the rate of Taka ___ per student year and monitoring services at the rate of Taka ___per student year. The service charge shall be paid to LGED based on the following unit cost.

(a) Taka ____ per month MIS Cell management

Section 5.2 The payment installment shall be as follows: (i) ____ percent (as advance) of the annual budget estimate indicated in the annual work program; (ii) _____ percent after the approval of a first trimester progress report indicating completion of tasks; and (iii) _____ percent after the approval of a second trimester progress report; and (iv) _____ percent after the approval of a third trimester progress report.

ARTICLE VI: EFFECTIVENESS AND TERMINATION

Section 6.1 The term of this Agreement shall become into force and effect from the date of effectiveness of the Financing Agreement, and shall terminate on 31 December 2017. At the mid-term, MIS Cell performance shall be reviewed for continuation of the agreement.

ARTICLE VII: AMENDMENTS

Section 7.1 This Agreement or its appendixes may be modified or amended only with written agreement between both the parties.

IN WITNESS WHEREOF, the parties hereto, action through their representatives here unto duly authorized, have on behalf of the parties hereto signed this Agreement in Dhaka as of the ____ day of _____.

Project Director, ROSC Chief Engineer, LGED

Witness:

1. By .....
Directorate of Primary Education
Ministry of Primary and Mass Education

2. By .....
Local Government Engineering Department
Local Government Division
Ministry of Local Government Rural Development and Cooperatives (LGRD)

Attachment 3h

DRAFT Terms of Reference

Institute of Education and Research
University of Dhaka

IER would serve as one of the Training Agency of ROSC II Project for the purposes of providing training of LC teachers and CMC members.

DESCRIPTION OF SERVICES

IER will serve as Training Agency and provide services described below according to an agreed business plan.

(a) establish a Training Cell within IER to manage foundation and refresher training activities for LC teachers and CMC members. The Training Cell shall be headed by a full-time coordinator.
(b) participate in the ROSC quality working committee chaired by PD and represented by IER and experts;
(c) provide feedback to ROSCU in the development of training modules and training materials for RPs, TCs and LC teachers;
(d) develop CMC training modules and materials for CMC members;
(e) support ROSC Quality Working Committee in the enlisting of RPs and TCs;
(f) support ROSCU in the training of RPs and TCs;
(g) deploy and manage Training Coordinators based at Upazila level;
(h) mobilize RPs and TCs in the provision of training to LC teachers (foundation and refresher);
(i) mobilize TCs in the provision of training to CMC members (initial and refresher);
(j) develop and maintain training database (TCs, teachers, CMC members);
(k) support ROSCU to develop guideline and modality for TGMs by HTs, sub-cluster training by AUEOs, and Academic Supervision by HTs/AUEOs;

The Schedule of IER activities

Sl	Activity	Timeline/Deadline
1.	Establish Training Cell at IER	Sep 2012

ROLE OF ROSCU

The ROSC Unit shall:

(a) provide required institutional and technical support to the IER to carry out its functions effectively;
(b) provide payments for associated with Training Cell management based on quarterly reports submitted by IER;
(c) approve batch-wise training program schedule and budget prepared by IER;
(d) provide advance for batch-wise training activities;
(e) engage IER Training Cell coordinator in carrying out the tasks of the Quality Working Committee;
(f) facilitate collaboration of IER and the Quality Working Committee in all relevant teacher development activities;
(g) provide support to IER in mobilizing TCs, AUEOs and LC teachers;
(h) carry out annual performance review of IER.

DELIVERABLES AND REPORTING

The agreed deliverables that the IER shall submit to ROSC Unit include, but not limited to, the following:

(a) Annual work program with details of activities including budget estimates for each year
(b) Batch wise training program with detailed budget proposal
(c) Batch wise completion report with both physical and financial statements
(d) Trimester progress report for release of service charges payments associated with Training Cell management

SERVICE CHARGES AND PAYMENTS

Service charge shall be paid to IER based on the following unit cost.

(a) Taka ____ per month Training Cell management

The payment installment shall be as follows: (i) ____ percent (as advance) of the annual budget estimate indicated in the annual work program; (ii) _____ percent after approval of a first trimester progress report indicating completion of tasks in the corresponding trimester; and (iii) _____ percent after approval of a second trimester progress report indicating completion of tasks in the corresponding trimester; and (iv) _____ percent after approval of a third trimester progress report indicating completion of tasks in the corresponding trimester.

Reimbursable charge shall be paid to IER based on the following unit cost.

(b) Taka ____ per foundation training per LC teacher

(c) Taka ____ per refresher training per LC teacher

(d) Taka ____ per CMC training per CMC member

The payment shall be based on actual expenses incurred for the reimbursable activities above. Advance payment would be based on approved budget for each batch of training activities.

Attachment 3i

DRAFT Terms of References

The Sonali Bank or State-owned Commercial Bank

Sonali Bank or state-owned commercial bank would serve as disbursement agency of ROSC II project for management of education grants and allowance and properly monitor it.

DESCRIPTION OF SERVICES.

The Sonali Bank tasks shall include the following (details will be included in the Disbursement Manual. Agreed Business Plan with terms and conditions including penalty clauses are attached):

(a) Establish "ROSC Disbursement Cell" at the Headquarters with adequate staffing and logistics. The Disbursement Cell shall be headed by a full-time coordinator and support staff, acceptable to the ROSC Unit;
(b) Remit education allowances and grants to the beneficiaries through Upazila Bank Branches following the agreed criteria and procedures;
(c) Prepare and submit Reconciliation Report for each trimester;
(d) Refund un-disbursed funds to the project account;
(e) Deposit the interest earned by the CONTASA to GoB account,

Sonali Bank Activities and Disbursement Schedule

Sl	Activity	Timeline

ROLE OF ROSCU

The ROSC Unit shall:

(a) provide required institutional and technical support to Sonali Bank to carry out its functions effectively;
(b) engage ROSC Disbursement Cell coordinator in ROSC Coordination meetings and necessary corrective actions based on disbursement reports;
(c) provide Award Confirmation Form (ACF), along with disbursement schedule and payment authorization;
(d) approve reports prepared by Sonali Bank;
(e) provide service charge payment to Sonali Bank based on approved progress reports;
(f) carry out annual performance review of Sonali Bank services.

DELIVERABLES AND REPORTING

The agreed deliverables that the Sonali Bank shall submit to ROSC Unit include, but not limited to, the following:

(a) Annual work program with details of activities for each year;
(b) Trimester Reconciliation Report;
(c) Trimester Progress Report based on business plan;
(d) All supporting documents relating to the disbursement.

SERVICE CHARGES AND PAYMENTS

Total service charge will include VAT and taxes. This service charge shall be paid to Sonali Bank based on actual disbursement using the following unit cost:

(a) Tk ____ per LC per year for all LC Grants based on actual disbursement; and
(b) 2.5% rate for education allowance disbursed through temporary booths

Annex 4: Operational Risk Assessment Framework (ORAF)

Bangladesh: Reaching Out-of-School Children Project II

<table>
<tr><td colspan="8">Project Stakeholder Risks</td></tr>
<tr><td>Stakeholder Risk</td><td>Rating</td><td colspan="6">Low</td></tr>
<tr><td rowspan="2">Description:

Primary stakeholders in the project are communities, supporting NGOs, the Government and development partners: making them work together is challenging. Accepting the communities as the central role players demands a change in culture which is still not in place. While government ownership of ROSC is very high, a change in the cast can offset the present scenario. Selection of NGOs can still be politically influenced.</td><td colspan="7">Risk Management:

The following measures are expected to mitigate the risks: (i) Ensuring engagement of government officials on the ground by MOPME; (ii) Continuity of key staff at ROSC Unit; (iii) enhanced partnership between the government and NGOs; and (iv) mobilization of communities before the establishment of Learning Centers (LCs) and their continued empowerment of CMCs to operate the LCs.</td></tr>
<tr><td>Resp: Client</td><td>Stage: Implementation</td><td>Recurrent: ☑</td><td>Due Date:</td><td>Frequency:</td><td>Status: Not Yet Due</td></tr>
<tr><td colspan="8">Implementing Agency (IA) Risks (including Fiduciary Risks)</td></tr>
<tr><td>Capacity</td><td>Rating</td><td colspan="6">Substantial</td></tr>
<tr><td rowspan="2">Description:

Limited capacity and high staff turnovers are potential risks for project implementation. Experience from other education projects in the country show that project implementation may suffer greatly depending on the performance of the project director.</td><td colspan="7">Risk Management:

The current ROSC project management unit has been very steady with continuity in key staffing for a number of years. The Ministry is committed to ensuring similar stability in ROSC II. In addition, much of the success of ROSC II will depend on mobilizing other implementing partners – NGOs, other government agency and consulting firms – to implement the project in an effective manner. ROSC II would continue to employ other implementing partners. The Bank will be involved in continuous dialogue with the counterparts to see that project staffing, including project director, is appropriately managed.</td></tr>
<tr><td>Resp: Both</td><td>Stage: Implementation</td><td>Recurrent: ☑</td><td>Due Date:</td><td>Frequency:</td><td>Status: Not Yet Due</td></tr>
</table>

<table>
<tr><td>Governance</td><td>Rating</td><td>Substantial</td></tr>
<tr><td rowspan="5">Description:

Possible political interference in the selection of upazilas for ROSC II intervention, selection of local level NGOs and recruitment of teachers, and in selection of urban slums for the project.</td><td colspan="5">Risk Management:

Upazilas will be selected based on objective criteria using Human Opportunity Index (HOI) data. Upazila education committee and ROSCU will oversee enlisting and selection of local NGOs as partner organizations. Their services will be phased out after one year. Teachers would be recruited from a pre-enlisted pool with appropriate qualifications. Slums would be selected from a recently carried out urban slums survey.</td></tr>
<tr><td>Resp: Client</td><td>Stage: Implementation</td><td>Recurrent: ☑</td><td>Due Date:</td><td>Frequency:</td><td>Status: In Progress</td></tr>
<tr><td colspan="6"></td></tr>
<tr><td>Rating</td><td colspan="5">Substantial</td></tr>
<tr><td colspan="5">Risk Management:

To mitigate FM risk, the proposed project would employ: a) yearly validation of all Learning Centers and number of students; b) use of full-time monitoring officers to visit each LC regularly; c) disbursement of funds through Banking system; d) independent monitoring on compliance of educational and management guidelines; and e) use of ICT (mobile technology) for disbursement of Grants and allowances and monitoring of school activities.

The regular safeguard measures at the center will include external audits by FAPAD and supervision of prompt resolution of disputes, annual social audit by LCs, deploying a full-time FMS consultant and two accountants in the new ROSCU staffing, etc.</td></tr>
<tr><td>Financial management risk is also substantial given the project design which delivers grants and allowances to a large number of LCs and students, with the potential for misrepresentation of data (e.g. inflation of student numbers) and misuse of grants.</td><td>Resp: Client</td><td>Stage: Implementation</td><td>Recurrent: ☑</td><td>Due Date:</td><td>Frequency:</td><td>Status: Not Yet Due</td></tr>
</table>

Project Risks							
Design	Rating	Moderate					
Description: There are two main risks associated with project design: 1. Adding urban slums and vocation skills training pilots pose uncertainty, and 2. Quality enhancement strategy involving revamped teacher development scheme with new actors is still somewhat unknown territory.	**Risk Management:** 1. Both urban slums and vocation skills schemes are small scale pilots to be implemented in partnership with experienced agencies such as Save the Children and others. 2. On quality, professional agencies such as IER will be deployed as partners to revamp the entire teacher development and classroom support activities.						
	Resp: Client	Stage: Implementation	Recurrent: ☑	Due Date:	Frequency:	Status: Not Yet Due	
Social and Environmental	Rating	Moderate					
Description: DPE has limited capacity to review the existing environmental guidelines and preparing the Environmental Management Framework for ensuring safe drinking water and sanitation facilities and healthy environment in LC will be a possible risk. Developing a social inclusion plan to address gender, tribal groups and poverty may be limited.	**Risk Management:** The project will have a dedicated Environmental Focal Person at Assistant Director Level who will be responsible to ensure overall environmental compliance and preparation of Environmental Management Framework. The implementing agency will hire a part-time environment consultant for conducting environmental screening/assessments during LC selection and for supervising the implementing of the EMP. CMC and NGOs will be trained and involved in EMP implementation. Technical assistance will be provided to the implementing agency to update social safeguards plans for the proposed project. The project will include a strong mechanism for monitoring sanitation facilities, and provision of safe drinking water.						
	Resp: Both	Stage: Both	Recurrent: ☑	Due Date:	Frequency:	Status: In Progress	
Program and Donor	Rating	Low					
Description:	**Risk Management:** The Bank team has built a shared partnership with the client and it is reflected in project unit's willingness to reach out to different members of the Bank team on relevant technical, fiduciary and safeguards aspects. The World Bank team is small in size but focused on ensuring quality of implementation and results. The same is expected to continue in the proposed project preparation and implementation.						
	Resp: Bank	Stage: Both	Recurrent: ☑	Due Date:	Frequency:	Status: In Progress	

<table>
<tr><td>Delivery Monitoring and Sustainability</td><td>Rating</td><td colspan="6">Moderate</td></tr>
<tr><td rowspan="2">Description:

Reliance on implementing partners – NGOs, other government agencies and technical assistance – to implement and monitor ROSC project could be risky if MOPME/Project Unit do not mobilize/manage the partners effectively.</td><td colspan="7">Risk Management:

The proposed project will continue the current project’s implementation arrangements that have worked well to deliver the desired results. A number of monitoring mechanisms—each independent of the other—will be in place to monitor implementation. Some of these mechanisms will use various ICTs for monitoring activities and results. Besides, there will be a number of third party independent studies to inform the project of the implementation status. Additional technical assistance will be proposed for new pilots programs such as urban slums, life skill and learning assessments.</td></tr>
<tr><td>Resp: Client</td><td>Stage: Implementation</td><td>Recurrent: ☑</td><td>Due Date:</td><td>Frequency:</td><td>Status: Not Yet Due</td></tr>
<tr><td colspan="8">Overall Risk</td></tr>
<tr><td colspan="8">Implementation Risk Rating: Moderate</td></tr>
</table>

Annex 5: Implementation Support Plan

Bangladesh: Reaching Out-of-School Children Project II

Strategy and Approach for Implementation Support

1. The implementation support strategy for the proposed ROSC II would be guided by the project design and its implementation arrangements. Because of the highly decentralized nature of interventions, implementation in partnership with multiple agencies, mobilization of communities and introduction of innovative pilots, the strategy would include: (i) constant dialogue (both formal and informal) with the Government to identify issues and problems affecting the pace of implementation progress; (ii) technical assistance in different forms to contribute towards achievement of project's development objectives; and (iii) oversight due diligence in fiduciary and safeguard procedures and transactions. The implementation support plan would consist of several elements outline below.

Implementation Support Plan

2. *Missions and Dialogues*: The formal missions would be fielded every six months to review implementation progress in each of the project components, assess achievement of PDO and KPIs, agree on half-yearly project activities and milestones, and to carry out fiduciary and safeguards oversight. The World Bank task team would continuously follow up with the Project Unit to see whether there are issues and obstacles hindering project implementation progress, explore ways to resolve them, and agree on adjustments that need to be made to project design and implementation arrangements. These would be complemented by field/site visits to ROSC LCs, Upazila Level officials and other implementing partners.

3. Fiduciary Oversight and Support: The *financial management support* plan will include: monitoring progress against the agreed FM action plan; reviews of quarterly/semi-annual Interim Unaudited Financial Reports (IFRs); review of annual audited financial statements; monitoring of outstanding audit issues and follow up to resolve them; and participation in implementation support missions as appropriate. *Procurement oversight* will be provided by the World Bank procurement team for all project related procurement contracts, including consultancies. The oversight will be required for planning procurement, undertaking prior review, building capacity for procurement and undertaking post reviews.

4. *Safeguards oversight and support:* The Bank's safeguards team will provide necessary specialized assistance on managing the environmental and social safeguards assessment and mitigation issues. This may include training of relevant project staff and consultants to ensure compliance with the Environmental Management Framework (EMF) and the Social Inclusion and Management Framework (SIMF) The EMF and SIMF would clearly specify the monitoring arrangements. Even though the project interventions are expected to have limited social and environmental impacts, it is necessary to have both formal missions and regular supervision to identify and resolve any issues regarding monitoring and compliance. Both social and environmental specialists are based in the World Bank country office in Dhaka.

5. *Technical assistance:* An initial needs assessment has identified several technical areas for technical assistance from the Bank side as well as trust fund resources. It is expected that the Bank's technical team will provide regular support as necessary in each of the project components, sub-

components and specialized activities including social awareness and advocacy, use of ICT technology for both delivery of services and monitoring of service delivery (SMS monitoring, Smart Phone data collection, Post office disbursement cards); development of specialized teacher training courses; and impact evaluation activities including baseline and follow up surveys. Possible areas of technical assistance across project components are described below in table 1.

Table 1: Possible Areas of Bank Supported Technical Assistance across project components

Components	TA Activities	
1. Increasing Equitable Access	1.1 Grants and Allowances	a. Communications strategy to mobilize communities to establish LCs b. Use of ICT technology, such as post office cash card, in the disbursement of student allowances and LC grants
	1.2 Urban Slums Pilot	c. Program design and evaluation of the urban slums pilot and child domestics pilot schemes
2. Enhancing Education Quality	2.1 Teacher Development	d. Development of training modules for RPs and TCs
	2.2 Classroom Support	e. Piloting of English and Math support programs
	2.3 Pre-vocational Skills Training Pilot	f. Program design and evaluation of the pilot skills training scheme
3. Improving Project Management & Capacity	3.1 Project Management and Capacity Building	g. Capacity building support on management, planning and M&E
	3.2 Social Awareness and Advocacy	h. Design and strategy for project advocacy and media
4. Establishing Effective M&E	4.1 Monitoring	i. Support SMS monitoring pilot as well as smart phone validation monitoring schemes
	4.2 Evaluation	j. Design and supervision of learning assessment as well as impact evaluation activities.

6. ***Use of ICT for Monitoring and Service Delivery:*** ICT use has seen a rapid increase in programs/projects in developing countries. Given the relatively low cost of mobile phone technology in the country and a number of benefits it may bring in the area of social accountability and service delivery, Bangladesh's ROSC project is a good example to introduce ICT. As mentioned earlier, the project would feature innovative uses of ICT for monitoring, validation, dissemination of information, and service delivery. The use of ICT would also be highlighted in the implementation of the Governance and Accountability Action Plans (GAAP) as well as project's compliance with right to information (RTI). These activities are expected to be supported through technical assistance from the World Bank and other trust fund resources. The Bank task team would work with the Bank's ICT unit to strengthen the use of ICT social accountability tools. The team would also consider working with

the Citizen Action for Results, Transparency and Accountability (CARTA) program to provide independent third party monitoring of project activities. Detailed use of ICT is attached in **Annex 2** (*Attachment 2a*)

Main focus in terms of support to implementation:

Focus area	***Skills Needed***
LC establishment and management	Implementation expert; Education economist
Education Allowances	Implementation expert; Education economist
Urban Pilot, Vocational Skills Pilot	Operations expert; Skills expert
Education Quality	Education specialist; Training agency
Capacity Building	Capacity building expert
Social Awareness	Communications firm
M&E including monitoring, impact evaluation, learning assessments and PETS	Economist, M&E Expert; MIS Cell; Assessment expertise; Survey firms
Use of ICT for monitoring and service delivery	ICT experts including support from TWICT Unit
FM	FM Specialist
Procurement	Procurement specialist
Safeguards: social and environmental	Social Development specialist; Environmental Specialist
Overall coordination and supervision	Co-Task Team Leaders

Annex 6: Governance and Accountability Action Plan (GAAP)

Bangladesh: Reaching Out-of-School Children Project II

1. Project preparation has identified the following key governance and accountability risks at the project level for which a number of mitigation measures are proposed in the GAAP Matrix. While the overall responsibility for the GAAP implementation will rest with the Project Unit and the Project Director, the GAAP will be monitored regularly against agreed actions as reflected in the project progress reports and semi-annual World Bank mission aide memoires.

2. *Project Management and Capacity.* One of the main lessons from the first ROSC project is that project implementation depends critically on the position of the Project Director and her/his capacity to effectively manage staffing, consultants, implementing partners and field level stakeholders. Experience from other education projects in the country show that project implementation may suffer greatly depending on the performance of a project director. Staff vacancies, frequent turnovers and limited capacity in administrative, technical and fiduciary aspects make it imperative that the government partner with specialized agencies in service delivery and monitoring aspects. This becomes even more important when the project plans to scale up ROSC operation in additional rural upazilas, urban slums and revamp quality enhancement interventions.

3. *Field Level Capacity and Accountability.* Three main actors at Learning Center level are: teachers, center management committee and supporting partner organizations (POs). There is potential for political interference in the selection of local level NGOs and recruitment of teachers. Moreover, without adequate training/orientation/incentives, CMCs and teachers cannot effectively manage the centers and deliver quality education to students. Selection of eligible students, qualified teachers, and supporting NGOs (POs) needs clarity and follow agreed criteria and procedures.

4. *Financial Management.* As per design, the project delivers resource grants and allowances to a large number of Learning Centers and students, with the potential for misuse of the grants and misrepresentation of the data (inflation of student number). FM risk is substantial. It is necessary to manage this risk carefully from the center as well as at the field level.

5. *Procurement Capacity and Transparency*: Despite a small number and relatively low value nature of procurement packages to be carried out by ROSCU, it is not immune to systemic issues affecting procurement efficiency and performance, and thus risk is substantial. Therefore, it is necessary to ensure that there is adequate procurement capacity and transparency in procedures and transactions.

6. *Social Accountability*: *Transparency and Citizens Participation.* While ROSC project is a community-driven one, there are challenges associated with public information disclosure, citizens' oversight and vigilance, grievance redress mechanism, and clarity in roles and reporting arrangements. ROSC-I performed strongly on community participation, but not so strongly on technical aspects and financial monitoring at the local level. Involvement of community based NGO, if they are supported by political parties, can prevent information disclosure.

GAAP Matrix for ROSC II

Issues / Risk	*Mitigating Actions to be* **taken**	**Agency Responsible**	**Timeline**	**Early Warning Indicators**
Project Management and Capacity				
1. Key risk is competency and continuity in the position of the project director and her/his capacity to effectively manage staffing, consultants, implementing partners and field level stakeholders.	1.1. Continuous dialogue to between GOB and WB to ensure that project staffing, specially project director position, is filled with candidates meeting qualification requirements in job description. 1.2. Financing Agreement will include the requirement for adherence to agreed TORs with respect to deployment and transfer of a project director and deputy project director.	The World Bank MOPME ROSCU	Continuous By Sep, 2012	
2. Other risks include staff vacancies and limited capacity in administrative, technical and fiduciary aspects of project implementation make. This becomes even more important when the project scales up in additional rural upazilas and urban slums and revamps quality enhancement interventions.	2.1. Project would deploy specialized implementing partners such as data processing and monitoring agency, funds disbursing bank and teacher development agencies. 2.2. Project would deploy communications firm for social awareness and advocacy 2.3. Technical assistance from individual consultants for project management, FM and procurement, and specialized agencies for community mobilization, M&E including ICT technology.	ROSCU, Specialized Agency, Technical Assistance agencies	By Project effectiveness By January, 2013 By January, 2013	
Field Level Capacity and Accountability				
3. There is potential for political interference in the selection of local level NGOs and recruitment of teachers.	2.1 ROSCU will develop a comprehensive communication strategy, involving awareness activities both at the field and national levels to enhance community vigilance against malpractices. 2.2 ROSC II Operations Manual would have clarity on criteria and procedures for selection of eligible students, qualified teachers, and supporting NGOs. 2.3 Partner Organizations would be deployed centrally and engaged for first year only.	ROSCU, Upazila Level Education Officials	By Sep, 2012 By Sep, 2012 By November, 2012, 2013	
4. Without adequate training, orientation, and incentives, CMCs and teachers cannot effectively manage the centers and deliver quality education to students.	4.1. Teacher training would be revamped with support from specialized agencies such as IER. CMC training would be strengthened with adequate resources. 4.2. Teachers would be recruited from a pre-enlisted pool with appropriate qualifications. Salaries would be commensurate with qualifications.	ROSCU, QWC, Implementing Partners Training Agency	By November, 2012 By October, 2012	
5. Teacher absenteeism is another potential risk.	5.1. SMS monitoring of teacher attendance	ROSCU, CMC	Mar, July, Nov (2013-2015)	

Issues / Risk	*Mitigating Actions to be* **taken**	**Agency Responsible**	**Timeline**	**Early Warning Indicators**
Financial Management				
6. FM risk is substantial given design in which the project delivers resource grants and allowances to a large number of Learning Centers and students, with the potential for misuse of the grants and misrepresentation of the data (e.g. inflating number of students or misreporting their compliance on eligibility criteria).	6.1. Establishment of Disbursement Cell at Headquarters 6.2. Deployment of a full-time FMS consultant as chief of FM Unit and one accountant in the new ROSCU staffing 6.3. Deploy of full-time monitoring officers to visit each LC regularly 6.4. Yearly validation of all Learning centers and number of students 6.5. Disbursement of funds through the Banking system based on verification of compliance. 6.6. Trimester reconciliation reports from disbursing bank 6.7. Independent monitoring on compliance of educational and management criteria and procedures 6.8. Public Expenditure Tracking Surveys (PETS) 6.9. Use of ICT for disbursement of Grants and allowances and monitoring f disbursements. 6.10. FAPAD Audits 6.11. Forensic Auditing 6.12. Annual social audit by LCs 6.13. Prior clearances by World Bank for workshops and training 6.14. Set up and use of computerized financial system	ROSCU, ROSC II MIS Cell, Disbursing Bank, Implementing Partners, Audit firms,	By Jan, 2013 By Jan, 2013 By Jan, 2013 By Dec, 2013-2017 Mar, July, Nov By Dec, 2012 2013 Mar, July, Nov By Dec, 2013 Within 4 weeks By Oct, 2012	
Procurement Capacity and Transparency				
7. Despite a small number and relatively low value nature of procurement packages to be carried out by ROSCU, it is not immune to systemic issues affecting procurement efficiency and performance, and thus risk is substantial.	7.1. Deployment of qualified procurement consultant 7.2. Prior and post-reviews of procurement contracts by the Bank team 7.3. Disclosure of all procurement transactions on ROSCU/DPE website	ROSCU MOPME	By Dec, 2012 Within 4 weeks of transaction Feb, 2013-2018	
Social Accountability*: *Transparency and Citizens Participation				
8. While ROSC project is a community-driven, there are challenges associated with public information disclosure, citizen oversight and vigilance, grievance redress mechanism, and clarity in roles and reporting arrangements. 9. ROSC-I performed strongly on community participation, but not so strongly on technical aspects and financial monitoring at the local level. Involvement of community based NGO, if they are supported by political parties, can hinder information disclosure.	8.1. Project implementing agency to comply with RTI (right to information) and disseminate information to community through various channels (such as LC report card and project website) 8.2. ROSC II Operations Manual to clearly define roles and responsibilities along with reporting and accountability structures 9.1. CMC orientation on social and financial responsibilities 9.2. LC report card dissemination and SMS monitoring 9.3. SMS Monitoring of teacher absenteeism and receipts of funds disbursements 9.4. GPS mapping of all LCs and disclosure of LC level educational and financial data on project website	ROSCU MIS Cell Communications Firm Training Agency , MIS Cell, Community mobilization Firm, Partner Organizations	Continuous By Sep, 2012 By Mar, 2013 Mar, July, Nov Mar, July, Nov By June, 2013	

Annex 7: List of Upazilas for ROSC II

Bangladesh: Reaching Out-of-School Children Project II

1. Four options were considered for selection of ROSC II upazilas:

- Key Performance Indicator (KPI) Index from PEDP which combines 14 variables including enrolment, dropout, repetition and completion rates using school census data and child survey data collected by DPE;
- Primary School Quality Level (PSQL) index from PEDP which combines 19 indicators associated with primary school data on administrative and physical attributes using data collected by DPE;
- Deprivation Index from UNICEF which combines health, secondary education and adult literacy using Multiple Indicator Cluster Survey (MICS 2009) household survey data collected by BBS; and
- Human Opportunity Index (HOI) that combines out of school status (both never enrolled and dropouts) as well the circumstances (or determinants) that are correlated with out-of-school status using MICS 2009 household survey data collected by BBS.

2. KPI and PSQL indices provide information only of students who have ever enrolled in school and school-level quality indicators respectively, but lack information on never enrolled status as well as determinants of schooling opportunities. Deprivation index is less useful since it does not focus on education measures for children of primary schooling age.

3. HOI is considered the best option in view of the following:

- It serves the purpose of the project development objective that is to improve equitable access, retention and completion in quality primary education for out-of-school children in under-served areas. HOI captures out-of-school status of children (both never enrolled and dropouts) but also the factors that are associated with that status (poverty, education, location, gender and other household features) in one indicator. It is based on opportunity and equality framework which attempts to combine average rate of opportunity (such as schooling opportunity for 7-13 year olds) and how equally this opportunity is distributed in that upazila.
- HOI methodology is widely accepted and is used in more than 50 developing countries (in Latin America, Africa and South Asia).
- HOI is based on MICS data that is representative at the upazila level. MICS provides comprehensive information of children who either have never enrolled or dropped out of school as well as their household level variables (poverty proxy indicators, parents' education, siblings, geographic, and gender).

4. All upazilas are first ranked from most to least disadvantaged ones as measured in terms of HOI. ROSC I upazilas are excluded from eligibility for new ROSC II upazilas. Some adjustment has been made to reflect the need for a geographic balance. There are at least 5 upazilas but no more than 28 upazilas per division. Based on this, the list of 100 upazila is presented in Table 1 below.

Table 1: Upazila List for ROSC II (100 upazilas)

SL	Division	District	Upazila	Human Opportunity Index (HOI)	Division SL
1	Barisal	Bhola	LALMOHAN	57.4	1
2	Barisal	Bhola	BURHANUDDIN	65.9	2
3	Barisal	Barisal	MHENDIGANJ	66.1	3
4	Barisal	Barisal	HIZLA	67.0	4
5	Barisal	Bhola	TAZUMUDDIN	68.0	5
6	Barisal	Bhola	DAULAT KHAN	71.8	6
7	Barisal	Pirojpur	BHANDARIA	72.7	7
8	Chittagong	Bandarban	THANCHI	34.8	1
9	Chittagong	Bandarban	NAIKHONGCHHARI	36.4	2
10	Chittagong	Bandarban	ALIKADAM	38.0	3
11	Chittagong	Brahmanbaria	NASIRNAGAR	40.4	4
12	Chittagong	Cox's Bazar	PEKUA	41.4	5
13	Chittagong	Bandarban	RUMA	43.9	6
14	Chittagong	Rangamati	BARKAL	52.0	7
15	Chittagong	Noakhali	HATIYA	53.8	8
16	Chittagong	Rangamati	BAGHAICHHARI	56.1	9
17	Chittagong	Chandpur	FARIDGANJ	56.6	10
18	Chittagong	Lakshmipur	RAMGATI	57.3	11
19	Chittagong	Lakshmipur	KAMALNAGAR	57.6	12
20	Chittagong	Brahmanbaria	AKHAURA	57.9	13
21	Chittagong	Cox's Bazar	KUTUBDIA	58.8	14
22	Chittagong	Khagrachhari	LAKSHMICHHARI	59.5	15
23	Chittagong	Noakhali	SUBARNACHAR	59.6	16
24	Chittagong	Comilla	COMILLA SADAR DAKSHI	59.9	17
25	Chittagong	Rangamati	NANIARCHAR	60.5	18
26	Chittagong	Khagrachhari	PANCHHARI	61.3	19
27	Chittagong	Comilla	CHAUDDAGRAM	62.4	20
28	Chittagong	Brahmanbaria	BANCHHARAMPUR	62.6	21
29	Chittagong	Noakhali	KABIRHAT	62.7	22
30	Chittagong	Chittagong	SANDWIP	63.9	23
31	Chittagong	Feni	CHHAGALNAIYA	64.1	24
32	Chittagong	Brahmanbaria	KASBA	65.7	25
33	Chittagong	Rangamati	LANGADU	65.9	26
34	Chittagong	Chittagong	FATIKCHHARI	73.9	27
35	Chittagong	Chittagong	ANOWARA	79.1	28

SL	Division	District	Upazila	Human Opportunity Index (HOI)	Division SL
36	Dhaka	Netrakona	MADAN	53.2	1
37	Dhaka	Netrakona	BARHATTA	59.3	2
38	Dhaka	Kishorganj	AUSTAGRAM	59.6	3
39	Dhaka	Kishorganj	MITHAMAIN	60.7	4
40	Dhaka	Netrakona	MOHANGANJ	64.7	5
41	Dhaka	Faridpur	CHAR BHADRASAN	64.9	6
42	Dhaka	Mymensingh	NANDAIL	65.8	7
43	Dhaka	Netrakona	KENDUA	66.2	8
44	Dhaka	Mymensingh	PHULPUR	66.8	9
45	Dhaka	Sherpur	NALITABARI	68.4	10
46	Dhaka	Tangail	NAGARPUR	68.5	11
47	Dhaka	Kishorganj	KISHOREGANJ SADAR	68.6	12
48	Dhaka	Netrakona	DURGAPUR	68.8	13
49	Dhaka	Mymensingh	GAURIPUR	69.2	14
50	Dhaka	Madaripur	RAJOIR	70.5	15
51	Dhaka	Mymensingh	MUKTAGACHHA	70.7	16
52	Dhaka	Rajbari	GOALANDA	71.1	17
53	Dhaka	Narsingdi	SHIBPUR	71.1	18
54	Dhaka	Narsingdi	ROYPURA	71.2	19
55	Dhaka	Gopalgonj	MUKSUDPUR	80.5	20
56	Dhaka	Gazipur	KALIGONJ	87.0	21
57	Dhaka	Gazipur	KALIAKAIR	86.0	22
58	Khulna	Satkhira	SHYAMNAGAR	67.7	1
59	Khulna	Kushtia	KUSHTIA SADAR	72.6	2
60	Khulna	Chuadanga	JIBAN NAGAR	73.0	3
61	Khulna	Bagerhat	SARANKHOLA	74.3	4
62	Khulna	Narail	LOHAGARA	76.7	5
63	Rajshahi	Bogra	DHUNAT	44.1	1
64	Rajshahi	Sirajganj	ROYGANJ	62.4	2
65	Rajshahi	Natore	SINGRA	67.6	3
66	Rajshahi	Rajshahi	TANORE	69.0	4
67	Rajshahi	Sirajganj	TARASH	69.5	5
68	Rajshahi	Bogra	SHIBGANJ	69.6	6
69	Rajshahi	Pabna	BERA	69.8	7
70	Rajshahi	Bogra	SARIAKANDI	71.9	8
71	Rajshahi	Sirajganj	CHAUHALI	72.3	9
72	Rajshahi	Rajshahi	BAGMARA	78.8	10

SL	Division	District	Upazila	Human Opportunity Index (HOI)	Division SL
73	Rangpur	Kurigram	PHULBARI	38.3	1
74	Rangpur	Rangpur	BADARGANJ	64.9	2
75	Rangpur	Kurigram	RAUMARI	70.7	3
76	Rangpur	Panchagarh	TENTULIA	70.8	4
77	Rangpur	Rangpur	GANGACHARA	71.7	5
78	Rangpur	Lalmoneerhat	LALMONEERHAT SADAR	81.8	6
79	Rangpur	Lalmoneerhat	KALIGONJ	75.9	7
80	Rangpur	Lalmoneerhat	ADITMARI	82.6	8
81	Rangpur	Thakurgoan	RANISANKAIL	80.3	9
82	Rangpur	Dinajpur	BIRAL	81.8	10
83	Rangpur	Dinajpur	KAHAROLE	86.8	11
84	Sylhet	Sunamganj	DHARAMPASHA	41.0	1
85	Sylhet	Sunamganj	BISHWAMBARPUR	46.3	2
86	Sylhet	Sunamganj	SULLA	47.0	3
87	Sylhet	Sunamganj	DOWARABAZAR	50.7	4
88	Sylhet	Habiganj	MADHABPUR	52.1	5
89	Sylhet	Sylhet	COMPANIGANJ	56.2	6
90	Sylhet	Maulvibazar	SREEMANGAL	57.7	7
91	Sylhet	Sunamganj	CHHATAK	61.1	8
92	Sylhet	Sunamganj	SUNAMGANJ SADAR	61.8	9
93	Sylhet	Sylhet	BALAGANJ	62.4	10
94	Sylhet	Sunamganj	TAHIRPUR	64.6	11
95	Sylhet	Habiganj	CHUNARUGHAT	65.1	12
96	Sylhet	Maulvibazar	JURI	67.1	13
97	Sylhet	Sylhet	GOWAINGHAT	67.9	14
98	Sylhet	Sunamganj	DAKSHIN SUNAMGANJ	68.7	15
99	Sylhet	Sunamganj	DERAI	69.3	16
100	Sylhet	Sylhet	KANAIGHAT	72.3	18

Notes:

1. Human Opportunity Index (HOI) combines school net attendance rate and disparity index (D-index). The Multiple Indicator Cluster Survey of 2009 (MICS 2009), fielded by Bangladesh Bureau of Statistics (BBS), is used to calculate HOI.
2. School net attendance rate is a percentage of children who are attending school among the children aged 6 to 13.
3. Disparity index is calculated based on the parents' education level, gender disparity in school attendance, water and sanitation, fertility, and geography (urban vs. rural).
4. The above list of 100 upazilas for ROSC II are the are most disadvantaged ones as measured in terms of HOI and adjustment are made for geographic balance . These exclude those upazilas from ROSC I.
5. Information from DPE on catchment areas would be used to identify pockets within selected upazilas to establish LCs.

Annex 8: Project Cost Summary

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Table 1. Project Cost by component and year (USD '000)

	2013	2014	2015	2016	2017	Total
1.1 Grants and Allowances	17696	30888	23444	16643	20305	**108977**
1.2. ROSC Pilot in Urban Slums	434	434	1242	1242	1242	**4592**
2.1. Teacher Development	923	1420	546	441	441	**3772**
2.2. Classroom Support	495	791	626	481	481	**2874**
2.3. Pre-vocational skills training pilot	926	926	926	926	926	**4631**
3.1. Project management and capacity building	993	1107	1056	873	864	**4893**
3.2. Social Awareness and Advocacy	567	863	528	422	422	**2803**
4.1. Monitoring	827	1321	1095	849	812	**4904**
4.2. Evaluation	24	24	24	24	24	**120**
Total	**22884**	**37774**	**29487**	**21902**	**25518**	**137565**

Table 2. Project Cost by component and expenditure category (USD '000)

	Grants	Allowances	National Training	International Training	Services	Goods	Operating Cost	Disbursing Bank Cost	Manpower	Total
1.1 Grants and Allowances	67829	39482	-	-	-	-	-	1665	-	**108977**
1.2. ROSC Pilot in Urban Slums	2276	2239	-	-	-	-	-	78	-	**4592**
2.1. Teacher Development	-	-	3298	-	474	-	-	-	-	**3772**
2.2. Classroom Support	2382	-	-	-	-	468	-	24	-	**2874**
2.3. Pre-vocational skills training pilot	-	4518	-	-	-	-	-	113	-	**4631**
3.1. Project management and capacity building	-	-	69	602	843	557	2141	-	680	**4893**
3.2. Social Awareness and Advocacy	2417	-	-	-	301	60	-	24	-	**2803**
4.1. Monitoring	1520	-	-	-	3263	-	105	15	-	**4904**
4.2. Evaluation	-	-	-	-	120	-	-	-	-	**120**
Total	**76424**	**46239**	**3367**	**602**	**5002**	**1085**	**2246**	**1919**	**680**	**137565**
IDA Amount	**76424**	**46239**	**3367**	**602**	**2251**	**488**	**1011**	**0**	**0**	**130382**
IDA Share	**100%**	**100%**	**100%**	**100%**	**45%**	**45%**	**45%**	**0%**	**0%**	
GOB Amount	**0**	**0**	**0**	**0**	**2751**	**597**	**1235**	**1919**	**680**	**7183**

Annex 9: Economic Analysis

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I. Introduction

1. To build upon the success of the ongoing ROSC, and to address the remaining challenges, Government of Bangladesh (GoB) has requested the World Bank for further assistance. Project development objective of ROSC II is to contribute to improving equitable access, retention and completion in quality primary education in under-served areas. The proposed project would consist of: (a) increasing equitable access in primary education; (b) improving retention in and completion of primary education cycle; (c) enhancing project implementation capacity through mobilization of communities and partner agencies; and (d) establishing an effective monitoring and evaluation system.

2. To reach these objectives, ROSC II is expected to implement a wide range of demand and supply side interventions to improve equitable access through establishment of Learning Centers in the under-served areas, while at the same time enhancing education quality through systemic teacher development, classroom support and pre-vocational skill training pilots. More specifically, the program will finance provision of learning centers grants, student allowances, teacher development programs, and improved monitoring and evaluation systems.

3. The economic analysis presented in this annex is an assessment of benefits and costs associated with the Bangladesh ROSC II program. Costs include program costs and private costs that comprise direct household outlays as well as opportunity costs for schooling. Similarly, the benefits are taken to be those *changes* in the quantity, quality and reduction in internal inefficiency of education produced over the period as a result of ROSC II. The main sources of data used in the analysis come from ROSC-I MIS, HIES 2010 and the draft Program Document for ROSC II. The economic analysis presented here focuses on this five-year program, 2012-2017.

II. Benefits of ROSC II Program

4. For the purpose of this analysis, benefits from the following three sources are quantified:

i. improved *access* to primary education resulting in increased number of primary school completers who earn higher wages (relative to non-completers);

ii. increased *quality and relevance* of education through more learning resulting in higher productivity and earnings for all primary school completers and pre-vocational training participants; and

iii. progress in *internal efficiency* through reduced dropouts and repetitions resulting in decreased wastage of public and private resources.

5. Underlying the analysis is the projection of : (a) initial enrollment in each grade in learning center (continuing students from ROSC I and new grade 1 enrollees under ROSCII) , (b) repetition and dropout rates, and (c) grade 5 terminal examination pass rate (completion rate of 65 percent for grade 1 enrollees based on (b) and (c)). Total number of enrollees is projected about 2.3 million during five years (student-year). The number of primary school completers over the five-year ROSC II

program is about 482,000 and these children would not have completed the primary cycle without ROSC II intervention.

6. The primary completers will earn the wage-premium. Wage levels for primary completers with some junior secondary education and non-completers are estimated based on HIES 2010 and then projected to account for inflation for future years (the earning differential in 2010 is estimated to be over Taka 7,200 or US$87 per person annually). 3 percent of wage of primary completers for quality premium due to increased relevance through ROSC II applies to all primary completers and 6 percent quality premium for primary completers with pre-vocational training. The benefit stream accruing from life-time earnings is assumed to continue for 20 years (even though a typical primary completer will earn beyond 20 years, "discounting" will make the values insignificant beyond this time). Finally, the impact of improved internal efficiency will reduce the "number of student years" to complete the primary cycle per each completer. Repetition rate for entire primary cycle in ROSC II is assumed to be 20 percent, hence reduce the completion year by 0.5 compared to normal primary cycle in formal education (6.5 years). Savings apply to both program/public unit costs as well as private household expenditure and opportunity costs.

III. Costs of ROSC II Program

7. Total cost comprises direct program cost and indirect costs including private household education cost and opportunity cost of schooling. ROSC II program costs are estimated based on projected the total number of students in ROSC II, teacher development and classroom support programs, and monitoring and evaluation cost estimates, and this leads five-year ROSC II program costs to be about US$143.4 million. Based on the HIES sample bottom 40 % poor households with children attending primary school, per student private household cost is estimated US $4, and total private household cost is projected over the project period (5 years) and estimated to be US $13 million (nominal value). From the same data, opportunity cost (forgone earnings) per student per year while attending school is estimated as US$21 per student age 6-12 year old in 2010, and total opportunity cost for project period (5 years) is estimated US$ 70 million (nominal value). Therefore, total costs due to ROSC II are estimated US$ 230 million (per enrollees annual cost $US 84).

IV. Net Present Values of Benefits and Costs and Internal Rate of Return

8. Based on a discount rate of 12 percent for the benefit and cost streams described above, the present discounted value of benefits for the base-case scenario is estimated to be $340 million while the present discounted value of costs is estimated to be $167 million, and therefore the net present value (NPV) of program benefits is $173 million. The internal rate of return (IRR) associated with this NPV is 22 percent. Discounted present values of each sources of benefit and cost streams in the base case scenario are shown in table 1 below. As expected, large part of the benefits accrue from wage-premium for ROSC II primary school completers. In terms of costs, program costs constitute the largest category.

Table 1: Discounted Present Values of Benefits and Costs streams, ROSC II program 2013-2017

Category	US$ million
Benefits due to ROSC II primary completers wage premium	238
Benefits due to education quality/relevance premium for all completers	83
Benefits due to savings from reduced repetition and dropouts	18
Total Benefits	340
Total Program Costs	104
Additional Private Household Direct Costs	10
Additional Private Opportunity Indirect costs	52
Total Costs	167
Net Benefits	**173**
Internal Rate of Return	**22%**

Note: Discount Rate of 12% is used in deriving the DPVs

9. In table 2 below, we present a sensitivity analysis of IRR and NPV under different scenarios – allowance for varying employment rate (external efficiency) and progress in internal efficiency. Under the base case with assumption that 60 percent of primary completers are gainfully employed and 8 percent efficiency gain on primary cycle (our base case scenario), the IRR is 22%. As seen in the table below, IRR varies between 19% and 22% under varying scenarios.

Table 2: Sensitivity analysis of IRR under multiple scenarios

		External Efficiency	
		Employment Base case (60 percent)	Employment Low Case (50 percent)
Internal Efficiency	8 percent efficiency gain (primary cycle of 6 year vs. 6.54 year, Base case)	**22%**	20%
	4 percent efficiency gain (primary cycle of 6.3 year vs. 6.54 year, Low Case)	21%	19%

10. The above results, including the robustness analysis, with the IRR - ranging from 19% to 22%, clearly suggest that ROSC II is expected to be a very sound "investment". In fact these are conservative lower-bound estimates, given that they do not yet account for externality benefits arising from healthier, more educated and a more equitable/ inclusive society. Nor has the above analysis assigned additional benefits to those primary level completers who would have gone on to complete secondary or higher levels of education and receive "higher" wage-premiums.