

Public Disclosure Authorized

CONFORMED COPY

CREDIT NUMBER 4764 -BD

Financing Agreement

(Skills and Training Enhancement Project)

between

PEOPLE'S REPUBLIC OF BANGLADESH

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 8, 2010

Public Disclosure Authorized

CREDIT NUMBER 4764 -BD

FINANCING AGREEMENT

AGREEMENT dated July 8, 2010, entered into between PEOPLE'S REPUBLIC OF BANGLADESH ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined, and modified, in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to fifty two million three hundred thousand Special Drawing Rights (SDR 52,300,000) (variously "Credit" and "Financing") to assist in financing the project described in Schedule 1 to this Agreement ("Project").
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are February 15 and August 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Dollars.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through DTE with the assistance of:
- (a) Selected Training Institutions in respect of Part A of the Project; and
 - (b) BMET and BTEB in respect of Part C of the Project, in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:
- (a) Any of Selected Training Institutions shall have failed to comply with the provisions of their respective Performance Contracts.
 - (b) The Selected Bank shall have failed to comply with the provisions of the Participation Agreement.
 - (c) BTEB shall have failed to comply with the provisions of the BTEB Cooperation Agreement.
- 4.02. The Additional Events of Acceleration consist of the following:
- (a) That any of the events specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Association to the Recipient.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.02. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is ten (10) years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

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

6.02. The Recipient's Address is:

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

Facsimile:

88028813088

6.03. The Association's Address is:

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

Cable:

Telex:

Facsimile:

INDEVAS
Washington, D.C.

248423 (MCI)

1-202-477-6391

AGREED at Dhaka, Bangladesh, as of the day and year first above written.

PEOPLE'S REPUBLIC OF BANGLADESH

By: /s/ M. Musharraf Hossain Bhuiyan

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: /s/ Zahid Hussain

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to strengthen Training Institutions to improve training quality and employability of trainees, including those from disadvantaged socio-economic backgrounds.

The Project consists of the following parts:

Part A: Improvement of the Quality and Relevance of Training

1. Support to Training Institutions Offering Diploma Programs:
 - (a) provision of Part A.1 Grants to Selected Training Institutions involved in the implementation of Institutional Development Plans proposed by eligible Training Institutions and consisting, *inter alia*, of infrastructure rehabilitation and refurbishment; modernization of equipment and teaching and learning instruments in the technology courses identified for up-gradation; capacity development in the form of course and training materials, training, study tours and exposure visits, participation of guest faculty from industry; teacher training; industry visits; and improvements in institute administration, outreach, communications and placement; and
 - (b) provision of Stipends to Eligible Students attending courses delivered by: (i) the eligible Training Institutions implementing Institutional Development Plans; and (ii) other institutions diploma level training institutions operating in the Recipient's territory.
2. Support to Training Institutions Offering Short-Term Programs
 - (a) Provision of Part A.2 Grants to Selected Training Institutions involved in the implementation of short term training programs.
 - (b) Provision of Stipends to Eligible Students attending courses delivered by the eligible Training Institutions implementing the Part A.2 Training.

Part B: Technical and Vocational Education

1. Support to ISCs and the NSDC:

Provision of one-time grant and operational cost support for the review of the current and projected human resource and training needs in selected industries with a view to develop industry-led standards, and training products and services

for eventual accreditation, and carrying out of outreach activities with public agencies, industry, employers associations and recruiting agencies.

2. Strengthening the SSC Vocational Program

Carrying out of Activities designed to improve the effectiveness of the SSC Vocational Program to pilot the following;

- (a) linking schools with community and other training providers and with industry and employers to pilot an apprenticeship program;
- (b) strengthen the assessment procedures for SSC on vocational education aspects;
- (c) introduce revised curriculum focusing on entrepreneurial and technical skills;
- (d) train teachers;
- (e) support for orientation on vocational education and training in earlier years; and
- (f) any other similar activity proposed by the Recipient and satisfactory to the Association.

Part C: Institutional Capacity Development:

- 1. Strengthening BTEB's capabilities in the development of curricula including environmental, occupational health and safety curricula through support to BTEB in:
 - (a) BTEB's close interaction with the industry and the ISCs, and the learning from good international practices;
 - (b) the development of teaching learning materials and provision of adequate office accommodation; and
 - (c) the establishment of a skills testing center to support the recognition of prior learning.
- 2. (a) Improvements to the BTEB's monitoring and certification capabilities to ensure that the standards that are set by the BTEB or by other pertinent entities are actually transacted at the institute level; and

- (b) development of a job-cum-information portal with links to existing education data websites.
3. Strengthening BMET's capacity for research and planning including:
 - (a) development of a data-base of overseas workers and conducting labor market surveys and tracer studies;
 - (b) curricula development and revision;
 - (c) standard setting; and
 - (d) development of learning resources and training aids.
 4. Strengthening DTE's capacity by *inter alia*, establishing a policy, planning and research unit, development of a human resource management information system (including equipment, software and support to manage it), capacity building for DTE's staff, and provision of technical assistance for establishing a research fund.
 5. Providing support to the DTE to train instructors from the participating institutions.

Part D: Project Management and Communications, and Monitoring and Evaluation

1. Project Management and Communications

Establishment and operation of the STEP PIU, training of policy planners, through the provision of the technical assistance required therefore, and carrying out of community outreach activities related to the Project.

2. Project Monitoring and Evaluation

Monitoring and evaluating Project implementation, and strengthening the monitoring and evaluations capacity of DTE, the BTEB and the BMET, through the provision of the technical assistance required therefore.

SCHEDULE 2**Project Execution****Section I. Implementation Arrangements****A. Institutional Arrangements**

1. The Recipient shall:
 - (a) prior to the commencement of Project implementation, establish and thereafter maintain, throughout the period of Project implementation, a Project Steering Committee, chaired by the MOE Secretary, to provide overall policy guidance and strategic direction for Project implementation, with the composition and powers described in the Project Implementation Manual; and
 - (b) prior to the commencement of Project implementation, establish and thereafter maintain, throughout the period of Project implementation, a Project Implementation Committee, chaired by Director General, DTE, and STEP PIU within DTE consisting *inter alia* of the following divisions: (i) public institutions and training; (ii) short-courses and capacity building; (iii) private institutions and capacity building; (iv) procurement, finance and administration; (v) communication and mobilization; and (vi) monitoring and evaluation, for the implementation, coordination, monitoring and evaluation of the Project with the powers and staffing set forth in the Project Implementation Manual.
2. The Recipient shall:
 - (a) prior to the commencement of Project implementation, establish and thereafter maintain, throughout the period of Project implementation:
 - (i) a procurement unit or cell, as the core of the bid or proposal evaluation committee of DTE, and to provide general oversight to the procurement processes under the Project; and
 - (ii) an audit committee with composition acceptable to the Association; and
 - (b) prior to the commencement of the implementation of Part A of the Project, constitute a Grant Approval Committee and all such units and committees with the powers and composition set forth in the Project Implementation Manual.

3. The Recipient shall carry out the Project in accordance with a Project Implementation Manual, satisfactory to the Association, which shall include, *inter alia*:
 - (a) the implementation arrangements for the Project;
 - (b) the eligibility and selection criteria for Training Institutions, Eligible Students, Institutional Development Plans, Activities, and for the financing of Grants and Stipends;
 - (c) the model Performance Contract;
 - (d) financial management, disbursement, procurement, and monitoring and evaluation requirements of the Project; including the plan for the strengthening of the financial management capacity of the Project implementing agencies;
 - (e) the Environmental and Social Management Framework, and the Indigenous Peoples Planning Framework; and
 - (f) the Project monitoring indicators.
4. The Recipient shall not amend or waive any provision of the Project Implementation Manual without the prior written agreement of the Association. In case of any discrepancies between the provisions of the Project Implementation Manual and those of this Agreement, the provisions of this Agreement shall prevail.

B. Anti-Corruption

1. The Recipient shall carry out the Project in accordance with the provisions of the Anti-Corruption Guidelines.

C. Agreements

1. The Recipient shall, prior to the implementation of Part C of the Project, enter into an agreement with BTEB to set forth under terms and conditions satisfactory to the Association, their respective responsibilities in the implementation of Part C of the Project, including *inter alia*, the BTEB's obligation to abide by the Anti-Corruption Guidelines.
2. The Recipient shall, prior to the commencement of any disbursements for Stipends, enter into an agreement with the Selected Bank to set forth under terms and conditions satisfactory to the Association, the Selected Bank's

responsibilities in the payment of Stipends, including *inter alia*, the Selected Bank's obligation to abide by the Anti-Corruption Guidelines.

3. The Recipient shall, prior to the commencement of the implementation of Part B.1 of the Project, enter into an agreement or other arrangements with the relevant ISC and NSDC to set forth, under terms and conditions satisfactory to the Association, the ISC or NSDC responsibilities in the implementation of Part B.1 of the Project, including their obligation to abide by the Anti-Corruption Guidelines.
4. The Recipient shall prior to making any Grant available to a Selected Training Institution enter into a Performance Contract with the Selected Training Institution on terms and conditions approved by the Association, which shall include the following:
 - (a) The Grant shall be denominated in Takas.
 - (b) the Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to: (i) suspend or terminate the right of the Selected Training Institution to use the proceeds of the Grant, or to obtain a refund of all or any part of the amount of the Grant then withdrawn, upon the Selected Training Institution's failure to perform any of its obligations under the Performance Contract; and (ii) require each Selected Training Institution to:
 - (A) carry out the Institutional Development Plan or the Part A.2 Training with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including the provisions of the Anti-Corruption Guidelines applicable to recipients of the proceeds of the Financing other than the Recipient;
 - (B) provide, promptly as needed, the resources required for the purpose and, in the case of private training institutions, finance at least ten percent (10%), of which at least half shall be in the form of cash resources, of the Institutional Development Plan;
 - (C) procure the goods, works, and services to be financed out of the Grant in accordance with the provisions of this Agreement;
 - (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Institutional Development Plans

and the Part A.2 Training and the achievement of their objectives;

- (E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Institutional Development Plans and the Part A.2 Training; and (2) at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association;
 - (F) enable the Recipient and the Association to inspect the Institutional Development Plans and the Part A.2 Training, its operation and any relevant records and documents;
 - (G) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing; and
 - (H) comply with the provisions of the EMF and when applicable the IPPF and each IPP.
- (c) The requirement that:
- (A) Part A.1 Grants finance part of the cost of goods, works and services required for implementation of each Institutional Development Plan identified in the Performance Contract in the amounts, at the rates, and as per the schedule specified in the Performance Contract, provided that the applicable performance indicators and annual targets have been met;
 - (B) Part A.2 Grants finance part of the goods, works and services required for implementation of each Part A.2 Training identified in the Performance Contract in the amounts, at the rates and as per the schedule specified in the Performance Contract provided that the applicable performance indicators and annual targets have been met; and
 - (C) with respect to Part A.1 Grants, the last performance award, in the selected cases where it shall be applicable, finance additional

expenditures related to the Institutional Development Plan and satisfactory to the Association.

5. The Recipient shall exercise its rights under the Participation Agreement, the BTEB Cooperation Agreement, and each of the ISC Agreements, NSDC Agreements and Performance Contracts in such manner as to protect the interests of the Recipient and the Association and accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Participation Agreement, the BTEB Cooperation Agreement, and any of the ISC Agreements, NSDC Agreements or Performance Contracts or any of their provisions.

D. Environmental and Social Safeguards

1. The Recipient shall carry out the Project in accordance with the Environmental and Social Management Framework and the Indigenous Peoples Planning Framework.
2. The Recipient shall ensure that the EMPs and the IPPs are prepared in accordance with the Environmental and Social Management Framework and the Indigenous Peoples Planning Framework respectively and are carried out in accordance with their terms.
3. The Recipient shall: (a) not amend the Environmental and Social Management Framework, the Indigenous Peoples Planning Framework or any EMP or IPP without the prior written approval of the Association; and (b) report of any issues on the implementation of the requirements of this section.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators agreed with the Association and set forth in a letter of even date herewith. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.
2. The Recipient shall:
 - (a) prepare, under terms of reference satisfactory to the Association, and furnish to the Association, on or about December 2012, a report integrating the results of the monitoring and evaluation activities

performed pursuant to paragraph 1 above, on the progress achieved in the carrying out of the Project during the period preceding the date of said report, and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and

- (b) review with the Association, by January 2013, or such later date as the Association shall request, the report referred to in sub-paragraph (a) above, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association, as part of the Project Report, not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

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

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

B. Particular Methods of Procurement of Goods and Works

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods shall be procured under contracts awarded on the basis of International Competitive Bidding following the Procurement Guidelines.
2. **Other Methods of Procurement of Goods and Works through the Recipient’s Procurement Laws.** Within the overall context of the Procurement Guidelines, local procurement of goods and works will follow the Recipient’s Procurement Laws. The following table specifies the methods of procurement to be used in accordance with the Recipient’s Procurement Laws. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) National Competitive Bidding
(b) Shopping
(c) Direct Contracting

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

- (i) post bidding negotiations shall not be allowed with the lowest evaluated or any other bidder;
- (ii) bids should be submitted and opened in public in one location immediately after the deadline for submission;
- (iii) rebidding shall not be carried out, except with the Association’s prior agreement;
- (iv) lottery in award of contracts shall not be allowed;
- (v) bidders’ qualification/experience requirement shall be mandatory;
- (vi) 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

(vii) single stage two (2) envelope procurement system shall not be allowed.

C. Particular Methods of Procurement of Consultants’ Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. **Other Methods of Procurement of Consultants’ Services.** Within the overall context of the Consultant Guidelines, local procurement of services of firms (for which the shortlist may be comprised entirely of national consultants) and services of individual consultants will follow the Recipient’s Procurement Laws. The following table specifies methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) Quality-Based Selection
(b) Fixed Budget Selection
(c) Least-Cost Selection
(d) Consultants Qualifications
(e) Sole Source Selection
(f) Individual Consultants

D. Review by the Association of Procurement Decisions

1. The Procurement Plan shall set forth the Prior Review Contracts. All other contracts shall be subject to Post Review by the Association.

E. Procurement Risk Mitigation Plan

1. The Recipient shall: (a) implement the Procurement Risk Mitigation Framework, in a manner acceptable to the Association; and (b) submit to the Association, on a quarterly basis, a report detailing the procurement process, the implementation of the said Procurement Risk Mitigation Framework and the quality of goods, services and works delivered under the Project.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

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

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Grants and Stipends	45,150,000	100% for amounts disbursed as per the Performance Contract for grants to public institutions; 90% for amounts disbursed as per the Performance Contract for grants to private institutions; 100% for stipends
(2) Goods, works, consultants' services and Operating Costs for Parts B, C and D of the Project	7,150,000	100%
TOTAL AMOUNT	52,300,000	

For purposes of this Schedule the term “Operating Costs” means costs incurred by the Recipient on account of the management and supervision of the Project,

including the salaries of incremental staff, the cost of operation and maintenance of equipment and vehicles, and costs of consumables, fuel, bank charges or bank commissions, honoraria, advertising expenses, and office utilities and supplies, but excluding salaries and allowances of the Recipient's civil servants.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.
2. The Closing Date is June 30, 2016.

Section V. Other Undertakings

1. The Recipient shall, no later than six (6) months after the Effective Date, through appropriate administrative means and the respective Ministries, provide BMET, BTEB and the Selected Training Institutions with adequate academic, financial and administrative powers to enable such entities to discharge their obligations under the Project.
2. The Recipient shall, no later than six (6) months after the Effective Date, and each year thereafter, through appropriate administrative means, authorize the allocation of an additional amount equivalent to the revenues generated by the public training institution in the previous year to the respective training institution.

SCHEDULE 3**Repayment Schedule**

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each February 15 and August 15:	
commencing August 15, 2020 to and including February 15, 2030	1%
commencing August 15, 2030 to and including February 15, 2050	2%

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

APPENDIX**Section I. Definitions**

1. “Activity” means any of the pilot activities eligible for implementation under Part B.2 of the Project in accordance with the PIM and satisfactory to the Association.
2. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006.
3. “Audit Committee” means the committee referred to in paragraph 2(a)(ii) of Section I.A. of Schedule 2 to this Agreement.
4. “BMET” means the Recipient’s Bureau of Manpower, Employment and Training.
5. “BTEB” means the Recipient’s Bangladesh Technical Education Board established and operating pursuant to Technical Education Act 1967.
6. “BTEB Cooperation Agreement” means the agreement referred to in paragraph 1 of Section I.C of Schedule 2 of this Agreement.
7. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
8. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006 and May 2010.
9. “Project Implementation Committee” means the committee referred to in paragraph 1(b) of Section I.A of Schedule 2 to this Agreement.
10. “DTE” means MOE’s Directorate of Technical Education.
11. “Eligible Student”, and “Eligible Students” when referring to more than one, mean any student which meets the eligibility criteria for the Stipend described in paragraph 3(b) of Section I.A of Schedule 2 to this Agreement and in the PIM to receive training under Part A.1(b) or Part A.2(b) of the Project.
12. “EMF” means the Environmental and Social Management Framework dated March 2, 2010, and satisfactory to the Association, giving details of a program of actions, measures and policies designed to maximize the benefits of the Project, eliminate, offset or mitigate any adverse environmental impacts, or reduce such

impacts to acceptable levels, as such EMF may be amended from time to time with the prior agreement of the Association.

13. “EMP” means an Environmental Management Plan, acceptable to the Association and consistent with the EMF giving details of the specific actions, measures and policies designed to facilitate the achievement of the objectives of the EMF under an Institutional Development Plan or Part A.2 Training, along with the procedural and institutional measures needed to implement such actions, measures and policies.
14. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005, (as amended through October 15, 2006), with the modification set forth in Section II of this Appendix.
15. “Grant Approval Committee” means the committee referred to in paragraph 2(b) of Section I.A of Schedule 2 to this Agreement.
16. “Grant” means any of the Part A.1 Grant or Part A.2 Grant.
17. “Indigenous Peoples Plan” or “IPP” means any plan prepared following the requirements of the Indigenous Peoples Planning Framework.
18. “Indigenous Peoples Planning Framework” or “IPPF” means the plan included in the EMF to address the concerns of indigenous peoples in a culturally appropriate manner.
19. “Institutional Development Plan” means any plan eligible for implementation under Part A.1 of the Project in accordance with the PIM.
20. “ISC” means any of the Recipient’s Industry Skills Councils.
21. “ISC Agreement” means any of the agreements with ISCs referred to in paragraph 3 of Section I.C of Schedule 2 to this Agreement.
22. “MOE” means the Recipient’s Ministry of Education, and includes any successor thereto.
23. “MOEWOE” means the Recipient’s Ministry of Expatriate Welfare and Overseas Employment.
24. “MOLE” means the Recipient’s Ministry of Labour and Employment.
25. “NSDC” means the Recipient’s National Skills Development Council.

26. “NSDC Agreement” means the agreement with the NSDC referred to in paragraph 3 of Section I.C of Schedule 2 to this Agreement.
27. “Part A.1 Grant” means the grant provided under Part A.1 of the Project for the financing of part of the cost of goods, works, services and selected teacher salaries included in an Institutional Development Plan.
28. “Part A.2 Grant” means the grant for the training provided under Part A.2 of the Project for the financing of part of the cost of goods, works, services and selected teacher salaries, included in an Institutional Development Plan.
29. “Part A.2 Training” means the set of short term training activities to be carried by an Selected Training Institution and financed by a Part A.2 Grant.
30. “Participation Agreement” means the agreement referred to in paragraph 5 of Section I.C of Schedule 2 to this Agreement.
31. “Performance Contract” means any contract between the Recipient and a Selected Training Institution referred to in paragraph 4 of Section I.C of Schedule 2 to this Agreement.
32. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006 and May 2010.
33. “Procurement Laws” means collectively the Recipient’s Public Procurement Act 2006, the Recipient’s Public Procurement Rules, 2008 (as amended in August 2009), and the Recipient’s Public Procurement Act (1st Amendment) 2009.
34. “Procurement Plan” means the Recipient’s procurement plan for the Project and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, and cleared by the Association on June 20, 2010, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
35. “Procurement Risk Mitigation Framework” means the framework of measures and actions prepared by the Recipient and dated June 20, 2010, aimed at mitigating procurement related risks in the carrying out of the Project, and which has been agreed with the Association.
36. “Project Implementation Manual” or “PIM” means the Recipient’s Project Implementation Manual referred to in paragraph 3 of Section I.A of Schedule 2 to this Agreement and cleared by the Association on June 30, 2010 as such may be amended from time to time with the prior agreement of the Association.

37. "Project Steering Committee" means the committee referred to in paragraph 1(a) of Section I.A of Schedule 2 to this Agreement.
38. "Selected Bank" means a commercial bank acceptable to the Association for purposes of paying the Grants and Stipends to be financed out of the proceeds of the Credit.
39. "Selected Training Institution" means any Training Institution which meets the eligibility and selection criteria for Grants described in the PIM including the requirement to establish a management committee for purposes of the Project.
40. "SSC Vocational Program" means the Recipient's program of vocational education at the secondary level.
41. "SSC" means Secondary School Certificate.
42. "STEP PIU" means the Project Implementation Unit referred to in paragraph 1(b) of Section I.A of Schedule 2 to this Agreement.
43. "Stipend" means the stipend referred to in Part A.1(b) or in Part A.2(b) of Schedule 1 to this Agreement.
44. "Taka" means the lawful currency of the Recipient.
45. "Training Institution" means any training institution, including, but not limited to, public and private polytechnics, and technical and vocational education and training institutions in the Recipient's country.

Section II. Modifications to the General Conditions

Paragraph (a) of Section 2.05 is modified to read as follows:

“Section 2.05. *Eligible Expenditures*

(a) the payment is for the financing of the reasonable goods, works, services, Training, Incremental Operating Costs, Grants and Stipends (as said terms are defined in the Financing Agreement) required for the Project, to be financed out of the proceeds of the Financing and procured, all in accordance with the provisions of the Legal Agreements;”.