



5790593.78

REPORT NO.: RES30642

RESTRUCTURING PAPER  
ON A  
PROPOSED PROJECT RESTRUCTURING  
OF  
BANGLADESH - PRIMARY EDUCATION DEVELOPMENT PROGRAM III  
APPROVED ON AUGUST 25, 2011  
TO  
PEOPLE'S REPUBLIC OF BANGLADESH

EDUCATION

SOUTH ASIA

Regional Vice President:	Annette Dixon
Country Director:	Qimiao Fan
Senior Global Practice Director:	Jaime Saavedra Chanduvi
Practice Manager/Manager:	Keiko Miwa
Task Team Leader:	Saurav Dev Bhatta, Syed Rashed Al-Zayed



## ABBREVIATIONS AND ACRONYMS

DPE	Directorate of Primary Education
EoP	End of Project
ERD	Economic Relations Division
GoB	Government of Bangladesh
IA	Implementing Agency
IDA	International Development Association
PDO	Project Development Objective
LC	Learning Center
MoPME	Ministry of Primary and Mass Education
PDO	Project Development Objective
ROSC	Reaching Out-of-School Children
SA	Specialized Agency
SDR	Special Drawing Right
TP	Training Provider
WB	World Bank



**Note to Task Teams:** The following sections are system generated and can only be edited online in the Portal.

**BASIC DATA**

**Product Information**

Project ID P113435	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 25-Aug-2011	Current Closing Date 31-Dec-2017

**Organizations**

Borrower Ministry of Finance	Responsible Agency Ministry of Primary and Mass Education
---------------------------------	--

**Project Development Objective (PDO)**

Original PDO

Project Development objectives are to (i) increase participation and reduce social disparities in primary education, (ii) increase the number of children completing primary education and improve the quality of the learning environment and measurement of student learning, and (iii) improve effectiveness of resource use for primary education.

**Summary Status of Financing**

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IDA-55520	16-Dec-2014	25-Jan-2015	01-Mar-2015	31-Dec-2017	400.00	219.08	155.37
IDA-49990	25-Aug-2011	13-Oct-2011	07-Dec-2011	31-Dec-2017	299.74	269.60	8.21
TF-A0977	28-Dec-2015	05-Jan-2016	05-Jan-2016	31-Dec-2017	100.00	57.50	42.50



### Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

**Note to Task Teams:** End of system generated content, document is editable from here.

## I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

### A. Project Status

Context: The Government of Bangladesh (GoB) with support from nine Development Partners(DPs) has been implementing the Third Primary Education Development Program (PEDP 3) since 2012, with IDA Credit financing of US\$700 Million (\$300 million for the original project and \$400 million for the Additional Financing (AF)). PEDP3 has been an important and successful initiative to achieve GoB's commitment to provide access to quality education for all primary school age children by bringing them into school, improving the quality of learning and ensuring the completion of primary cycle.

The Project Development Objectives(PDO) of PEDP3 are to (i) increase participation and reduce social disparities in primary education, (ii) increase the number of children completing primary education and improve the quality of the learning environment and measurement of student learning, and (iii) improve effectiveness of resource use for primary education.

PDO status: Progress towards the achievement of the PDO is currently rated Satisfactory.

- The end of project (EOP) targets for six of the seven project key performance indicators (KPIs) – primary enrollment rate, cycle completion rate, decreased disparity in access, learning assessment system, utility of learning assessment, competency based Grade 5 exam, decentralized planning through SLIPs – have been met.
- As of May 2017, all 7 intermediate output indicators have either met their EOP targets or are on track for achieving them by the end of the project period.

The Implementation Progress (IP) of PEDP 3 is currently rated Moderately Satisfactory.

### B. Rationale for restructuring and extension:

The project has achieved 54 out of 59 DLI targets and expects to meet 2 more DLI targets by the end of project period. In spite of these achievements, the recipient has informed IDA through a letter dated 18 December, 2017 that two targets for DLI 3 (Grade 5 Primary Education Completion Exam (PECE) strengthened-- years 5 and 6) and the year 3 target for DLI 4 (teacher recruitment and deployment) will remain unmet.

All targets related to DLI3 were achieved until year 4, when the government took a political decision to implement grade 5 exams in a manner that did not conform with the action plan agreed as part of the DLI framework. In the case of DLI 4, while the year 3 target relating to teacher recruitment was achieved, the target



related to the **approval** of the career path, recruitment and promotion rules could not be achieved due to the involvement of stakeholders beyond the control of the executing agency. Hence, funds associated with the unmet DLI targets are proposed to be cancelled.

Accordingly, funds will be cancelled from category 'e' of schedule 2 of the Credit Number 4999-BD for PEDP by amending Section II definition 7 in the Appendix of the Additional Financing Agreement.

Similarly, funds will be cancelled from category 1 of schedule 2, Section IV A (2) of the Additional Financing for PEDP (5552-BD) by amending the Additional Financing Agreement.

In the case of the Global Partnership Education (GPE) Trust Fund, cancellation will only involve DLI 3 (unmet targets for year 5 and year 6).

## II. DESCRIPTION OF PROPOSED CHANGES

This restructuring paper seeks authorization for two changes in the design of Third Primary Education Development Program. These are: (i) cancellation of IDA funds amounting to SDR 5,790,593.78 from IDA 4999 and 22,483,333.33 from IDA 5552. Cancellation of funds from the Global Partnership Education Trust Fund amounting to USD 8,333,333.34 that are associated with targets for DLI 3 (years 5 and 6); and (ii) revision of the withdrawal schedule, definitions and other schedule as appropriate to reflect this proposed cancellation.

The project closing date, component costs and results framework will remain unchanged.

*Additional Financing Credit Number 5552-BD and Amendment Credit Number 4999-BD will change as follows:*

- Category '1e' of schedule 2 of the Amendment Credit Number 4999-BD will be reduced by SDR 5,790,593.78 for not meeting Year 3 of DLI 4
- Category 1 of schedule 2, Section IV A (2) of the Additional Financing Credit Number 5552-BD will be reduced by SDR 22,483,333.33
- Targets for Years 5 and 6 for DLI 3 in Schedule 5 'DLI Values' will be reduced to zero.
- DLI 4 Year 3 target in Schedule 5 'DLI Values' will be reduced to zero.

*Grant Agreement TF OA0977-BD will change as follows:*

- Targets for Years 5 and 6 for DLI 3 in Schedule 5 'DLI Values' will be reduced to zero.
- Category 1 of schedule 2, Section IV A (2) of the grant agreement will be reduced by USD 8,333,333.34

**Note to Task Teams:** The following sections are system generated and can only be edited online in the Portal.



### III. SUMMARY OF CHANGES

	Changed	Not Changed
Cancellations Proposed	✓	
Reallocation between Disbursement Categories	✓	
Other Change(s)	✓	
Change in Implementing Agency		✓
Change in DDO Status		✓
Change in Project's Development Objectives		✓
Change in Results Framework		✓
Change in Components and Cost		✓
Change in Loan Closing Date(s)		✓
Change in Disbursements Arrangements		✓
Change in Disbursement Estimates		✓
Change in Overall Risk Rating		✓
Change in Safeguard Policies Triggered		✓
Change of EA category		✓
Change in Legal Covenants		✓
Change in Institutional Arrangements		✓
Change in Financial Management		✓
Change in Procurement		✓
Change in Implementation Schedule		✓
Change in Economic and Financial Analysis		✓
Change in Technical Analysis		✓
Change in Social Analysis		✓
Change in Environmental Analysis		✓

### IV. DETAILED CHANGE(S)



**CANCELLATIONS**

Ln/Cr/Tf	Status	Currency	Current Amount	Cancellation Amount	Value Date of Cancellation	New Amount	Reason for Cancellation
IDA-49990-001	Disbursing	XDR	187,322,371.00	5,790,593.76	22-Dec-2017	181,531,777.24	P4R DLI CONDITIONS NOT ACHIEVED
IDA-55520-001	Disbursing	XDR	269,800,000.00	22,483,333.33	22-Dec-2017	247,316,666.67	P4R DLI CONDITIONS NOT ACHIEVED
TF-A0977-001	Disbursing	USD	100,000,000.00	8,333,333.34	22-Dec-2017	91,666,666.66	P4R DLI CONDITIONS NOT ACHIEVED

**REALLOCATION BETWEEN DISBURSEMENT CATEGORIES**

Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
			Current	Proposed
IDA-49990-001   Currency: XDR				
iLap Category Sequence No: 1A	Current Expenditure Category: G,W,NCS,PE 1ST SCH DISB -DEC 7 2011			
33,301,322.67	33,301,322.67	33,301,322.67	100.00	100.00
iLap Category Sequence No: 1B	Current Expenditure Category: G,W,NCS,PE 2ND SCH DISB -JAN 31 2012			
8,333,333.33	8,333,333.33	8,333,333.33	100.00	100.00
iLap Category Sequence No: 1C	Current Expenditure Category: G,W,NCS,PE 3RD SCH DISB -JUL 31 2012			
46,697,371.00	46,697,371.00	46,697,371.00	100.00	100.00
iLap Category Sequence No: 1D	Current Expenditure Category: G,W,NCS,PE 4TH SCH DISB -JUL31 2013			
46,888,162.36	46,896,201.63	46,896,201.63	100.00	100.00



# The World Bank

Bangladesh - Primary Education Development Program III (P113435)

iLap Category Sequence No: 1E	Current Expenditure Category: G,W,NCS,PE 5TH SCH DISB-JUL 31 2014			
52,123,383.27	46,324,750.24	46,324,750.24	100.00	100.00
<b>Total</b>	<b>187,343,572.63</b>	<b>181,552,978.87</b>	<b>181,552,978.87</b>	

IDA-55520-001 | Currency: XDR

iLap Category Sequence No: 1	Current Expenditure Category: Eligible Expenses under Annual Plan			
269,800,000.00	157,418,417.12	247,316,666.67	100.00	100.00
<b>Total</b>	<b>269,800,000.00</b>	<b>157,418,417.12</b>	<b>247,316,666.67</b>	

TF-A0977-001 | Currency: USD

iLap Category Sequence No: 1	Current Expenditure Category: Eligible Expenses under Annual Plan			
100,000,000.00	57,500,000.00	91,666,666.66	100.00	100.00
<b>Total</b>	<b>100,000,000.00</b>	<b>57,500,000.00</b>	<b>91,666,666.66</b>	

**Note to Task Teams:** End of system generated content, document is editable from here.





Annex 1.a: Revised Disbursement schedule under Credit Number IDA 4999-BD

1) The table under Section IV.A.2 of the Agreement is hereby amended to read as follows:

<b>Category</b>	<b>Amount of the Original Financing Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) ICB Goods, Works and Non-Consulting Services, and Project Eligible Expenditures for:	-	-
First scheduled disbursement (on or about the Effective Date)	33,301,323	100%
Second scheduled disbursement (on or about January 31, 2012)	8,333,333	100%
Third scheduled disbursement (on or about July 31, 2012)	46,697,371	100%
Fourth scheduled disbursement (on or about July 31, 2013)	46,875,000	100%
Fifth scheduled disbursement (on or about July 31, 2014)	46,324,750	100%
Cancellation as on December 21, 2017	5,790,594	
<b>Cancellation as on Nov 11, 2014</b>	<b>177,629</b>	
<b>TOTAL AMOUNT</b>	<b>187,500,000</b>	



Annex 1.b: Revised Disbursement schedule under Credit Number IDA 5552-BD

The table under Section IV.A.2 of the Agreement is hereby amended to read as follows:

<b>Category</b>	<b>Amount of the Financing Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Project Eligible Expenditures under Annual Plans	247,316,667	100%
Cancellation as on December 21, 2017	22,483,333	
<b>TOTAL AMOUNT</b>	<b>269,800,000</b>	



Annex 1.c: Revised Disbursement schedule under TF 0A0977-BD

The table under Section IV.A.2 of Schedule 2 to the Agreement is hereby amended to read as follows:

<b>Category</b>	<b>Amount of the Grant Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Project Eligible Expenditures under Annual Plans	91,666,667	100%
Cancellation as on December 24, 2017	8,333,333	
<b>TOTAL AMOUNT</b>	<b>100,000,000</b>	