

**OFFICIAL
DOCUMENTS**

CREDIT NUMBER 6211 - BD

Financing Agreement

**(Quality Learning for All Program
for PEDP4)**

between

PEOPLE'S REPUBLIC OF BANGLADESH

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

DATE: JUNE 28, 2018

CREDIT NUMBER 6211 - BD

FINANCING AGREEMENT

AGREEMENT DATED JUNE 28, 2018 between PEOPLE'S REPUBLIC OF BANGLADESH ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form 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 a credit, deemed by the Association to be on concessional terms, as set forth or referred to in this Agreement, in an amount equivalent to four hundred eighty-four million two hundred thousand Special Drawing Rights (SDR 484,200,000) (variously, "Credit" and "Financing"), to assist in financing the program described in Schedule 1 to this Agreement ("Program").
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement. All withdrawals from the Financing Account shall be deposited by the Association into an account specified by the Recipient and acceptable to the Association.
- 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 March 1 and September 1 in each year.

- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 4 to this Agreement.
- 2.07. The Payment Currency is Dollar.

ARTICLE III — PROGRAM

- 3.01. The Recipient declares its commitment to the objective of the Program. To this end, the Recipient shall carry out the Program in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS

- 4.01. The Additional Condition of Effectiveness consists of the following: the Verification Agreement has been executed in a manner satisfactory to the Association following terms of reference agreed between the Recipient and the Association.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is the Senior Secretary/Secretary, or any Additional Secretary, or Joint Secretary/Joint Chief, Deputy Secretary/Deputy Chief, Senior Assistant Secretary/Senior Assistant Chief, Assistant Secretary/Assistant Chief of the Economic Relations Division of its Ministry of Finance.
- 5.02. For purposes of Section 11.01 of the General Conditions: (a) the Recipient's address is:

Economic Relations Division
Ministry of Finance
Sher-e-Bangla Nagar
Dhaka 1207
Bangladesh; and

(b) the Recipient's Electronic Address is:

Facsimile:
+88029180788

E-mail:
secretary@erd.gov.bd

- 5.03. For purposes of Section 11.01 of the General Conditions: (a) The Association's address is:

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

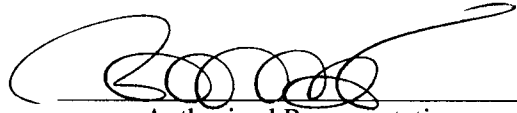
(b) the Association's Electronic Address is:

Telex:	Facsimile:	E-mail:
248423 (MCI)	1-202-477-6391	qfan@worldbank.org

AGREED as of the Signature Date.

PEOPLE'S REPUBLIC OF BANGLADESH

By



Authorized Representative

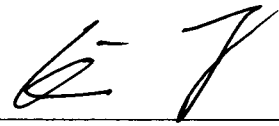
Name: KAZI SHOFIQU L AZAM

Title: SECRETARY

Date: JUNE 28, 2018

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: QIMIAO FAN

Title: COUNTRY DIRECTOR

Date: JUNE 28, 2018

SCHEDULE 1

Program Description

The objective of the Program is to improve the quality of and enhance equitable access to education from pre-primary to grade 5.

The Program consists of the following result areas and activities of the PEDP4:

1. **Result Area 1: Quality**. This result area aims to improve the quality of primary education and ensure that all children acquire the basic grade level competencies stipulated in the curriculum through the carrying out of the following activities:
 - 1.1. **Curriculum**. This sub-result area aims to harmonize and strengthen the curricula for pre-primary and primary education through: (a) the evaluation of the effectiveness of the current curricula; (b) the revision of the current curricula considering, *inter alia*, evaluation findings, learning assessment findings, learners' cognitive development stages, relevant terminal competencies and effective horizontal integration across subjects and proper vertical linkages across grade levels; (c) the dissemination of the revised curricula to all teachers; (d) the integration of the revised curricula into the DPED curricula and CPD framework used for training primary school teachers; and (e) the strengthening of the NCTB.
 - 1.2. **Textbooks and teaching-learning materials**. This sub-result area aims to ensure that all schools have good quality competency-based textbooks and teaching-learning materials that will contribute to ensuring expected learning outcomes through: (a) the revision of all PPE and primary textbooks and teaching-learning materials in line with the revised curricula; (b) the improvement of guidelines for developers of textbooks and PPE teaching-learning materials; (c) the provision of supplementary reading materials selected by NCTB to schools; and (d) the improvement of the technical capacity of the NCTB in writing and designing textbooks.
 - 1.3. **Teacher recruitment and deployment**. This sub-result area aims to recruit efficiently and rationally recruit and deploy teachers in adequate numbers and provide them with motivating career development opportunities through adequate recruitment, deployment and transfer procedures and transfer of teachers from schools with surplus teachers and conversion of over-staffed double-shift schools to single shift where feasible.
 - 1.4. **Teacher education**. This sub-result area aims to ensure that teachers meet basic professional standards at the beginning of their career through: (a) the evaluation and strengthening of the current DEPd program; (b) the use of double shifts for

training delivery; (c) the reduction of instructor vacancy rates to five percent (5%); and (d) the provision of training materials and equipment to PTIs.

- 1.5. CPD. This sub-result area aims to provide all teachers and teacher-educators with the opportunity to continuously engage in professional development activities and achieve the professional standards through: (a) the development and approval of a CPD framework; (b) the design of a curriculum for the different profiles of professionals, including carrying out of capacity building activities for its implementation; (c) the delivery of face-to-face short-term training; (d) the use of schools for teacher professional development; (e) the provision of sub-cluster need-based training, subject-based training, induction training for newly recruited teachers, head teacher leadership training, and customized English language training; (f) the provision of study tours, short-term overseas training and participation in master's programs in Bangladesh and abroad; and (g) the provision of academic supervision training to Upazilas' assistant education officers and assistant instructors.
 - 1.6. ICT in education. This sub-result area aims to increase the availability and effective use of digital materials for teacher education and professional development, and student learning through: (a) the development of digital resources and making them available to teachers to support their continuous professional development; and (b) the evaluation of ICT initiatives to generate knowledge to inform ICT policy and practice.
 - 1.7. Examinations and assessments. This sub-result area aims to establish an improved system for assessments and examinations that will correctly measure and analyze student learning, and provide evidence based recommendations for education reform through: (a) the establishment of a PEB with the needed capacity and resources to lead the design and administration of the PECE, NSA and school-based terminal tests; (b) the carrying out of a national student assessment of mathematics and Bangla for grades 3 and 5; and (c) the carrying out of an analysis of the results of the aforementioned assessments and examinations to produce policy briefs and action plans for education reforms.
 - 1.8. PPE. This sub-result area aims to enhance the school-readiness of 5-year old children, enabling them to successfully transition to primary school through: (a) the provision of a 1-year PPE in all government primary schools; (b) the enhancement of the quality of PPE through improvement of physical environments, enhancement of teacher capacity, recruitment of teachers, building of PPE classrooms and provision of play and pedagogical materials; and (c) the strengthening of the PPE's supervision, monitoring and evaluation.
2. **Result Area 2: Equitable access and participation**. This result area aims to provide communities with learning environments that support participation of all children, and ensure continuity of education through the carrying out of the following activities:

- 2.1. Needs-based school infrastructure. This sub-result area aims to improve the physical quality of the learning environment in schools through: (a) the building of additional classrooms, head teacher rooms and multipurpose rooms, including provision of regular maintenance; (b) the building of WASH facilities, including gender segregated and disability-accessible WASH facilities and safe drinking water points; (c) the integration of hygiene promotion in the revised curricula, textbooks, and DPED and CPD curricula; (d) the development and adoption of tube well and WASH maintenance policies including strengthening of institutional capacities for environmental compliance and oversight; and (e) the inclusion of WASH topics in the revised guidelines for SLIPs, SMCs, among others.
- 2.2. OOSC. This sub-result area aims to reduce the number of eight-to-fourteen year-old children who have either never enrolled in school or have dropped out of school through: (a) the enrollment of around 1 million OOSC in learning centers, making them eligible to take the PECE, enabling them to continue their studies in the formal education system; and (b) the carrying out of independent verifications of the learning centers, ensuring student and teacher attendance, and adherence to service standards.
- 2.3. Children with SEN and disability. This sub-result area aims to identify children with SEN and enable them to have primary education in mainstream primary schools through: (a) the revision and update of the curricula and associated textbooks and teaching-learning materials; (b) the designing and integration of modules to integrate them into the DPED curricula and in-service training program, including strengthening of the capacities of instructors to deliver these modules; and (c) the strengthening of the linkages between schools and specialized services for children with SEN.
- 2.4. Education in emergencies. This sub-result area aims to enhance disaster resilience and ensure disaster preparedness of the primary education sector, promote a culture of safety and enable continuity of education for all children during and after emergencies through: (a) the enforcement of building codes to make school facilities safer, and provision of kits with protective equipment/materials to all schools; (b) the development, dissemination and operationalization of standard operating procedures, regular disaster simulation drills, school-level disaster management plans integrated into the SLIP; (c) the provision for education-in-emergency financing; and (d) the integration of disaster risk reduction and prevention education into the revised curricula, textbooks and teaching-learning materials, including the development of new text book and teaching-learning materials.
- 2.5. Communications and social mobilization. This sub-result area aims to ensure that key stakeholders are empowered and informed to promote, support and advance the provision of quality primary education to all age-appropriate children through:

(a) the development and strengthening of institutional capacities and systems to support advocacy, coordinate activities, and use data to plan, implement and monitor social and behavioral change interventions at the institutional level; (b) the carrying out of key social network and groups activities to encourage positive practices and norms at the community level; and (c) the carrying out of family and caregiver level activities to support positive education-supportive practices at the individual level.

3. **Results Area 3: Management, governance and financing.** This result area aims to ensure strong governance, adequate and equitable financing, and good management of the primary education system through the carrying out of the following activities:

- 3.1. **Data systems for decision-making.** This sub-result area aims to improve decision-making through (a) the strengthening of information systems, monitoring, reporting and evaluation information systems through integration of databases, elimination of information duplication, filling in of data gaps, development of performance dashboards; (b) the rolling out of a student registration and identification database to track participation and monitor student learning; (c) the development of data systems to monitor and facilitate SLIPs and UPEPs and their associated financing; (d) the provision of key annual school data for public display to enhance transparency and accountability; and (e) the strengthening of monitoring and evaluation and policy- and decision-making capacities of the DPE to better utilize data for carrying out monitoring, system performance assessments and evidenced-based planning.
- 3.2. **Institutional strengthening.** This sub-result area aims to strengthen the DPE and field education offices to manage and administer the primary education system effectively and efficiently through: (a) the restructuring of the DPE to focus on strategic guidance, coordination and oversight of divisional offices; (b) the preparation and implementation of an institutional strengthening plan taking into account recommendations from the updated ODCBG; (c) the carrying out of reforms to career paths, and building capacity of administrative staff; and (d) the revision of the DPE's recruitment rules for positions throughout the primary education system, and preparation and implementation a plan to fill the vacant positions in phases based on the revised rules.
- 3.3. **Strengthening SLIPs and UPEPs.** This sub-result area aims to improve the school environment and learning outcomes through: (a) the provision of SLIP funds to schools on the basis of a formula that accounts for number of students; and (b) the updating of guidelines for SLIPs and UPEPs, including monitoring of their implementation.
- 3.4. **Strengthening budgets.** This sub-result area aims to ensure efficient, effective and adequate budgeting for the Program through: (a) the implementation of DPE's web based accounting systems; (b) the empowerment of DPE's divisions in budget

planning and execution; (c) the delegation of certain powers of budgeting and expenditure to the field offices; and (d) the strengthening of the capacities of senior levels of management to provide strategic guidance and oversee budget execution.

- 3.5. Procurement and financial management: This sub-result area aims to ensure maximum use of country systems and strengthen existing fiduciary arrangements through: (a) the provision of adequate human resources; (b) the implementation of iBAS/iBAS++ and electronic government procurement systems; (c) the building capacity of fiduciary staff at all DEP's levels; (d) the strengthening of the internal audit systems; and (e) carrying out of annual fiduciary reviews.

SCHEDULE 2

Program Execution

Section I. Implementation Arrangements

A. Program Institutions

1. By no later than one (1) month after the Effective Date, the Recipient through its MoPME shall establish and thereafter maintain, throughout Program implementation, a steering committee: (a) headed by the Secretary of MoPME; (b) vested with adequate functions, membership, powers, resources and competencies; and (c) responsible for serving as the highest-level coordinating entity for all the involved ministries and implementation entities under the Program in accordance with the Planning Commission's guidelines.
2. The Recipient through its MoPME shall:
 - (a) maintain DPE, throughout Program implementation, as the leading implementing directorate: (i) headed by its Director General and supported by Additional Director General(s); (ii) vested with adequate functions, powers, resources and competencies; and (iii) responsible for implementing, coordinating and monitoring the Program at all levels; as agreed between the Recipient and the Association; and
 - (b) ensure that the Additional Director General for PEDP4 is supported by a Program support team, consisting of a dedicated team of specialists in adequate number, responsible for Program reporting, planning and technical assistance, following the terms of reference agreed between the Recipient and the Association.

B. Program Action Plan

Unless otherwise agreed with the Association, the Recipient shall carry out the Program, or cause the Program to be carried out, in accordance with the provisions of the Program Action Plan.

Section II. Excluded Activities

The Recipient shall ensure that the Program excludes any activities which:

1. in the opinion of the Association, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people;

2. involve the procurement of: (a) any works for classrooms and WASH facilities estimated to cost USD50,000,000 equivalent or more per contract; (b) goods, estimated to cost USD30,000,000 equivalent or more per contract; (c) non-consulting services, estimated to cost USD30,000,000 equivalent or more per contract; and/or (d) consulting services, estimated to cost USD15,000,000 equivalent or more per contract;
3. involve: (a) the carrying out of civil works except for the ones referred to in paragraph 2 above; (b) the production and printing of textbooks; (c) the procurement of ICT equipment and accessories, motor vehicles and furniture; (d) the financing of pensions, gratuities and/or unadjusted advance loans; and/or (e) the procurement of goods requiring international procurement; and/or
4. involve involuntary resettlement and/or land acquisition activities, including the procurement of land.

Section III. Program Monitoring, Reporting and Evaluation

A. Program Reports

The Recipient shall furnish to the Association one (1) Program Report not later than two (2) weeks before each Joint Consultative Meeting and Joint Annual Review Mission.

B. Independent Verification Agency

The Recipient shall:

- (a) undertake a verification process through an Independent Verification Agency to certify the fulfillment of the DLI Targets (as defined hereafter) set forth in Schedule 3 to this Agreement; and
- (b) furnish to the Association corresponding verification report(s), in form and substance agreed with the Association and any information and/or documentation that the Independent Verification Agency and/or the Association shall reasonably require for the monitoring, audit, analysis and/or verification of the achievement/fulfillment of the DLI Targets set forth in Schedule 3 to this Agreement.

Section IV. Withdrawal of Financing Proceeds

A. General

1. Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Program Expenditures, on the basis of the results (“Disbursement Linked Indicators Targets” or “DLI Targets”) achieved by the Recipient, as measured against specific indicators (“Disbursement Linked Indicators” or “DLIs”) set forth in the table in paragraph 2 of this Part A and Schedule 3 to this Agreement.
2. The following table specifies each category of withdrawal of the proceeds of the Financing (including the DLIs as applicable) (“Category”), and the allocation of the amounts of the Financing to each Category. Notwithstanding the foregoing, the actual amount authorized for disbursement against each DLI Target corresponding to a DLI (“Allocated Amount”) and the formula for its determination, if applicable, are set forth in Schedule 3 to this Agreement.

Category (including Disbursement Linked Indicator as applicable)	Amount of the Financing Allocated (expressed in SDR)
(1) DLI #1: Curriculum revision and textbook development	58,800,000
(2) DLI #2: Assistant teacher recruitment and deployment	55,340,000
(3) DLI #3: Teacher education and CPD	55,340,000
(4) DLI#4: Examinations and assessments	69,170,000
(5) DLI#5: Need-based infrastructure development	121,040,000
(6) DLI#6: Educational opportunities for OOSC	41,500,000
(7) DLI#7: Fiduciary system and budget	27,670,000
(8) DLI#8: Data system, monitoring and accountability	27,670,000
(9) DLI#9: Institutional strengthening	27,670,000
TOTAL AMOUNT	484,200,000

B. Withdrawal Conditions; Withdrawal Period

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

- (a) on the basis of DLI Targets achieved prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed SDR 82,700,000 may be made on the basis of DLI Targets achieved prior to this date but on or after January 1, 2018; or/and
 - (b) for any DLI Targets under Categories (1),(2),(3),(4),(5),(6),(7),(8) and (9) until and unless the Recipient has furnished satisfactory evidence to the Association that said DLI Target has been achieved.
- 2. Notwithstanding the provisions of Part B.1(b) of this Section, the Recipient may withdraw an amount not to exceed SDR 121,050,000 as an advance; provided, however, that if the DLI Target(s) in the opinion of the Association, is/are not achieved (or only partially achieved) by the Closing Date, the Recipient shall refund such advance to the Association promptly upon notice thereof by the Association. Except as otherwise agreed with the Recipient, the Association shall cancel the amount so refunded. Any further withdrawals requested as an advance under any Category shall be permitted only on such terms and conditions as the Association shall specify by notice to the Recipient.
- 3. Notwithstanding the provisions of paragraphs of Part B.1(b) and 2 of this Section, and with respect to the DLI Target(s) for the period current at the time of any withdrawal, if the DLI Target(s) for the subsequent period(s) has/have been partially or fully achieved with respect to DLI Target(s) 2.2, 5.2, 6.2, 6.3, 6.5 and 7.4 in such current period(s), the Association may at any time, by notice to the Recipient, decide to authorize withdrawal of part or all of the value of the subsequent DLI Target(s) incurred in such current period up to the allocated amount of such DLI Target(s) achieved during such current period, and the allocated amount in the subsequent DLI Target(s) shall be correspondingly reduced. For the avoidance of doubt, the exercise of this option by the Association shall not have the effect of increasing the total aggregate amount allocated to the relevant Category in the Disbursement Table in Section IV.A.2 above, but may only affect the sequencing of the disbursement of the amounts corresponding to each DLI Target.
- 4. Notwithstanding the provisions of Part B.1(b), 2 and 3 of this Section, if any of the DLI Target(s) 2.2, 5.2, 6.2, 6.3, 6.5 and 7.4 have not been achieved by the date by which the said DLI Target(s) is/are set to be achieved, the Association may, by notice to the Recipient: (a) authorize the withdrawal of such lesser amount of the unwithdrawn proceeds of the Credit then allocated to the aforementioned DLI Targets which, in the opinion of the Association, corresponds to the extent of achievement of said DLI Target(s), said lesser amount to be calculated in accordance with the formula set out in Schedule 3 of this Agreement; (b) reallocate all or a portion of the proceeds of the Credit then allocated to said DLI Target(s) to any other DLI Target(s); and/or (c) cancel all or a portion of the proceeds of the Credit then allocated to said DLI Target(s).

5. The Closing Date is June 30, 2023.
6. Notwithstanding the foregoing provisions of this Section IV, if at any time after the Closing Date the Recipient has failed to provide evidence satisfactory to the Association that the Withdrawn Financing Balance does not exceed the total amount of Program Expenditures (exclusive of any such expenditures financed by any other financier or by the Association under any other loan, credit or grant), the Recipient shall, promptly upon notice from the Association, refund to the Association such excess amount of the Withdrawn Financing Balance. The Association shall cancel the refunded amount of the Withdrawn Financing Balance.

SCHEDULE 3

**Disbursement-Linked Indicators, Disbursement Linked Indicators Targets and Allocated Amounts in
Special Drawing Rights Applicable to the Program**

DLIs	DLI Targets					
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
#1: Curriculum and textbook development	<u>DLI Target 1.1</u> Action plan for curriculum revision, and textbooks and teaching learning materials development has been approved by MoPME		<u>DLI Target 1.2</u> PPE and grades 1-5 curriculum has been revised	<u>DLI Target 1.3</u> Grades 1-2 textbooks and teaching learning materials have been developed as per revised curriculum	<u>DLI Target 1.4</u> PPE and grades 3-5 textbooks and teaching learning materials have been developed as per revised curriculum	
Allocated Amount (Total: 58,800,000)	14,700,000; Rollover: yes		14,700,000; Rollover: yes	14,700,000; Rollover: yes	14,700,000; Rollover: yes	
#2: Assistant teacher recruitment and deployment	<u>DLI Target 2.1</u> Recruitment plan for teachers has been prepared and approved by MoPME				<u>DLI Target 2.2</u> 75% of the end of program target has been achieved as per assistant teacher recruitment plan	<u>DLI Target 2.3</u> At least 50% of government primary schools have a student teacher ratio of 40:1 or less
Allocated Amount (Total: 55,340,000)	18,440,000; Rollover: yes				<u>Disbursement formula:</u> 18,450,000 if achievement is at	18,450,000; Rollover: no

					least 75%; 13,840,000 if achievement is at least 50% but less than 75%; Rollover: yes	
#3: Teacher education and CPD	<u>DLI Target 3.1</u> DPEd training plan has been approved by MoPME	<u>DLI Target 3.2</u> CPD framework and plan have been developed and approved by MoPME		<u>DLI Target 3.3</u> Revised DPEd curriculum has been approved by MoPME	<u>DLI Target 3.5</u> DPEd has been implemented according to the approved plan with 50% of the teachers without DPEd/C- in-ed trained	
				<u>DLI Target 3.4</u> CPD training has been started as per approved plan	<u>DLI Target 3.6</u> CPD training has been conducted as per approved plan	
Allocated Amount (Total: 55,340,000)	9,220,000; Rollover: yes	9,220,000; Rollover: yes		For <u>DLI Target 3.3:</u> 9,220,000; Rollover: yes	For <u>DLI Target 3.5:</u> 9,230,000; Rollover: yes	
				For <u>DLI Target 3.4:</u> 9,220,000; Rollover: yes	For <u>DLI Target 3.6:</u> 9,230,000; Rollover: yes	
#4: Examinations and assessments					<u>DLI Target 4.1</u> NSA 2021 been conducted	<u>DLI Target 4.2</u> Proportion of grade 3 students achieving minimum competency in Bangla and Math in NSA 2021 has increased by at least

						10% each compared to the percentage in NSA 2017
Allocated Amount (Total: 69,170,000)					34,585,000; Rollover: no	<u>Disbursement formula:</u> 34,585,000 if target is achieved for both Bangla and Math; 24,210,000 if target is achieved for only Bangla or Math Rollover: no
#5: Need-based infrastructure development	<u>DLI Target 5.1</u> Infrastructure plan and IPG have been updated and approved by MoPME				<u>DLI Target 5.2</u> At least 75% of planned need-based infrastructure development works (additional classrooms, gender segregated water and sanitary hygiene block, drinking water source) has been completed according to the IPG and as per standard of BNBC	<u>DLI Target 5.3</u> Single shift schools has increased by 10 percentage points compared to program baseline
Allocated Amount (Total: 121,040,000)	40,340,000; Rollover: yes				<u>Disbursement formula:</u> 40,340,000 if achievement is at least 75%; 34,580,000 if	40,360,000; Rollover: no

					achievement is at least 60% and less than 75%; Rollover: yes	
#6: Educational opportunities for OOSC		<u>DLI Target 6.1</u> OOSC enrolled in learning centers under PEDP3 are back to school or learning centers	<u>DLI Target 6.2</u> At least 250,000 new OOSC have enrolled in learning centers through implementation support agencies	<u>DLI Target 6.3</u> At least 250,000 new OOSC have enrolled in learning centers through implementation support agencies	<u>DLI Target 6.4</u> At least 60% of children in learning centers since year 2 remain enrolled in the learning centers	<u>DLI Target 6.6</u> 650,000 OOSC (cumulative from Year 2) are back to school y or learning centers
					<u>DLI Target 6.5</u> National survival rate to grade 5 has increased by 2 percentage points for both boys and girls	
Allocated Amount (Total: 41,500,000)		<u>Disbursement formula:</u> 5,536,666 if 30,000 students enrolled; thereafter 690,000 for each 10,000 students enrolled; Rollover: no	<u>Disbursement formula:</u> 4,156,666 if 150,000 enrolled; thereafter 1,380,000 for each additional 50,000 enrolled; Rollover: yes	<u>Disbursement formula:</u> 4,156,666 if 150,000 enrolled; thereafter 1,380,000 for each additional 50,000 enrolled; Rollover: yes	<u>For DLI Target 6.4:</u> 6,916,666; Rollover: yes	6,916,670; Rollover: no
					<u>Disbursement formula for DLI Target 6.5:</u> 6,916,666 if target is achieved for both boys and girls; 4,850,000 if target is achieved for only boys or only girls	

					Rollover: yes	
#7: Fiduciary system and budget		<u>DLI Target 7.1</u> Fiduciary system has been updated	<u>DLI Target 7.2</u> Internal audit unit/cell has been established at DPE and adequately staffed	<u>DLI Target 7.3</u> 85% of the original approved cumulative annual budget of years 1-2 has been utilized	<u>DLI Target 7.4</u> iBAS++ has been rolled out in 90% of all drawing and disbursement officers and 80% of approved number of eligible contracts in DPE have been processed through electronic government procurement	<u>DLI Target 7.5</u> Further enhanced functions for audit resolution
Allocated Amount (Total: 27,670,000)		5,534,000; Rollover: yes	5,534,000; Rollover: yes	<u>Disbursement formula:</u> 5,534,000 upon achievement of target; 3,460,000 if utilization is at least 80% but below 85%; Rollover: no	<u>Disbursement formula:</u> 5,534,000 if targets are achieved for both iBAS++ and eGP; 3,460,000 if target is achieved for only iBAS++ or electronica government procurement; Rollover: yes	5,534,000; Rollover: no
#8: Data system, monitoring and accountability		<u>DLI Target 8.1</u> Roadmap for a comprehensive management information system has been developed and		<u>DLI Target 8.2</u> Integrated web- based management information system has been established	<u>DLI Target 8.3</u> 70% of government primary schools display key school data, as specified by DPE, in public areas in the schools	<u>DLI Target 8.4</u> Integrated web- based management information system has become fully operational

		approved by MoPME				
Allocated Amount (Total: 27,670,000)		6,917,500; Rollover: yes		6,917,500; Rollover: yes	6,917,500; Rollover: no	6,917,500; Rollover: no
#9: Institutional strengthening		<u>DLI Target 9.1</u> Institutional strengthening plan under updated ODCBG has been developed and approved by MoPME	<u>DLI Target 9.3</u> UPEP has been implemented in 50 Upazilas according to updated guidelines		<u>DLI Target 9.5</u> 85% of government primary schools have received SLIP funds and utilized them as per the updated SLIP guidelines	<u>DLI Target 9.6</u> Institutional strengthening plan under updated ODCBG has been implemented
		<u>DLI Target 9.2</u> SLIP and UPEP guidelines have been updated	<u>DLI Target 9.4</u> Institutional strengthening plan implementation under updated ODCBG has been initiated			
Allocated Amount (Total: 27,670,000)		For <u>DLI Target 9.1</u> : 4,600,00; Rollover: no	For <u>DLI Target 9.3</u> : 4,620,000; Rollover: yes		<u>Disbursement formula</u> : 4,620,000 if achievement is 85%; 2,770,000 if achievement is at least 70% but below 85%; Rollover: no	4,610,000; Rollover: no
		For <u>DLI Target 9.2</u> : 4,600,000; Rollover: no	For <u>DLI Target 9.4</u> : 4,620,000; Rollover: yes			

SCHEDULE 4

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage) *
On each March 1 and September 1, commencing September 1, 2024 to and including March 1, 2056	1.5625%

* 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 3.05 (b) of the General Conditions.

APPENDIX

Section I. Definitions

1. “Allocated Amount(s)” means the amount allocated to each individual DLI Target, or determined for each DLI Target pursuant to Schedule 3 to this Agreement, as such amount might be increased, reallocated and/or cancelled (whether partially or in its entirety) by the Association, from time to time as the case may be, in accordance with the provisions of Section IV.B of Schedule 2 to this Agreement.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the Association’s “Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing,” dated February 1, 2012, and revised July 10, 2015.
3. “BNBC” means the applicable Bangladesh national building code.
4. “Category” means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
5. “CPD” means continuous professional development.
6. “Disbursement Linked Indicator” or “DLI” means in respect of a given Category, the indicator related to said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
7. “Disbursement Linked Indicator Target” or “DLI Target” means in respect of a given Category, the result set forth in the table in Schedule 3 to this Agreement, on the basis of the achievement of which, the amount of the Financing allocated to said result may be withdrawn in accordance with the provisions of said Section IV.
8. “DPE” means the Directorate of Primary Education of the MoPME.
9. “DPEd” means diploma in primary education.
10. “Fiscal Year” or “FY” means the Recipient’s fiscal year commencing from July 1 and ending on June 30 of each year.
11. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Program-for-Results Financing”, dated July 14, 2017, with the modifications set forth in Section II of this Appendix.
12. “iBAS” means integrated budgetary accounting system.
13. “ICT” means information, communications and technology.

14. “Independent Verification Agency” means an independent institution which has been selected by the DPE under terms of reference satisfactory to the Association, and verifies the achievement of the DLI Targets based on a detailed DLI verification protocol satisfactory to the Association.
15. “IPG” means infrastructure planning guideline.
16. “Joint Annual Review Mission” means annual meeting between the Recipient and the Association to review the Program progress.
17. “Joint Consultative Meeting” means the semi-annual meeting between the Recipient and the Association to review progress and achievement of DLI Targets.
18. “MoPME” means the Recipient’s Ministry of Primary and Mass Education, or any successor thereto.
19. “NCCC” means the Recipient’s National Curriculum Coordination Committee.
20. “NCTB” means the Recipient’s National Curriculum and Textbook Board established through Ordinance of October 2, 1983.
21. “NSA” means national student assessment.
22. “ODCBG” means organization development and capacity building guidebook.
23. “OOSC” means out-of-school children.
24. “PECE” means primary education completion examination.
25. “PEDP3” means the Recipient’s Third Primary Education Development Program adopted by the MoPME.
26. “PEDP4” means the Recipient’s Fourth Primary Education Development Program adopted by the MoPME for the period FY2018/2019–FY2022/23, of which the Program comprises a part, as described in Schedule 1 to this Agreement.
27. “PEB” means primary education board.
28. “PPE” means pre-primary education.
29. “Program Action Plan” means the Recipient’s plan dated March 1, 2018, agreed between the Recipient and the Association, and referred to in Section I.B of Schedule 2 to this Agreement.
30. “PTI” means primary training institute.

31. “Rollover” means the deferral of the disbursement of the Allocated Amount(s) corresponding to one or more DLI Target(s) for one year.
32. “SEN” means special education needs.
33. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
34. “SLIP” means school level improvement plan.
35. “SMC” means school management committee.
36. “Upazila” means the third level of administrative territorial subdivision of the Recipient’s territory, after divisions and districts.
37. “UPEP” means Upazila primary education plan.
38. “Verification Agreement” means the agreement executed between MoPME and the Independent Verification Agent for verifying the achievement of the DLI Targets in accordance with the provisions of Section III.B of Schedule 2 to this Agreement, under terms and conditions satisfactory to the Association, as the same may be amended from time to time with the agreement of the Association.
39. “WASH” means water and sanitary hygiene.
40. “Year” means any of the Years 0 through 5 of Program implementation as the context shall determine.
41. “Year 0” means the period (which may be shorter than 12 consecutive months) between the Signature Date and the end of the Fiscal Year during which this Agreement was signed by the Recipient and the Association.
42. “Year 1” means the first full Fiscal Year of implementation of Program activities, expected to be Fiscal Year 2018/19.
43. “Year 2” means the second full Fiscal Year of implementation of Program activities, expected to be Fiscal Year 2019/20.
44. “Year 3” means the third full Fiscal Year of implementation of Program activities, expected to be Fiscal Year 2020/21.
45. “Year 4” means the fourth full Fiscal Year of implementation of Program activities, expected to be Fiscal Year 2021/22.

46. “Year 5” means the fifth full Fiscal Year of implementation of Program activities, expected to be Fiscal Year 2022/23.

Section II. Modifications to the General Conditions

In the **Appendix, Definitions**, the definition number 85 is modified to read:

- “85. “Program Expenditure” means an expenditure that meets the requirements of Section 2.03, incurred under the following budget heads of MoPME: 4500, 4600, 4700, 4800, 4900 5900,6700, 6800 (except 6851, 6815, 6821,6807), 7000 (except 7006), 7900, 7980, as the numbering of such corresponding budget lines may be revised from time to time with the agreement of the Association but without affecting the description of the Program.”