

CONFORMED COPY

CREDIT NUMBER 4999-BD

Financing Agreement

(Third Primary Education Development Program)

between

PEOPLE'S REPUBLIC OF BANGLADESH

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated October 13, 2011

CREDIT NUMBER 4999-BD

FINANCING AGREEMENT

AGREEMENT dated October 13, 2011, entered into between PEOPLE'S REPUBLIC OF BANGLADESH ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association").

- WHEREAS: (A) by an agreement to be entered into between the Asian Development Bank (ADB) and the Recipient (the ADB Loan Agreement), ADB will make a loan to the Recipient in a principal amount equivalent to three hundred and twenty million Dollars (\$320,000,000) (the ADB Loan) to assist in financing the Project on the terms and conditions set forth in the ADB Loan Agreement;
- (B) by an agreement to be entered into between the Japan International Cooperation Agency (JICA) and the Recipient (the JICA Grant Agreement), JICA will make a grant to the Recipient in a principal amount equivalent to twenty-four million Dollars (\$24,000,000) (the JICA Grant) to assist in financing the Project on the terms and conditions set forth in the JICA Grant Agreement;
- (C) the Recipient intends to contract from the United Kingdom Department for International Development, the European Union, the Canadian International Development Agency, the Australian Agency for International Development, the Swedish International Development Cooperation Agency and the United Nations Children's Fund (hereinafter collectively referred to as the Project Co-financiers) grants in an aggregate amount equivalent to two hundred sixty five million and four hundred thousand Dollars (\$265,400,000) (the Project Co-financiers' Cofinancing) to assist in financing part of the Project on the terms and conditions set forth in agreements to be entered into between the Recipient and each of the Project Co-financiers (collectively referred to as the Project Co-financiers' Co-financing Agreements); and
- (D) The ADB, JICA, the Project Co-financiers, the Association and the Recipient intend to enter into an agreement or other contractual arrangement to set forth the coordination arrangements among the Cofinanciers and the Association in the financing of the Project (the JFA).

NOW THEREFORE 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 Preamble or 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 one hundred and eighty seven million five hundred thousand Special Drawing Rights (SDR 187,500,000) (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 objectives of the Project and the Program. To this end, the Recipient shall carry out the Project through the

Ministry of Primary and Mass Education in accordance with the provisions of Article IV of the General Conditions.

- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following, namely that by December 31, 2011 the JFA shall not have been entered into by at least ADB and two other Project Co-financiers without the Recipient making alternative Project cofinancing arrangements acceptable to the Association.
- 4.02. The Co-financing Deadline for the effectiveness of the ADB Loan Agreement is December 31, 2011.
- 4.03. The Co-financing Deadline for the effectiveness of the JICA Grant Agreement and the Project Co-financiers' Co-financing Agreements is June 30, 2012.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of the following, namely that the Annual Plans for the first year of Project implementation have been endorsed for financing under the Project by the Association.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.03. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE 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/ Iqbal Mahood

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: /s/ Ellen Goldstein

Authorized Representative

SCHEDULE 1

Project Description

The objectives of the Project are: (a) to increase participation and reduce social disparities in primary education; (b) to increase the number of children completing primary education and improve the quality of the learning environment and measurement of student learning; and (c) to improve effectiveness of resource use for primary education.

The Project is part of the Program and consists of the following parts:

Part 1. Improving the Quality of the Learning Environment and the Measurement of Student Learning

Carrying out of activities, selected from the Program activities listed below, and included in the Annual Plans:

- (a) Improvement of the timely delivery of free textbooks to all eligible schools and the quality of textbook content through the provision of quality learning materials, including, *inter alia*, development and adoption of quality standards in line with revised curriculum, and printing and distribution of textbooks and matching teacher guides.
- (b) Improvement of the effectiveness of teacher training through the carrying out of a comprehensive teacher education and development plan, including the development and piloting of a new diploma-in education and progressively increasing the number of primary teacher training institutes implementing the Diploma-in Education program.
- (c) Recruitment of teachers and head-teachers, and application of the competitive, merit-based recruitment as per the Recipient's rules in place, as well as taking account of vacancies to be filled as a result of new classrooms constructed through the needs-based infrastructure approach.
- (d) Improvement of the quality, transparency and effectiveness of the primary completion examination through the carrying out of an action plan to improve the Grade 5 completion examination, including, *inter alia*: (A) gradual transformation of the completion examination into a competency-based test; (B) implementation of the exam; and (C) analysis of the results and revision of test items accordingly.

- (e) Improvement of the national assessment program, including the organizational management of the said program.
- (f) Development of techniques to determine pupils' current knowledge and skill level, including through the training of teachers to identify students' learning strengths and weaknesses.
- (g) Improvement of the curricula for grades one to five, including the carrying out of a regional comparative study on competencies, curriculum substance and revision practices, and capacity building of staff for curriculum development.
- (h) Implementation of a pilot initiative *Shikhbe Protiti Shishu* (Each Child Learns) to improve learning of basic skills in Bangla and mathematics, and dissemination of good practices and lessons learned to a progressively larger number of schools.
- (i) Provision of equipment and materials for the setting-up of multi-media classrooms.
- (j) Any other activity as the Recipient and the Association may agree.

Part 2. Improving Access and Reducing Social Disparities

Carrying out of activities, selected from the Program activities listed below, and included in the Annual Plans:

- (a) Provision of one (1) year of free pre-primary education for five-year olds through a new school-based approach to reach coverage of all children in government primary schools through:
 - (i) the development and implementation of a plan for the scaling up of participation in pre-primary education, including, *inter alia*: updating of the mapping of pre-primary education providers (government and nongovernment), and establishment of a database of providers; and
 - (ii) the expansion of pre-primary education coverage, including, *inter alia*: hiring and training of additional teachers, production and dissemination of materials, and through partnerships.
- (b) Initiating a needs-based approach to improve physical facilities (reconstruction of schools, additional classrooms, toilets and safe water source) through the preparation and implementation of an action plan for infrastructure development.

- (c) Development and implementation of a public relations and communications strategy to inform and encourage enrollment and retention of children in school for the full primary cycle, targeting different groups of stakeholders, including, *inter alia*: workshops and seminars, and the use of broadcast media and print media.
- (d) Implementation of a revamped stipend program to support participation of children in primary educations.
- (e) Coordination and implementation of a school health and nutrition program, including curriculum development on health and nutrition practices and health screenings in selected areas, and nutritional interventions such as school feeding.
- (f) Implementation of an inclusive primary education plan at the *upazila* level, with support from a block grant, to, *inter alia*, provide resources to schools accommodating previously excluded children, develop supplementary learning materials, and strengthen the capacity of teachers to identify and teach children with special needs.
- (g) Coordinating alternative primary education opportunities with education service delivery in the formal, public sector, including, *inter alia*, development of an equivalency framework aligned with the revised national curriculum, inclusion of non-formal education in *upazila* primary education plans, participation of non-formal education learners in the Grade 5 completion examination, and reporting on non-formal education outputs in the PEDP III reporting.
- (h) Any other activity as the Recipient and the Association may agree.

Part 3. Improving Program Planning and Management, and Strengthening Institutions

Carrying out of activities, selected from the Program activities listed below, and included in the Annual Plans:

- (a) Improvement of the efficiency and effectiveness of service delivery at central and decentralized levels through the provision of grants to schools based on their school-level improvement plans, including, *inter alia*: strengthening of the capacity of *upazila* offices to provide additional support to schools through their *upazila* primary education plans, updating of the guidelines for school level improvement plans, and establishment on a pilot basis of district primary education plans.
- (b) Enhancement of the primary education subsector budget preparation process by improving the linkage between the budgetary process and the

medium-term primary education subsector strategy, and the consistency between annually approved primary education subsector budgets and the PEDPIII results framework and medium term budgetary framework by aligning the primary education subsector budget with the PEDPIII framework and the medium term budgetary framework, and improvement of fiscal and budget management.

- (c) Improvement of the timeliness, quality and coverage of the Recipient's Annual School Census through:
 - (i) the development and implementation of an improved administration plan for the monitoring and evaluation/education management information system; and
 - (ii) the revising of the Annual School Census, including, *inter alia*, carrying out of periodic internal and external validation studies of census data, and making revisions and adjustments to the census mechanism as appropriate.
- (d) Development and implementation of a human resource management plan to, *inter alia*, strengthen the Directorate of Primary Education and improve delivery of teacher education programs.
- (e) Carrying out of analyses and stakeholder consultations to clarify issues and potential actions to develop an integrated, comprehensive framework to include school standards for all categories of primary schools in the country.
- (f) Any other activity as the Recipient and Association may agree.

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

1. (a) The Recipient shall, not later than three months after the Effective Date, establish and thereafter maintain throughout the period of Project implementation, an Inter-Ministerial Steering Committee, headed by the Secretary, MOPME, and having, as members, representatives of key ministries and agencies, including, *inter alia*: the Finance Division and Economic Relations Division of the Ministry of Finance; the Ministry of Public Administration; the Planning Commission; the Implementation Monitoring and Evaluation Division of the Ministry of Planning; and the Directorate of Primary Education of the MOPME; and representatives of nongovernment organizations.
- (b) The Inter-Ministerial Steering Committee shall be responsible for, *inter alia*: (i) providing overall policy guidance; (ii) reviewing and endorsing the budget allocations, and approving the Annual Operational Plans; and (iii) Project and Program oversight and coordination.
2. The Recipient shall ensure that the Directorate of Primary Education is responsible for the day-to-day implementation of the Project and Program.
3. (a) The Recipient shall, not later than three months after the Effective Date, establish and thereafter maintain throughout the period of Project implementation, a Technical Committee, headed by the Director General (Program Director), DPE, and having, as members *inter alia*, the Additional Director General, all DPE directors; representatives from MOPME, the National Academy of Primary Education, National Curriculum and Textbook Board, Compulsory Primary Education Implementation and Monitoring Unit, Bureau of Non-formal Education, and the Bangladesh Bureau of Education Information and Statistics; and a representative from a nongovernmental organization.
- (b) The Technical Committee shall be responsible for: (i) providing support to line directors and other agencies to resolve implementation problems; (ii) devising strategies for the gradual integration of different streams of formal and non-formal primary education in terms of curriculum and service delivery structure; (iii) supporting the establishment of an integrated data system and plan for results-based management; and (iv) supporting policy revision based on implementation experience.

4. The Recipient shall: (a) ensure that all budgetary allocations related to the Project are timely released to the appropriate directorates and agencies of the Recipient, as shall be required for the effective implementation of the Project; and (b) apply suitable internal controls to ensure that payments of budgetary expenditures, including monthly reconciliations thereof, shall be made in a timely manner, together with an appropriate accounting of budgetary advances, if any, with a view to keeping said advances separate from budgetary expenditures.

B. Annual Plans

The Recipient shall, not later than May 1 of each year, commencing May 1, 2012, prepare and furnish to the Association, for its endorsement, the Annual Plan for the following fiscal year. Each such Annual Plan shall include:

- (a) the proposed Annual Operational Plan and budget allocations (from which the Eligible Expenditures could be identified) approved by the Recipient's Budget Management Committee, covering the activities to be carried out under the Project during the following year;
- (b) the annual Procurement Plan for the Project;
- (c) the scope of application of any applicable EMP, Indigenous Peoples Plan and Resettlement Plan in the implementation of activities included in the Annual Plan; and
- (d) the implementation arrangements of the activities included in the Annual Plan.

C. Annual and Mid-term Reviews

The Recipient shall:

- (a) by not later than May 31 of each year commencing May 31, 2012, carry out joint reviews of the Project and the Program with the Association and the Cofinanciers to, *inter alia*, assess the progress of implementation and achievement of the agreed results, and identify obstacles or impediments, if any;
- (b) maintain continuous dialogue with the Association and the Cofinanciers to afford the latter the opportunity to discuss options, respond to requests for advice, or identify issues; and
- (c) by not later than thirty (30) months after the Effective Date, review with the Association the progress made in the implementation of the Project,

particularly progress made in the Recipient's compliance with the DLIs, and Recipient's proposals, if any, to substitute DLIs not complied with by their due date with other DLIs that are conducive to the achievement of the Project's objectives (Mid-term Review).

D. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

E. Safeguards

1. The Recipient shall carry out the Project in accordance with the Environmental Management Framework, the Social Management Framework and the Tribal Peoples Plan.
2. The Recipient shall:
 - (a) when applicable as per the terms of the Environmental Management Framework, prepare and carry out EMPs with mitigating measures to eliminate adverse environmental impacts or to reduce them to acceptable limits; and
 - (b) when applicable as per the terms of the Social Management Framework, prepare and carry out Indigenous Peoples Plans required to mitigate impacts of construction of schools on Indigenous Peoples, and Resettlement Plans required to mitigate impacts on other persons affected by the construction of schools.
3. The Recipient shall:
 - (a) not amend the Environmental Management Framework, the Social Management Framework, the Tribal Peoples Plan or any Indigenous Peoples Plan or Resettlement Plan without the prior written approval of the Association; and
 - (b) report any issues on the implementation of the requirements of this section.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth in Schedule 5 to this

Agreement. Each Project Report shall cover the period of one (1) semester, and shall be furnished to the Association not later than one (1) month after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

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

Section III. Procurement

A. General

1. **Goods, Works and Non-Consultant Services.** All goods, works and non-consultant services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines and the provisions of this Section provided, however, that with respect of goods, works and non-consultant services (other than ICB Goods, Works and Non-consultant Services) jointly financed with ADB, the ineligibility provided for in Section 1.8 of the Procurement Guidelines shall also extend to firms or individuals sanctioned by ADB prior to the date of this Agreement in accordance with procedures acceptable to the Association.
2. **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.

B. Particular Methods of Procurement of Goods, Works and Non-Consultant Services

1. **International Competitive Bidding.** ICB Goods, Works and Non-Consultant Services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods, Works and Non-Consultant Services**

(a) The following table specifies the methods of procurement which shall be used for goods, works and non-consultant services (other than ICB Goods, Works and Non-consultant Services). The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(i) National Competitive Bidding, following the procedures of the Procurement Laws subject to paragraph (b) below
(ii) Shopping, following the request for quotation method of the Procurement Laws

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

- (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 (1) location immediately after the deadline for submission;
- (iii) lottery in award of contracts shall not be allowed;
- (iv) bidders' qualification/experience requirement shall be mandatory;
- (v) 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
- (vi) single stage two (2) envelope procurement system shall not be allowed.

C. Review of Procurement Decisions

Each contract for ICB Goods, Works or Non-consultant Services shall be subject to Prior Review by the Association. All other contracts for goods, works, and non-consultant services shall be subject to Post Review.

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 Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) ICB Goods, Works and Non-Consultant Services, and Project Eligible Expenditures for:		
(a) First scheduled disbursement (on or about the Effective Date)	37,500,000	100%
(b) Second scheduled disbursement (on or about January 31, 2012)	9,375,000	100%
(c) Third scheduled disbursement (on or about July 31, 2012)	46,875,000	100%
(d) Fourth scheduled disbursement (on or about July 31, 2013)	46,875,000	100%
(e) Fifth scheduled disbursement (on or about July 31, 2014)	46,875,000	100%

TOTAL AMOUNT	187,500,000	
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B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section:

- (a) No withdrawal shall be made for payment made prior to the date of this Agreement, except that withdrawal up to an amount not to exceed SDR 37,500,000 equivalent may be made for payments made prior to this date but on or after January 1, 2011, for Project Eligible Expenditures.
- (b) No withdrawal shall be made under Sub-Category (1)(a) until and unless the Recipient shall have:
 - (i) complied with the additional instructions referred to in Section IV.A.1 of this Schedule, including the submission to the Association of the applicable IUFR; and
 - (ii) by no later than the Effectiveness Date, furnished evidence, satisfactory to the Association, of the achievement of the nine (9) DLIs for Year 0, set out in Schedule 4 to this Agreement.
- (c) No withdrawal shall be made under Sub-Category (1)(b) until and unless the Recipient has complied with the additional instructions referred to in Section IV.A.1 of this Schedule, including the submission to the Association of the applicable IUFR.
- (d) No withdrawal shall be made under Sub-Category (1)(c) until and unless the Recipient shall have:
 - (i) complied with the additional instructions referred to in Section IV.A.1 of this Schedule, including the submission to the Association of the applicable IUFR; and
 - (ii) by no later than May 1, 2012, furnished evidence, satisfactory to the Association, of the achievement of the nine (9) DLIs for Year 1, set out in Schedule 4 to this Agreement.
- (e) No withdrawal shall be made under Sub-Category (1)(d) until and unless the Recipient shall have:
 - (i) complied with the additional instructions referred to in Section IV.A.1 of this Schedule, including the submission to the Association of the applicable IUFR; and

- (ii) by no later than May 1, 2013, furnished evidence, satisfactory to the Association, of the achievement of the nine (9) DLIs for Year 2, set out in Schedule 4 to this Agreement.
 - (f) No withdrawal shall be made under Sub-Category (1)(e) until and unless the Recipient shall have:
 - (i) complied with the additional instructions referred to in Section IV.A.1 of this Schedule, including the submission to the Association of the applicable IUFR; and
 - (ii) by no later than May 1, 2014, furnished evidence, satisfactory to the Association, of the achievement of the nine (9) DLIs for Year 3, set out in Schedule 4 to this Agreement.
 - (g) Without prejudice to the provisions of paragraphs B.1(b), B.1(d), B.1(e) and B.1(f) above, the maximum amount the Recipient shall be entitled to withdraw under Sub-Categories (1)(a), (1)(c), (1)(d) and (1)(e) respectively, shall be reduced, for each DLI that shall not have been achieved, by one ninth (1/9) of the amount of the Financing then eligible for withdrawal under the respective Sub-Category.
2. Notwithstanding the foregoing:
- (a) if the Association is satisfied that a DLI has been achieved after the scheduled disbursement date thereof, but within eighteen (18) months of said date, the Association may authorize withdrawal, under the relevant Sub-Category of Category (1), in an amount not to exceed the DLI Value;
 - (b) if the Association is satisfied of the achievement of a DLI, agreed to by the Association as a replacement for a DLI not achieved by its scheduled disbursement date (a “replacement DLI”), the Association may authorize withdrawal, under the relevant Sub-Category of Category (1), in an amount not to exceed the replacement DLI Value; and
 - (c) if the Association is of the view that a DLI has not been achieved, the Association may, at any time, in its sole discretion and by notice to the Recipient, cancel the respective DLI Value.
3. For purposes of paragraph 2 above, the expression “DLI Value” means, with respect to each DLI, an amount corresponding to one ninth (1/9) of the amount of the Financing allocated to each Sub-Category, or an amount of the Financing

under a given Sub-Category that the Association may assign to a replacement DLI.

4. The Closing Date is December 31, 2015.

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 February 15, 2022 to and including August 15, 2031	1%
commencing February 15, 2032 to and including August 15, 2051	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.

SCHEDULE 4

Disbursement Linked Indicators (DLIs)

I – Improving Quality of the Learning Environment and Measurement of Student Learning

DLI	Baseline	Year 0 (May-June 2011)	Year 1 (April/May 2012)	Year 2 (April/May 2013)	Year 3 (April/May 2014)	Protocol
<p>1. Textbooks/ Curriculum:</p> <p>Improving the timeliness of textbook distribution and quality of textbook content</p>	<p>Textbook distribution to schools spread over several months</p> <p>Textbook content still based on current curriculum</p>	<p>At least 75% of all eligible schools receive all approved textbooks (Grades 1 to 5) within one month of school opening day</p>	<p>At least 80% of all eligible schools receive all approved textbooks (Grades 1 to 5) within one month of school opening day</p> <p>Third party validation of monitoring mechanism completed</p>	<p>At least 85% of all eligible schools receive all approved textbooks (Grades 1 to 5) within one month of school opening day</p> <p>Monitoring system of textbook distribution improved with actions agreed by MOPME and MOE based on validation results</p>	<p>At least Grades 1 textbook revised, based on new competency-based curriculum developed by NCTB</p> <p>At least 90% of all eligible schools receive all approved textbooks (incl. revised Grade 1 textbook) within one month of school opening day</p>	<p>Definition: Grades 1 to 5 textbooks approved by NCTB are to be made available to all eligible schools (through the UEOs) and delivered to all schools under the purview of MOPME and MOE. Eligible schools are all those mentioned in the Book distribution guidelines and following NCTB curriculum</p> <p>Source: DPE’s Administration Division’s reconciled reports based on receipts signed by head masters and compiled by UEOs and DPEOs, and (ii) reports of textbooks delivery at Upazila levels submitted by NCTB; third party validation reports.</p>

DLI	Baseline	Year 0 (May-June 2011)	Year 1 (April/May 2012)	Year 2 (April/May 2013)	Year 3 (April/May 2014)	Protocol
<p>2. Teacher Education and Development (TED) :</p> <p>Improving teacher training effectiveness and teacher quality</p>	Low standards and competencies guiding teacher training (in-service)	Comprehensive TED plan prepared and adopted by MOPME	All preparatory steps for introduction of Dip-in-Ed completed in accordance with the Plan	Dip-in-Ed diploma piloted in at least 7 PTIs with number of instructors according to the Plan	Dip-in-Ed diploma rolled out in 57 PTIs with number of instructors according to the Plan	<p><u>Definition:</u> The plan and strategy for primary teacher education and development (TED plan) defines the professional standards/competencies of teachers, head teachers and AUEOs and the strategy for improving pre-service (with the introduction of a new Dip-in-Ed), in-service (CPD), teacher supervision, networking and mentoring.</p> <p>Preparatory steps for introduction of the Dip-in- Ed include sufficient instructors in each PTI, curriculum, training materials & assessment tools development, and training of instructors as specified in the TED plan.</p> <p><u>Source:</u> TED plan as approved by MOPME Secretary; reports from training division and NAPE, curriculum and training materials and administrative data</p>
<p>3. Grade 5 Completion Exam:</p> <p>Improving the quality of</p>	Grade 5 completion exam implemented for all primary school students	A 5 -year Action plan for improvements in Grade 5 Completion Exam developed by	Revised 2011 Grade 5 Completion Exam, based on action plan and pilot results	Action plan implemented with at least 10% of items competency-based introduced	Action plan implemented with at least 25% of items competency-based introduced in the 2013 grade 5	<p><u>Definition:</u> The Grade 5 action plan specifies the number of new competency-based items to be introduced each year, with the aim of achieving a fully competency-based exam by end- 2016</p>

DLI	Baseline	Year 0 (May-June 2011)	Year 1 (April/May 2012)	Year 2 (April/May 2013)	Year 3 (April/May 2014)	Protocol
primary completion exam and the regular measurement of learning	in 2009. Content focused on rote learning	NAPE and approved by MOPME and including revising test items to gradually transform exam into competency-based test New test items developed by NAPE on selected competencies and piloted with accompanying guidelines for pilot test administration and training of test administrators	implemented, incl. guidelines developed for markers and training of markers Analysis of 2011 Grade 5 completion exam results and content completed by DPE and NAPE and results disseminated	in the 2012 Grade 5 exam and an additional 15% of competency-based items piloted Analysis of 2012 Grade 5 completion exam results and content completed by DPE and NAPE and results disseminated	exam and an additional 25% of competency-based items piloted Analysis of 2013 Grade 5 completion exam results and content completed by DPE and NAPE and results disseminated	Analysis of results includes: (i) analysis of pass rates by gender, subjects, Upazilas conducted by DPE; and (ii) analysis of NAPE of marking and scoring of a sample of answered scripts in selected Upazilas <u>Source:</u> Action plan as approved by DG, NAPE and MOPME; sample of test items and questionnaire of grade 5 exam; test analysis reports by DPE and NAPE
4. Teacher and Head Teacher recruitment: Ensuring quality of new teachers hired	Approximately, 5,000 to 6,000 vacancies to be filled every year. In addition, new positions needed to reduce classroom overcrowding. Teacher recruitment procedures in place are	Assessment of yearly needs for new teachers and head teachers based on verification of current teaching force, and on needs-based infrastructure development plan completed and approved by MOPME	All teachers and head teachers' positions (regular vacancies and newly created positions) filled according to merit-based recruitment procedures and on needs basis. And at least 90% of new teachers and	All teachers and head teachers' positions (regular vacancies and newly created positions) filled according to merit-based recruitment procedures and on needs basis. And at least 90% of new teachers and head teachers positions to be	All teachers and head teachers' positions (regular vacancies and newly created positions) filled according to merit-based recruitment procedures and on needs basis. And at least 90% of new teachers and head teachers positions to be created for current	<u>Definition:</u> Needs-based analysis (conducted by DPE) require a detailed review of EMIS and teacher database to identify schools below minimum standards for STR (1:56) followed by site verification by UEOs and AUEOs. The competitive, merit-based teacher recruitment rules currently in place would be applied to all recruitment. They include: (i) applications screened by committee (or on-line); (ii) anonymous exam; (iii) weight given to exam (80), academic record (5) and viva voce (15)

DLI	Baseline	Year 0 (May-June 2011)	Year 1 (April/May 2012)	Year 2 (April/May 2013)	Year 3 (April/May 2014)	Protocol
	competitive and merit-based		<p>head teachers positions to be created for current year in accordance with needs assessment filled.</p> <p>Revised final proposal for career paths for teachers and head teachers, career paths, recruitment and promotion rules for DPE officers (field and head quarters) submitted by MOPME to the committee of the Joint Secretary, Regulations, Ministry of Public Administration</p>	created for current year in accordance with needs assessment filled.	<p>year in accordance with needs assessment filled.</p> <p>Recruitment rules with career paths for teachers and head teachers; career paths, recruitment and promotion rules for DPE officers(field and head quarters) approved by Government of Bangladesh</p>	<p><u>Source:</u> Needs-based analysis of new teacher positions approved by MOPME; administrative data, sample of exams, implementation plans and schedules for recruitment cycles; career paths, recruitment and promotion rules for teachers, head teachers and DPE officers as approved by Government of Bangladesh through a Government order issued by the Ministry of Public Administration (status of approval process to be communicated annually)</p>

II – Increasing Participation and Reducing Social Disparities

Sub-Program	Baseline	Year 0 (May-June 2011)	Year 1 (April/May 2012)	Year 2 (April/May 2013)	Year 3 (April/May 2014)	<u>Protocol</u>

Sub-Program	Baseline	Year 0 (May-June 2011)	Year 1 (April/May 2012)	Year 2 (April/May 2013)	Year 3 (April/May 2014)	<u>Protocol</u>
<p>5. Pre-Primary:</p> <p>Strengthening children's readiness for learning</p>	<p>About 1.4 million children entering Grade1 with some PPE prior experience</p> <p>PPE provision in 43% of GPS mostly through non-government providers</p>	<p>Guidelines prepared and endorsed by MOPME on the role of NGOs in pre-primary education.</p>	<p>Integrated database of PPE provision by type of provider completed</p> <p>Plan for PPE expansion approved by MOPME</p>	<p>At least 15,000 PPE teachers placed and trained in areas of greatest need</p> <p>Curriculum, standards and materials for PPE and teacher training approved by MOPME</p>	<p>At least 60% of PPE teachers in GPS trained in using new pre-primary curriculum and materials</p> <p>PPE provision in at least 75% of GPS schools</p>	<p><u>Definition:</u> 1 year PPE program organized for children aged 5.</p> <p>Guidelines define the role of NGOs in the delivery of PPE and specify the types of partnerships that can exist with the Government, in particular, in setting up new school-based PPE, training and coaching teachers, preparing materials, and providing services if required in the catchment area.</p> <p>The integrated database of providers would include the location of services and, combined with the child survey data, would provide a map of areas of greatest need for PPE.</p> <p>The expansion plan, based on needs identified through the database, standards for PPE and the role of NGOs/private sector, defines the pace of recruitment and training, the type and duration of training, timing of classes, and expansion pace.</p> <p>PPE teachers will be recruited through a transparent process; they can be regular primary teachers, or contract teachers hired by schools with n the local communities.</p> <p><u>Source:</u> Letter of endorsement of guidelines by MOPME; provider database, expansion plan approved by MOPME; curriculum, standards and materials, ASC, CAMPE reports and administrative data</p>

Sub-Program	Baseline	Year 0 (May-June 2011)	Year 1 (April/May 2012)	Year 2 (April/May 2013)	Year 3 (April/May 2014)	<u>Protocol</u>
6. Infrastructure Reducing classroom overcrowding and improving school environment	53% of GPS, 49% of RNGPS and 31% of community schools overcrowded Need for about 32,000 new classrooms, 120,000 new toilets for teachers and students, repair of about 18,000 existing ones, drinking water supply.	Infrastructure needs assessment completed and 5 – year plan for prioritized needs-based infrastructure finalized and approved by MOPME	At least 10% of planned needs-based infrastructure development completed according to agreed criteria and technical standards	At least 30% of planned needs-based infrastructure development completed according to agreed criteria and technical standard Third party validation of compliance of infrastructure development with criteria and technical standards	At least 55% of planned needs-based infrastructure development completed according to agreed criteria and technical standards Third party validation of compliance of infrastructure development with criteria and technical standards completed	<u>Definition:</u> The plan for prioritized needs-based infrastructure specifies criteria and standards used for estimates of needs. Based on these criteria, the plan provides estimates of needs to be covered over 5 years for: (i) additional classrooms and teachers rooms; (ii) additional toilets, urinals for students and teachers; (iii) repair of existing toilets; (iv) drinking water; (v) school maintenance and repair. Building specifications and technical standards are those designed and approved by LGED <u>Source:</u> Needs-based infrastructure plan approved by MOPME Secretary; construction contracts; construction supervision reports by LGED engineers; third party supervision reports

III – Improving Program Planning and Management, and Strengthening Institutions

Sub-Program	Baseline	Year 0 (March 2011)	Year 1 (April/May 2012)	Year 2 (April/May 2013)	Year 3 (April/May 2014)	<u>Protocol</u>
7.School governance : Strengthening	Limited involvement of SMCs in school	Circular/ Guidelines for SLIPs revised, (including	SMC guidelines (in accordance with SLIP guidelines) revised and	At least 60% of schools having prepared SLIPs and received funds	At least 75% of schools having prepared SLIPs and received funds	<u>Definition:</u> A SLIP is a school level improvement plan prepared by the SMC, and the school community.

Sub-Program	Baseline	Year 0 (March 2011)	Year 1 (April/May 2012)	Year 2 (April/May 2013)	Year 3 (April/May 2014)	Protocol
SMC's and Upazilas for supporting school management	management and improvement Low capacity of Upazila offices to provide support to schools	monitoring arrangements), approved by MOPME and distributed to all schools	approved by MOPME 50% of schools having prepared SLIPs and received funds according to the SMC guidelines Revised guidelines for UPEPs, including identification of expenditures for block grants, approved by MOPME and distributed to all Upazilas	according to SMC guidelines(1) XX% of schools having received guidelines and prepared SLIPs At least 10% of Upazilas having prepared UPEPs and received funds according to UPEP guidelines.	according to SMC guidelines validated by expenditure tracking survey (at least 25% of Upazilas having received funds based on UPEPS guidelines and validated by expenditure tracking survey	A UPEP is a planning instrument setting out ways to support schools and the quality agenda. Revised guidelines for SLIPs/UPEPs specify how improvement plans should be prepared, what are expenditures eligible for block grants as well as the fund flow mechanism, tracking and training. They will allow for differential support to schools SMC guidelines specify membership, roles and responsibilities of SMC members (including fiduciary) Source: SLIPs, UPEPs, and SMCs guidelines as approved by MOPME; MOF's approval of advances to schools; administrative data; sample analysis of SLIPs and UPEPs
8. Education sector financing: Ensuring adequate financing of primary education program and improving medium-term budgeting	Links between budgetary process and medium-term education sector strategy still weak Low level of public financing of primary education	FY11 Primary education program approved with financing levels consistent with agreed program results framework and FY11-16 MTBF	FY12 Primary education program approved with financing levels consistent with agreed program results framework and FY12-17 MTBF Actual primary education expenditures in FY11 within 15%	FY13 Primary education program approved with financing levels consistent with agreed program results framework and FY13-18 MTBF Actual primary education expenditures in FY12 within 15%	FY14 Primary education program approved with financing levels consistent with agreed program results framework and FY14-19 MTBF Actual primary education expenditures in FY13 within 15%	Definition: Subsector financing has to be adequate to implement GoB's PEDPIII and cannot be less than 1.03% of GDP in any period <u>Source:</u> budget circulars 1 & 2, Detailed budget framework and expenditure forecast. Financial reports. Draft budget (May), expenditure statement until April/May, approved budget (July); simplified AOP and IFR (June)

Sub-Program	Baseline	Year 0 (March 2011)	Year 1 (April/May 2012)	Year 2 (April/May 2013)	Year 3 (April/May 2014)	Protocol
			deviation of the originally approved budget	deviation of the originally approved budget	deviation of the originally approved budget	
<p>9. M&E:</p> <p>Improving the quality of the Annual School Census (ASC) data and the effectiveness of the M&E unit</p>	<p>M&E and EMIS insufficiently staffed</p> <p>IT support functions preventing adequate and timely data analysis and effective M&E</p> <p>Census data covering only 4 types of primary schools</p>	<p>ASC questionnaire and software adjusted to meet PEDPIII requirements</p>	<p>New ASC questionnaire fully implemented in 2012 census.</p> <p>Plan developed and approved by DPE for expanding coverage of monitoring system (to all primary schools) with periodic validations</p> <p>IT function separated from EMIS function; EMIS and M&E staffed with at least 2 statisticians each</p>	<p>2013 Census administration, report preparation and dissemination complete within the academic year ; expanding coverage to at least 6 types of schools</p> <p>Internal data validation mechanisms in place and validation of data accuracy completed</p>	<p>2014 Census administration, report preparation and dissemination complete within the academic year ; covering at least 6 types s of primary schools</p> <p>Third party validation of census data completed</p>	<p><u>Definition:</u> the current census questionnaire collects information on enrollment, repetition, teachers qualification and training, physical infrastructure, furniture and availability of teaching-learning materials. To adjust to PEDPIII needs, new information is required on pre-primary education,, textbook distribution and stipend beneficiaries</p> <p>Internal data validation mechanisms include background checks during data entry and data cleaning rules</p> <p><u>Source:</u> EMIS, M&E units</p>

SCHEDULE 5

INDICATORS

PDO Level Results Indicators*	Core	Unit of Measure	Baseline	Cumulative Target Values**				Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (indicator definition)
				2011/12	2012/13	2013/14	2014/15				
Indicator One: Increase in the number of children enrolled		Net enrollment rate by gender	84.7% (overall) (HIES, 2010) 93.9% (overall) 89.1 % (boys) 99.1% (girls) (ASC, 2009)				98% (Overall) 97% (boys) 100% (girls)	Every 3 years (HIES) Annually (Annual School Census, ASC)	HIES (2005) HIES (2010), EHS (2012/13), HIES (2015) ASC 2009	BBS, DPE	Proportion of children age 10 enrolled in primary education
Indicator Two: Primary cycle completion rate (PCR)		%, disaggregated by gender	52.2%(boys) 57.5%(girls) (2009)	58% (boys) 63% (girls)	59% (boys) 64%(girls)	60.0% (boys) 65% (girls)	62.0% (boys) 67.0% (girls)	Annual	Annual School Census	DPE	Primary cycle completion rate (PCR) as % of cohort; gender parity index
Indicator Three: Decreased disparity in access to schooling measured by family income	X	NER of 20% poorest relative to NER 20% richest	NER of 20% poorest: 58%				NER of 20% poorest: 66%	Every 3 years	HIES (2010)EHS 2012/13, HIES (2015) MICS, WFP	BBS, DPE	Decrease in disparity in access to schooling by: poor/non-poor; and compared to

PDO Level Results Indicators*	Core	Unit of Measure	Baseline	Cumulative Target Values**				Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (indicating definition)
				2011/12	2012/13	2013/14	2014/15				
levels			NER of 20% richest: 80% (2005) Ratio: .72				NER of 20% richest: 85% Ratio:.77		Poverty Profiles		national average NER
Indicator Four: Learning levels regularly monitored through learning assessment system	X	Frequency and quality of assessment of learning of primary education completers (Grade 5 completion exam)	Grade 5 completion exam implemented for first time in 2009 to all students: testing memory more than ability to use subject knowledge	a 5-yr Action plan for quality improvement in Grade 5 completion exam developed and adopted with new test items piloted	2011 Grade 5 completion exam based on pilot results	2012 Grade 5 completion exam with at least 10% competency based test items	2013 Grade 5 completion exam with at least 25% competency based test items	Annual	a) Exam and assessment result databases; b) test items	DPE, NAPE	a) Quality defined as competency based exam b) Grade 5 is last grade of primary schooling
Indicator Five: Expanded coverage of decentralized planning and management at school levels		Proportion of schools preparing SLIPs & receiving funds	27% (2010)	Guidelines revised	50%	60%	75%	Annual budget reporting	Budget reports	DPE Director of Finance	

PDO Level Results Indicators*	Core	Unit of Measure	Baseline	Cumulative Target Values**				Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (indicating definition)
				2011/12	2012/13	2013/14	2014/15				
INTERMEDIATE RESULTS											
Intermediate Result 1: Improved quality of the learning environment											
<i>Intermediate Result indicator One:</i> Adequate learning resources	X	% schools receiving textbooks within first month of academic year	32.7% (2010)	75%	80%	85%	90%	Annual	Reports based on receipts signed in the field. Monitoring to be gradually improved	DPE, NCTB	% of schools following NC curriculum having received Grades 1 to textbooks. The types of schools receiving free textbooks increasing from 1 to 6 types compared to baseline
<i>Intermediate Result indicator Two:</i> Classroom environment more conducive to learning	<input type="checkbox"/>	Share of schools that met minimum quality levels—PSQL (%)	17% (2009)	18%	25%	35%	50%	Annual	Annual School Census	DPE	PSQL (Primary School Quality Level Package) minimum standards measuring physical, teaching/learning environment, PTR, student classroom ratio, access to safe water, availability of toilets for girls

PDO Level Results Indicators*	Core	Unit of Measure	Baseline	Cumulative Target Values**				Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (indicating definition)
				2011/12	2012/13	2013/14	2014/15				
											Indicator measures the proportion of schools that meet at least 3 out of 4 standards
<i>Intermediate Result Indicator Three: % of qualified primary teachers</i>	X		% teachers who have C-in-Ed : 85% % teachers who have Dip-in-Ed: 0% (2010)	% teachers who have C- in-Ed: 86 % % teachers who have Dip-in-Ed 0%	% teachers who have C- in-Ed: 87% % teachers who have Dip-in-Ed 0%	% teachers who have C- in-Ed: 88% % teachers who have Dip-in-Ed: 2%	% teachers who have C-in-Ed: 88% % teachers who have Dip-in-Ed: 6%		C-in-Ed and Dip-in-Ed databases (information from PTIs consolidated at DPE level)		% teachers in and RNGPS
Intermediate Result 2: Improved infrastructure and financial support provided to the disadvantaged											
<i>Intermediate Result indicator One: Providing financial support to disadvantaged students</i>	<input type="checkbox"/>	% of beneficiaries belonging to 40 % poorest households	Program not well targeted:52.5% of beneficiaries belong to 40% poorest households (2005)	65.0%			75.0%	Twice during PEDP III lifetime	2010 HIES 2011 study 2012 EHS	BBS, DPE	Monitors impact of change in targeting modalities for stipends by measuring (increase in) proportion of beneficiaries belonging to poorest households

PDO Level Results Indicators*	Core	Unit of Measure	Baseline	Cumulative Target Values**				Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (indicating definition)
				2011/12	2012/13	2013/14	2014/15				
<i>Intermediate Result indicator Two: Adequate infrastructure and facilities</i>	X	Number of classrooms built or rehabilitated (from prioritized list) according to agreed construction standards including adequate sanitary facilities.	32,000 new classrooms required to reduce overcrowding		3,200	9,600	17,600	Annual	LGED data	LGED	Prioritized classroom is defined in D approved list. Stipulated standards and quality standards approved and supervised by LGED.
Intermediate Result 3: Improved program planning and management, and strengthened institutions											
<i>Intermediate Result indicator One: Strengthening Upazilas for supporting school management</i>		Proportion of Upazilas having prepared UPEPs and receiving funds	Revision of guidelines for UPEPs under preparation to include identification of block grants		Revised guidelines issued	10%	25%	Annual budget reporting	Budget reports	DPE Director of Finance	

PDO Level Results Indicators*	Core	Unit of Measure	Baseline	Cumulative Target Values**				Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (indicator definition)
				2011/12	2012/13	2013/14	2014/15				
<i>Intermediate Result indicator Two:</i> M&E systems strengthened to improve monitoring and data utilization for program performance and planning		a)Number of months for census administration and dissemination	12	11	10	9	8		Annual School Census	DPE	Increased coverage of defined as ty of schools providing da
		b)Increased coverage of ASC (types of schools)	4	4	4	6	6				

APPENDIX**Section I. Definitions**

1. “Annual Plan” means any annual plan endorsed by the Association as per the provisions of Sections 5.01 of this Agreement, and I.B of Schedule 2 to this Agreement.
2. “Annual Operational Plan” means the Recipient’s proposed activities under the Program.
3. “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 and revised in January 2011.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “Cofinancing” means the financing referred to in Section 6.02(h) of the General Conditions to be provided for the Project collectively by Co-financiers.
6. “Cofinanciers” means ADB, JICA and the Project Co-financiers.
7. “Cofinancing Agreements” means collectively the ADB Loan Agreement, the JICA Grant Agreement and the Project Co-financiers Co-financing Agreements.
8. “Directorate of Primary Education” or “DPE” means the Recipient’s Directorate of Primary Education or any successor thereto.
9. “Disbursement-Linked Indicators” and the acronym “DLIs” mean, collectively, the disbursement-linked targets set forth in the four columns under the headings “Year 0”, “Year 1”, “Year 2”, and “Year 3” in the three tables in Schedule 4 to this Agreement, or any other such indicator as the Association may agree after the review referred to in Section I.C of Schedule 2 to this Agreement.
10. “EMP” means an environmental management plan, acceptable to the Association, prepared in accordance with the Environmental Management Framework.
11. “Environmental Management Framework” means the framework dated February 27, 2011, acceptable to the Association, which sets out the process for the environmental screening of construction activities, and requires the application of mitigating measures to eliminate adverse environmental impacts, or to reduce them to acceptable limits, all to be set forth in EMPs.

12. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010, with the modification set forth in Section II of the Appendix to this Agreement.
13. “ICB Goods, Works and Non-Consultant Services” means goods, works and non consultants services:
 - (a) to be provided under contracts with a value of: (i) \$600,000 equivalent or more for goods; and (ii) \$2,000,000 equivalent or more for works and non-consultant services, or such other values as shall be specified in the Procurement Plan; and
 - (b) identified as such in the Procurement Plan.
14. “Indigenous Peoples” means indigenous peoples as defined in the Social Management Framework.
15. “Indigenous Peoples Plan” means a plan, acceptable to the Association, prepared in accordance with the terms of the Social Management Framework when construction activities affect Indigenous Peoples.
16. “Inter-Ministerial Steering Committee” means the committee referred to in paragraph 1 of Section I.A of Schedule 2 to this Agreement.
17. “IUFR” means each of the interim unaudited financial reports to be furnished to the Association by the Recipient under Section II.B.2 of Schedule 2 to this Agreement, and to be attached to a Request for Withdrawal of proceeds under the Credit.
18. “Ministry of Primary and Mass Education” and the acronym “MOPME” mean the Recipient’s Ministry of Primary and Mass Education.
19. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits published in May 2004 as revised in October 1, 2006 and May 1, 2010.
20. “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.
21. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 15, 2011 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

22. “Program” or “PEDP III” means the Recipient’s primary education program described in the “Program Document PEDP III” (March 2011) prepared by the Directorate of Primary Education.
23. “Project Eligible Expenditures” means with respect to Category (1) of the table in Section IV of Schedule 2 to the Financing Agreement:
- (a) goods, works and non- consultant services (other than ICB Goods, Works and Non-Consultant Services)
 - (b) operating costs related to the implementation of the Project, including salaries of the Recipient’s staff;
 - (c) stipends to students approved and paid in accordance with the Recipient’s Stipend Distribution Policy 2006 as revised from time to time; and
 - (d) grants to schools approved and paid in accordance with the requirements of the School Level Improvement Plan Guidelines dated 2007 as revised from time to time;
- all as set forth in the Recipient’s budget heads for PEDPIII with the following unit codes: 4500 (Pay of Officers); 4600 (Pay of Establishment); 4700 (Allowances); 4800 (Supplies and Services (minus 4874 for Consultancy)); 4900 (Repairs & Maintenance); 5900 (Grants in Aid); 6700 (Revenue General (Contingencies)); 6800 (Capital Expenditure); 7000 (Civil Works); and 7900 Customs Duty and VAT; and any other as the Association shall agree.
24. “Resettlement Plan” means any resettlement plan, acceptable to the Association, prepared in accordance with the provisions of the Social Management Framework.
25. “Social Management Framework” means the framework dated February 27, 2011, acceptable to the Association, which sets out the principles, policies, guidelines and procedures to identify impact issues and implementation arrangements for Indigenous Peoples Plans and Resettlement Plans when said plans are required.
26. “Technical Committee” means the committee referred to in paragraph 3 of Section I.A of Schedule 2 to this Agreement.
27. “Tribal Peoples Plan” means the Recipient’s plan for Expanding Education of Tribal Children, acceptable to the Association, dated July 14, 2003, designed to provide culturally appropriate education benefits to Indigenous Peoples during the implementation of the Project.

Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

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 cost of ICB Goods, Works and Non-consultant Services and the Project Eligible Expenditures to be financed out of the proceeds of the Financing and procured, in accordance with the provisions of the Legal Agreement;”.