

FRAMEWORK FINANCING AGREEMENT
(Secondary Education Sector Investment Program)

Parties

This Framework Financing Agreement ("FFA") dated 22 July 2013 is between The People's Republic of Bangladesh (Bangladesh), and Asian Development Bank ("ADB").

MFF Investment Program

Bangladesh is committed to reaching the goals of the National Education Policy (2010) and will implement its strategy in secondary education sector (2012) and Secondary Education Sector Roadmap (2013-2023). The proposed Secondary Education Sector Investment Program (SESIP) is an integral part of the Secondary Education Sector Roadmap. Both the roadmap and the Investment Program are described in Schedule 1 hereto.

The total cost of SESIP over the period of 2013 to 2023 is expected to be \$17.3 billion equivalent.

Multitranche Financing Facility

The Multitranche Financing Facility (the Facility) is intended to finance projects, under the Investment Program, provided that such projects comply with the criteria set out in Schedule 4 hereto and that understandings set out in this FFA are complied with.

These may include projects that support : (i) an enhanced quality and relevance of secondary education; (ii) increased equitable access and retention through harmonized stipend programs and school physical improvement; and (iii) strengthened education management and governance through enhanced decentralization of education management, and improved teacher management

This FFA does not constitute a legal obligation on the part of ADB to commit any financing. At its sole discretion, exercised reasonably, ADB has the right to deny any financing request made by Bangladesh, cancel the uncommitted portion of the Facility, and withdraw Bangladesh right to request any financing tranche under the Facility. Financing tranches may be made available by ADB provided matters continue to be in accordance with the



general understandings and expectations on which the Facility is based and which are laid out in this FFA.

This FFA does not constitute a legal obligation on the part of Bangladesh to request any financing. Bangladesh has the right not to request any financing under the Facility. Bangladesh also has the right at any time to cancel any uncommitted portion of the Facility.

Bangladesh and ADB may exercise their respective rights to cancel the Facility or any uncommitted portion thereof, and ADB may exercise its right to refuse a financing request, by giving written notice to such effect to the other parties. The written notice will provide an explanation for the cancellation or refusal and, in the case of a cancellation, specify the date on which the cancellation takes effect.

Financing Plan

The financing plan for SESIP is summarized below:

Financing Source	Total (\$) million	Share (%) of Total
Asian Development Bank	500	2.9
Government	16,812	97.1
Total	17,312	100.0
(Investment Program)		

Source: Asian Development Bank.

Financing Terms

ADB will provide loans to finance the projects under SESIP, as and when the latter are ready for financing, provided, Bangladesh is in compliance with the understandings hereunder, and the programs are in line with those same understandings. Each loan will constitute a tranche.

Each tranche may be financed under terms different from the financing terms of previous or subsequent tranches. The choice of financing terms will depend on the project, and ADB's financing policies, all prevailing on the date of signing the legal agreement for such tranche.

Tranches may be provided in sequence or simultaneously, and some may overlap in time with each other.

There is no maximum or minimum size for a tranche.

Amount

The maximum financing amount available under the Facility is \$500,000,000 from ADB's Special Funds with subject to availability of resources. It will be provided in individual tranches from ADB in the following manner: loans and co-financing

Availability Period

The last date on which any disbursement under any tranche may be made will be 31 December 2023. The last financing tranche is expected to be executed no later than 31 June 2023.

Terms and Conditions

Bangladesh will cause the proceeds of each tranche to be applied to the financing of expenditures of SESIP, in accordance with conditions set forth in this FFA and the legal agreements for each tranche.

Execution

The executing agency will be Ministry of Education. The executing agency will implement the program in accordance with the principles set forth in Schedule 1 to this Agreement, and as supplemented in the legal agreements for each tranche.

Periodic Financing Requests

Bangladesh may request, and ADB may agree, to provide loans and administration of co-financing under the Facility to finance SESIP upon the submission of a Periodic Financing Request (PFR). Each PFR should be submitted by Bangladesh. Bangladesh will make available to MOE, the proceeds of the tranche in accordance with the related PFR, and the legal agreements for the tranche.

ADB will review the PFRs and, if found satisfactory, prepare the related legal agreements.

The programs for which financing is requested under the PFR will be subject to the selection criteria set out in Schedule 4 hereto, satisfactory due diligence, and preparation of relevant safeguard and fiduciary frameworks and other documents. The Facility will be implemented in accordance with the general framework set out in Schedule 3 to this FFA, and the Facility Administration Manual agreed between Bangladesh and ADB.

Until further notice is otherwise given by Bangladesh to its authorized representative for purposes of executing the PFRs.

Periodic Financing General Implementation Framework

The Facility will be implemented in accordance with the general framework set out in Schedule 3 hereto.

Procedures

Tranches to be provided under the Facility will be subject to the following procedures and undertakings:

(i) Bangladesh will have notified ADB of a forthcoming PFR in advance of the submission of the PFR.

(ii) Bangladesh will have submitted a PFR in the format agreed with ADB.

(iii) ADB may, in its sole discretion, decline to authorize the negotiation and execution of any legal agreement for a tranche.

If ADB confirms acceptance of the PFR, the legal agreements will be negotiated and executed by the parties.

Periodic Financing Request information

The PFR will substantially be in the form attached hereto, and will contain the following details:

- (i) Loan, or cofinancing amount;
- (ii) Description of program to be financed;
- (iii) Cost estimates and financing plan;
- (iv) Implementation arrangements specific to the program;

- (v) Confirmation of the continuing validity of and adherence to the understanding in this Agreement;
- (vi) Confirmation of compliance with the provisions under the previous Loan, as appropriate; and other information as may be required under the Facility Administration Manual, or as reasonably requested by ADB.

Safeguards

Attached as Schedule 5 are references to the Safeguard Frameworks that will be complied with during the implementation of the Facility.

ADB's Safeguard Policies in effect as of the date of signing of legal agreements for a tranche will be applied with respect to the program financed under such financing tranche.

Procurement

All goods and services to be financed under the Facility will be procured in accordance with ADB's *Procurement Guidelines* (2013, as amended from time to time).

Consulting Services

All consulting services to be financed under the Facility will be procured in accordance with ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time).

Advance contracting; Retroactive financing

Under each tranche, ADB may, subject to its policies and procedures, allow on request (a) advance contracting of civil works, goods and consultancy services and (b) retroactive financing of all eligible expenditures for up to 20% of proposed individual loan, incurred prior to loan effectiveness but not earlier than 12 months before the date of signing of the related legal agreement. The client acknowledges that any approval of advance contracting and/or retroactive financing will not constitute a commitment by ADB to finance the related project.

Disbursements

Disbursements will be made in accordance with ADB's *Loan Disbursement Handbook* (2012, as amended from time to time).

Monitoring, Evaluation, and Reporting Arrangements

Schedule 2 hereto sets as the Design and Monitoring Framework for the Facility, against which the implementation

effectiveness will be evaluated.


Undertakings

Attached as Schedule 6 are the undertakings provided by Bangladesh.

Economic Relations Division

By 
Saifuddin Ahmed, Joint Secretary

ASIAN DEVELOPMENT BANK

By 
Stefan Ekelund, Officer-in-Charge, BRM

SCHEDULE 1

MFF CONSTITUENTS

A. Road Map

1. Bangladesh has made remarkable progress in education: (i) primary education (grade 1-5) completion rates have increased from 53% in 2005 to 62% in 2011; (ii) secondary education (grade 6-12) enrolment have more than tripled since 1980, about 11 million students are enrolled in both general secondary schools and madrasah (Islamic religious schools); (iii) gender parity in enrollment was achieved up to grade 10; and (iv) pass rates of the secondary school certificate (grade 10) and higher secondary certificate (grade 12) have increased respectively from 53% and 59% in 2005 to 82% and 75% in 2011. Sustained government's efforts in providing pro-poor stipends, school infrastructure improvement, and reforms to enhance education quality have raised parents and beneficiaries aspiration for a post-primary education that leads to better life and income perspectives. Nongovernment providers have played a key role in the rapid expansion of supply in secondary education. Currently 98% of secondary schools are run by private providers and receive government subsidy in the form of a monthly payment order (MPO) that covers about 80% of teacher salary.

2. Despite commendable achievement, Bangladesh has a formidable task ahead to make secondary education more efficient, equitable, and relevant to the economy's needs. Only 47% of students complete a 5-year cycle of secondary education (grade 6-10). Girls drop out more than boys after grade 9. Grade 9 survival rate in 2011 was 58% for boys and 55% for girls. Secondary education graduates have difficulties in finding jobs relevant to their qualification because they lack the cognitive and behavioral skills required by the industry. Low efficiency and lack of relevance are because of poor teaching quality, limited use of Information and Communication Technology (ICT)-based modern teaching methodologies, and weak linkage between education and the labor market. Public examination system is weak and does not adequately measure learning outcomes. Access to quality education is inequitable, as there is no common quality standard applied across all types of schools. Madrasah particularly suffer from lack of capable teachers, adequate school infrastructure, and teaching equipment. Poverty and socio-cultural barriers are also major cause of low retention. Girls drop out because of early marriage while boys drop out to seek informal employment. With multiple types of schools and administrative bodies involved, the system is fragmented and weak institutional management capacity, both at central and local level, further constraint quality improvement and efficient use of resources.

3. The Ministry of Education, with the support of Asian Development Bank (ADB), has developed an implementation strategy of the National Education Policy (NEP) (2010) which suggests a phased implementation of secondary education reforms.¹ MOE has further transformed the NEP implementation strategy into a 10-year Secondary Education Sector Roadmap (2013-2023), which emphasizes reforms to modernize the curriculum and teaching methodologies, and improve examinations. It plans investments to expand school infrastructure, recruit better qualified teachers, and expand pro-poor stipend programs. Institutional reforms in decentralized education management will strengthen quality assurance, sector performance monitoring, and efficient use of resources. The government projects an increase of about 3.5 million secondary school students by 2023, thereby increasing teacher force by 145,000 and expanding the number of schools by 10,000.

¹ ADB. 2010. *Technical Assistance to the People's Republic of Bangladesh for the Development of an Implementation Strategy of the National Education Policy for Secondary Education Sector Project*. Manila.

SECONDARY EDUCATION² SECTOR ROADMAP (2013-2023)

Impact: Percentage of youth employment with secondary education certificate in formal employment sector (excluding self-employment and informal sector) increased from 22% in 2010 to 46% in 2030 (BL: Housing and Social Census 2011 – Socio Economic and Demography Report 2011).	
Outcome: A more efficient, equitable, and quality secondary education system <ul style="list-style-type: none"> - Gross enrolment rate (grade 9-10) increased from 61.9% (66.9% for girls) to 71% (76% for girls) - Cycle completion rate (grade 6-10) increased from 46.4% (43.6% girls and 51.6% madrasah) in 2011 to 58% (55% girls and 62% madrasah in 2023) - National student assessment for Grade 8 and 10 piloted, applied, and improved 	
Result Areas	Key Performance Indicators
Result Area 1: Enhanced quality and relevance	
1.1 Improved quality and relevance of curriculum	<ul style="list-style-type: none"> ◦ NCPF for all streams of school education, including general schools, madrasah, and vocational schools (Grade1-12), that defines core competencies and learning benchmarks approved and implemented. ◦ 20,000 schools deliver an advanced teaching and learning particularly in Science, Mathematics, and English, using ICT-based and other modern tools and equipment
1.2 Strengthened teacher capacity	<ul style="list-style-type: none"> ◦ National Teacher Development Policy approved and implemented. This includes approval and implementation of the National Framework for Secondary Teacher Pre-service Curriculum specified for all TTCs, including agreed service standards ◦ At least 15 TTCs are awarded a Center of Excellence status in English, Science, and Mathematics
1.3 Improved classroom assessment procedures and national assessment and examinations	<ul style="list-style-type: none"> ◦ NSA Plan approved and implemented; NSA for Grade 8 and 10 are piloted, applied, and improved ◦ National Examination Policy including adaption of new exam innovations that assesses the competencies identified in the NCPF approved and implemented
1.4 Enhanced use of ICT for pedagogy	<ul style="list-style-type: none"> ◦ ICT Master Plan approved and implemented ◦ All secondary schools equipped with ICT facilities (ICT lab, multimedia classrooms, digital contents, and library) that are effectively used ◦ E-learning modules of Bangla, English, Mathematics, Sciences, and other relevant subjects are developed and used in at least 10,000 schools
1.5 Improved labor market relevance	<ul style="list-style-type: none"> ◦ Pre vocational and vocational subjects developed and introduced at grade 8-9
Key Result Area 2: Increased equitable access and retention to secondary education	
2.1 School infrastructure improved	<ul style="list-style-type: none"> ◦ Secondary school 5-year rolling need-based infrastructure development plan (new construction and rehabilitation) developed, approved, and implemented; about 7,000 schools in underserved areas expanded
2.2 Access and retention improved	<ul style="list-style-type: none"> ◦ A more efficient and harmonized stipend program is implemented; 80% of stipend recipients are retained in school ◦ Capacity of DSHE in stipend program implementation, monitoring, and evaluation increased
Key Result Area 3: Strengthened Governance, Management and Administration	
3.1 Strengthened decentralized education management	<ul style="list-style-type: none"> ◦ A fully functioning decentralized secondary education management in all zones, districts, upazila, and schools (infrastructure, capacity)¹ ◦ Effective systems of resource allocation to schools, which includes

² Secondary schools in this roadmap include all types of government and non-government education institutions which provide secondary education. They are (i) general schools, (ii) technical schools and (iii) madrasah schools.

	improved MPO system and grants to school in place
3.2 Strengthened education information management	<ul style="list-style-type: none"> ◦ Strengthened and harmonized operations and sets of education databases between BANBEIS and the DSHE EMIS ◦ All teachers and education managers trained to operate upgraded school-based EMIS
3.3 Improved teacher management	<ul style="list-style-type: none"> ◦ NTSC established and operationalized ◦ Teacher performance management system in place and operational
3.4 Effective planning, management, coordination, and harmonization	<ul style="list-style-type: none"> ◦ Harmonized secondary education program funded from domestic and external resources under a common secondary education program framework in line with NEP and using MTBF as sector financing framework ◦ MOE and DSHE re-organized to strengthen capacity in result-based sector planning and management under a SWAp ◦ MOE and relevant agencies strengthened capacity in procurement, financial management, and good governance
3.5 Strengthened monitoring, evaluation, and reporting	<ul style="list-style-type: none"> ◦ MTBF and the Annual Development Plan harmonized and consistent with NEP priority goals and objectives ◦ Annual Secondary Education Sector Performance Reports are approved, shared, and used as a basis for planning. ◦ M&E system strengthened and institutionalized

BANBEIS = Bureau of Educational Information & Statistics, DSHE = Directorate of Secondary and Higher Education, EMIS = Education Management Information System, ICT = Information and Communication Technology, M&E = monitoring and evaluation, MOE = Ministry of Education, MPO = monthly payment order, MTBF = medium-term budget framework, NCPF = National Curriculum Policy Framework, NEP = National Education Policy, NSA = National Student Assessment, NTSC = Nongovernment Teacher Selection Commission, SWAp = sector-wide approach, TTC = Teacher Training Center.
Source: Asian Development Bank.

B. Strategic Context

4. The government's Sixth Five-Year Plan (FY2011–FY2015) focuses on accelerating the growth rate to 7.3% on average during the plan period. Improving the capacity and quality of social services to build human resources is one of the government's key strategies to meet its overarching goal of accelerated growth and poverty reduction. To sustain the gains in increased primary education completion, the government recognizes the need to expand the secondary education system to provide better access for primary school graduates. It further recognizes the urgent need to improve quality of education to address the unacceptably high dropout rates at all levels.

5. The government's main objective is to reverse the low completion rates at all levels. A related goal is to reduce the gap between rich and poor, particularly in post-primary levels. Improving education quality, particularly in secondary school, is central to addressing these objectives and will require improved infrastructure; sufficient teachers, particularly in peripheral areas; more recruitment of female teachers; better teaching and learning aids; greater use of computers; training in information and communication technology; curriculum improvement; the modernization of *madrasah* education; and improved teacher capacity.

6. The Secondary Education Sector Investment Program is in line with the government's objective. It is also consistent with ADB's Country Partnership Strategy (2011-2015) that supports improving quality and relevance of education and to reduce disparities in access. Particularly, ADB will step up support for the government's efforts to reform secondary education through a sector-wide approach (SWAP) and will continue to assist the government in its efforts to mainstream *madrasah* education. This is also consistent with ADB's Education Sector Operations Plan 2010 that prioritizes investment in post-primary education.

C. Policy Framework

7. Bangladesh's vision is to achieve middle income status by 2021 and thereby reducing the poverty rate by half. Key to achieve this goal is to have a large base of skilled workers calibrated to match the growth and structural transformation of the economy. The government recognizes that such workforce needs to have excellent analytical and creative thinking capabilities. In line with government development goals, the NEP envisions high quality and equitable education to prepare all students for the modernizing economy. NEP specifies that learners should acquire competencies to compete in the job market, particularly in the economic sector of the country. NEP proposes reforms in secondary education focusing on: (i) improving Science, English, Mathematics, and ICT teaching; (ii) mainstreaming madrasah; (iii) providing more relevant teaching and learning materials; (iv) improving examinations; (v) strengthening quality of teachers; and (vi) strengthening decentralized governance and management of schools.

D. Secondary Education Sector Investment Program

8. The program supports: (i) an enhanced quality and relevance of secondary education, through modernization of curriculum and its delivery in core subjects, with focus on Science, Mathematics, English, the use of ICT in teaching and learning, introduction of secondary education quality standards across all steams, and reforms in teacher quality development; (ii) increased equitable access and retention through harmonized stipend programs and school physical improvement; and (iii) strengthened education management and governance through enhanced decentralization of education management, and improved teacher management. It also supports a transition to SWAP, with institutional capacity development in sector planning, coordination, monitoring and evaluation (M&E), information management system, and fiduciary oversight. SESIP will finance salaries of teachers and secondary education personnel, allowance, goods, works and services, grants to schools, stipends, training, school repair and maintenance, surveys and studies, and seminars and workshops.

9. Tranche 1 will be implemented from FY2014 to FY2017, and will support implementation of a more market-relevant and inclusive secondary education curriculum. Particular emphasis will be given to expand and improve Science, Mathematics, and English teaching through the provision of teaching equipment, laboratories, tools, and teacher training. Reforms in examinations and assessment initiated under Secondary Education Sector Development Program will continue. Existing stipend programs will be reviewed, and a more efficient, equitable, and harmonized stipend program will be developed and implemented. Selected schools will be upgraded in accordance with a need-based infrastructure development plan. Two pilot activities to introduce advanced teaching modalities will be initiated: (i) laboratory-based practical science teaching and (ii) school information hubs through which students and teachers will access ICT-based teaching and learning resources and modules. Supplementary reading materials will be provided to school libraries as a reading habit promotion program. The Directorate of Secondary and Higher Education central and field offices will be strengthened with additional staffing and capacity development in key regular functions. As a step to promote decentralized education management, MPO management will be devolved to zonal offices in a phased-manner. Secondary education quality standards will be refined and DSHE Education Management Information System will be strengthened to support an improved M&E. A first Secondary Education Performance Report will be developed and published by 2017.

10. Tranche 2 from FY2015/16 to FY2016/17 will build on Tranche 1 interventions in curriculum implementation, examination reforms, stipend provision, and school infrastructure development. It will support the introduction of pre-vocational and vocational subjects. Capacity development in education management of DSHE field offices will continue to improve academic supervision.. Selected upazila education offices will be constructed. Construction of district education office in Bandarban and

reconstruction of DSHE central building will be initiated. DSHE reorganization will start and capacity development in planning, M&E, and procurement and finance will continue to prepare the transition to a SWAp.

11. Tranche 3 will be implemented from FY2017/18-FY2020/21 and tranche 4 will be implemented from FY2019/20-FY2022/23. More stipends will be provided and additional classrooms will be constructed. A revised curriculum based on the new National Curriculum Policy Framework will be fully implemented. ICT-based teaching and learning modules, practical science teaching, and pre-vocational and vocational subjects will be scaled up. An improved public examination will be conducted and 2 rounds of national student assessments for Grade 8 and 10 will be conducted. As Second Teaching Quality Improvement will close in 2017, pre-service and in-service teacher development will also be supported from Tranche 3. At least 15 teacher training centers in Science, Mathematics, and English will be upgraded. A revised national teacher registration will be implemented. Delegation of education management responsibilities from DSHE to field offices that include academic supervision will continue

12. A set of disbursement-linked indicators have been selected from the program result framework for Tranche 1 and 2. The indicators target a range of results that include sector outcomes, intermediate outcomes, and institutional development. These include: (i) increase in enrollment ratio in science subjects, (ii) number of students accessing ICT-based teaching and learning resources, (iii) improved school attendance of stipend recipients, (iv) decentralization of MPO management to zonal office, (v) strengthened Education Management Information System and publication of the 1st annual report on secondary education sector performance, (v) increased budget allocation to secondary education and satisfactory budget execution, (vi) improved practices in procurement and financial management, and (vii) improved gross enrollment rates and survival rates for grades 6-10.

E. Financing Plan

13. The investment program is estimated to cost \$17.3 billion, including tax and duties (Table 1). The government has requested an MFF in an amount up to \$500 million from ADB's Special Funds resources to help finance a part of the investment program. The MFF will consist of four tranches, subject to the government's submission of related periodic financing requests, execution of the related loan agreements for each tranche, and fulfillment of terms and conditions and undertakings set forth in the framework financing agreement. The first tranche of the MFF will have a 25-year term, including a grace period of 5 years, an annual interest rate of 2% per annum throughout the loan maturity, and such other terms and conditions set forth in the draft loan agreement. The MFF term will not exceed 10 years from the approval date. The ADB loan is 2.9% of the program cost and will be used to finance expenditures under the agreed Program Budget Heads that include development and non-development expenditures.

SCHEDULE 2

DESIGN AND MONITORING FRAMEWORK FOR THE FACILITY

Design Summary	Performance Targets and/or Indicators	Data Sources and/or Reporting Mechanisms	Assumptions and Risks
Impact Increased employability of secondary education graduates	Percentage of youth employment with secondary education certificate in formal employment sector increased from 22% in 2010 to 46% in 2030	BBS Labor Force Survey Report	Assumption Economic growth continues absorbing secondary education graduates as skilled labor force
Outcome A more efficient, equitable, and higher quality secondary education system	Cycle completion rate (grade 6-10) increased from 46.4% (F: 43.6% and madrasah: 51.6%) in 2011 to 58% (F: 55% and madrasah: 62% for madrasah in 2023)	DSHE EMIS	Assumption Commitment from all stakeholders is continued to implement NEP Government is committed to allocate sufficient budget for secondary education development Risk Lack of inter-ministry coordination delays the implementation of reform initiatives
	SSC pass student with A and A+ ³ - increased to 41% (F: 38%) in 2023 in secondary school (BL: 37% / F: 34% in 2011) - increased to 51% (F: 45%) in 2023 in madrasah (BL: 47% / F: 41% in 2011) HSC pass student with A and A+ - increased to 38% (F: 38%) in 2023 in secondary school (BL: 33% / F: 34% in 2011) - increased to 35% (F: 30%) in madrasah in 2023 (BL: 31% / F: 26% in 2011)	BANBEIS Annual Education Statistics Report	
Outputs 1. Enhanced quality and relevance	1. By 2016, NCPF approved. 2. By 2023, revised curriculum is implemented in at least 10,000 schools delivering an improved content and teaching methodology particularly in Science, Mathematics, and English. 3. By 2023, at least 15 TTCs awarded as Centers of Excellence status in Science, English, and Mathematics. 4. By 2023, a revised national examination is implemented. 5. By 2017, NSA Plan is approved and NSA conducted for Grades 8 and 10 by 2023. 6. By 2023, e-learning introduced at 3,800 schools (40% madrasah,	Government's approved NCPF DSHE's Annual Report on Secondary Education Performance DSHE's Annual Report on Secondary Education Performance MOE approved revised national examination MOE approved NSA plan and DSHE's Annual Report on Secondary Education Performance DSHE's Annual Report on Secondary Education	Assumptions Government makes all staffing appointments in a timely manner Decentralization Plan is supported by relevant stakeholders for implementation Assumption Government and DPs are committed to implement the SWAp Roadmap Risks Early marriage (especially girl students' drop out) continues

³ Improved indicator on learning achievement will be developed under the facility.

Design Summary	Performance Targets and/or Indicators	Data Sources and/or Reporting Mechanisms	Assumptions and Risks
	<p>20% girls' schools) that have Information Hubs).</p> <p>7. By 2023, improved pre-vocational and vocational courses introduced at least 100 secondary schools (40 madrasah and 20 girls' schools).</p>	<p>Performance</p> <p>DSHE's Annual Report on Secondary Education Performance</p>	
2. Increased equitable access and retention	<p>1. By 2023, 5,000 schools in underserved areas expanded in accordance with the improved minimum standard of school construction set in 2014.</p> <p>2. By 2023, at least 80% of 20 million stipends recipients are retained in school.</p>	<p>DSHE EMIS</p> <p>Third Party Evaluation Report for DLI achievement</p>	
3. Strengthened education management and governance	<p>1. By 2018, plan to delegate responsibilities of education management including quality assurance at schools from DSHE to zone, district, and upazila education offices approved by MOE.</p> <p>2. By 2023, MOE Delegation Plan is implemented according to criteria and targets set.</p> <p>3. By 2023, 350 Upazila & Thana offices physically upgraded and adequate number of staff deployed.</p> <p>4. By 2023, revised national registration of teachers piloted from 2017 and implementation plan for national rolling out developed.</p> <p>5. Annual Report on Secondary Education Performance published by DSHE by April every year from 2017.</p> <p>6. By 2023, MOE-led harmonized secondary education program funded from domestic and external resources is implemented in line with the SWAp Roadmap.</p> <p>7. By 2023, MOE and DSHE reorganized and staff deployed according to MOE's plan to strengthen capacity in sector planning, decentralized</p>	<p>MOE approved delegation plan with criteria and targets</p> <p>DSHE's guidelines on delegation of education management to zone, district, and upazila education offices</p> <p>DSHE's Annual Report on Secondary Education Performance</p> <p>NTEC's pilot report</p> <p>DSHE's published Annual Report for Secondary Education Performance</p> <p>Joint Financing Arrangement</p> <p>MOE and DSHE reorganization and staff deployment plan</p> <p>MOE and DSHE Staff training</p>	

Design Summary	Performance Targets and/or Indicators	Data Sources and/or Reporting Mechanisms	Assumptions and Risks
	management, M&E, procurement, finance and fiduciary oversight. At least 80% of staff training plan implemented.	implementation Report	
Activities with Milestones 1. Enhanced quality and relevance 1.1 Implementation Plan for curriculum delivery including practical science teaching developed by 2013 and by 2020 (2 cycles) implemented. 1.2 By 2022, 220,000 teachers will be trained through In-service Teacher Training Program. 1.3 By 2017, revised national examination will be piloted and 30,000 teachers will be trained. 1.4 Information Hubs with e-learning modules of science and other subjects piloted at 640 schools in 2016 and expanded to 2,400 schools by 2022. 1.5 By 2020, improved vocational and pre-vocational courses will be introduced to at least 100 schools. 2. Increased equitable access and retention 2.1 Policy Guideline with minimum standard of school construction will be developed and approved by MOE by 2014 and 5,000 priority schools physically upgraded by 2023. 2.2 Existing stipend programs are harmonized by 2017 and at least 20 million students will receive harmonized stipend by 2023. 3. Strengthened education management and governance 3.1 By 2013, SPSU established with deployment of staff. 3.2 By 2017, DSHE decentralization plan with delegation of responsibilities of education management will be developed. 3.3 By 2016, secondary education quality standard will be developed and EMIS systematically will collect data for development of Secondary Education Performance Report. 3.4 By 2022, revised registration for teachers will be piloted and awareness raising program will be organized for 12,000 teachers, head teachers, and SMC members. 3.5 By 2015, DSHE reorganization plan will be developed in line with the SWAp Roadmap. 3.6 From 2017, joint review of the secondary education program framework will be conducted by MOE, DSHE, and DPs.			Inputs ADB \$500 million Government \$16,800 million Total \$17,300 million

ADB = Asian Development Bank, BANBEIS = Bangladesh Bureau of Educational Information & Statistics, BBS = Bangladesh Bureau of Statistics, DLI = Disbursement Linked Indicators, DP = development partners, DSHE = Directorate of Secondary and Higher Education, EMIS = Education Management Information System, HSC = Higher Secondary School Certificate, M&E = monitoring and evaluation, MOE = Ministry of Education, NEP = National Education Policy, NCPF = National Curriculum Policy Framework, NSA = National Student Assessment, NTEC = National Teachers Education Committee, TTC = Teacher Training Colleges, SMC = School Management Committee, SPSU = Sector Program Support Unit, SSC = Secondary School Certificate, SWAp = Sector Wide Approach.

Source: Asian Development Bank.

SCHEDULE 3

IMPLEMENTATION FRAMEWORK

A Organizational Arrangements

1. The Ministry of Education (MOE) will be the executing agency and the Directorate of Secondary and Higher Education will be the implementing agency. Other MOE-associated agencies involved in secondary education will be co-implementing agencies. An inter-ministerial sector program steering committee led by the Secretary, MOE will oversee program implementation, approve annual operation plans, review verification of disbursement-linked indicators' (DLIs) achievement, and ensure compliance with fiduciary oversight arrangement. A sector program implementation committee led by the Director General, DSHE will coordinate implementation by all agencies, review implementation progress, and recommend approval of the annual operation plans. A Sector Program Support Unit will support DSHE functional units and field offices in daily implementation, prepare annual operation plans, and compile progress reports, including DLI progress and achievement reports.

B. Disbursement, Procurement, Accounting and Audit Arrangement

2. The Asian Development Bank (ADB) will disburse its loan to the government's consolidated fund to a designated account with the Bangladesh Bank. MOE and DSHE will follow the regular government system for budget execution and payment will be made through the Controller General of Account system. Disbursement will be made semi-annually on a reimbursement basis with amounts with subject to: (i) achieving DLIs; (ii) submission of Interim unaudited Financial Reports (IFR) for the corresponding period which will evidence that government spending on the Secondary Education Sector Investment Program Budget Heads exceeds ADB's contribution for the corresponding period. The IFRs will be prepared by DSHE-Sector Program Support Unit with support from Chief Accounting Officer, MOE, based on the Integrated Budgeting and Accounting System-generated budget management reports in accordance with the IFR format and submitted by MOE to ADB. Disbursement arrangements are in accordance with ADB's *Loan Disbursement Handbook* (2012, as amended from time to time), and detailed arrangements agreed upon between the government and ADB. The IFR will serve as the simplified statement of expenditure in terms of the Loan Disbursement Handbook and supporting invoices shall not be required to be submitted.

3. The Government will carry out all procurement of goods, works, and consulting services. Goods and civil works will be procured in accordance with ADB's Procurement Guidelines (2013, as amended from time to time). Goods and works valued more than \$1 million and \$2 million respectively will be procured using International Competitive Bidding (ICB) and ADB's standard bidding documents, and subject to prior review. Goods and works valued below the ICB threshold will be procured using National Competitive Bidding (NCB), in accordance with the government's Public Procurement Act, 2006 and Public Procurement Rules, 2008 subject to modifications agreed between the Government and ADB. All consultants will be selected using ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). Consulting firms will be recruited through Quality and Cost Based Selection (QCBS) and Consultants' Qualification Selection (CQS) methods and subject to ADB's prior review.

4. The Government was advised that approval of advance contracting does not commit ADB to finance the Program.

5. DSHE, in close consultation with the Ministry of Finance and Office of the Controller General of Accounts, will maintain consolidated SESIP program accounts in accordance with the data generated by the Integrated Budgeting and Accounting System and reconciled with the records of DSHE. The program financial statements will be prepared in accordance with international accounting best principles and practices as well as government's accounting laws and regulations. The SESIP financial statements, includes a Statement of Sources and Uses of Funds, Statement of Budget Vs. Actual, and related explanatory notes and details of accounting policies. These financial statements shall be audited annually, in accordance with appropriate auditing standards consistently applied, by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB. MOE will submit the audited accounts in English language to ADB within 9 months of the end of each fiscal year.

C. Review and Reporting Arrangements

5. **Program review and reporting.** ADB will field semi-annual review missions in May and October. The review missions will verify achievement of annual DLIs, review program implementation progress, assess compliance with covenants, social and environment safeguards and Gender Action Plan, and compliance with fiduciary oversight arrangements. Prior to the review missions, MOE/DSHE will share relevant reports that include: (a) DLI progress and achievement reports; (b) Tranche progress report; (c) update on social and environment safeguards and Gender Action Plan, and (d) status of compliance with fiduciary oversight arrangements.

6. **Financial review and reporting.** MOE and DSHE, in collaboration with the Office of the Controller General of Accounts, shall submit quarterly IFRs for monitoring purposes, with a form and content similar to the annual financial statements. In addition, quarterly monitoring reports shall be submitted for the purpose of monitoring (i) delays in payment processing, (ii) clearance of advances on a timely basis, (iii) differences between payments recorded by DDOs receiving payments and Account Officers releasing payments, and (iv) reconciling ADB disbursements with amounts credited into Bangladesh Bank.

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SCHEDULE 4

SELECTION CRITERIA AND APPROVAL PROCESS FOR PROJECTS

A. Selection Criteria

1. The following criteria will generally apply to the projects that are financed under this Facility:

- (i) The proposed project under each tranche contributes to the sector outputs/results of the Government's Secondary Education Sector Roadmap as follows :
 - (a) enhanced quality and relevance;
 - (b) increased equitable access and retention to secondary education, and
 - (c) strengthened governance, management and administration

2. The proposed projects under each tranche will contribute to the targets set for a transition to a sector-wide approach as defined in the sector-wide approach roadmap, (described in Tranche 1).

- (i) The proposed project under each tranche will be an integral part of the draft Secondary Education Program Framework (expected to be approved by June 2015);
- (ii) Selected outputs under each tranche will contribute to the Procurement and Financial Management Action Plan (described in Tranche 1);
- (iii) Outputs under each tranche are reflected in the relevant government documents.
- (iv) The proposed project is not classified as category A under Asian Development Bank's Safeguard Policy Statement (2009) for either of environment, small ethnic community people; or resettlement.
- (v) The proposed project under each tranche should be disclosed in the Ministry of Education (MOE) website.

B. Approval Procedures

3. The first tranche under this Facility has been prepared with the required assessment and is included in the first periodic financing request submission. For subsequent financing tranches, the procedures will be as follows;

- (i) MOE and the Directorate of Secondary and Higher Education will prepare all required documents for the projects under subsequent tranches in accordance with the investment program and its selection criteria.
- (ii) MOE will obtain all necessary approval from ERD and government prior to ADB approval of subsequent tranche project.
- (iii) MOE will submit the periodic financing request to ADB for subsequent tranche projects together with documents showing all required approvals.

SCHEDULE 5

SOCIAL DIMENSIONS AND SAFEGUARD REQUIREMENTS

1. Government of Bangladesh will ensure that all the requirements prescribed in this schedule and the following social and safeguard frameworks and plans that have been prepared with respect to the Facility and the first tranche and of which the Asian Development Bank (ADB) has been provided full copies, and which are deemed incorporated herein by reference, are complied with during the processing and implementation of the projects under the Facility.

- (i) environmental assessment and review framework, dated 22 July 2013,
- (ii) small ethnic community people's planning framework dated 22 July 2013,
- (iii) resettlement framework dated 22 July 2013
- (iv) gender action plan dated 22 July 2013.

2. The frameworks cover the Facility-specific information and requirements in accordance with ADB's safeguard policies: (i) the general anticipated impacts of the components or projects likely to be financed under the multitranchise financing facility on the environment, involuntary resettlement, and indigenous peoples; (ii) the safeguard criteria that are to be used in selecting components and projects; (iii) the requirements and procedure that will be followed for screening and categorization, impact assessments, development of management plans, public consultation and information disclosure (including the 120-day disclosure rule, if required), and monitoring and reporting; and (iv) the institutional arrangements (including budget and capacity requirements) and the client's and ADB's responsibilities and authorities for the preparation, review and clearance of safeguard documents.

3. Prior to the preparation of each periodic financing request, the applicability and relevance of each safeguard framework for environmental assessment, involuntary resettlement, and indigenous people will be reviewed by Ministry of Education and Directorate of Secondary and Higher Education and updated to ensure relevance and consistency with applicable country legal frameworks and ADB's safeguard policies, as amended from time to time. ADB will review all safeguard frameworks.

4. In all cases, for each new periodic financing request preparation, the client will review ongoing projects to check on the status of compliance with the social and safeguard plans and frameworks, and submit the review reports to ADB, together with other required safeguard documents relevant to the projects included in the tranche being processes. In any case if major noncompliance is discovered in the course of the review of ongoing projects, a corrective action plan will be prepared and submitted to ADB.

SCHEDULE 6

1. Bangladesh undertakes that it will do the following:

- (i) Bangladesh will remain committed to the implementation of reforms stipulated in the National Education Policy, and to engage in close policy dialogue with key stakeholders involved in education within and outside of the Government, including the private sector.
- (ii) Bangladesh will ensure that all programs and projects in secondary education, including the Secondary Education Sector Investment Program (SESIP) are aligned with the draft Secondary Education Program Framework (expected to be approved by June 2015).
- (iii) Bangladesh will ensure that SESIP is implemented in line with the Secondary Education Sector Road Map, and the sector-wide approach roadmap.
- (iv) Bangladesh will remain committed to undertake fiduciary oversight in accordance with the fiduciary oversight arrangement agreed with the Asian Development Bank (ADB), and to improve practices in public financial management in line with the Procurement and Financial Management Action Plan
- (v) Bangladesh will remain committed to institutional capacity development of the Ministry of Education (MOE), Directorate of Secondary and Higher Education, and all institutions involved in secondary education. This includes creation of adequate positions under the revenue budget, recruitment of qualified staff, and retention of such staff for at least 5 years.
- (vi) Bangladesh will ensure sufficient annual budget allocation to secondary education sector, and efficient budget execution to ensure that the specific disbursement-linked indicators are achieved and the overall objectives of the program are met. The Government will further ensure that the budgetary allocations for the education sector are sufficient to cover reasonable operation and maintenance.
- (vii) Bangladesh will ensure that the activities to be financed under the program are developed and implemented in accordance with the ADB's Safeguard Policy Statement (2009) and in line with the relevant safeguards documents listed in Schedule 5 to this Framework Financing Agreement.
- (viii) Bangladesh acknowledges that ADB reserves the right to investigate directly or through its agents any possible corrupt, fraudulent, collusive or coercive practices relating to the program. To support these efforts, the Government will ensure that all bidding documents for the program include (a) provisions specifying the right of ADB to audit and examine the records and accounts of MOE and all contractors, suppliers and other service providers as they relate to the program and (b) provisions allowing auditors engaged by MOE to have the right to conduct random or spot audits of contract implementation activities.

Bangladesh will ensure that the staffing needs as assessed for the program will be met without any delays and as agreed between the Government and ADB. The Government further agrees that staff to be added unde
