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INTERNATIONAL DEVELOPMENT ASSOCIATION
PROJECT APPRAISAL DOCUMENT
ON A
PROPOSED CREDIT
IN THE AMOUNT OF SDR70.6MILLION
(US\$100 MILLION EQUIVALENT)
TO THE
PEOPLE'S REPUBLIC OF BANGLADESH
FOR A
COLLEGE EDUCATION DEVELOPMENT PROJECT

May 11, 2016

Education Global Practice
South Asia Region

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CURRENCY EQUIVALENTS
(Exchange Rate Effective April 30, 2016)
Currency Unit = Bangaldesh Taka –BDT
BDT 78.44 = US\$1
US\$ 1.42 = SDR 1

FISCAL YEAR
July 1 – June 30

ABBREVIATIONS AND ACRONYMS

ADP	Annual Development Program
BANBEIS	Bangladesh Bureau of Educational Information and Statistics
BBS	Bangladesh Bureau of Statistics
BdREN	Bangladesh Research and Education Network
BOU	Bangladesh Open University
CAO	Chief Accounts Officer
CEDP	College Education Development Project
CGA	Controller General of Accounts
DLI	Disbursement Linked Indicator
DLR	Disbursement Linked Result
DPP	Development Project Proposal
DSHE	Directorate of Secondary and Higher Education
ECOP	Environmental Code of Practices
ECNEC	Executive Committee of the National Economic Council
EEP	Eligible Expenditure Program
e-GP	Electronic Government Procurement
EMF	Environment Management Framework
FDI	Foreign Direct Investment
FM	Financial Management
GAAP	Governance and Accountability Action Plan
GB	Governing Body
GDP	Gross Domestic Product
GER	Gross Enrollment Rate
GoB	Government of Bangladesh
GRS	Grievance Redress Service
HEI	Higher Education Institution
HEQEP	Higher Education Quality Enhancement Project
HSC	Higher Secondary Certificate
iBAS	Integrated Budget and Accounts System
ICB	International Competitive Bidding
ICT	Information and Communication Technology
IDG	Institutional Development Grant
IDGOM	Institutional Development Grant Operations Manual
IDP	Institutional Development Plans
IPF	Investment Project Financing
IRR	Internal Rate of Return
IUFR	Interim Unaudited Financial Report
M&E	Monitoring and Evaluation

MoE	Ministry of Education
MoF	Ministry of Finance
MoPA	Ministry of Public Administration
MPO	Monthly Pay Order
MTR	Mid-term Review
NAEM	National Academy for Educational Management
NCB	National Competitive Bidding
NEP	National Education Policy
NPV	Net Present Value
NTRCA	Nongovernment Teachers' Registration and Certification Authority
NTSC	Nongovernment Teachers Selection Commission
NU	National University
OCAG	Office of the Comptroller and Auditor General
OM	Operation Manual
PD	Project Director
PDO	Project Development Objective
PIC	Project Implementation Committee
PMIS	Project Management Information System
PMU	Project Management Unit
PPA	Public Procurement Act
RBF	Results-based Financing
RTI	Right to Information
SA	Self-Assessment
SEVC	Small Ethnic and Vulnerable Communities
SEVCDF	Small Ethnic and Vulnerable Communities Development Framework
SEVP	Small Ethnic Vulnerable People
SMF	Social Management Framework
SSC	Secondary School Certificate
STEP	Systematic Tracking of Exchanges in Procurement
TEI	Tertiary Education Institution
TOR	Terms of Reference
UGC	University Grants Commission
UNMC	University of Nottingham Malaysia Campus

Regional Vice President:	Annette Dixon
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PEOPLE’S REPUBLIC OF BANGLADESH

College Education Development Project

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PAD DATA SHEET

People's Republic of Bangladesh

College Education Development Project (P154577)

PROJECT APPRAISAL DOCUMENT

SOUTH ASIA

GED06

Report No.: PAD1511

Basic Information			
Project ID P154577	EA Category B - Partial Assessment	Team Leader(s) Yoko Nagashima, Md. Mokhlesur Rahman	
Lending Instrument Investment Project Financing	Fragile and/or Capacity Constraints []		
	Financial Intermediaries []		
	Series of Projects []		
Project Implementation Start Date 1-Sep-2016	Project Implementation End Date 31-Dec-2021		
Expected Effectiveness Date 31-August-2016	Expected Closing Date 30-Jun-2022		
Joint IFC No			
Practice Manager/Manager Keiko Miwa	Senior Global Practice Director Claudia Maria Costin	Country Director Qimiao Fan	Regional Vice President Annette Dixon
Borrower: People's Republic of Bangladesh			
Responsible Agency: Ministry of Education (MoE)			
Contact: Telephone No.: 9576679	Md. Sohorab Hossain	Title: Secretary	Email: info@moedu.gov.bd
Project Financing Data(in US\$, millions)			
[] Loan	[] IDA Grant	[] Guarantee	
[X] Credit	[] Grant	[] Other	

Total Project Cost:	130	Total Bank Financing:	100.00							
Financing Gap:	0.00									
Financing Source										
			Amount							
BORROWER/RECIPIENT			30.00							
International Development Association (IDA)			100.00							
Total			130.00							
Expected Disbursements (in US\$, millions)										
Fiscal Year	2017	2018	2019	2020	2021	2022	0000	0000	0000	0000
Annual	13.5	9.5	27.0	19.5	21.5	9.0	0.00	0.00	0.00	0.00
Cumulative	13.5	23.0	50.0	69.5	91.0	100.0	0.00	0.00	0.00	0.00
Institutional Data										
Practice Area (Lead)										
Education										
Contributing Practice Areas										
Cross Cutting Topics										
[] Climate Change										
[] Fragile, Conflict & Violence										
[X] Gender										
[X] Jobs										
[] Public Private Partnership										
Sectors / Climate Change										
Sector (Maximum 5 and total % must equal 100)										
Major Sector	Sector		%	Adaptation Co-benefits %	Mitigation Co-benefits %					
Education	Tertiary education		95	–	–					
Public Administration, Law, and Justice	Public administration-Education		5	–	–					
Total			100							
<input checked="" type="checkbox"/> I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.										

Themes		
Theme (Maximum 5 and total % must equal 100)		
Major theme	Theme	%
Human development	Education for the knowledge economy	100
Total		100
Proposed Development Objective(s)		
The Project development objectives are to strengthen the strategic planning and management capacity of the college education subsector and to improve the teaching and learning environment of participating colleges.		
Components		
Component Name	Cost (US\$, millions)	
Component 1: Strengthening Strategic Planning and Management Capacity	48.2	
Component 2: Improving Teaching and Learning Environment in Participating Colleges	70.4	
Component 3: Project Management, Communication, and Monitoring and Evaluation	11.4	
Systematic Operations Risk-Rating Tool (SORT)		
Risk Category	Rating	
1. Political and Governance	High	
2. Macroeconomic	Moderate	
3. Sector Strategies and Policies	Substantial	
4. Technical Design of Project or Program	Moderate	
5. Institutional Capacity for Implementation and Sustainability	Substantial	
6. Fiduciary	Substantial	
7. Environment and Social	Moderate	
8. Stakeholders	Moderate	
9. Other	–	
OVERALL	Substantial	
Compliance		
Policy		

Does the project depart from the CAS in content or in other significant respects?	Yes []	No [X]	
Does the project require any waivers of Bank policies?	Yes []	No [X]	
Have these been approved by Bank management?	Yes []	No []	
Is approval for any policy waiver sought from the Board?	Yes []	No [X]	
Does the project meet the Regional criteria for readiness for implementation?	Yes [X]	No []	
Safeguard Policies Triggered by the Project			
	Yes	No	
Environmental Assessment OP/BP 4.01	X		
Natural Habitats OP/BP 4.04		X	
Forests OP/BP 4.36		X	
Pest Management OP 4.09		X	
Physical Cultural Resources OP/BP 4.11		X	
Indigenous Peoples OP/BP 4.10	X		
Involuntary Resettlement OP/BP 4.12		X	
Safety of Dams OP/BP 4.37		X	
Projects on International Waterways OP/BP 7.50		X	
Projects in Disputed Areas OP/BP 7.60		X	
Legal Covenants			
Name	Recurrent	Due Date	Frequency
Project Steering Committee		August 30, 2016	N/A
Description of Covenant			
The Recipient shall establish and maintain throughout the implementation of the Project, a Project Steering Committee with composition and terms of reference satisfactory to the Association. The Project Steering Committee shall be responsible for providing overall policy and implementation guidance for the Project.			
Name	Recurrent	Due Date	Frequency
Project Management Unit		August 30, 2016	N/A
Description of Covenant			
The Recipient shall establish and maintain throughout the implementation of the Project, a Project Management Unit under the direction of qualified management provided with sufficient resources, and staffed with competent personnel in adequate numbers and with qualifications, experience and under terms of reference acceptable to the Association. The PMU shall be responsible for overall coordination and implementation of the Project.			
Name	Recurrent	Due Date	Frequency
Project Implementation Committee		August 30, 2016	N/A
Description of Covenant			

The Recipient shall cause the National University to establish and maintain throughout the implementation of the Project, a Project Implementation Committee under the direction of qualified management provided with sufficient resources, and staffed with competent personnel in adequate numbers and with qualifications, experience and under terms of reference acceptable to the Association.

Name	Recurrent	Due Date	Frequency
Project Implementation Manual and IDG Operations Manual		August 30, 2016	N/A

Description of Covenant

The Recipient shall: (a) adopt a Project Implementation Manual and an Institutional Development Grant (IDG) Operations Manual, each manual shall be in form and substance satisfactory to the Association; and (b) carry out the Project in accordance with the provisions of the Project Implementation Manual and IDG Operations Manual; and (b) not amend, revise or waive, nor allow to be amended, revised or waived, the provisions of the Project Implementing Manual and the IDG Operations Manual or any part thereof without the prior written consent of the Association.

Source Of Fund	Name	Type
IDA	Eligible Expenditure Program	

Description of Covenant

The Recipient shall make withdrawals for the Eligible Expenditure Programs (EEPs) under Components 1 and 2 of the Project on the basis of Disbursement Linked Results (DLRs) achieved, as measured against specific Disbursement Linked Indicators (DLIs).

Source Of Fund	Name	Type
IDA	Eligible Expenditure Program	

Description of Condition

Withdrawals under the EEPs shall not exceed the lesser of: (a) the total DLI Value allocated to each DLR achieved up to the respective DLR Period; and (b) the amount of the EEPs incurred but not paid by the proceeds of the Financing as of the DLR Period for which payment is requested.

Team Composition

Bank Staff

Name	Role	Title	Specialization	Unit
Yoko Nagashima	Team Leader (ADM Responsible)	Senior Education Specialist	Education	GEDDR
Md. Mokhlesur Rahman	Team Leader	Senior Operations Officer	Education/Operations	GEDDR
Muhammad Asahabur Rahman	Team Member	Consultant	Education/Project Management	GED06
Tashmina Rahman	Team Member	Consultant	Education	GED06
Shiro Nakata	Team Member	Consultant	Education/Economics	GED06
Hena Mukherjee	Team Member	Consultant	Education	GED06

T. M. Asaduzzaman	Team Member	Operations Analyst	Education	GED06
Halil Dundar	Team Member	Lead Education Specialist	Education	GEDDR
Karthika Radhakrishnan-Nair	Team Member	Operations Analyst	Operations	GEDDR
Hisham Abdo Kahin	Lead Counsel	Lead Counsel	Legal	LEGES
Marghoob Bin Hussein	Procurement Specialist	Senior Procurement Specialist	Procurement	GGODR
Ishtiaq Siddique	Procurement Specialist	Senior Procurement Specialist	Procurement	GGODR
Mohammed Atikuzzaman	Financial Management Specialist	Financial Management Specialist	Financial Management	GGODR
Atou Seck	Peer Reviewer	Senior Education Specialist	Education	GEDDR
Ferdous Jahan	Safeguards Specialist	Consultant	Social Development	GSU06
Francisco Marmolejo	Peer Reviewer	Lead Education Specialist	Education	GEDDR
Tobias Linden	Peer Reviewer	Lead Education Specialist	Education	GEDDR
Dhushyanth Raju	Peer Reviewer	Senior Economist	Economics	SARCE
Nazma Sultana	Team Member	Program Assistant	Administrative	SACBD
Rex Joseph Quiah	Team Member	Temporary	Administrative	GED06
Sabah Moyeen	Safeguards Specialist	Senior Social Development Specialist	Social Development	GSURR
Sandra X. Alborta	Team Member	Program Assistant	Administrative	GEDDR
Shakil Ahmed Ferdausi	Environmental Specialist	Senior Environmental Specialist	Environment	GENDR
Tanvir Ahmed	Environmental Specialist	Consultant	Environment	GEN06
Extended Team				
Name	Title	Office Phone	Location	

Locations					
Country	Administrative Division	Location	Planned	Actual	Comments
Bangladesh	Barisal				
	Chittagong				
	Dhaka				
	Khulna				
	Rangpur Division				
	Rajshahi				
	Sylhet				
	Mymensingh				
Consultants (Will be disclosed in the Monthly Operational Summary)					
Consultants Required? Consultants will be required					

I. STRATEGIC CONTEXT

A. Country Context

1. **With a population of around 160 million, Bangladesh has made considerable progress in economic growth and poverty reduction during the past decade.** Bangladesh's gross domestic product (GDP) grew at an average rate of 6.1 percent in the past ten years, resulting in a substantial decline in the incidence of poverty. The rapid increase in per capita income has been attributed to sustained economic growth, declining population growth, higher remittance inflow from a growing stock of migrant workers, and increasing export earnings from ready-made garments. Bangladesh has also graduated from low-income country to lower-middle-income country status in 2015, based on its US\$1,080 gross national income per capita (Atlas Method) in FY2014.
2. **Human development outcomes have also improved for Bangladesh. There have been impressive gains in several social indicators, including improvements in literacy, life expectancy, and maternal and child mortality.** Significant progress has been made toward achieving the Millennium Development Goals in education and reducing child mortality. The net enrollment rate in primary education increased from 66.5 percent in 2005 to 97.3 percent in 2013. Enrollments and pass rates have also increased at the secondary and higher secondary levels since the early 1990s.¹ Gender parity has already been achieved at both the primary² and secondary education levels. The gross enrollment rate (GER) in tertiary education increased from 5 percent to 13 percent between 2000 and 2012. The steady increase in the number of students completing higher secondary education has placed growing pressure on the tertiary education sector to absorb a large and increasing population of eligible secondary students in recent years.
3. **Improving skills and productivity are crucial to Bangladesh's quest to accelerate economic growth and become a middle-income country.** The labor market is demanding a more educated and higher-skilled workforce. Economic growth is expected to continue with around 15 million jobs projected to be created over the next decade in seven key sectors.³ Job expansion across these sectors will demand more skilled professionals in managerial, technical, and leadership positions. However, the current skill levels of the labor force are unlikely to support future market demands. The majority of workers in Bangladesh are undereducated—76 percent of workers have a secondary educational qualification or below; 22 percent have a tertiary education degree; and around 2 percent have a technical vocational education and training (TVET) certificate or diploma across five major fields of studies (commerce, education, finance, manufacturing, and public administration).⁴ While there is an abundance of low-skilled workers, there is a strong demand for graduates with higher cognitive and non-cognitive skills and job-specific technical

¹ The total number of Higher Secondary Certificate (HSC) examination candidates was 294,391 (26 percent female) in 1990, which more than tripled to 814,469 (49 percent female) in 2013. The HSC pass rate stood at around 30 percent in 1990, which increased to 71 percent in 2013 (*Source*: Bangladesh Bureau of Educational Information and Statistics [BANBEIS]).

² In Bangladesh, the primary level consists of grades 1–5, secondary level consists of grades 6–10, while higher secondary consists of grades 11–12.

³ These seven sectors include ready-made garments, light engineering, shipbuilding, agribusiness, information and communication technology (ICT), pharmaceuticals, and labor-intensive exports.

⁴ World Bank. 2013. *An Assessment of Skills in the Formal Sector Labor Market in Bangladesh: A Technical Report on the Enterprise-Based Skills Survey 2012*. Report No. 64. Washington, DC: World Bank.

skills. This would require improving the quality and relevance of tertiary education so that education institutions are equipped to produce graduates with more market relevant skills.

4. The Perspective Plan (2010–2021) of the Government of Bangladesh (GoB) identified that upgrading the quality of tertiary education institutions (TEIs) to international standards is a prerequisite for attaining its vision of becoming a middle-income country by 2021.

B. Sectoral and Institutional Context

5. In Bangladesh, the tertiary education system consists of two main subsectors: (a) public and private universities, directly under the supervision of the University Grants Commission (UGC) for quality control and for funding (applicable in only the former) and (b) government and nongovernment colleges affiliated under the National University (NU). Funding for government colleges is primarily the responsibility of the Ministry of Education (MoE) while quality control for all colleges is with the affiliating body.⁵ Currently, there are around 3 million students enrolled in the TEIs. Of these, the university system accounts for about 853,000 (34 percent) students across 112 public and private universities; the NU college system accounts for about 1.6 million (64 percent) tertiary students across 1,731 affiliated government and nongovernment colleges⁶; and the remaining about 60,000 (2 percent) tertiary students are in the Bangladesh Open University (BOU).

6. The NU's main responsibilities include affiliation of tertiary education colleges; approval of academic programs; preparing the curriculum; student registration and enrollment; question paper setting and organizing examinations; conferring degrees; framing regulations on governing bodies (GBs) of nongovernment colleges and teaching staff strength, management, and supervision of institutions; holding refresher's training for faculty; and ensuring quality of the academic programs. It also offers Masters, MPhil, and PhD programs on a small scale at its central campus. The main source of NU revenue includes various fees from students and affiliated colleges (for example, examination, admission test, and registration fees from students and affiliation fees from colleges). The major expenditures under the NU budget are for salaries, allowances, and conduct of examinations. The NU has recently set up six regional campuses with the aim to decentralize some of its core functions (for example, academic monitoring, examination, teacher training) to these regional campuses.

7. The NU is responsible for the whole range of academic management of all tertiary education affiliated colleges. The Directorate of Secondary and Higher Education (DSHE) of the MoE is in charge of the administrative management of government colleges, while several other agencies⁷ under the MoE and state institutions have overlapping responsibilities for the college

⁵ In this document, TEIs refer to both affiliated colleges and universities; colleges refer to 'affiliated colleges' and higher education institutions (HEIs) refer to universities offering undergraduate and graduate education, under the oversight of the UGC.

⁶ The NU also enrolls students in professional courses under 347 affiliated professional institutions, which are separate from the colleges, and together the colleges and professional institutions account for around 2 million student enrollments under NU.

⁷ The agencies and institutions besides the NU and DSHE include the National Academy for Education Management (NAEM), Nongovernment Teachers' Registration and Certification Authority (NTRCA), BANBEIS, the UGC, and the Public Service Commission.

subsector.⁸ Only the MoE has the authority to initiate the process of formulating policies and making acts, ordinances, and rules concerning institutional governance of the college subsector.

8. General characteristics such as enrollments, seat capacity, facilities, programs offered, financing, and quality vary across the affiliated government and nongovernment colleges. Government colleges tend to be large institutions located mostly in metropolitan cities and district towns, while nongovernment colleges tend to be smaller institutions located in large metropolitan cities and extending to district and subdistrict (*Upazila*) towns. Both the government and nongovernment colleges offer bachelor's and Masters programs in a large number of subjects (currently the number of subjects is 35).⁹ The government colleges are administered through the government service rules and affiliated nongovernment colleges are governed by their GBs according to the Regulations made by the NU (annex 6).

9. Both government and nongovernment colleges together produce the largest proportion of tertiary graduates (over two-thirds of total tertiary enrollments) in Bangladesh. Though nongovernment colleges are three times higher in number than government colleges, student enrollments are nearly at par across both types of institutions. The majority of college graduates are employed in the public sector, especially in jobs related to management and the teaching profession. There is also a growing demand for them in priority areas in the private sector.

10. Inadequate funding and dilapidated infrastructure are common challenges for both government and nongovernment colleges in delivering quality and relevant education. Government colleges receive funding from the MoE via the DSHE and therefore, have little financial leeway to take up development initiatives to meet rapidly changing economic and social demands. By contrast, nongovernment colleges enjoy financial autonomy, but the majority have insufficient resources to undertake development initiatives at their institutions. Nongovernment colleges are privately funded but have limited access to government funds through salary subvention known as monthly pay orders (MPOs). Some nongovernment colleges have physical facilities and infrastructure improved under government's development projects. Nonetheless, barring a few large metropolitan colleges, the majority of nongovernment colleges have inadequate and outdated teaching-learning facilities, which create a challenging environment for delivering quality education.

11. The NU's large number of government and nongovernment colleges, enrollment, and extensive network make it the critical subsector for bringing about the necessary quantitative and qualitative improvements in the tertiary education sector. However, the college subsector suffers from a myriad of deeply rooted challenges, which include (a) inadequate planning, governance, and management practices; (b) poor quality and relevance of teaching and learning; (c) inadequate resources and inefficient financial management (FM); and (d) limited access.

- (a) **Planning, governance, and management.** The subsector suffers from inadequate planning, governance, and management due to insufficient accountability and capacity at the national and institutional levels to plan, manage, and monitor properly.

⁸ These overlapping areas of responsibility include policymaking, development activities, personnel recruitment and training, regulation, curricula development, and quality control.

⁹ The NU also provides 17 professional courses under 347 affiliated professional institutions, which are separate from the colleges. *Source:* National University Annual Report 2015.

There is no long-term strategic planning and the subsector lacks a clear direction for the future. Additionally, the current teacher recruitment, staffing policy, and deployment practices, which are under two different systems, create a large number of vacancies and imbalanced staffing (overstaffing in some of the colleges in metropolitan areas and understaffing in rural colleges).

- (b) **Quality and relevance.** The quality and relevance of college education in terms of learning outcomes and employability of graduates is a growing concern. There are several contributing factors. First, there is a shortage of qualified teaching staff, combined with a lack of incentives and accountability mechanisms to boost performance. Few college teachers have updated training in their disciplines, have pedagogical training, or qualifications beyond a Masters degree. Existing training facilities also remain inadequate for the large pool of college teachers. Second, inadequate teaching-learning facilities make the classroom environment challenging and adversely affect the quality of teaching and learning. Third, the NU curriculum is more oriented toward the humanities and arts subjects, making it less market relevant.¹⁰ Fourth, the nature, organization, and conduct of examinations cause crippling disruptions in maintaining normal teaching routines and related academic activities in the colleges, thus giving rise to a plethora of unacceptable practices like private coaching and tuition by teachers outside the colleges. Finally, the NU college system is yet to implement any proper quality assurance mechanism.
- (c) **Financing.** Although the education sector funding allocation accounts for 12 percent in the national budget, public spending for tertiary education has been low at around 1 percent of the national budget over the past five years. This is much lower than other countries of similar socioeconomic status. For instance, public spending (as a share of GDP) for tertiary education was 2.2 percent in Bangladesh which remains static for several years, while it was 8.5 percent for Maldives, 3.3 percent in India, 4.7 percent in Nepal and 3 percent in Indonesia and 6.6 percent in Vietnam in 2014-15. Compared to public universities, funding to the public tertiary college subsector has been particularly low and declining. The share of MoE financing to government colleges declined from 7 percent in 2008–09 to 4.3 percent in 2014–15. The major share of government college funds is spent on recurrent expenditures, leaving a very small amount for academic development and quality enhancement activities. By contrast, nongovernment colleges are funded mainly through earnings from tuition fees and private donations and receive assistance in the form of improved physical and teaching facilities from government supported development projects. However, barring a few large metropolitan city colleges, the earnings receipts and resources remain insufficient for meeting the educational development activities of the nongovernment colleges.
- (d) **Access.** Bangladesh has made significant progress in expanding enrollment since the early 2000s, but access to tertiary education still remains low, especially compared with other countries in the region. Enrollment in tertiary education has been rising

¹⁰ Recently, the NU has allowed colleges to open market relevant subjects and its 347 affiliated professional institutes offer 17 courses on subjects that have job market relevance.

over time, partly due to the increased investment in the expansion of secondary education and the rapid growth of private TEIs since the early 2000s. Much of the growth in enrollment has come from the college education subsector, where females account for 45 percent of the total enrollment. Despite a sharp increase in enrollment, the tertiary GER (13 percent) still lags behind the rates in neighboring countries—Nepal (15 percent), India (25 percent), and Sri Lanka (17 percent).

C. Higher Level Objectives to which the Project Contributes

12. The Project is fully aligned with the World Bank’s Country Partnership Framework (FY2016–2020). Specifically, the Project supports the Country Partnership Framework objective 2.1 which focuses on improved equity in access, quality, and relevance in education. Through supporting an improved teaching and learning environment in colleges, the Project will focus on better student learning outcomes and skills development based on quality education services, with the intent of graduating employable students for a more competitive job market as Bangladesh works toward middle-income status by 2021. In addition, the Project is consistent with Bangladesh’s 7th Five Year Plan, the National Education Policy (NEP) 2010, and the Strategic Plan for Higher Education (2006–2026).

13. As the first donor-supported intervention to the development of the college subsector, the College Education Development Project (CEDP) aims to implement the fundamental reforms at the system and institutional levels to put in place the enabling environment for future expansion. Expanding the enrollment before such an environment is in place would be inefficient as it would inevitably result in producing graduates who do not hold adequate skills required to move Bangladesh to middle-income country status.

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

14. The Project development objectives (PDOs) are to strengthen the strategic planning and management capacity of the college education subsector and to improve the teaching and learning environment of participating colleges.

B. Project Beneficiaries

15. The NU college subsector comprises an estimated 1.6 million tertiary college students and around 60,000 government and nongovernment tertiary college teachers. The estimated beneficiaries vary across different activities under the Project. While the formulation of the Strategic Plan for the College Subsector and improvement of teacher management systems under Component 1 are expected to benefit the whole subsector, the Institutional Development Grants (IDGs) and teacher training activities under Component 2 will intervene and benefit only those participating colleges selected based on transparent eligibility criteria and through competitive process. Additionally, managerial staff, administrators, and officials of the NU, MoE, DSHE, and NAEM will benefit from the Project. There will be many indirect beneficiaries of the Project, including (a) public and private sector employers who will be able to recruit better qualified college graduates; (b) the GoB, which will be able to recruit higher quality graduates for the various public service institutions and agencies; (c) secondary, higher secondary schools, and tertiary education

colleges that will be able to recruit more competent teachers; and (d) future generations of college graduates and teaching staff who will benefit from the development of the college education system.

C. PDO Level Results Indicators

16. The full impact of the project on the quality of education in the college sub-sector will take time to materialize as the Project will be the first intervention for initial reforms at the system and institutional levels. Therefore, the following key results indicators will measure achievements of these reforms and progress towards the achievement of the PDO:

- Sector strategy and action plan developed, adopted, and the initial implementation started
- Government college teacher vacancies filled
- Number of teachers and managers in Honours and Masters colleges trained in subject and pedagogical training under the Project
- Teaching and learning environment at Honours and Masters colleges upgraded (percent of IDP activity milestones achieved)

III. PROJECT DESCRIPTION

A. Project Components

17. The Project comprises the following three components:

- Component 1: Strengthening Strategic Planning and Management Capacity
- Component 2: Improving Teaching and Learning Environment in Participating Colleges
- Component 3: Project Management, Communication, and Monitoring and Evaluation

18. The Project encompasses complementary and mutually supporting activities at the sector and institutional levels that have been identified by the GoB as critical in building momentum to achieve the midterm to long-term development objectives in the subsector. These activities work to build the college system's capacity to plan, manage, implement, and monitor their institutional programs and strengthen the foundation for the next phase of development activities.

Component 1: Strengthening Strategic Planning and Management Capacity (Total US\$48.2 million, IDA - US\$48.0 million)

19. This component will address planning, governance, and management challenges and put in place initial reforms at the system level. This component will (a) support development of a Strategic Plan for the College Subsector and support the implementation of initial reform activities and (b) support the improvement of government and nongovernment teacher recruitment and

management process for system-level governance and quality improvements. Implementation of these activities will be supported through the financing of Eligible Expenditure Programs (EEPs).

Subcomponent 1.1: Development of a Strategic Plan for the College Subsector

20. A Strategic Plan for the College Subsector would provide directions and goals for the college education subsector and a consensus-based plan of action. The MoE will establish a national Strategic Planning Committee (SPC) to oversee the process and six expert groups will prepare analytical background documents on significant sectoral issues in the areas of (a) vision, size, and scope; (b) access and equity; (c) quality and relevance; (d) management of the college system; (e) science, technology, and ICT; and (f) financing of college education. The expert groups' members will be drawn from Bangladesh's public and private higher education sector and industry with support from international experts as needed. Information from background documents prepared by the expert groups will feed into the Strategic Plan for Colleges.

21. A draft plan will be produced for wide stakeholder consultation, followed by a final plan which will have a 15-year Plan of Action set out in phases—immediate, short term, medium term, and long term (appendix 1 to annex 2). The areas to be covered by the strategic plan include (a) enrollment projections and prioritization of disciplines based on national development needs; (b) quality assurance mechanism and accreditation strategies; (c) strategies for access and equity; (d) policies for teacher deployment and professional development; (e) reform options for curriculum and assessment; (f) institutional autonomy and capacity development; (g) college subsector financing strategy; and (h) future recommended action plans with rough cost estimates and possible sources of financing.

22. The draft final plan will be disclosed on the MoE website for public comments and relevant observations will be addressed in the final plan. Following its approval, the MoE will draft a Development Project Proposal (DPP) based on the strategic plan's recommended reform actions for the first phase and implement the first year activities.

Subcomponent 1.2: Improvement of the Teacher Management System

23. This subcomponent will support the MoE's efforts to (a) fill teacher vacancies in government colleges and (b) reform the teacher recruitment procedures for nongovernment colleges.

24. The Project will support the GoB to overcome the recruitment backlogs and to expedite the deployment of teachers to ensure that government colleges are adequately staffed with the required teaching expertise. The Project will support the government's efforts to recruit 2,700 teachers. As vacancies at entry posts will be a recurring phenomenon due to attrition, addition of new courses, and establishment of new government colleges, the Project will also support the DSHE to conduct a Teacher Needs Assessment in 2020 to ensure adequate deployment of government teachers.

25. To improve the transparency and accountability of the recruitment of teachers in the nongovernment colleges, the Project will support the MoE's initiatives in amending the NTRCA rules and subsequently establishing a new Nongovernment Teachers Selection Commission (NTSC). The NTSC will be established by an act of parliament and will introduce a competitive and merit-based selection process for nongovernment college teachers, similar to the system for

the recruitment of government college teachers by the Public Service Commission. Under the new regulation, nongovernment college teachers will be selected from the merit list prepared by the NTSC.

Component 2: Improving Teaching and Learning Environment in Participating Colleges (Total US\$70.4 million, IDA - US\$42.0 million)

26. This component will address the challenge of providing quality and relevant college education at the institutional level. It will support the development and implementation of (a) competitive grants to the participating colleges to improve teaching and learning environment and (b) training programs for college teachers and management. Implementation of these activities will be supported through the financing of EEPs.

Subcomponent 2.1: Improving Teaching-Learning Environment in Colleges

27. This subcomponent will address the following challenges faced at the individual institution in raising the quality and relevance of college education: (a) inadequate teaching-learning facilities, specifically for the science and technology programs; (b) lack of linkage with the industry; (c) absence of quality assurance at the institutional and subsector levels and (d) weak planning and management capacity for institutional development.

28. The Project will support the development of Institutional Development Plans (IDP) and its implementation by eligible participating government and nongovernment colleges. The IDP, with a three-year horizon, will set out institutional goals, actions necessary to achieve the goals, and milestones to measure the achievements while the IDG will support the implementation of the IDP at the institution.

29. The primary objective of the activities under this subcomponent is to improve the teaching-learning environment in the colleges through supporting the following quality and management enhancing activities: (a) upgrading basic teaching-learning facilities and Internet connectivity; (b) improving market relevance of college education through development of soft skills of students and linkages with the industry/employers; (c) introducing quality assurance; and (d) strengthening management capacity and upgrade of the fiduciary system in the colleges. The IDG activities will help provide government and education practitioners insight on the planning, management, and implementation capacity of participating colleges, informing the strategic plan, policy, and operations of the subsector. International partnerships would be explored to support the colleges in the designing and implementing their IDGs. These will have a demonstration effect on the rest of the system.

30. Participation in the IDG program by colleges will be voluntary. The colleges will be grouped according to student enrollment and will participate based on eligibility and selection criteria. An Operations Manual (OM) will be developed to assist colleges for preparing the IDP and implementing the activities to be supported by the IDG.

Subcomponent 2.2: Strengthening Teaching and Management Capacity in Colleges

31. The objective of this subcomponent is to bring about qualitative improvements in teaching and management in the college subsector through supporting (a) the training of trainers; (b) teacher

training; (c) capacity building of college principals; and (d) capacity building of policymakers, leaders, and managers for subsector development. The Project will also support the development of training contents and materials. Distance learning through online platforms, with international and national training providers, will be blended with face-to-face teaching to reach the large number of beneficiaries.

32. Training and capacity-building activities will be planned and carried out by a ‘Training Consortium’ comprising personnel from national agencies, including the MoE, NU, DSHE, BOU, NAEM, and an international academic partner and others may be co-opted time to time as required. To align the training program with international best practice elements, a partnership arrangement is envisaged between the Training Consortium and an international academic partner, the latter being a globally-ranked university capable of delivering high-quality and cost-effective training. Three globally-ranked universities in the region were identified – Nanyang Technological University, National University of Singapore and University of Nottingham Malaysia Campus - and their suitability assessed according to project requirements.

33. Considering its global reputation and responsiveness to the required criteria, the University of Nottingham Malaysia Campus (UNMC) is expected to be the international academic partner as agreed with the key CEDP implementing agencies. Training will focus on priority subject areas, yet to be determined based on the results of a training needs analysis and information on market demand as reported in the Enterprise-based Skills Survey 2012.

34. Current estimates indicate that training activities will involve about 7,000 teachers from about 700 Masters and Honours colleges; 300 trainers; about 700 college principals; 500 academic staff with leadership potential; and 75 leaders, managers, and policymakers. An online training portal will be developed to provide information on training; access to training materials and best practices; and a communication platform for the community of practice. Training will be carried out largely in Bangladesh with small groups sent for overseas training as required.

35. Key outcomes expected on completion of the training Project include (a) improvement in knowledge, skills, and methodologies related to teaching and learning in priority subject areas; (b) improvement in English language proficiency and the use of English for teaching purposes with similar improvement in Bangla; (c) improvement in the use of technologies in education; (d) developing sustainable communities of practice; (e) alignment of teaching-learning provisions across the NU colleges and to international standards of education; and (f) development of a pool of local trainers to support sustainability of the Teacher Professional Development and Training Program and to play active supervision and mentoring roles.

Component 3: Project Management, Communication, and Monitoring and Evaluation (Total US\$11.4 million, IDA- US\$10.0 million)

36. The objectives of this component will ensure sufficient system capacity for the implementation of policy interventions and effective Project management for the achievement of the PDO.

Subcomponent 3.1: Project Management and Communication

37. This subcomponent will ensure sufficient capacity for implementation of policy interventions and various activities and dissemination of information under the Project. This subcomponent will support Project management, including establishment of a Project Management Unit (PMU), specific capacity building, and technical assistance necessary for Project implementation, governance, and accountability activities, and communication and information dissemination.

Subcomponent 3.2: Monitoring and Evaluation

38. This subcomponent will support monitoring and evaluation (M&E) activities, including Disbursement Linked Indicator (DLI) verification, progress reporting, satisfaction surveys, tracer studies, and effectiveness assessments on key activities. A web-based Project Management Information System (PMIS) will be established. The M&E activities will be carried out by the PMU with support from concerned implementing partners.

B. Project Financing

Lending Instrument

39. The Project will use an Investment Project Financing (IPF) lending instrument using a results-based financing (RBF) modality. It will support the development of the college subsector through the three components described above. Components 1 and 2 will be results based and Project funds will be disbursed against an EEP up to a capped amount and against achievement of the agreed DLIs subject to any other provisions of the Financing Agreement. Component 3 will use a traditional investment project approach with input-based disbursements.

40. The value added of the RBF approach is that it allows a focus on achievement of results rather than inputs. The choice of the IPF as opposed to Program-for-Results was made based on a careful weighing of the pros and cons of this approach as well as discussions with the GoB. The reasons for selecting the IPF are the following: (a) The overall education sector and the government as a whole have implemented a number of IPF operations with the RBF approach in the country with positive results and lessons learned could reflect in this Project's design, whereas there has been only one Program-for-Results operation in Bangladesh and none in the education sector. (b) This is the first donor-funded intervention for the college subsector, which requires continuous capacity building and ongoing supervision in the areas of sector planning, fiduciary, and safeguards during the Project implementation period.

41. **The Eligible Expenditure Program (EEP):** The IDA contribution will be for expenses incurred under pre-identified budget lines in the annual budget of the government colleges and the CEDP. These pre-identified budget lines will comprise the EEPs for Component 1 and 2. The EEPs include the salaries of government college faculty, officers, and staff under non-development budget is expected to be US\$90 million from FY 2017- 2022. These EEPs, are relevant to the PDO and activities related to Components 1 and 2 and meet the criteria laid out in OP10.00. College faculties, officers and staff provide critical inputs for quality education delivery, strengthening strategic planning and improving teaching learning environment within the sub sector. The impact of the project on country's fiscal sustainability is acceptable since the EEP consists of the salaries of existing government college faculty, officers, and staff which accounts for approximately 49

percent (MTBF-2015-2016) of the entire Government College Sub Sector budget and is acceptable compared to global standards. The specific government functional and economic heads and codes of the EEPs are confirmed, as presented in annex 3. Disbursements will be made to the Consolidated Fund of the Ministry of Finance (MoF) upon achievement of pre-specified results as measured by the DLIs, complying with safeguards arrangement as mentioned in the Financing Agreement and upon submission of expenditure statements comprising of EEPs which will be annually audited by the Office of the Comptroller and Auditor General (OCAG).

42. **Disbursement Linked Indicators (DLIs):** The DLIs for this Project reflect government priorities for the initial phase of reforms for the college subsector. The DLIs include intermediate results, implementation performance targets, and institutional change indicators that build incrementally over the life of the Project to improve the planning and management capacity of the college subsector and improve the teaching and learning environment in selected colleges. The results represented in the DLIs are critical to achieving the PDOs. From a disbursement perspective, the DLIs are independent of each other; noncompliance with a DLI in a period means that disbursement of the funds associated with that DLI will be withheld until the target is met, yet disbursement with other DLI targets will not be affected. All DLIs can be carried forward to following years or met early. Some DLIs are scalable and details are included in the DLI matrix (annex 1). For better performance rewarding, IDA plans to propose partial disbursement against progress made for each DLI. This will enable more predictability of funding for the MoF. Retroactive financing is required for the project amounting to 20 percent of the credit amount for the EEPs as implementation of activities for some of the project results commenced in July 2015.

Project Cost and Financing

43. The total budgetary requirements to implement the College Education Development Project (CEDP) will be US\$130 million over the project period (FY2017–2022). To implement the CEDP over the next five years, IDA will contribute US\$100 million. The GoB will contribute US\$30 million which will finance the project activities as outlined in the DPP approved by the Executive Committee of the National Economic Council (ECNEC), other than EEPs.

44. IDA’s contribution to the EEP of the Project is expected to be US\$90 million (FY2017-2022) including of salaries of government colleges (economic codes: 4501 Salaries-Officers; and 4601 Salaries-Establishment) which will be used to support the project.

Project Cost

Component	IDA		GoB (US\$ million)	Total (US\$ Million)
	Reimbursement through EEPs and DLIs (US\$ million)	Non DLI (US\$ million)		
Component 1	48.0	0.0	0.2	48.2
Component 2	42.0	0.0	28.4	70.4
Component 3	0.0	10.0	1.4	11.4
Total Cost	90.0	10.0	30.0	130.0

C. Lessons Learned and Reflected in the Project Design

45. The design of the Project has benefited from the experience of IDA-financed education projects in Bangladesh, specifically the Higher Education Quality Enhancement Project (HEQEP) (P106216) and the Skills and Training Enhancement Project (P090807), and higher education projects in other countries, which have used an RBF modality. The specific lessons that are reflected in Project design include the following:

- (a) **Inclusive participation of different agencies of the borrower in the implementation mechanism is extremely helpful in instilling the sense of collaboration and joint involvement in the Project.** Equal and inclusive representation and involvement of all the agencies in the PMU have helped set the ground for inter-agency collaboration and efficient implementation of Project activities. The leadership of the agencies should be involved in the Project to demonstrate their commitment and ownership if reforms under the proposed Project are to be successful and sustained.
- (b) **Capacity development at the institution level takes time.** Education and training institutions play major roles in the implementation of institution-level reform activities. At the initial stage of implementation, absorptive capacity of those institutions may be low because of their lack of experience in implementing externally financed institutional development activities. During the first few years of Project implementation, it is critical that substantial time and effort are provided to build the capacity of the institutions.
- (c) **Establishing a monitoring and feedback mechanism is critical.** An effective progress monitoring and feedback mechanism which continuously collects information from key players and informs decision making in the central body contributes to successful Project implementation. This enables the implementation agency to take swift remedial actions, if necessary.
- (d) **By providing proper incentives, well-designed DLIs can facilitate sectorwide system reforms, which could overhaul the entire sector.** The Project includes incentives for key stakeholders toward achieving these critical reform actions with clear milestones.

IV. IMPLEMENTATION

46. The Project will be implemented at the national level and at participating government and nongovernment colleges providing tertiary education under the NU. The overall responsibility for the Project implementation would lie with the MoE while day-to-day implementation guidance will be provided by the NU. At the national level, a Project Steering Committee chaired by the Secretary of the MoE will provide policy oversight and resolve critical issues. The UGC, as an apex body, will provide coordinating support between the MoE and NU. A PMU will be established by the GOB at the NU city office and headed by a full-time Project director (PD) and staffed with the concerned line agencies. The PMU PD will be at the rank of additional secretary, with oversight responsibility for FM, procurement, M&E, and administrative and communication

personnel. The PMU will be responsible for management of Project activities under the guidance of the NU. A Project Implementation Committee (PIC) will be established by the NU to support the Project implementation. The members of the PIC will be drawn from relevant government agencies (the MoE, Planning Commission, Implementation Monitoring and Evaluation Division, UGC, BOU, DSHE, NAEM, NTRCA, and representatives from five colleges on annual rotation basis) and the PIC will be chaired by the vice chancellor of the NU. The PD will be the member secretary of the PIC (annex 3).

A. Results Monitoring and Evaluation

47. The Project will establish an M&E unit under the PMU, which will be responsible for supporting the NU in undertaking the M&E work of the Project. The NU is responsible for the overall coordination and supervision of the M&E tasks and for reporting the results in the Results Framework and DLIs to the Bank. The M&E unit will collect updated data from relevant agencies (the DSHE, NTRCA) and relevant units of the PMU and gather data on the IDG from the beneficiary colleges to update indicators in the Results Framework and DLIs on a regular basis (mostly semiannually). The M&E unit will work closely with the relevant section of the NU, such as Management Information System and academic sections, for efficient data collection and strengthening of the M&E capacity of the NU. Details of the M&E arrangement are presented in annex 3.

B. Sustainability

48. The sustainability of the Project interventions will depend on the government's commitment and political will to initiate higher education reforms, the capacity of the institutions to implement the Project interventions and reforms, and the continuous fund flow to meet the project expenditures required by these activities.

49. **Government ownership and commitment to reforms.** The Project will introduce critical initiatives and will support the implementation of the reforms articulated in the Government's seventh Five Year Plan and the NEP 2010. The GoB, with the leadership of the MoE, has initiated the activities to improve the quality of the teaching-learning environment: (a) through establishment of infrastructure facilities and (b) through taking initial steps to scale up teacher training. The NU has also initiated and implemented a number of development schemes with commendable progress and success, which demonstrates its strong commitment to the necessary reforms to transform college education.

50. **Enhanced capacity.** The Project will contribute to strengthening the planning and management capacity of the college subsector through the development of a strategic plan with adoption of system-wide reforms in phases at the national level. The recruitment of a large number of government college teachers will contribute to increased capacity. In addition, provision of the IDG is expected to develop the capacity of the college administration in FM, procurement, and project implementation. The capacity of college teachers and managers will also be significantly enhanced through the establishment of a new model of continuous professional development, which has been completely missing in the subsector.

51. **Fiscal sustainability.** The fiscal impact and sustainability analysis (annex 5) indicates that the Project will have limited impact on the expenditures of college institutions, the NU, and the overall education sector budget throughout the Project implementation period and after the completion of the Project. The IDG will enable capital investment in teaching and learning facilities and equipment. Maintenance and operation costs for those newly established facilities and purchased equipment will be marginal and the colleges will be advised to develop their own sustainability plan at the time of proposal submission. The NU has large revenue sources (that is, examination, registration, affiliation, and so on.) and is financially fully self-reliant (does not receive any fund from the GoB¹¹). Therefore, the additional budgetary requirements for the NU to be generated by the Project will be absorbed relatively easily by the NU. The development of a strategic plan will also assist the GoB in identifying the medium to long-term reforms to diversify sources of funds, considering the growth scenarios in the context of the limited government budget for the subsector, including exploring the introduction of cost sharing mechanisms.

V. KEY RISKS

Risk Category	Rating
1. Political and Governance	High
2. Macroeconomic	Moderate
3. Sector Strategies and Policies	Substantial
4. Technical Design of Project or Project	Moderate
5. Institutional Capacity for Implementation and Sustainability	Substantial
6. Fiduciary	Substantial
7. Environment and Social	Moderate
8. Stakeholders	Moderate
9. Other	–
OVERALL	Substantial

A. Overall Risk Rating and Explanation of Key Risks

52. The overall risk of the Project is considered Substantial. Key risks are on the institutional side and will largely be addressed during Project implementation. More specifically, the key risks include the following:

- (a) **Political and Governance.** This has been rated as High. The political and governance risks in the college subsector are related mainly to the different interests and influences of various stakeholders. Stakeholder perception also varies across the different activities envisioned through the Project (appendix 2 to annex 2). These risks

¹¹ Except one project to be financed from the GoB's development budget and included in its Annual Development Program (ADP) of 2015–2016. Nearly 34 development projects on physical infrastructure and management system improvement of various size are currently being implemented by the NU that would collaterally strengthen the interventions of the CEDP and assist the colleges for drafting of the 15-year strategic plan included in the project.

will be mitigated during implementation through the Project's holding of frequent consultations with the government and various stakeholders.

- (b) **Sector Strategies and Policies.** This has been rated as Substantial. There is no strategic plan and no consensus on many of the necessary reforms to overhaul the college subsector among the stakeholders. This might hinder the implementation of key reforms. To mitigate the risk, the Project has selected only the fundamental reforms (that is, improvement of teacher management and piloting the performance-based financing) through consultation with key stakeholders and included the development of a strategic plan.
- (c) **Fiduciary.** The fiduciary assessment carried out for the implementing agencies/PMU indicates Substantial risk in FM, procurement operations, and contract management. The lack of familiarity with the RBF system, adequately trained FM personnel in implementing agencies, the absence of a computerized accounting system, and the requirement for regular reconciliations at the central and decentralized levels could affect preparation of timely and accurate financial reports. The main drivers to the procurement risks are associated with the acute capacity constraints of the implementing agencies in managing procurement and contract management related activities, inexperience of the NU in managing donor-funded projects, delay in processing procurement activities, inadequate record management system, and vulnerability of the agencies with respect to fraudulent, collusive, and coercive practices undertaken by the bidders. To mitigate fiduciary risks, a number of activities are identified and agreed with the borrower (annex 3).
- (d) **Institutional Capacity for Implementation and Sustainability.** This has been rated as Substantial. To date, no large-scale intervention has been undertaken in the college subsector. The NU and related agencies operate in an environment of inadequate staffing, weak technical expertise, and weak supervision and coordination capacity with affiliated colleges, posing risks in carrying out a project of this magnitude. To mitigate the risks, an adequately resourced PMU based on clearly defined terms of reference (TORs) will be established and have considerable autonomy. Appropriate training will be provided to the PMU staff. The operation will also provide continuous support and training to assist IDG-supported colleges in effectively implementing their Grant Plan.

VI. APPRAISAL SUMMARY

A. Economic and Financial Analysis

53. The Project aims to support the GoB in improving the management and planning of the college subsector and enhancing the quality and relevance of college education. The Project is expected to generate economic benefits both at the individual and societal levels. Key expected benefits in the midterm to long term at the individual level include (a) increased employability of graduates and (b) increased likelihood of students completing the college program. In the mid to long run, the Project is expected to create significant positive impact on the society, including, among others, (a) creating a more productive and adaptable labor force for various economic

sectors and public agencies, (b) producing more capable teachers for public and private schools and improving the quality of primary and secondary education, and (c) contributing to more favorable investment environments to attract domestic and foreign companies by providing larger pools of capable recruits. A cost-benefit analysis shows that the Project will likely be highly justifiable from the economic perspective with a net present value (NPV) of US\$283 million and an internal rate of return (IRR) of 28 percent.

B. Technical

54. **Interventions at system and institutional levels.** The CEDP is based on an in-depth sector study and has also benefited from the experience of similar Projects supported by the Bank in Bangladesh and in other countries. Component 1 will address the planning, governance, and management challenges in the subsector, encompassing activities that will have significant impact on bringing key reforms at the subsector level. Component 2 will address the quality and relevance challenge of college education, encompassing activities that will improve teaching-learning environment as well as strengthen the management and fiduciary capacity at the institution level. The proposed activities are complementary and mutually supporting at the system and institutional levels for building a strong foundation to achieve the government's midterm to long-term development Project in the subsector.

55. **Support for nongovernment colleges.** The Project will also extend support to nongovernment colleges as those are nearly three times higher in number than government colleges, with student enrollment almost at par with the government colleges. More than half of all nongovernment colleges are located in small district towns and rural areas, with relatively high female enrollments. Barring a few large nongovernment metropolitan colleges, the majority have poor learning facilities and dilapidated infrastructure, which diminish the scope of improving the quality of teaching and learning.

56. **Development of a Strategic Plan for the College Subsector.** A well-formulated strategic sector development plan is the foundation for consensus-building, long-term growth, and sectorwide quality enhancement. Given the complexity and fragmentation of the college subsector, having a visionary strategic plan developed by experts and researchers with stakeholder consultations allows for informed consensus, providing direction for the coherent, long-term quality improvement of the subsector.

57. **The Institutional Development Grants (IDGs).** The availability of the IDGs for eligible government and nongovernment colleges would allow improvements in teaching-learning facilities in these institutions. As the colleges differ in capacities and characteristics, they will be clustered into three groups based on the number of students. This will ensure a level playing field and equity in accessing the IDG resources among the colleges. An IDG Operations Manual (IDGOM), along with training on proposal writing, procurement, and FM, will be conducted to support and enhance the capacity of IDG implementing colleges.

C. Financial Management

58. The capacity of the implementing agencies (the DSHE, NU, and colleges) was assessed following the integrated fiduciary risk assessment covering FM and procurement.

Recommendations made based on the assessments include (a) introduction of an automated record keeping system; (b) continuous fiduciary training required for colleges and other implementing agencies; (c) independent fiduciary reviews to be conducted on need basis; and (d) development of an FM Action Plan to ensure a sound and robust internal control system. The FM functions which require capacity strengthening for the agencies and colleges include audit trail, record keeping, asset management, and fund reconciliation. Several measures need to be introduced to minimize FM-related risks during Project implementation, including the establishment of a web-based accounting system and continuous training of stakeholders at all levels. The GoB's General Financial Rules and Treasury Rules and Bank FM guidelines will apply for the Project implementation accordingly. Currently, according to the Bank's system the line ministry has no overdue audit reports.

D. Procurement

59. Procurement under this project will mainly involve goods, works, consulting services, and non-consulting services under Component 3 of the Project, which is less than 10 percent of the IDA contribution to the project. The Components 1 and 2 of the project will not have any procurement activity due to the DLI-based disbursement modality coupled with reimbursement against the Eligible Expenditure Programs (EEPs) that are limited to salaries of government colleges under the non-development budget. All procurements to be funded by IDA under the project will be managed by the PMU located under the NU. An in-depth procurement capacity and risk assessment was conducted for this Project as this is the first operation in the subsector and there is no other significant Project from other development partners. Based on the procurement capacity assessment of the NU and 21 colleges, the initial procurement risk rating was Substantial. The main drivers to the procurement risks are associated with the acute capacity constraint of the NU in managing procurement and contract management related activities, inexperience of the NU and participatory colleges in managing a donor-funded project, delay in processing procurement activities, inadequate record management system, and vulnerability of the agencies with respect to inappropriate procurement practices undertaken by the bidders. Several measures to mitigate the fiduciary risks will be put in place. For example, continuous fiduciary training and awareness campaign to improve procurement and contract management knowledge of the relevant stakeholders, including the IDG recipient college staff (where applicable); use of an electronic government procurement (e-GP) system; use of an electronic procurement planning and management system (Systematic Tracking of Exchanges in Procurement [STEP]); and adequate procurement staff and consultants at the PMU and other implementing agencies. A number of actions to mitigate procurement risks have been identified and agreed (annex 3).

60. **Funds flow and disbursement arrangements.** IDA will disburse funds to the consolidated funds of the GoB on the basis of EEP pre-financed by the GoB for Components 1 and 2 and reported by consolidated six-monthly interim unaudited financial reports (IUFs) generated from iBAS as prepared by the chief accounts officer (CAO) and submitted by the Project Director in agreed formats. The disbursement will also be subject to meeting agreed DLIs. For Component 3, the Bank will disburse funds to the Project Designated Account based on financial reports that would include a six-month fund requirement forecast. The IUFs should be submitted within 45 days from the end of the reporting period (calendar quarter). Please see the detailed fund flow and disbursement arrangements in annex 3.

E. Social (including Safeguards)

61. The activities identified under the Project are predominantly technical assistance (development of soft skills, institutional self-assessment skills, and so on) with only small-scale civil works components or infrastructure development activities. The Project may finance rehabilitation/renovation/refurbishment of existing buildings, classrooms, and science and computer laboratories facilities. Thus, the Project will not require any large-scale infrastructure development and no land acquisition will be required. OP 4.12 will not be triggered in this Project.

62. **Indigenous people.** The Project will trigger OP 4.10 but is not expected to cause any adverse impact on the Small Ethnic and Vulnerable Communities (SEVC). A Social Management Framework (SMF) which includes a Small Ethnic and Vulnerable Communities Development Framework (SEVCDF) and a Gender Action Plan for the Project has been prepared. The SEVCDF attempts to ensure the participation of all SEVC in the Project in a culturally appropriate and sensitive manner that meets the Bank's stated requirement of free, informed, and prior consultations with the relevant groups during Project preparation and implementation. The SMF has been developed following four rounds of stakeholder's consultation held on February 2, 2014 at NU, Gazipur; March 24, 2015 at MoE; June 17, 2015 at World Bank Office in Dhaka and November 25, 2015 at NU, Gazipur. These consultation drew together college teachers and management, students, NU officials, and GoB and policymakers involved in the subsector. The SMF and Framework and Guidelines for Small Ethnic Communities Plan were disclosed in-country and in the Bank's Infoshop on February 4, 2016.

63. **Gender.** The poverty status of a student's family, geographic location (rural and urban), gender, and marital status play significant roles in determining whether the student would progress to tertiary education on completing Grade 12 in Bangladesh. Particularly, regression analysis shows that a female student has 21 percent less chance of continuing education above Grade 12 compared to male students, holding other factors constant.¹² Compared to other tertiary education providers, the college subsector has seen the largest share of female enrollments, making it the critical subsector for ensuring tertiary education for females. Female enrollments account for almost 45 percent of total college enrollments. Female enrollment shares in science disciplines vary widely, with some subjects having high and others having low female representation.¹³ The boost in female enrollments in college education has been achieved mainly due to (a) a large-scale government stipend Project supporting female enrollments in the colleges and (b) establishment of around 300 government and nongovernment girls' colleges (all-female colleges) across all divisions. These initiatives have especially supported access to college education for females in district towns and rural areas. However, the number of women teachers in the college system is low, accounting for only 22 percent of the total teaching staff in 2014. To ensure more females in teaching positions in government colleges, the government has a quota reservation for female candidates.

¹² Nagashima, Yoko; Rahman, Mokhlesur; Rashed, Syed; Josh, Al-Zayed; S. Dhar, Subrata; Nomura, Shinsaku; Rahman, Muhammad Asahabur; Mukherjee, Hena. 2014. A study on National University and its affiliated colleges. Report No. 65. South Asia Human Development Sector, World Bank: Washington DC.

¹³ In 2016, the first-year female enrollment share in the graduate Honours program in Physics, Chemistry, and Bio-chemistry was around 36 percent, 39 percent, and 32 percent, respectively, while it averaged around 51 percent for Botany, Zoology, and Geography and Environment. (Source: National University 2016).

64. The CEDP will address gender issues through improvement of education, with special emphasis on females through provision of the IDG for the selected girls' colleges (both government and nongovernment). The grant will allow the colleges to (a) upgrade teaching-learning facilities, including science and computer labs to enable more females to pursue education in science; (b) improve sanitation and security facilities to create female-friendly environment in the colleges; and (c) improve soft skills and industry links to enhance female college graduate employability. Additionally, the SMF includes a Gender Action Plan for the Project. It provides guidelines on consultation and communications as well as grievance redress processes in a gender-inclusive manner.

65. **Citizens engagement and inclusion.** Under the Project, three beneficiary satisfaction surveys (in years 1, 3, and 5) will be carried out by the implementing agency in gathering feedback from college students and teachers. The information received from these surveys will support the Project to (a) measure the level of beneficiary satisfaction about the teaching and learning environment in colleges, including gender aspects and (b) receive feedbacks about the effectiveness and efficiency of the Project interventions and ensure beneficiary voice in Project operations. An intermediate level indicator, "increased satisfaction levels of student and teacher of grant supported colleges about teaching and learning environment," has been included in the Results Framework to periodically track beneficiary feedback. Additionally, the Project will (a) hold regular workshops before launching any Project activities in colleges across different regions to allow stakeholders, media, and public representatives the opportunity to interact with the Project officials and other relevant personnel; (b) implement the SEVC framework to ensure access and rights of persons with disabilities and women in accessing the facilities under the Project; and (c) ensure all official public documents and the Project website include contact information of concerned Project officials for conveying any issue on the Project activities.

F. Environment (including Safeguards)

66. The Project is classified as a 'Category B' project requiring limited impact assessment of the activities proposed under the CEDP. The nature of environmental impacts from the proposed activities has triggered safeguard policy OP/BP 4.01 which are addressed through an environmental management plan. An Environmental Management Framework (EMF) was prepared and disclosed on February 4, 2016 and will be implemented by the NU. The EMF provides the necessary background for environmental considerations, a checklist of potential environmental issues related to the probable Project activities, and suggestive mitigation measures for the Project. The Project involves small-scale physical infrastructure interventions (for example, civil works, renovation, refurbishment works, and connectivity) and the environmental impacts due to these activities are anticipated to be limited in scale.

G. World Bank Grievance Redress

67. Communities and individuals who believe that they are adversely affected by a Bank supported Project may submit complaints to existing Project-level grievance redress mechanisms or the Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed to address Project-related concerns. Project-affected communities and individuals may submit their complaint to the Bank's independent Inspection Panel, which determines whether harm occurred, or could occur, as a result of Bank's non-compliance with its

policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the Bank's attention and the Bank management has been given an opportunity to respond. For information on how to submit complaints to the Bank's corporate GRS, please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the Bank's Inspection Panel, please visit www.inspectionpanel.org.

Annex 1: Results Framework and Monitoring

Country: People's Republic of Bangladesh

Project Name: College Education Development Project (P154577)

Results Framework

PDO	To strengthen the strategic planning and management capacity of the college education subsector and to improve the teaching and learning environment of participating colleges.
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	Core	DLI	Unit of Measure	Baseline (2016)	Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection
					Year 1 Effectiveness–Dec 2017	Year 2 Jan–Dec 2018	Year 3 Jan–Dec 2019	Year 4 Jan–Dec 2020	Year 5 Jan–Dec 2021			
PDO Level Results Indicators												
PDO Indicator 1: Sector strategy and action plan developed, adopted, and the initial implementation started [DLI 1]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	–	No strategic plan is available for the tertiary college subsector.	Background studies are drafted by the expert groups.	First draft of strategic plan is completed, discussed at a consultation workshop, and disclosed on the MoE website for public comments.	MoE approves the strategic plan and action plan.	DPP has been approved by Executive Committee of the National Economic Council (ECNEC).	The first year activities have been implemented.	Semi-annual	Progress report	NU/ PMU

	Core	DLI	Unit of Measure	Baseline (2016)	Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection
					Year 1 Effective ness–Dec 2017	Year 2 Jan–Dec 2018	Year 3 Jan–Dec 2019	Year 4 Jan–Dec 2020	Year 5 Jan–Dec 2021			
PDO Indicator 2: Government college teacher vacancies filled [DLI 2]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Number	Vacancies: 2,700	MoE has filled 900 government college teacher vacancies.	MoE has filled cumulatively, 1,500 government college teacher vacancies.	MoE has filled cumulatively, 2,700 government college teacher vacancies.	MoE has completed a needs assessment for teacher posts.	–	Semi-annual	Progress Report	DSHE/ PMU
PDO Indicator 3: Number of teachers and managers in Honours and Masters colleges trained in subject and pedagogical training under the Project [DLI 5]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Cumulative Number	n.a.	MOE has completed a need assessment for teachers and managers training.	800 teachers and managers are trained.	2,000 teachers and managers are trained	5,000 teachers and managers are trained	8,000 college teachers and managers are trained.	Semi-annual	Progress Report	NU/ PMU
PDO Indicator 4: Teaching and learning environment at Honours and Masters colleges upgraded (% of IDP activity milestones achieved)	<input type="checkbox"/>	<input type="checkbox"/>	%	0	0	Round 1: 10 Round 2: 0	R1: 30 R2: 10	R1: 70 R2: 30	R1: 70 R2: 70	Semi-annual	Progress Report	PMU

	Core	DLI	Unit of Measure	Baseline (2016)	Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection
					Year 1 Effective ness–Dec 2017	Year 2 Jan–Dec 2018	Year 3 Jan–Dec 2019	Year 4 Jan–Dec 2020	Year 5 Jan–Dec 2021			
Intermediate Results Indicators												
Intermediate Indicator 1: Number of beneficiaries (% of female beneficiaries) (includes all NU affiliated tertiary college students)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Number (% of female)	0 (-)	0.8 million (46)	0.9 million (47)	1.8 million (48)	1.9 million (49)	2.0 million (50)	Annual	NU statistics	NU/ PMU
Intermediate Indicator 2: Management in the participating colleges strengthened (% of grant supported colleges publish timely annual reports)	<input type="checkbox"/>	<input type="checkbox"/>	%	0	0	R1: 30 R2: 0	R1: 50 R2: 30	R1: 80 R2: 50	R1: 80 R2: 80	Semi-annual	Progress Report	PMU
Intermediate Indicator 3: Number of colleges which completed self-assessment for quality assurance	<input type="checkbox"/>	<input type="checkbox"/>	Number	0	0	0	10	20	30	Semi-annual	Progress Report	PMU

	Core	DLI	Unit of Measure	Baseline (2016)	Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection
					Year 1 Effective ness–Dec 2017	Year 2 Jan–Dec 2018	Year 3 Jan–Dec 2019	Year 4 Jan–Dec 2020	Year 5 Jan–Dec 2021			
Intermediate Indicator 4: Increased satisfaction levels of students and teachers of grant supported colleges about teaching and learning environment (targets set by % increase)	<input type="checkbox"/>	<input type="checkbox"/>	Likert scale 5 degree points	–	Student: Teacher: (baseline)	–	Student: Teacher: (15% increase from the baseline)	–	Student: Teacher: (30% increase from the baseline)	Three times during the Project (baseline, midterm, final)	Beneficiary feedback survey	PMU/ consultants
Intermediate Indicator 5: PMU is fully operational	<input type="checkbox"/>	<input type="checkbox"/>	Yes/No	–	Yes	Yes	Yes	Yes	Yes	Semi-annual	Progress Report	PMU
Intermediate Indicator 6: Midterm and follow-up tracer study conducted	<input type="checkbox"/>	<input type="checkbox"/>	–	–	–	Tracer study conducted	–	Follow-up Tracer study conducted	–	Semi-annual	Progress Report	PMU
Intermediate Indicator 7: Web-based PMIS is established and regularly updated.	<input type="checkbox"/>	<input type="checkbox"/>	–	–	Development of the web-based PMIS initiated	PMIS fully functional and regularly updated	PMIS fully functional and regularly updated	PMIS fully functional and regularly updated	PMIS fully functional and regularly updated	Semi-annual	Progress Report	PMU

	Core	DLI	Unit of Measure	Baseline (2016)	Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection
					Year 1 Effective ness–Dec 2017	Year 2 Jan–Dec 2018	Year 3 Jan–Dec 2019	Year 4 Jan–Dec 2020	Year 5 Jan–Dec 2021			
Intermediate Indicator 8: Awareness raising activities are regularly conducted.	<input type="checkbox"/>	<input type="checkbox"/>	Cumulative Number	–	2	4	6	8	10	Semi-annual	Progress Report	PMU

Definitions and Description of Monitoring Indicators

PDO Level Results Indicators	Description
1. Sector strategy and action plan developed, adopted, and the initial implementation started	Actions to be taken each year toward the development and approval of the Strategic Plan for the College Subsector and implementation of initial activities.
2. Government college teacher vacancies reduced	The number of vacant teacher posts filled in all the government colleges (including Degree (pass), Honours, and Masters colleges). The number of vacant posts at the entry level as of 2016 is 2,700. The vacancies will be considered as filled when MoE have completed recruitment of teachers and appointed teachers to government colleges. The DSHE will conduct a needs assessment of teacher posts to assess the gaps and additional requirement of teacher posts in colleges.
3. Number of teachers and managers in Honours and Masters colleges trained in subject and pedagogical training under the Project	The number of teachers and managers in Honours and Masters colleges (both government and nongovernment colleges) who are trained in subject, pedagogical, and managerial trainings under the Project. Trainees are considered as trained when s/he completes a PG Certificate or Diploma course under the Training Consortium.
4. Teaching and learning environment at Honours and Masters colleges upgraded (% of IDP activity milestones achieved)	Each IDP will set several activity milestones. The grant supported colleges will report the activity progress by indicating the achievement of the milestones and will show the ratio of milestones achieved (for example, if there are five milestones, completing two milestones will be 40percent achievement). The average milestone achievement ratio of the grant supported colleges will be calculated based on the self-reported semiannual reports and confirmed by the verification. The figure will be calculated separately for rounds 1 and 2.
Intermediate Results Indicators	Description (indicator definition and so on)
1. Number of beneficiaries (of which % of female beneficiaries) (includes all NU affiliated tertiary level college students)	The number of students enrolled/registered and teachers in each year in all government and nongovernment NU affiliated colleges in the tertiary level courses, including Degree (pass), Honours, and Masters courses, excluding HSC students.

2. Management in the participating colleges strengthened (% of grant supported colleges publish timely annual reports)	Grant supported colleges will be required to prepare and submit annual reports to the PMU within a certain period stipulated in the OM to show information about the institution as well as the progress of institutional development activities. This indicator captures the ratio of IDG supported colleges which submit and publish annual reports within the stipulated time for the respective year. Late submissions will not be counted. Publication can be made by means of posting on the college website or any other means that are publicly accessible. The indicators will be calculated separately for rounds 1 and 2.
3. Number of colleges which completed self-assessment for quality assurance	The cumulative number of government and nongovernment colleges which completed at least one self-assessment in accordance with the self-assessment guideline prepared by the Project
4. Increased satisfaction levels of students and teachers of grant supported colleges about teaching and learning environment (targets set by % increase)	The increase in the average level of satisfaction about teaching and learning environment among students and teachers as measured in the form of Likert scale of 1 to 5, with 5 being fully satisfied. The data will be obtained through three rounds of satisfaction surveys in years 1, 3, and 5. Teachers will be asked about their satisfaction over the teaching environment.
5. PMU is fully operational	The indicator will measure whether or not the PMU is fully operational. Being fully operational is defined as having met three of the following four conditions: (a) Staffing (70 percent of PMU staff are in place); (b) Procurement (at least 70 percent of the procurement was completed as intended in the Procurement Plan); (c) M&E (at least 70 percent of the intended reports published and activities completed); and (d) FM (the previous IUFR is completed in time).
6. Midterm and follow-up tracer study conducted	Implementation and completion of each of the two rounds of the tracer study
7. Web-based PMIS is established and regularly updated	Development and regular updating of the PMIS. Being fully functional and regularly updated is defined as having met the following conditions: (a) the system is online and accessible; (b) the database is updated by more than 70 percent of the grant supported colleges; and (c) the latest news of the Project are posted regularly.
8. Awareness raising activities are regularly conducted	The cumulative number of awareness raising campaigns conducted centrally by the PMU and the implementing agencies. Awareness raising campaign includes print and electronic media, workshops and seminars, and so on.

Table 1.1. Disbursement Linked Indicators (DLI) and Disbursement Linked Results (DLR)

Area/ Subproject	DLIs	Baseline (2016)	DLR for Year 1 (Effectiveness–Dec 2017)	DLR for Year 2 (Jan–Dec 2018)	DLR for Year 3 (Jan–Dec 2019)	DLR for Year 4 (Jan–Dec 2020)	DLR for Year 5 (Jan–Dec 2021)
Component 1	DLI 1: Development of College Subsector Strategic Plan	No strategic plan is available for the tertiary college subsector.	(a) MOE has established a national strategic planning committee and six expert groups under the terms of reference acceptable to the Association; and (b) the six expert groups have drafted background studies.	MOE has finalized a draft college sub- sector strategic plan, disclosed on the MoE website for public comments, and carried out consultation workshops.	MOE has: (a) approved the college sub-sector strategic plan; and (b) drafted at least one Development Project Proposal (DPP) in line with the approved college sub-sector strategic plan	ECNEC has approved MOE’s DPP	MOE has implemented the first year activities of the DPP
DLR value	US\$18 million	–	(a) US\$2 million; (b) US\$2 million	US\$4 million	(a) US\$2 million; (b) US\$2 million	US\$4 million	US\$2 million
	DLI 2: The number of government college teacher vacancies filled	Vacancies 2,700	(a) MoE has submitted requisition of at least 2,700 government college teacher positions to the Public Service Commission; and (b) MOE has filled 900 government college teacher vacancies	MOE has filled cumulatively 1500 government college teacher vacancies	MOE has filled cumuratively 2700 government college teacher vacancies.	MOE has completed a needs assessment for new teacher posts	–
DLR value	US\$18 million	–	(a) US\$4 million (b) US\$4 million	US\$4 million	US\$4 million: <i>Scalability—</i> US\$2 million for 600 teachers appointed; thereafter, US\$2 million for a set of 600 teachers appointed, up to a maximum of US\$4 million	US\$2 million	–

Area/ Subproject	DLIs	Baseline (2016)	DLR for Year 1 (Effectiveness–Dec 2017)	DLR for Year 2 (Jan–Dec 2018)	DLR for Year 3 (Jan–Dec 2019)	DLR for Year 4 (Jan–Dec 2020)	DLR for Year 5 (Jan–Dec 2021)
	DLI 3: Improvement of teacher management system for nongovernment colleges	–	(a) The government has issued a gazette to amend rules of Non-Government Teachers Registration and Certification Authority (NTRCA); and (b) The government has initiated drafting of NTSC Act	The Cabinet of Ministers has approved NTSC Act	The government has established the Non- Government Teacher Selection Commission	–	–
DLR value	US\$12 million	–	(a) US\$4 million (b) US\$2 million	US\$3 million	US\$3 million	–	–
Component 2	DLI 4: Improved teaching and learning environment in selected government and non- government colleges	No competitive funding to colleges in Bangladesh	(a) MOE has issued an operation manual for the colleges’ competitive funding program; (b) MOE has signed Performance contracts with the selected colleges for round 1 competitive funding in accordance with the operation manual	(a) On average 20% of the allocated budget of the round 1 competitive funding is utilized in accordance with the operation manual, and (b) MOE has signed performance contracts with the selected colleges for round 2 competitive funding in accordance with the operation manual	On average 40% of the total allocated budget of the round 1 & round 2 competitive funding is utilized in accordance with the operation manual	On average 75% of the total allocated budget of the round 1 & round 2 competitive funding is utilized in accordance with the operation manual	On average 90% of the total allocated budget of the round 1 & round 2 competitive funding is utilized in accordance with the operation manual
DLR value	US\$22 million	–	(a) US\$2 million; (b) US\$4 million	(a) US\$2 million; (b) US\$2 million	US\$4 million: <i>Scalability—</i> US\$2 million against achievement of 30% utilization; thereafter, US\$2 million for	US\$4 million: <i>Scalability—</i> US\$2 million against achievement of 55% utilization; thereafter, US\$2 million for	US\$4 million: <i>Scalability—</i> US\$2 million against achievement of 82% utilization; thereafter, US\$2 million for additional 8%

Area/ Subproject	DLIs	Baseline (2016)	DLR for Year 1 (Effectiveness–Dec 2017)	DLR for Year 2 (Jan–Dec 2018)	DLR for Year 3 (Jan–Dec 2019)	DLR for Year 4 (Jan–Dec 2020)	DLR for Year 5 (Jan–Dec 2021)
					additional 10% utilization up to a maximum of US\$4 million	additional 20% utilization up to a maximum of US\$4 million	utilization up to a maximum of US\$4 million
	DLI 5: Number of teachers and managers in Honours and Masters colleges trained in subject, pedagogical, and managerial trainings	0	(a) MOE has signed international partnership agreement with partners for the provision of teacher and manager training; and (b) MOE has completed a need assessment for teachers and managers training	Cumulatively 800 teachers and managers are trained under the partnership	Cumulatively 2,000 teachers and managers are trained under the partnership	Cumulatively 5,000 teachers and managers are trained under the partnership	Cumulatively 8,000 college teachers and managers are trained under the partnership
DLR value	US\$20 million		(a) US\$2 million; (b) US\$2 million	US\$4 million: <i>Scalability</i> —US\$2 million for 400 teachers and managers trained; thereafter, US\$2 million for additional 400 teachers and managers trained, up to a maximum of US\$4 million	US\$4 million: <i>Scalability</i> —US\$2 million for 1,400 teachers and managers cumulatively trained; thereafter, US\$2 million for additional 600 teachers and managers trained, up to a maximum of US\$4 million	US\$4 million: <i>Scalability</i> —US\$2 million for 3,500 teachers and managers cumulatively trained; thereafter, US\$2 million for additional 1,500 teachers trained, up to a maximum of US\$4 million	US\$4 million: <i>Scalability</i> —US\$2 million for 6,500 teachers and managers cumulatively trained; thereafter, US\$2 million for additional 1,500 teachers and managers trained, up to a maximum of US\$4 million

Note: *The above DLIs can be achieved earlier than the indicated years and can be carried forward up to the final year of the Project, unless otherwise specified.

Table 1.2. Disbursement Verification Protocols

DLI		Protocol to Verify Achievement of DLIs		
		Definitions	Verification Procedure and Sources	Responsible Entity
Component 1				
DLI 1: Development of College Subsector Strategy Plan	Year 1	A national SPC and six expert groups will be established with clear TOR agreed with the Bank and will convene meetings regularly according to the TOR and draft background studies.	The following documents will be submitted to the Bank team: (a) TOR of the national strategic planning committee and the expert groups cleared by the Bank (b) A letter from the MoE secretary confirming the establishment of the national SPC (c) A signed minutes of the first meeting of the national SPC (d) The first draft of six background studies	MoE, PMU
	Year 2	Draft strategic plan will be developed based on the agreed table of contents. The main areas to be covered in the draft strategic plan will include (a) enrollment projections of the college sector and prioritization of disciplines based on national development needs; (b) quality assurance mechanism and accreditation strategies; (c) strategies for access and equity; (d) policies for teacher deployment, professional development, and teaching quality improvement; (e) reform options for curriculum and assessment; (f) institutional autonomy and capacity development; (g) college sector financing strategy, and (h) future recommended action plans with rough cost estimates and possible sources of financing. Action plans will be in phases—immediate, short-term, midterm, long-term. Consultation workshops will be held in the seven divisions of the country.	The following documents will be submitted to the Bank team: (a) Completed six background studies (b) A draft strategic plan which includes phased action plan (c) A report on the seven consultation workshops	MoE, PMU
	Year 3	The strategic plan will be finalized and will be approved by the MoE before submission to the Bank. At least one DPP will be drafted incorporating the recommended immediate activities of the strategic plan.	The following documents will be submitted to the Bank team: (a) The approved strategic plan including action plans (b) The first draft of the DPP	MoE, PMU

DLI		Protocol to Verify Achievement of DLIs		
		Definitions	Verification Procedure and Sources	Responsible Entity
	Year 4	The DPP will be approved by the ECNEC.	The following document/s will be submitted to the Bank team: the approved DPP.	MoE, PMU
	Year 5	The first year activities will be implemented.	The following document/s will be submitted to the Bank team: a progress report on the first year activities.	MoE, PMU
DLI 2: The number of government college teacher vacancies filled	Year 1	Teachers in government colleges; Requisition letter will request teacher deployment against the identified vacancies; Vacancies will be filled when the newly recruited teachers are appointed by MoE to government colleges.	The following documents will be submitted to the Bank team: (a) MoPA requisition letter submitted to Public Service Commission for filling up the identified vacancies in the government colleges (b) A letter from the MoE confirming the newly recruited teachers are appointed	MoE, PMU
	Year 2	Vacancies will be filled when the newly recruited teachers are appointed by MoE to the government colleges	The following document/s will be submitted to the Bank team: a letter from the MoE confirming that the newly recruited teachers are appointed.	MoE, PMU
	Year 3	Vacancies will be filled when the newly recruited teachers are appointed by MoE to the government colleges	The following document/s will be submitted to the Bank team: a letter from the MoE confirming the newly recruited teachers are appointed.	MoE, PMU
	Year 4	The needs assessment for new teacher posts will review the current situation of teacher deployment in government colleges and assess the gaps in teacher deployment against the needs of colleges and recommends on new teacher posts in government colleges. The MoE conducted the first needs assessment for college teachers in 2015. This assessment is a second round of such assessment.	The following document/s will be submitted to the Bank team: a completed needs assessment for new teacher posts.	MoE, PMU
DLI 3: Improvement of teacher management system for nongovernment colleges	Year 1	The Government Gazette will be issued to amend the rules of nongovernment teacher registration under the NTRCA. The government will start drafting an act for NTSC.	The following documents will be submitted to the Bank team: (a) A copy of the gazette issued by the government (b) The first draft NTSC Act	MoE, PMU
	Year 2	The draft NTSC Act will be approved by the cabinet of ministers.	The following document/s will be submitted to the Bank team: the cabinet approved draft NTSC Act.	MoE, PMU
	Year 3	Nongovernment Teacher Selection Commission will be established.	The following document/s will be submitted to the Bank team: the Government Gazette on the NTSC Act.	MoE, PMU

DLI		Protocol to Verify Achievement of DLIs		
		Definitions	Verification Procedure and Sources	Responsible Entity
Component 2				
DLI 4: Improved teaching and learning environment in selected government and nongovernment colleges	Year 1	<p>The OM will be developed to describe the procedures for selection and implementation of the IDG program.</p> <p>The OM will be developed based on the agreed table of contents. The main areas to be covered in the OM will include objectives; planning and budgeting procedures; selection procedures and criteria; procurement, financial and subproject management procedures; reporting and monitoring procedures; and all the necessary templates.</p> <p>Performance Contracts will be signed with the competitive grants round 1 government and nongovernment colleges.</p>	<p>The following documents will be submitted to the Bank team:</p> <p>(a) The completed operations manual (b) The signed Performance Contracts for all the selected colleges in round 1</p>	MoE, PMU
	Year 2	<p>Performance Contracts will be signed with the competitive funding round 2 government and nongovernment colleges.</p>	<p>The following documents will be submitted to the Bank team: the signed Performance Contracts for all the selected colleges in round 2.</p>	MoE, PMU
	Year 2, Year 3, Year 4	<p>Grant supported colleges will submit utilization reports to the PMU.</p> <p>The average utilization rate will be calculated as the total amount of utilized fund divided by the total amount of grants awarded to colleges.</p> <p>Suspended grants divided by cancelled grants will be excluded from the calculation.</p> <p>Round 2 grants will be included in the calculation of utilization rates from year 3 onward.</p> <p>A survey based on the agreed TOR will verify at least 50% of the grant supported subprojects.</p>	<p>The following documents will be submitted to the Bank team:</p> <p>(a) Fund utilization report (b) Verification report indicating compliance with the OM</p>	MoE, PMU
	Year 5	<p>Grant supported colleges will submit utilization reports to the PMU.</p> <p>The average utilization rate will be calculated as the total amount of utilized fund divided by the total amount of grants awarded to colleges.</p>	<p>The following document/s will be submitted to the Bank team: fund utilization report.</p>	MoE, PMU

DLI		Protocol to Verify Achievement of DLIs		
		Definitions	Verification Procedure and Sources	Responsible Entity
		Suspended grants divided by cancelled grants will be excluded from the calculation.		
DLI 5: Number of teachers and managers in Honours and Masters colleges trained under the Project	Year 1	Partnership agreement signed with an agreed TOR.	The following document/s will be submitted to the Bank team: the signed partnership agreement.	MoE, PMU
	Year 2, Year 3, Year 4, Year 5	<p>Teachers to be trained are teachers in the priority subjects at government and nongovernment Honours and Masters colleges</p> <p>Teachers include master trainers who will be trained as trainers for teachers</p> <p>Managerial trainings are for policymakers, administrative staff, future leaders of institutions, and managers of institutions.</p> <p>Teachers and managers are considered as trained when s/he has completed a Post-Graduate Certificate or Diploma course under the Training Consortium.</p> <p>Trained teachers and managers need to submit training completion reports.</p>	The following document/s will be submitted to the Bank team: consolidated training completion reports.	MoE, PMU
	Year 4	A survey deployed by the PMU based on the agreed TOR will verify at least 20% of the trained teachers and managers.	The following documents will be submitted to the Bank team: a verification report.	MoE, PMU

Annex 2: Detailed Project Description

PEOPLE'S REPUBLIC OF BANGLADESH: College Education Development Project

1. The CEDP will support the GoB's college subsector as articulated in the NEP 2010, the 7th Five Year Plan (2016–2020) and the Strategic Plan for Higher Education (2006–2026).¹⁴ The Project is in alignment with the government's vision for the subsector and focuses on the following thematic areas in higher education: (a) enhancing the quality of education services offered through improved teaching-learning facilities and professional development of teachers in the colleges; (b) strengthening subsector planning and management through development of strategic plan for colleges and improvements in teachers' recruitment process; and (c) encouraging institutional capacity building through provisions for strengthening, planning, and FM in the colleges.
2. The CEDP is designed to support the GoB in implementing the initial phase of its long-term development activities in the college subsector. The Project encompasses complementary and mutually supporting activities at sector and institutional levels that have been identified by the GoB as critical in building momentum to achieve the midterm to long-term development objectives in the subsector. These activities work to build the college system's capacity to plan, manage, implement, and monitor their institutional programs and to strengthen the foundation for the next phase of development activities.
3. **Project development objectives:** The PDOs are to strengthen the strategic planning and management capacity of the college education subsector and to improve the teaching and learning environment of participating colleges.
4. The Project comprises the following three components:
 - Component 1: Strengthening Strategic Planning and Management Capacity
 - Component 2: Improving Teaching and Learning Environment in Participating Colleges
 - Component 3: Project Management, Communication, and Monitoring and Evaluation
5. Components 1 and 2 correspond to the two key objectives on which the Project is built. Component 1 will work to address the planning, governance, and management challenges in the subsector, incorporating activities that will have significant impact on strengthening the planning and management capacity. Component 2 will work to address the quality and relevance challenge of college education, incorporating activities that will improve the teaching-learning environment in the colleges as well as strengthen the management and fiduciary capacity at the institutional level.
6. The first and second components will use an RBF approach to support implementation of the GoB's tertiary education development plan. The main rationale for using an RBF approach is

¹⁴ The forthcoming 7th Five Year Plan (2016–2020) also aligns plans and activities under the Strategic Plan for Higher Education and NEP 2010. It proposes an improved teaching-learning environment and increased access to HEIs by disadvantaged groups.

to focus more on the achievement of results and to provide incentives to the government in implementing a set of key sectorwide reforms to strengthen the planning and management of the college subsector as well as to improve the teaching and learning environment. For each subcomponent, a DLI has been identified with time-bound targets. Targets have been selected as key links in a results chain that incrementally contribute to the achievement of the PDOs. Funds will be disbursed upon the achievement of results and incurrence of expenditures. The third component will provide technical assistance and capacity building for the smooth implementation of activities under the first two components.

7. Disbursements under Components 1 and 2 will be made against a set of EEPs selected from the GoB's key budget line items and will be linked to the achievement of a set of five DLIs. Each DLI will have its own value. Component 3 will use a traditional investment project approach with input-based disbursements.

Component 1: Strengthening Strategic Planning and Management Capacity (Total US\$48.2 million, IDA - US\$48.0 million)

8. The objective of this component is to address planning, governance, and management challenges at the subsector level. The component will support the implementation of the following interventions: (a) development of a Strategic Plan for the college subsector to improve subsector planning and management; and (b) improvement of government and nongovernment teacher recruitment and management process for system-level governance and quality improvements. Implementation of these activities will be supported through the financing of EEPs.

Subcomponent 1.1: Development of a Strategic Plan for the College Subsector

9. The college subsector suffers from weak planning, governance, and management arising from (a) the vertical divide of the subsector with regard to regulating authority for the government and nongovernment colleges; (b) the involvement of several institutions in college education delivery and training of teachers with weak coordination and inadequate consensus-building among them on subsector development and planning; (c) lack of accountability; and (d) insufficient capacity at the system and institutional level.

10. The objective of this subcomponent is to (a) produce a consensus-based Plan of Action providing directions and goals for development of the college subsector and (b) initiate reform in the college subsector in areas of governance, management, and quality among other areas identified by the plan. The strategic plan would initiate systemwide policies for instituting reforms in phases to be translated into Projects that would facilitate changes in the subsector. A recent study¹⁵ highlighted a number of sectoral policies and implementation issues, which need attention if college graduates are to (a) improve their employability and (b) contribute to the economic and social development of Bangladesh.

11. The strategic plan will be based on analytical background documents on significant sectoral issues to be prepared by experts from Bangladesh's government and nongovernment higher

¹⁵ Nagashima, Yoko; Rahman, Mokhlesur; Rashed, Syed; Josh, Al-Zayed; S. Dhar, Subrata; Nomura, Shinsaku; Rahman, Muhammad Asahabur; Mukherjee, Hena. 2014. *A Study on National University and Affiliated Colleges in Bangladesh*, January 2014, South Asia Human Development, Research Paper No 65.

education institutions and industry with support from international experts on a needs-based approach. The MoE will establish a National SPC to expedite the process. Six expert groups will be constituted by the MoE, with each group focusing on one cluster of issues as follows: (a) vision, size, and scope; (b) access and equity; (c) quality and relevance; (d) management of the college system; (e) science, technology, and ICT; and (f) financing of College Education. Information from background documents prepared by the expert groups will feed into the Strategic Plan for Colleges (see Appendix 1: Briefing Note on a Strategic Plan for Tertiary College Education in Bangladesh).

12. A draft plan will be produced for countrywide stakeholder consultation, followed by a final plan. The final plan will have a 15-year Plan of Action set out in phases: (a) immediate, which is the last 2 years of the Project period; (b) short term, which refers to the first 3 years after the Project period; (c) medium term of 5 years; and (d) long term, signifying the last 5 years of the 15-year time horizon.

13. Each phase will include a review process, which will consider contextual changes such as country economic policies, sectoral development goals for higher education, and changing demographic patterns, which would point to updates the initial strategic plan may require. The strategic plan and its periodic updates will be disclosed on the MoE website. Following its approval of the strategic plan, the MoE will draft and approve the DPP based on the strategic plan's recommended actions for the first phase of two years and begin implementation before the closing of the Project. Reforms to be implemented by the MoE will be linked to some of the strategic plan's focal areas, that is, structure of the system, access and equity, quality, management, science, technology and ICT, and financing of higher education.

14. For this subcomponent, release of IDA funds will be linked to achievement of DLI 1: Development of College Subsector Strategy Plan.

Subcomponent 1.2: Improvement of the Teacher Management System

15. This subcomponent will support the MoE's efforts to (a) fill teacher vacancies in government colleges and (b) reform the teacher recruitment procedures for nongovernment colleges.

16. The outcome of inadequate management in the college subsector is seen in the current teacher recruitment, staffing policy, and deployment practices, which operate under two different systems for government and nongovernment colleges. While the teachers of government colleges are administered by the DSHE, the nongovernment colleges enjoy full autonomy and are subject to the governance of the locally constituted governing board (GB). The two systems create differing quality in teachers recruited across the government and nongovernment colleges and imbalanced staffing (overstaffing in some colleges and understaffing in other colleges).

17. Government college teachers are deployed by the MoE, with several other institutions involved in the recruitment process (DSHE, Ministry of Public Administration, and Public Service Commission) and final approval given by the honourable prime minister for the appointment of the recommended teachers. The entire recruitment process from drafting of requisition to placement of teachers in vacant posts takes nearly two years, resulting in considerable appointment

delays. Vacant posts in the government colleges have taken a toll on the quality of education. There are around 2,700 vacancies in lecturer posts (of a total number of 8,000 sanctioned posts) in the government colleges. This large number was the result of backlog caused by the Public Service Commission not holding competitive examinations the previous three years because of political unrest.

18. The Project will support the GoB to overcome the recruitment backlogs and to expedite the deployment of teachers to ensure that government colleges are adequately staffed with the required teaching expertise. The Project will support the government's effort to recruit 2,700 teachers. Vacancies at entry posts will be a recurring phenomenon due to attrition, creation of new courses, and establishment of new government colleges. To ensure adequate deployment of government teachers, the Project will support the DSHE to conduct a Teacher Needs Assessment in 2020.

19. Nongovernment college teachers who receive government salary subvention (MPO) are currently recruited by the GBs from among the successful candidates of a nationwide competitive examination conducted by the NTRCA. The recruitment of qualified teachers remains a concern in the nongovernment colleges because of undue local political pressure, often resulting in failure to recruit top scoring teachers, especially to the small rural nongovernment colleges.

20. To improve the transparency and accountability of the recruitment of teachers in the nongovernment colleges, the Project will support the MoE's initiatives in amending the NTRCA Rules and subsequently establishing the NTSC. The NTSC will be established by an act of parliament and will introduce a competitive and merit-based selection process for nongovernment college teachers, similar to the system for the recruitment of government college teachers by the Public Service Commission. Under the new regulation, nongovernment college teachers will be selected from the merit list prepared by the NTSC.

21. Key outcomes from improvements of the teacher management system are (a) increased teaching strength at institutional and subsector levels; (b) improved governance and accountability as well as better outcome of nongovernment teacher recruitment system; and (c) improved education delivery and student learning outcome in the college sector.

22. For this subcomponent, release of IDA funds will be linked to achievement of DLI 2: The number of government college teacher vacancies filled; and DLI 3: Improvement of teacher management system for non-government colleges.

Component 2: Improving Teaching and Learning Environment in Participating Colleges (Total US\$70.4 million, IDA - US\$42.0 million)

23. The objective of this component is to address the challenge of providing quality and relevant college education at the institutional level. This component will implement the following activities: (a) providing competitive grants to participating colleges to improve the teaching and learning environment and (b) supporting training for college teachers and management for their capacity enhancement. Implementation of these activities will be supported through the financing of EEPs.

Subcomponent 2.1: Improving the Teaching-Learning Environment in Participating Colleges

24. This subcomponent will address the following challenges faced at the individual institution in raising the quality and relevance of college education: (a) inadequate teaching-learning facilities, specifically for the science and technology programs; (b) lack of linkage with the industry; (c) absence of quality assurance at the institutional and subsector levels; and (d) inadequate planning and management capacity for institutional development. The Project will support the development of IDP and implementation of the IDG in participating eligible government and nongovernment colleges. The IDP, with a three-year horizon, will set out institutional goals, actions necessary to achieve the goals, and milestones to measure the achievements while the IDG will support the implementation of the IDP at the institution.

25. The primary objective of the activities under this subcomponent is to improve the teaching-learning environment in the colleges through supporting the following quality and management enhancing activities: (a) upgrading basic teaching-learning facilities and Internet connectivity; (b) improving market relevance of college education through development of soft skills of students and linkages with industry; (c) introducing quality assurance; and (d) strengthening management capacity and upgrade of the fiduciary system in colleges. The IDG will provide government and education practitioners insight on the planning, management, and implementation capacity of participating colleges, informing the strategic plan, policy, and operations of the subsector. International partnerships would be explored to support the colleges in the designing and implementing their IDGs. Moreover, the IDG will have a demonstration effect on the rest of the system.

26. Activities to be supported by the IDG are the following:

- (a) **Upgrading and modernizing basic teaching-learning facilities/academic infrastructure of colleges.** Activities will include adopting project-based and hands-on learning using advanced technologies; renovation/refurbishment of class/lecture rooms/auditorium and laboratory; procurement of curriculum-related scientific instruments/equipment/multimedia devices and white boards; text and reference books for library; setting up of computer lab/room for students; arrangements for recreational indoor games for students; improving toilet/washroom facilities for female students; improving security facilities and power supply; and so on.
- (b) **Improving the connectivity through existing Bangladesh Research and Education Network (BdREN) or other means.** Activities will include establishing a campus network/intranet; last mile connectivity; and setting up of a router and switch room inside the college premises; and so on.
- (c) **Development of soft skills s and industry linkages.** Activities will include establishment of internship programs and job placement cell in colleges; improvement in the relevance of college education through partnerships with industry; tracer study; formulation of training courses and contents on improving analytical, cognitive capacity, and presentation skills; English and Bangla language proficiency (writing and speaking); learning of a third language for improving job prospects abroad; hiring of trainers; procurement of e-contents; and so on.

- (d) **Institutional self-assessments (SA) for quality assurance.** Activities will include formation of an SA committee at the college, arrangements for training of faculty on SA, conducting of surveys, hiring of experts for review of SA report, and publication of SA report, and so on.
- (e) **Strengthening the management capacity of college and upgrading fiduciary system.** Activities will include setting up a computerized office management system, improvement of an audit mechanism so that institutions will address outstanding audit observations within a year, improvement or establishment of a computerized accounting system so that institutions are able to submit audited financial statements following the guidelines, recruit accountants and finance officials with professional degrees on full-time basis, arrange training of fiduciary and office management officials in computer applications, and adoption of e-GP for procurement of goods, works, and services and so on.

27. **Participation of Non-Government Colleges in the IDG program.** The nongovernment colleges are nearly three times higher in number than government colleges, with student enrollment almost at par across both types of colleges. More than half of all nongovernment colleges are located in small district towns and rural areas, with relatively high female enrollments. Barring a few large nongovernment metropolitan colleges, the majority have poor learning facilities and dilapidated infrastructure, which diminish the scope of improving the quality of teaching and learning. The provision of IDG to nongovernment colleges will extend the Project support to the students, especially for females, in the small district towns and rural areas.

28. Participation in the competitive IDG program will be voluntary. The colleges will be grouped according to student enrollment and will participate based on eligibility criteria.

29. **Eligibility criteria for receiving IDG.** To be an eligible recipient of the IDG, the colleges should fulfill the eligibility criteria:

- At least three batches of Honours courses graduated
- Annual intake capacity in Honours and Masters courses (greater than 120 for the girls' colleges; 500 for the co-ed nongovernment colleges; and 1,000 for the co-ed government colleges)
- Availability of audited financial statement not older than the previous two years

30. **Operations Manual.** An IDG Operations Manual (IDGOM) will assist colleges in preparing and implementing their IDP and IDG. The IDGOM will provide agreed formats for the IDP, annual report, IDG Proposal, and Performance Contract and spell out the IDG processing timetable; IDP implementation timetable, evaluation criteria; grant disbursement conditions; monitoring and reporting arrangements (including the implementation of the Environment and Social Management Framework); procurement arrangements; fund flow and FM arrangements; audit, and so on. The IDGOM will be developed and adopted by August 30, 2016.

31. **Evaluation criteria of IDG.** Detailed evaluation criteria for the IDG will be included in the IDGOM. A Grant Evaluation Panel comprising teachers will review the proposals and those obtaining at least 70 percent marks will be short-listed.

32. **Selection procedures.** The IDG Selection Board, including representatives from the MoE, NU, DSHE, and colleges, will be established and will review the evaluation of IDGs done by the Grant Evaluation Panel and award grants to colleges selected by the board.

33. **IDG amount and allocation.** Total amount for the IDG will be US\$64.2 million and will be allocated to two rounds of the IDG. There will be three groups of colleges:

- **Group A.** Government colleges with 5,000 and more Honours and Masters students and nongovernment colleges with 1,000 and more Honours and Masters students
- **Group B.** Government colleges with more than 1,000 and less than 5,000 Honours/Masters students and nongovernment colleges with more than 500 and less than 1,000 Honours and Masters students
- **Group C.** Girls Honours and Masters colleges with at least 120 students

34. The IDG awards will be distributed to 60 percent government and 40 percent nongovernment colleges in each group. The ceilings per institution for each group will be the following: Group A - US\$1 million; Group B - US\$500,000; and Group C - US\$300,000. It is expected that 50 percent of grants allocated to each group will be provided to the colleges located outside metropolitan areas. The indicative number of colleges to receive the IDG under each group are shown in table 2.1.

Table 2.1. Indicative IDG Allocation per Group

	Amount per grant (ceiling) (US\$)	Number of Colleges	Subtotal (US\$, millions)	TOTAL (US\$, millions)
Round 1		63	–	33.1
Group A	1 million	10	10	–
Group B	500,000	36	18	–
Group C	300,000	17	5.1	–
Round 2		59	–	31.1
Group A	1 million	10	10	–
Group B	500,000	32	16	–
Group C	300,000	17	5.1	–
TOTAL	(Round 1 and 2)	122	–	64.2

35. For this subcomponent, disbursement of IDA funds will be linked to achievement of the following targets under DLI 4: Improved teaching and learning environment in selected government and nongovernment colleges.

Subcomponent 2.2: Strengthening Teaching and Management Capacity in Colleges

36. The lack of qualified teaching staff and inadequate training provision for teacher professional development adversely affects the quality of college education. Most college teachers possess Masters level degrees with a small proportion possessing a doctoral level or MPhil degree, undermining their capacity to deliver relevant curriculum and conduct academic research. Poor teaching performance is aggravated by the lack of professional development opportunities for

teachers, arising from inadequate capacity in delivering training to a very large number of NU teachers distributed all over the country.

37. The objective of this subcomponent is to bring about qualitative improvements in college-level teaching/learning and management in the college subsector. This objective will be achieved through support for (a) the training of trainers; (b) teacher training; (c) capacity building of college management staff; and (d) leaders, managers, and policymakers for subsector development. Potential support for postgraduate degrees for teachers may be considered. The Project will also support the development of training contents and materials. Distance learning through online platforms, with international and national training providers, will be blended with face-to-face teaching to reach the large number of beneficiaries.

38. **Teacher professional development and training:** Professional development of teachers is a lifelong activity and commitment. Under this subcomponent, the Project plans to establish a model of continuous teacher performance improvement in the selected priority subject areas, which is sustainable, scalable, and allows for sharing of best practices across colleges. Foundation training for college teachers after their initial appointment is organized by the NAEM, which runs a 24-week program for the Bangladesh Civil Service (General Education) cadre officers. During their entire career, government and nongovernment college teachers get subject training (refresher) for four weeks, organized by the NU. In one batch, a maximum of 45 teachers can undertake this refresher training. Under this arrangement, the NU can train about 1,200 teachers annually. Given that there are more than 60,000 teachers in the system, alternative arrangements are urgently needed. The DSHE runs a 5-day course ‘Professional Development in ICT Training Program’ for lecturers and assistant professors.

39. **Selection of colleges and trainees :** Most teachers have a minimum qualification of a Master’s degree while a small proportion have doctoral degrees. Teachers from colleges, which conduct Honours and Masters programs, will be selected according to the priority subject areas. As of 2016, there are 685 colleges, which conduct both Honours and Masters programs, of which 195 are government colleges and 490 nongovernment.¹⁶ Existing facilities available at the BOU media and e-learning center at Gazipur campus and its 12 regional centers (RCs) outside Dhaka, the NAEM, and the NU and its colleges are being explored as possible locations for teachers to participate in online and face-to-face training sessions.

40. **Training Consortium:** Training and capacity-building activities will be planned and carried out by a ‘Training Consortium’ comprising personnel from national agencies, including the MoE, NU, BOU, DSHE, NAEM, and an international academic partner and others may be co-opted time to time as required. To provide the international best practice elements in the design and implementation of the training program, a partnership arrangement is envisaged between the Training Consortium and the international academic partner, the latter being a globally-ranked university capable of delivering high-quality and cost-effective training. Three globally-ranked universities in the region were identified – the Nanyang Technological University, the National University of Singapore and the UNMC - and their suitability assessed according to project requirements. These included the need for sufficient human resources and training capacity to deal with various levels of trainees from diverse backgrounds, ability and qualifications as well as a

¹⁶ Information provided by the NU during the Appraisal mission.

range of disciplines; a proven track record in course and materials development and assessment, utilizing face-to-face and online teaching, given the large number of trainees spread throughout the country; familiarity with developing country teaching-learning characteristics; and geographical proximity in the interest of keeping travel costs down.

41. Considering its global reputation and responsiveness to the required criteria, the UNMC is expected to be the international academic partner as agreed with the key CEDP implementing agencies. Training will focus on priority subject areas, yet to be determined based on the results of a training needs analysis and information on market demand as reported in the Enterprise-based Skills Survey 2012.

42. The Training Consortium will include experts in the following areas: selected subjects, curriculum review, instructional design, distance education, assessment and examinations, teaching material development, and delivery of online courses and materials. Training will be carried out largely in Bangladesh, with small groups sent for overseas training as required. On completion of training, participants will receive certification jointly from the UNMC and the NU.

43. **Training portal.** The Training Consortium will develop an online portal for training, which will provide information on training; access to training materials and best practices; and a communication platform for the community of practice.

44. **Training coordinator.** A training coordinator will be assigned the responsibility of identifying subject-based trainers and college teachers in collaboration with the NU, DSHE, and UGC. S/he will develop a training calendar and the coordinator's team will be responsible for training announcements and the logistics related to training programs. The training coordinator will be located in the PMU.

45. **Training of trainers and teachers.** Training will be undertaken for the two groups. Around 300 trainers of college teachers and 7,000 college teachers will follow courses focusing on priority subject areas. Training will be undertaken at two levels. The first will be trainers of college teachers (master trainers). Courses for training of trainers may include the following areas, with course content organized to focus on priority subject areas: learning and teaching styles and strategies, teaching methodology, content updating, and technology-based instruction. The second is at the college teacher level for teachers who are currently teaching the selected priority subject areas, which will be determined based on the results of training needs analysis and the information on market demand as reported in the Enterprise-Based Skills Survey 2012.¹⁷

46. **Developing management capacity.** Management and leadership training are seen as central elements in the strategy to enhance the teaching and learning environment. Colleges have multiple stakeholders to satisfy; college management and leadership therefore need skill sets that include financial and human resource management. Courses will include functional aspects of management, including finance, human resource management, and stakeholder relationships; mentoring and coaching; and research skills to enable leaders to gather evidence in a systematic way to design and lead improvement initiatives. The Project will provide training to about 700

¹⁷Nomura, Shinsaku; Hong, Seo Yeon; Nordman, Christophe Jalil; Remi Sarr, Leopold; Vawda, Ayesha Y. *An Assessment of Skills in the Formal Sector Labor Market in Bangladesh: A Technical report on the Enterprise-Based Skills Survey 2012*. South Asia Human Development Sector Discussion Paper Series No. 64.

college principals; about 500 academic staff with leadership potential; and 75 leaders, managers, and policymakers.

47. **Community of practice.** College teachers who wish to develop a community of practice voluntarily in the priority subjects will be supported by the Project to encourage college teachers' professional development. Activities to be supported could be a combination of face-to-face gatherings in workshops or seminars as well as off-line interactions, focusing on issues related to classroom practice.

48. Key outcomes of this subcomponent will include (a) improvement in knowledge, skills, and methodologies related to teaching and learning in priority subject areas; (b) improvement in English language proficiency and the use of English for teaching purposes with similar improvement in Bangla; (c) improvement in the use of technologies in education; (d) development of sustainable communities of practice; (e) alignment of teaching-learning provisions across NU colleges to international standards of education; (f) and development of a pool of local trainers to support sustainability of the Teacher Professional Development and Training Program and to play active supervision and mentoring roles.

49. For this subcomponent, disbursement of IDA funds will be linked to achievement of DLI 5: Number of teachers in Honours and Masters Colleges trained in subject, pedagogical and managerial trainings.

Component 3: Project Management, Communication, and Monitoring and Evaluation (Total US\$11.4 million, IDA - US\$10.0 million)

50. The objectives of this component are to ensure sufficient system capacity for the implementation of policy interventions and effective Project management in achieving the PDO. These objectives would be met through two subcomponents: (a) Project Management and Communication and (b) Monitoring and Evaluation .

Subcomponent 3.1: Project Management and Communication

51. The objective of this subcomponent is to ensure sufficient capacity for implementation of Project interventions and dissemination of information. This subcomponent will support Project management, including establishment of a PMU, specific capacity building, and technical assistance necessary for Project implementation and communication and information dissemination.

52. The activities to be supported under this subcomponent will include the following:

- Background studies to assess a set of critical sector issues (for example, reviews of affiliation system, autonomy, and so on.) in the college sector, which could provide analytical input into the preparation of a College Subsector Strategic Plan
- Capacity building of colleges on the preparation of the IDP and implementation of the IDG
- Needs training analysis

- A study on market responsiveness of college subjects
- FM and procurement oversight

Subcomponent 3.2: Monitoring and Evaluation

53. The M&E team for the CEDP will conduct monitoring of the Project activities and evaluation of effectiveness of key interventions to ensure quality Project implementation and draw lessons learned. The M&E team will also be responsible for facilitating the process of verification of achievements of the DLI targets by ensuring the timely submission of the evidence and documentation agreed in the DLI verification protocol. The main methods of the M&E under the CEDP would include the following:

- (a) Conducting DLI verification
 - (i) Annual verification on the IDG
 - (ii) One verification on teacher training
- (b) Compilation of DLI achievement reports for each round of the DLI verification
- (c) Conducting of three beneficiary feedback surveys for both students and teachers
- (d) Conducting of two tracer studies
- (e) Conducting of effectiveness and situation assessment studies on key activities as the needs arise
- (f) Submission and publication of semiannual monitoring reports which review all the progress made in the Project
- (g) Establishment of a web-based PMIS
- (h) Conducting of field-level data collection and supervision visits

Surveys and Studies for M&E

54. **Beneficiary feedback survey:** The PMU will conduct three rounds of the beneficiary feedback survey (in years 1, 3, and 5) for college students and teachers based on the TOR agreed by the Bank to (a) measure the level of their satisfaction about the teaching and learning environment in colleges, including gender aspects and (b) receive feedbacks about the effectiveness and efficiency of the Project interventions, including the IDG and teacher training. The year 1 survey will serve as a baseline. The beneficiaries to be covered in the surveys will be students and teaching staff of the government and nongovernment Honours and Masters colleges. Each round of the beneficiary feedback survey will select about 10 percent of the government and nongovernment Honours and Masters colleges, including both grant-supported and non-grant-supported colleges.

55. **Tracer studies:** Two rounds of tracer studies on college graduates will be commissioned during the Project life cycle (provisionally in year 2 and year 4), based on TORs agreed by the Bank, for (a) gaining sectoral knowledge on the labor market outcomes of college graduates and labor market relevance of college education and (b) building the capacity of the college subsector to conduct regular tracer studies. The tracer studies will be looking into graduates' employment and economic status and employers' opinions about job readiness of college graduates and relevance of college education. Graduates to be traced will be randomly selected to obtain a representative sample of the graduates of the Honours and Masters colleges in Bangladesh. Gender aspects will also be included in the tracer studies.

56. **Effectiveness and situation assessment studies:** The PMU will conduct assessment studies on the Project activities and key themes as the need arises. Potential areas of the assessment studies include a follow-up survey on teacher training participants, female college student studies, and so on.

Data Collection and Reporting Mechanism of the M&E

57. **Semiannual monitoring report:** Throughout the Project life cycle, the PMU will compile, submit, and publish semiannual monitoring reports every six months, which will inform all the stakeholders about the progress of the Project and feed into the supervision missions. The semiannual monitoring reports will cover at least the following areas: (a) detailed progress of the Project implementation in each component; (b) detailed statistics on the results of Project activities; (c) utilization of grant and milestone achievement at each grant-supported college; (d) updated results indicators; and (e) information that showcases the achievements of the Project. The M&E team will establish data collection mechanisms to periodically gather the information on fund utilization and milestone achievement from the grant-supported colleges.

58. **PMIS:** In the first year of the Project implementation, the PMU will hire a firm to establish a web-based PMIS to ensure effective Project management, efficient data collection, and easy access to Project-related information by stakeholders and the public. The PMIS will at least have the following functions: (a) publicly accessible Project website with Project description, news, announcements, and information sections for all the Project activities; (b) profile, progress update, and financial reporting for the grant-supported subprojects; and (c) progress update and financial reporting for other Project activities as necessary. The PMIS will be managed by the M&E and communication team of the PMU to ensure timely updating of Project information.

Appendix 1: Briefing Note on a Strategic Plan for Tertiary College Education in Bangladesh (2019–2033)

Objective

1. To support the GoB/ MoE in developing a 15-year College Education Strategic Plan based on country priorities.

Background

2. The strategic plan will be based on background documents, which analyze significant issues such as student enrollment and teacher requirement projections, financing options for the subsector, affiliation and autonomy of colleges, process and procedures of teacher recruitment and promotion, effective deployment of trained teachers and their career progression, and the establishment of programs reflecting sectoral priorities. Expert groups will be established to work on the strategic plan and technical assistance in specialized areas will be made available to the team. A draft report will be produced for stakeholder consultation in all seven divisions, followed by a final strategic plan, which considers outcomes of stakeholder consultations.

3. The final strategic plan will have a 15-year horizon for action plans set out in phases: (a) immediate, which is the last 2 years of the Project period; (b) short term, which refers to the first 3 years after the Project period; (c) medium term of 5 years; and (d) long term, signifying the last 5 years of the 15-year time horizon. The Action Plans will suggest options for resolving policy concerns laid out in the strategic plan.

4. Each phase will include a review process, which will consider contextual changes such as country economic policies, sectoral development goals for the higher education and changing demographic patterns, which would point to updates that the initial strategic plan may require. The strategic plan and its periodic updates will be disclosed on the MoE website. Following its approval of the strategic plan, the MoE will draft and approve the DPP based on the strategic plan's recommended actions for the first phase of two years and begin implementation before the closing of the Project. Reforms to be implemented by the MoE will be linked to some of the strategic plan's focal areas, that is, structure of the system, access and equity, quality, management, science, technology and ICT, and financing of higher education.

5. An outline for the TOR and objective for the strategic planning exercise could be as follows: To advise the GoB on the strategic direction for tertiary college higher education in accordance with the NEP 2010, success in some Millennium Development Goals, Vision 2021, and other critical policies. The report will set out a rationale for support for increased participation in higher education and suggest some strategic goals. It will lay out proposals for the size and shape of the subsector consisting government and nongovernment colleges.

6. The strategic planning exercise will be undertaken with extensive consultation with all relevant stakeholders. The report will be submitted to the relevant authorities and provision should be made for a high-level Steering Committee to be established to assist the authority for reviewing the report.

Structure for the Planning Process

7. The following structure is proposed:

- An SPC of specific number of representatives of key stakeholders, who will be selected by the minister.
- Six expert groups of specialists on specific topics, providing reports and advice to the SPC. Group members will be endorsed by the SPC.
- A small unit located in the PMU but working fairly independently, which will support the committee and its experts. The head or lead person in the unit will have the responsibility of consolidating the information and options contributed by the expert groups.

8. The 15-year strategic plan for tertiary-level college education will be developed with the assistance of six expert groups who will focus on key areas related to the subsector. The groups will prepare background documents in their special areas of expertise, the findings of which will help shape the plan and the options it puts forward.

9. The following are the proposed six expert groups and the clusters of key strategic issues they will address as they prepare the strategic plan:

10. **Group A: Vision, Size, and Shape:** This group will discuss the role of tertiary college higher education, their growth scenarios for the next twenty years, and the respective roles in the growth of government and nongovernment colleges.

11. **Vision:** Topics for Group A discussion might include the following:

- A brief analytical summary of current and past policies on higher education; vision for the higher education sector as a whole, and the role of college-level higher education in that vision
- Where is college education currently relative to the goals and objectives of higher education as reflected in the NEP 2010?
- How would colleges contribute toward the development goals of the government to make Bangladesh a middle-income country by 2021 and a developed country by 2041?

12. **Size and shape of the subsector:** Basic to this section is an analysis of the demographics over the next two decades and how this will affect enrollment, considering the projected changes in age cohorts year on year and student and teacher projections for three scenarios of growth (low, medium, and high), understanding that teacher-student ratios need to settle at a reasonable and an affordable level. What changes do such scenarios envisage for the organization and structure of colleges?

13. **Group B: Access and Equity:** In Bangladesh, only 13 percent (GER) of the population in the age group 18 years and above has access to higher education, which is the lowest among countries in the region. In recent years, high pass rates in Secondary School Certificate (SSC) and HSC examinations have increased the volume of higher education seekers, and this trend will continue because of the increased population of the respective age group. Group B will look at the disparities, which exist between rural and urban communities, minority groups, and gender in relation to financial and academic activities in underserved and overserved areas (usually urban). One of the pressing issues is the distribution of college teachers, with many urban and metropolitan areas enjoying excess numbers of teachers ‘on attachment’, while rural colleges have vacancies which are not filled. The analysis will offer options for rationalizing the deployment process. The group will also analyze the need for financial assistance to the Honours and Masters degree levels with regard to scholarships, stipends, student loans, and so on.

14. Data and information from Group A will be needed for framing the necessary recommendations and related and concerned agencies could be involved in contributing to the analyses.

15. **Group C: Quality and Relevance:** This will develop long-term strategies for ensuring a culture of quality enhancement in government and nongovernment colleges/institutions in line with the NEP 2010. It will explore issues related to establishing a quality assurance mechanism for colleges and how this relates to the drafted National Accreditation Council Legislation. The group will also provide guidelines to evaluate the competency of teaching professionals and suggest provisions of incentives as part of a service conditions package for high, medium, and low performers.

16. The NU is responsible for organizing and conducting all examinations for the college system. The group will revisit issues in examination design and organization such as the number of exams; the time required (478 days Controller of Examinations, NU); and space in examination halls and continue its efforts to remove session jams. The group will work with the NU to identify ways in which its programs and examinations can discourage rote learning. There is no evidence in the public domain of systematic academic monitoring. More information and analysis is required on evaluation of the performance of the assessment system, including externally set examinations and internal college-based testing.

17. Attention will be paid to the employability of college graduates and how the system could bring college programs and industry/employers/professional bodies together through strategies that might include private sector representation on curriculum bodies and the establishment of partnerships through internships. The group will study such models as those practiced by the community colleges in developed countries and suggest guidelines for the strategic plan. Group members may note the attention given by colleges globally to supporting student employment prospects through strategies such as student career guidance, education fairs for employers on campus and conducting tracer studies to track student employment, and providing feedback to those responsible for developing courses with the aim of closing the gap between ‘what is taught’ in colleges and ‘what is required’ in the job market.

18. **Group D: Management of the College System:** The group will review regulations and practice in key areas such as regulations related to college affiliation to the NU, constitution of the

GB of nongovernment colleges, the role of the chairmen of GBs of nongovernment colleges, teacher selection and deployment in government colleges, teacher selection in nongovernment colleges, and other related regulatory and managerial issues. Issues related to transparency and accountability in the system will be key to most of the analysis.

19. To improve governance in the subsector as well as efficiency in management, the group will study the applicability of digital technology to improve transparency, accountability, and disclosure of information. The group will also review the current structure and suggest how the heterogeneous subsector institutions could be restructured to improve overall management and academic effectiveness perhaps by forming clusters of colleges based on selected criteria, or explore the possibility of granting autonomy based on agreed guidelines to successful, well-performing colleges, which function well independently.

20. The NU activities are to be decentralized to six regional centers and, in fact, some of the activities have begun. The group might assess their impact thus far and provide options on how these centers could rationalize the affiliated numbers under the NU while supporting its overall functions.

21. **Group E: Development of Science, Technology, and ICT:** The group will review the status of the teaching of science subjects and ICT in colleges, noting the small proportion registered in science programs as contrasted with the humanities. Numerous ills plague college-level science programs: courses tend to be theoretical with inadequate practical demonstrations and experiments, course contents need to be updated, required contact hours need to be observed, and overall facilities need to be in place.

22. To develop ICT facilities in the NU college system, several programs are in progress through the MoE and other agencies. The group will discuss how a phased program of training and implementation of ICT programs will focus on its application in the teaching-learning process. It will also identify ways in which ICT programs in colleges could contribute to the quality of higher education through better access to knowledge and resources in the global academic network and how hardware and software requirements could be planned and integrated in the system.

23. Both the SPC and its expert groups will be expected to commission papers (such as baseline studies, demographic or financial projections or policy options) and will be able to call on national and international consultants for this work. Research assistance will also be supported as well as data analysts. The Project will provide honoraria and travel plus per diem allowances to members of SPC as well as the expert groups.

24. **Group F: Financing of Colleges:** The present budget allocation is inadequate for the college sector. Insufficient funding hampers enhancement of quality in both government and nongovernment colleges. This group will use the growth scenarios from Group A and explore ways in which the public sector part of that growth could be financed. Options to be reviewed will include the principle of shared costs, tuition fees, and scholarships or loans for needy students.

25. Areas to be explored include new funding sources from alumni and possibly a higher fee structure for specialized courses and the possibility of attracting donations from the public. Similarly, for nongovernment colleges, the group will explore funding sources and possibly the

setting up of short-term, self-financed, market-oriented courses, from which the tuition fees would be spent for college improvement purposes, subject to the decision of the GB. The role of community participation as a resource would also be explored. Included in this section is the practice of government MPOs for teachers in non-government colleges and how this system could become more effective.

26. **Suggested process for developing the strategic plan:**The following process is presented for discussion:

- (a) Appointment of the members of the SPC and its six expert groups.
- (b) The first meeting of the SPC agrees on the TOR of the expert groups and fixes the overall timetable.
- (c) All groups start work and draw on existing education commission and other reports for their base data; in addition, they may need to commission some data collection or option analyses as well as set up interviews with relevant people.
- (d) Group A finishes its draft report, which is then sent to selected experts and the SPC for comment. The SPC endorses Group A's report as the basis for strategic planning and as a basis for projections in the other group papers.
- (e) Other expert groups complete their work and submit drafts to the SPC for review.
- (f) Two writers are selected from the groups to consolidate the strategic plan and its action plans.
- (g) An international consultant, working with the NU, works with the two selected writers to consolidate the six papers and present the draft strategic plan for the SPC.
- (h) The SPC amends the strategic plan and submits the final draft to the minister and his Steering Committee.
- (i) The PMU, working with the writers, amends the plan in light of the minister's comments; the SPC then sends it out for public consultation with a wide range of stakeholders throughout the country.
- (j) The PMU produces the final strategic plan, taking the results of the consultation into account, after discussions with the ministry.
- (k) The final version is published and disseminated widely, including website posting, in the sector, possibly with a national launch workshop. All the materials from the expert groups are also compiled and ready for publication where appropriate

Appendix 2: Stakeholder Analysis

Activity	Stakeholder(s)	Interest	Influence	Overall Rating
Strategic Plan for College Subsector	The MoF, MoE, DSHE, NU, MoPA, NAEM, NTRCA, government colleges, nongovernment colleges, Public Service Commission, Planning Commission, teachers, students, and parents of students	Formulation of the strategic plan for the college subsector would assist the key agencies in determining policy reforms and provide a well-defined road map to carry out the interventions entailed by the reforms agenda as well as facilitate in effectively allocating resources for the development of the college subsector.	All stakeholders would be involved in the formulation of the strategic plan and different interests may influence their reaching consensus on the reforms and policies to be recommended in the plan.	+++ (-)
Teacher Management	The MoF, MoE, MoPA, DSHE, NU, parliament, government colleges, nongovernment colleges, NTRCA, GB, teachers, students, and parents	The MoE, DSHE, and NU would benefit from a strengthened teaching force through filling vacant posts in the college subsector.	The MoF and MoPA will have a strong influence in creating teachers' positions in government colleges.	++
		Colleges and their students benefit from improved teaching quality from filling of teacher vacancy.	Dual role of the DSHE and NU in teacher management would need to be sorted out.	++ (-)
		Public Service Commission positively views the filling teacher positions in government colleges is essential.	Interventions that support teacher selection to a central agency are likely to be met with high resistance from GBs, in terms of their perceived reduced power in teacher recruitment decisions in nongovernment colleges.	(-)
Institutional Development Grants	The MoE, DSHE, government colleges, nongovernment colleges, GB, teachers, students, parents, employers, teacher unions, UGC, HEQEP, BdREN, quality assurance, and DSHE Project	The IDG would provide the MoE and DSHE with the additional financial resources to support qualitative improvements in colleges. Teachers and students would positively view improved teaching-learning facilities in colleges.	Issues regarding the objectivity and impartiality in IDG award and teacher training opportunities may create dissatisfaction among non-recipient colleges and their teachers and students.	+++ (-)
		Employers would benefit from students with more employable skills, developed through provision of modern lab facilities, IT training, and soft skill development under the IDG.	Capacity constraint at the institutional level persists and may create delays and disincentives in implementation of the IDG.	+++ (-)
		Some activities under the IDG would require close coordination with the UGC and HEQEP interventions (that is, connectivity through the BdREN and self-assessment). Activities under the Project geared at improving teaching-	Need to ensure efficient use of resources.	++

Activity	Stakeholder(s)	Interest	Influence	Overall Rating
		learning quality and management in the college subsector are positively viewed by the UGC.		
		The IDG would complement and supplement the activities under existing DSHE projects, strengthening the outcomes of the concerted efforts in the sector.	–	++ (–)
Teacher Training	The MoE, DSHE, government colleges, nongovernment colleges, BOU, NAEM, teachers, and students	Education agencies and colleges would benefit from improved teaching quality in the subsector.	Dissatisfaction among college teachers who do not qualify for training Projects may arise and create negative publicity.	++ (–)
		Teachers benefit from professional development gained through training opportunities	–	+
		Potential training partnerships with BOU and the NAEM are likely to maximize and enhance their existing facilities.	–	+
Aggregate level of benefits out of the Project would be highly positive by providing due importance to the relevant stakeholders.				+++

Annex 3: Implementation Arrangements

PEOPLE’S REPUBLIC OF BANGLADESH: College Education Development Project

Project Institutional and Implementation Arrangements

1. The Project will be implemented at the national level and at participating government and nongovernment colleges providing tertiary education under the NU. The overall responsibility for the Project implementation would lie with the MoE while day-to-day implementation support will be provided by the NU. At the national level, a Project Steering Committee chaired by the Secretary of the MoE will provide policy oversight and resolve critical issues. The UGC, as an apex body, will provide coordinating support between the MoE and the NU. A Project Management Unit (PMU) will be established by the GOB at the NU city office and headed by a full-time Project director (PD) and staffed with the concerned line agencies. The PMU PD will be at the rank of additional secretary, with oversight responsibility for FM, procurement, M&E, and administrative and communication personnel. The PMU will be responsible for coordination of Project activities under the guidance of NU. A Project Implementation Committee (PIC) will be established by NU to support the Project implementation. The members of the PIC will be drawn from relevant government agencies (the MoE, Planning Commission, Implementation Monitoring and Evaluation Division, UGC, BOU, DSHE, NAEM, NTRCA, and representatives from five colleges on annual rotation basis) and the PIC will be chaired by the vice chancellor of the NU. The PD will be the member secretary of the PIC (annex 3).

2. Many agencies will be involved for effective implementation of the proposed Project. These include the NU, DSHE, BOU, UGC, and NAEM. The responsible agencies, which will implement Project activities, are presented in table 3.1. Roles and responsibility of each of these are listed in Table 3.2.

Table 3.1. Key Activities and Agencies

Key Activities	Agencies
Component 1: Strengthening Strategic Planning and Management Capacity	
Development of a Strategic Plan for the College Subsector	The MoE with all stakeholders involved
Improvement of the Teacher Management System	MoE, MoPA, Public Service Commission, UGC, NTRCA, NU, DSHE
Component 2: Improving Teaching and Learning Environment in Participating Colleges	
Improving the Teaching-Learning Environment in Colleges through an Institutional Development Grant	The NU in coordination with the UGC, DSHE and the colleges
Strengthening Teaching and Management Capacity in Colleges	Consortium (NU, DSHE, NAEM, BOU, national and international partners)
Component 3: Project Management, Communication, and Monitoring and Evaluation	
Project Management and Communication	The PMU representing the concerned agencies (MoE, MOPA, UGC, NU, DSHE, NAEM) and consultants
Monitoring and Evaluation	The PMU representing the concerned agencies (MoE, NU, DSHE, NAEM, BOU) and consultants

Figure 3.1. CEDP Organogram

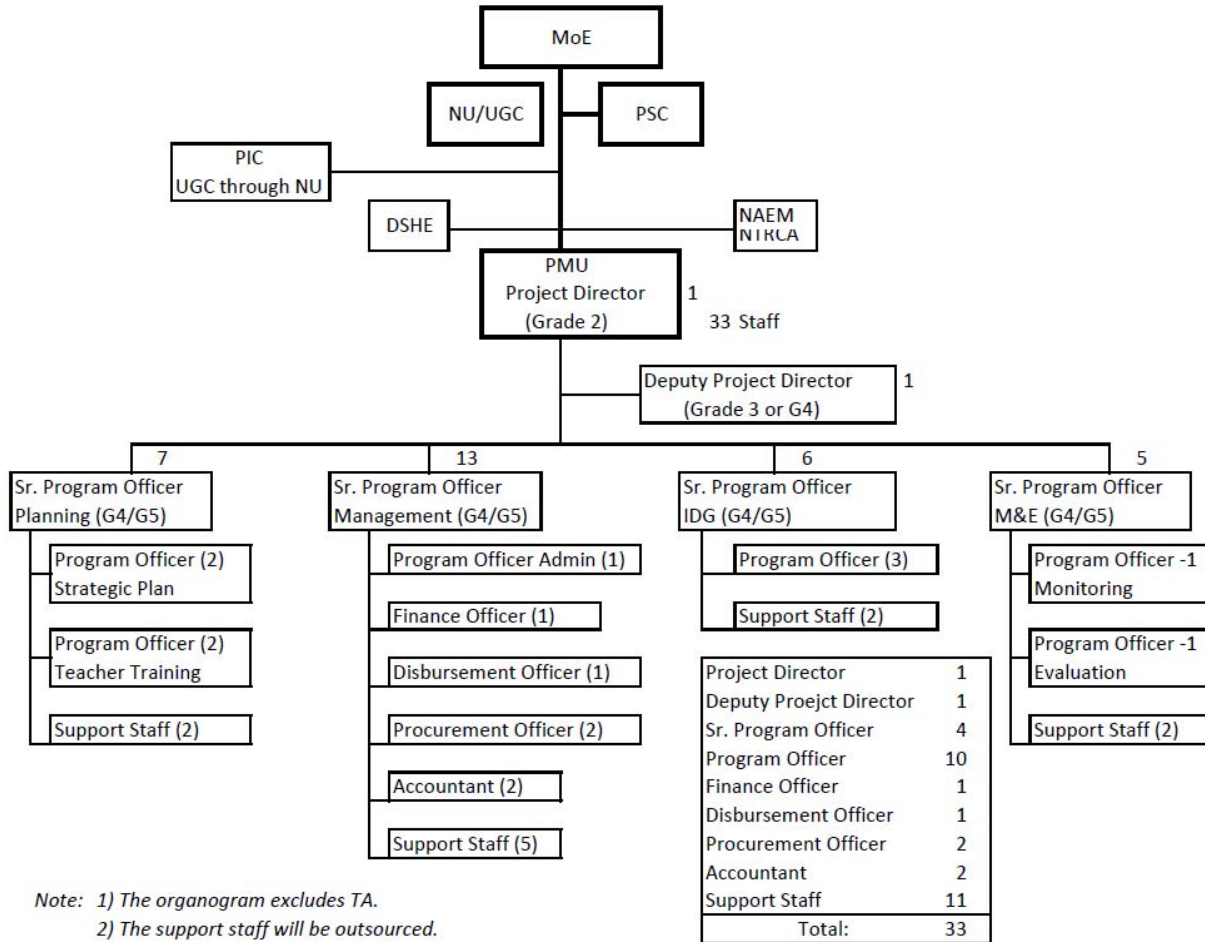


Table 3.2. Summary of Project Activities and Roles and Responsibilities of Key Agencies

Key Activities		Agency	Roles and Responsibilities
Component 1			
1.1	Development of a Strategic Plan for the College Subsector	MoE	<ul style="list-style-type: none"> Provides overarching policy and operational guidance to the agencies responsible for development of the strategic plan Plays a key role for effective coordination among relevant agencies and the colleges in carrying out the development of the plans
		UGC	<ul style="list-style-type: none"> Coordinates between the MoE and NU Quality Assurance Unit (QAU) of the UGC extends technical support to the PMU, NU and colleges on quality assurance activities (e.g. self-assessments). Extends technical support to PMU, NU and colleges on BdREN connectivity and digital library membership
		NU	<ul style="list-style-type: none"> Provides day-to-day support to the PMU for implementing the activities efficiently and effectively Liaises with the MoE/UGC/PMU in carrying out the necessary activities for the development of the plan on time

Key Activities		Agency	Roles and Responsibilities
			<ul style="list-style-type: none"> Participates and provides input in the development of the College Subsector Strategic Plan
		DSHE	<ul style="list-style-type: none"> Liaises with the MoE/PMU/NU/UGC in carrying out the necessary activities for the development of the strategic plan on time
		Colleges	<ul style="list-style-type: none"> Provide support and input to the development of the College Subsector Strategic Plan
		MoF	<ul style="list-style-type: none"> Provides consultation on the alignment of strategic plans with national budgetary provisions. Ensures adequate funding for the planned activities under the Project.
1.2	Improvement of the Teacher Management System for government colleges	NU	<ul style="list-style-type: none"> Liaises with the MoE, DSHE, Public Service Commission and government colleges to identify and fill teacher vacancies Makes support available from the appropriate NU line units
		Public Service Commission	<ul style="list-style-type: none"> Plans and carries out necessary activities to fill vacant teacher positions
		MoE	<ul style="list-style-type: none"> Coordinates with the MoPA and Public Service Commission in implementing teacher recruitment for vacant positions
		DSHE	<ul style="list-style-type: none"> Makes support available to the MoE and NU from appropriate DSHE line units Assist in teacher recruitment processes
	Improvement of the Teacher Management System for nongovernment colleges	NTRCA	<ul style="list-style-type: none"> Coordinates with the MoE, NU, DSHE, and other relevant agencies in implementing activities to improve nongovernment teacher recruitment
Component 2			
2.1	Improving Teaching-Learning Environment in Colleges	DSHE	<ul style="list-style-type: none"> Makes technical and operational support available from the appropriate DSHE line units Provide institutional support to the participating colleges
		Colleges	<ul style="list-style-type: none"> Prepare the IDP for the IDG Implement the IDP in accordance with the Performance Contract Conduct an oversight of FM and procurement related to the IDG Monitor implementation of the IDP and share periodical progress reports and status reports with the PMU
		UGC	<ul style="list-style-type: none"> Oversees grant approval processes and provides institutional support
		NU	<ul style="list-style-type: none"> Makes support available from the appropriate NU line units in implementing the IDP in beneficiary colleges Coordinates with beneficiary colleges and agencies on implementing activities Oversees the PMU functions for the IDP implementation Provides financial oversight on grant use

Key Activities		Agency	Roles and Responsibilities
2.2	Strengthen teaching and management capacity in colleges	NU	<ul style="list-style-type: none"> Leads the Teacher Training Consortium and colleges in delivering regular training Projects Maintains data on teacher training and shares periodical progress status report with the PMU Provides financial oversight on teacher training implementation
		NAEM	<ul style="list-style-type: none"> Plans, coordinates, and implements teacher training sessions Maintains data on teacher training and regularly reports to the NU and PMU
		BOU	<ul style="list-style-type: none"> Plans, coordinates, and implements teacher training sessions Maintains data on teacher training and regularly reports to the NU and PMU
		DSHE	<ul style="list-style-type: none"> Provide institutional support for imparting training by the public college teachers
Component 3			
3.1	Project Management and Communication	PMU	<ul style="list-style-type: none"> Responsible for implementing the Project under the overall supervision of the NU Sets up guidelines and regulations and develops operations and resource manuals to implement Project activities, e.g. development of Sector Strategy, IDG, and teacher training activities (Components 1 and 2). Plans, manages, and implements Project activities, and prepares budget reports. Disburses approved funds to the respective institutions and FM in consultation with the NU and DSHE Oversees and manages awareness-building and communications campaigns Oversees procurement activities at the central and institutional levels Effective liaison with concerned agencies
		MoPA	<ul style="list-style-type: none"> Ensure relevant officials are posted and sustained at the PMU
		MoE	<ul style="list-style-type: none"> Ensure placement and continuation of key project personnel
		NU	<ul style="list-style-type: none"> Provides guidance and support to the PMU in managing and implementing Project activities Holds PIC meetings on regular basis
		DSHE	<ul style="list-style-type: none"> Contributes to the Project implementation
3.2	Monitoring and Evaluation	PMU	<ul style="list-style-type: none"> Carries out day-to-day M&E of Project activities Prepares semiannual progress reports
		NU	<ul style="list-style-type: none"> Assists the PMU for undertaking various studies and ensures institutional support to the Technical Assistance. Disseminates findings from the research and studies.
		NAEM	<ul style="list-style-type: none"> Assist PMU for M&E activities
		BOU	<ul style="list-style-type: none"> Assist PMU for M&E activities

Financial Management, Disbursements, and Procurement

Financial Management

3. **FM capacity:** The capacity of the implementing agencies (NU, DSHE, colleges) was assessed following the integrated fiduciary risk assessment covering FM and procurement. Initially, the assessment was conducted for 24 institutions, including 22 NU-affiliated colleges (11 public colleges, 9 private MPO-listed colleges, and 2 private non-MPO-listed colleges), the NU, and DSHE. Colleges visited had satisfactory internal control mechanism in the area of salary and allowances. The accounting system of the implementing agencies under the organogram of the CEDP, is mainly cash-based, following single entry bookkeeping, and does not include a statement of assets and liabilities. The DSHE and NU follow their departmental financial manual. Aspects of the FM functions for agencies and colleges that need improvement are the audit trail, record keeping, asset management, and fund reconciliation. Several measures need to be introduced to minimize FM-related risks as stated in the Financial Management Action Plan.
4. The NU uses the cashbook register only for accounting purposes, but they manage their payroll automatically using software. The internal audit system of the NU, in particular, needs to be improved, especially with regard to producing internal audit reports.
5. Major fiduciary capacity inadequacies noted in colleges include, among others, the following:
 - (a) Fiduciary staff of the colleges will require training in the areas of accounting and FM. A number of vacant posts in the accounts department of certain colleges has been noticed. The vacancies need to be filled to sustain fiduciary performance at the college level.
 - (b) As noted earlier, the GoB's General Financial Rules, Treasury Rules, and Bank FM guidelines will apply for the Project implementation. Effective implementation of these rules and regulations will require close monitoring and regular supervision, including continuous training provided to the key stakeholders.
 - (c) There is an absence of automation in colleges in procurement and FM, in particular, with regard to record and document keeping and accounting functions. Colleges use a manual cashbook register for maintaining records and manually input data into those books regularly. Implementation of e-GP and a web-based accounting system will be crucial in these aspects to mitigate any risk and improve the efficiency of the fiduciary systems.
6. **Financial Management Action Plan:** The following table presents agreed actions for financial management.

Table 3.3. Financial Management Action Plan

Agreed Actions	Responsible	Due Date
(a) Required clearance and formalities for project bank account opening	PMU	Within 1 month of signing of the Financing Agreement
(b) Develop formats of IUFRRs in consultation with the Bank	MOE and World Bank	At negotiation
(c) Appointment of one qualified FM specialist and accountant under TORs acceptable to the Bank.	PMU	Within 3 months of project effectiveness
(d) Implementation of the computerized accounting system in PMU	PMU	Within 8 months of project effectiveness
(e) TORs for internal audit acceptable to the Bank.	PMU	Within 12 months of project effectiveness
(f) An agreement on statement of audit needs with OCAG acceptable to the Bank.	MOE and the Bank	Within 8 months of project effectiveness
(g) Training to the PMU on FM aspects.	World Bank	Within 4–5 months of project effectiveness

7. **Budgeting:** Budgeting of all CEDP expenditures will continue to be part of the government budgeting process and the expenditures of the project will be pre-financed by the GoB for component 1 and 2. Disbursements of funds against achievement of the DLIs will be transferred directly to the GoB’s treasury account based on the submission of IUFRR comprising of EEPs. A detailed budget and category-wise cost estimate by fiscal year has been included in the DPP. The annual budget will be prepared on the basis of the DPP and the relevant annual work plans. These budgets will be monitored periodically to ensure actual expenditures are in line with the budgets, and to provide input for necessary revisions. The proposed accounting software will include a budgetary control feature that will enable real time tracking of actual Project expenditure on a similar chart of accounts as the budget, and the preparation and review of the regular budget monitoring reports.

8. **Financial reporting:** The system-generated accounting records will be the basis for preparation of periodic financial reports for the Project. Periodic reports include the sources and uses of Project funds together with adequate notes and disclosures. Disbursements will be made against IUFRRs to be submitted by the GoB to the Bank within an agreed timeline. The IUFRR template has been agreed. The PMU, with the assistance of the CAO, MoE, will prepare and submit the periodic financial statements by compiling data from the government accounting system, using Budget Management Reports from the Integrated Budget and Accounting System (iBAS) as the primary source of information.

9. **Internal control - filing and record-keeping:** Accounting records under the CEDP will be maintained within the government wide iBAS for project expenditures in accordance with the country accounting procedures and policies for Component 1 and 2. For Components 1, 2, and 3, the PMU and all Project implementation agencies will preserve all fiduciary documents, including procurement records and documents in accordance with the provisions of the General Financial Rules, Treasury Rules, and the Public Procurement Act (PPA) 2006. These records must be made readily available on request for audit/investigation/review by the government and the Bank. The PMU will ensure that copies of supporting documents for all Project transactions that occur in the respective offices of the Project will be retained. All the Project-related documents must be filed separately to facilitate internal and external audits, as well as reviews by the Bank as required.

10. **Controls:** The financial procedures should include adequate internal control to provide reasonable assurance that (a) operations are being conducted effectively and efficiently; (b) financial and operational reporting is reliable; (c) applicable laws and regulations are being complied with; and (d) assets and records are safeguarded. At a minimum, the procedures should include the following:

- (a) Reliable personnel with clear responsibilities
- (b) Clear segregation of duties, in particular (i) separation of operational responsibility from record-keeping responsibility; (ii) separation of the custody of assets from accounting; (iii) separation of the authorization of transactions from the custody of related assets; and (iv) separation of duties within the accounting function
- (c) Adequate financial records management system with complete audit trail
- (d) Physical safeguards: that is, use of safe, locks, guards, limited access, and access by authorized persons to provide security for Project assets
- (e) Independent checks: the procedures should be made subject to random independent reviews by internal auditors

11. The Project will use standalone software to account for Project transactions and all transactions must follow the GoB's review and approval procedures. Signatories for the bank account to be used for Project financing must include the PD and one other person to facilitate transaction, who would also act as custodian of the checkbooks for this account.

12. **Internal audit:** Internal audit is a control that functions by examining and evaluating the adequacy and effectiveness of other controls throughout an organization. Although a formal Internal Audit Department is yet to be operationalized within the NU/DSHE, payments under the CEDP—as with other government expenditures—are subject to the normal pre-audit verification (at accounting offices) of the Controller General of Accounts (CGA) before payments from the treasury are approved. This means that existing control mechanisms of the government are in effect. For Component 3, the PMU will ensure its own due diligence including verification and checks before each transaction is approved. In addition to the pre-audit verification at the CGA and ministry level, IDA may commission its internal audit reviews, if required. The internal audit reviews may include prepayment audits as well as independent appraisals of the financial, operational, and control activities in the sector. The responsibilities of the internal auditors may also include reporting on the adequacy of internal controls, the accuracy and propriety of transactions, the extent to which assets are accounted for and safeguarded, and the level of compliance with financial procedures and government laws and regulations. The TOR for the internal audits will be prepared by the FM specialist and must be submitted to the Bank for concurrence.

13. **Governance and oversight arrangement - external audit:** Project Financial Statements comprising of resources and expenditures for Components 1, 2 and 3 will be audited by the Foreign Aided Projects Audit Directorate (FAPAD) of the Office of the Comptroller and Auditor General (OCAG) and audited financial statements will be submitted to the Bank no later than six months

from the end of a fiscal year. The government's expenditure statements comprising salaries of Government Colleges, the relevant budget lines for EEP for disbursements against DLIs, being part of the Government's non-development (recurrent expenditures) budget will be audited by the Directorate of Local and Revenue Audit (LAD), of the OCAG and such audit report will be shared with the Bank no later than six months from the end of the fiscal year. The audit will be conducted according to International Standards of Supreme Audit Institutions (ISSAI). The PD will be responsible for audit follow-up and taking remedial actions. Meetings to resolve audit objections must be held ideally within three months of the receipt of the external audit reports. The PD will arrange auditors' access to project records and documents including those at the field level.

14. **Staffing:** Given the FM capacity and weaknesses of the internal control environment, the PMU will hire a senior FM specialist (senior-level consultant) in accordance with the TOR satisfactory to the Bank. The senior FM specialist must be a qualified professional accountant with adequate knowledge of Project FM requirements of the GoB and the Bank, and with proven experience in working with computerized accounting systems. The consultant selection process must be prioritized so that the positions are filled by Project effectiveness. The senior FM specialist will be part of the PMU and will report to the PD and be assisted by a qualified accountant to carry out day-to-day activities. Project implementation agencies will each appoint a designated FM assistant. This FM team will be responsible for maintaining a Project account and internal controls and for providing expenditure statements to the PMU. All staff undertaking FM functions at Project implementation agencies will be provided training and ongoing backup support by the PMU to ensure compliance with fiduciary requirements of the GoB and the Project.

15. **Accounting policies and systems:** The accounting policies and procedures of the Project will be governed by the existing general financial rules and Treasury Rules as instructed by the MoF for all expenditures from the treasury of the GoB. For Component 3 expenditures, the existing GoB system outlined in the Project Accounting Manual of the MoF and the recently developed comprehensive FM guidebook by the Bank will apply as necessary. The PMU will have the primary responsibility to maintain an FM system, including adequate accounting and financial reporting, to ensure that they provide the Bank and the GoB accurate and timely information regarding Project resources and expenditure. All Project-related transactions, will be accounted for in the PMU following double entry bookkeeping principles and on a cash basis, once the new computerized accounting system is operationalized.

16. The key Project accounting functions for which the PMU will be responsible are as follows: (a) budget preparation and monitoring; (b) payments for eligible Project expenditure; (c) disbursement of Project funds to various agencies and colleges according to the approved work plan; (d) maintenance of books of records and bank accounts for Component 3; (e) cash flow management including reconciliation between the PMU and Accounting Offices of CGA and designated accounts and operating accounts; (f) consolidation of Project expenditure items from the iBAS-generated financial reports and preparation of the IUFR for onward submission to the GoB, Bank, and other stakeholders; (g) preparation of the withdrawal application to claim funds from the Bank; and (h) assistance to the external auditor and ensuring appropriate follow up of audit.

Funds Flow and Disbursement Arrangements

Components 1 and 2:

17. **Financing mechanism.** The IDA funds under the RBF for Components 1 and 2 will be provided to the Consolidated Fund of the MoF on achievement of results that are defined and agreed as DLIs. The government's claims for disbursement have to be supported by the IUFs evidencing eligible expenditures incurred under the EEPs in amounts not less than the amounts requested for disbursement. IDA financing will also include taxes if the eligible expenditures are inclusive of taxes.

18. **DLIs:** The DLIs are a set of indicators that will significantly contribute to the achievement of the PDO. There are five DLIs with a certain amount of credit allocated to each DLI. The five DLIs are monetized over the five years of Project's implementation with values set for targets/subtargets for each year pertaining to each of the five DLIs. The DLI achievement verification process and the protocol for determining disburseable amounts under each DLI disbursement cycle are detailed in annex 1.

19. **EEPs:** As agreed between IDA and the GoB, the expenditures financed under the RBF are only the key budget line items identified under the EEPs representing salaries of government colleges under the non-development budget. The IUFs will include a statement that the expenditures under the EEPs included have not been reimbursed by any other financier. The EEPs include the salaries of government college faculty, officers, and staff under non-development budget and is expected to be US\$90 million from FY 2017-2022.

Table 3.4. EEPs Economic Details

Functional Code	Functional Area
2537	Government Colleges
Economic Code	Expenditure Item
4501	Salaries - Officers
4601	Salaries - Establishment

20. **Verification:** The MoE will report on the achievement of DLIs twice a year by June 30 and December 31 each year. Verification reports will be provided by the MoE according to the agreed protocols for verifying the achievement of selected DLIs along with the IUFs. The verification reports will be discussed with the MoE and the Bank will make a final determination of DLI achievement for the purpose of disbursement.

21. **Frequency of IUFs and disbursements:** The GoB will submit half yearly IUFs in agreed formats along with the Project reports. The IUFs will be prepared on the basis of monthly accounts prepared by the CAO, MoE from the iBAS of the government, showing the expenses incurred under the EEPs. It has been confirmed by the Finance Division of the MoF that expenditure reports selectively for the EEP expenditure heads can be directly produced from the iBAS. The first two IUFs will cover the periods (a) three calendar months ending September 30,

2016 and (b) three calendar month ending December 31, 2016. All subsequent IUFs will cover a six-month period from (a) July 1 to December 31; and (b) January 1 to June 30.

Component 3:

22. **Finance mechanism:** Project funding under Component 3 will be used to reimburse the GoB for 100 percent of the expenses incurred for the agreed activities under this component. IDA financing will also include taxes. The following expenditures are eligible: consulting and non-consulting services, goods, workshop and training, and other operating costs.

23. **Frequency of IUFs and disbursements:** Disbursement of funds for Component 3 will be through a Project Designated Account against cash forecasts provided in the IUFs. An amount up to a maximum of the six-month cash forecast will be advanced to the PMU based on the procurement and training plans. The period covered by the first IUFs will be from the date of signing to December 2016 and subsequent IUFs will be submitted every quarter.

24. **Disbursements.** IDA will disburse funds to the Consolidated Fund of the GoB on the basis of eligible project expenditures pre-financed by the GoB for Components 1 and 2 and reported by consolidated half yearly IUFs submitted by the CAO in pre-agreed formats. The financing percentage would be 100 percent for the DLI category and 100 percent for the non DLI category. For Components 3, IDA will disburse funds to the Project Designated Account quarterly based on financial reports that will include a six-month fund requirement forecast. The IUFs should be submitted within 45 days from the end of the reporting period (calendar quarter).

Figure 3.2. Funds Flow for Component 1, 2 & 3

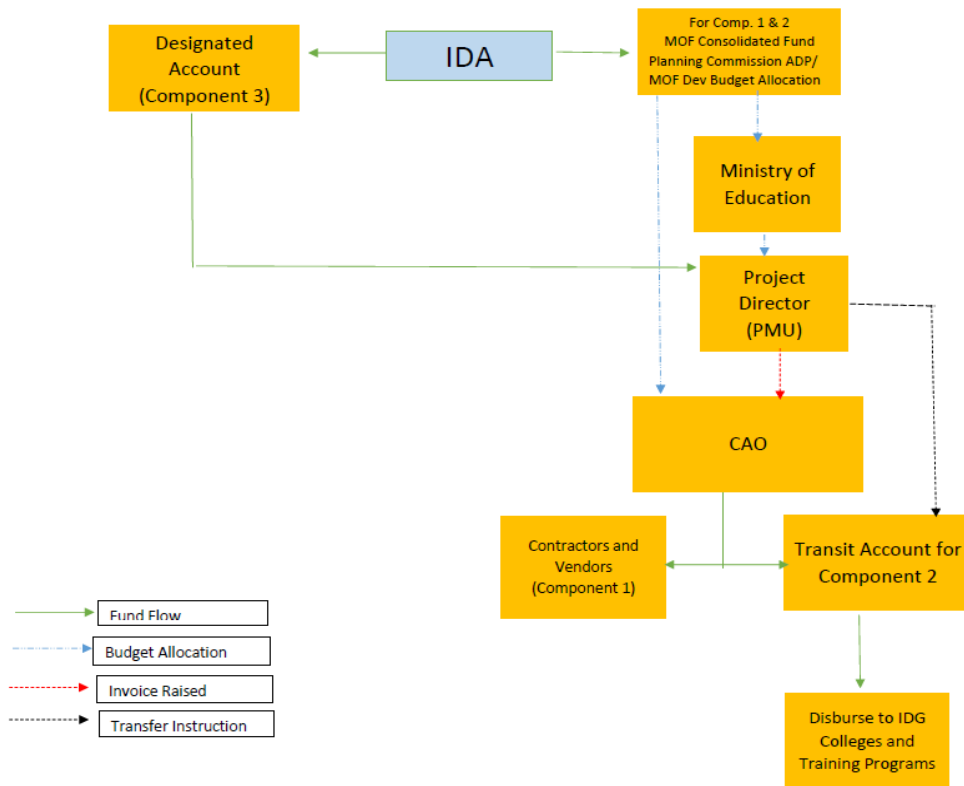


Table 3.5. Disbursement Arrangements

Disbursement Categories	Amount of Credit (US\$, millions)	% of Expenditure to be Financed (including taxes)	Disbursement Cycle	Disbursement Condition
1. EEP under Parts 1 and 2 of the Project	90	100	Half yearly based on IUFRRs	Achievement of the DLI targets and submission of the IUFRRs showing EEP expenditures
2. Goods, works, non-consulting services, consultants' services, Incremental Operating Costs, and Training under Part 3 of the Project	10	100	Quarterly based on IUFRR	Half yearly fund requirement forecast
TOTAL	100			

Note: Parts 1, 2 and 3 refer to the Financing Agreement.

Table 3.6. Indicative Disbursement Amounts if 100% of each DLI Target is Achieved (US\$, millions)

DLI	Year 1	Year 2	Year 3	Year 4	Year 5	US\$, millions
	Effective–December 2017	January–December 2018	January–December 2019	January–December 2020	January–December 2021	
1	4	4	4	4	2	18
2	8	4	4	2	0	18
3	6	3	3	0	0	12
4	6	4	4	4	4	22
5	4	4	4	4	4	20
Total	28	19	19	14	10	90

Procurement

25. **Procurement guidelines:** Procurement under this Project will mainly involve goods, works, consulting services, and non-consulting services under Component 3 of the Project, which is less than 10 percent of the IDA contribution to the project. The Component 1 and 2 of the project will not have any procurement activity due to the DLI-based disbursement modality coupled with reimbursement against the Eligible Expenditure Programs (EEPs) that are limited to salaries of government colleges under the non-development budget. Procurement financed under the Project shall be carried out in accordance with the Bank's 'Guidelines: Procurement of Goods, Works and Non-Consulting Services Under IBRD Loans and IDA Credits and Grants by World Bank Borrowers', published in January 2011 (revised July 2014), in the case of goods, works, and non-consulting services; and 'Guidelines: Selection and Employment of Consultants Under IBRD Loans and IDA Credits and Grants by World Bank Borrowers', published in January 2011 (revised July 2014) in the case of consultants' services; and the provisions stipulated in the Financing Agreement.

26. **Procurement arrangement:** All procurements to be funded by IDA under the project will be managed by the PMU located under the NU.

27. **Procurement capacity:** The NU does not have experience of implementing Projects financed by the Bank or any other development partner. The NU, however, follow the procurement laws and procedures of the country.

28. **Procurement risks:** An in-depth procurement capacity and risk assessment was conducted for this Project as this is the first operation in the subsector and there is no other significant Project from other development partners. Based on the procurement capacity assessment of NU, and 21 colleges, the initial procurement risk rating is Substantial. The main drivers of the procurement risks are associated with the acute capacity constraint of the implementing agencies in managing procurement and contract-management-related activities, inexperience of the NU and participatory colleges in managing a donor-funded project, delay in processing procurement activities, inadequate record management system, and vulnerability of the agencies with respect to fraudulent, collusive, and coercive practices undertaken by the bidders.

29. **Managing procurement risks:** To minimize the procurement-associated risks, the following measures have been agreed upon with the implementing agencies.

- (a) **Bid/proposal evaluation committee.** PMU shall ensure that the bid/proposal evaluation committees are formed following the provision of the Public Procurement Rules 2008. Formation of such a committee shall be subject to the Bank's acceptance. At least three members of the bid/proposal evaluation committee must have a three-week national training on public procurement. Procurement consultant(s) of the Project will be mandatory member(s) of the bid/proposal evaluation committee.
- (b) **e-GP.** All National Competitive Bidding (NCB) contracts under this Project shall be processed using the e-GP system of the country.
- (c) **Introducing STEP system.** STEP will be introduced to prepare and manage Procurement Plan and procurement transactions under the Project. It will also be used to regularly update and obtain 'no objection' of the Procurement Plans and prior review procurement documents of this Project.
- (d) **Procurement training for implementing agency staffs.** At least five PMU staffs who will be engaged in procurement activities need to receive this training within the first six months of the Project. The Project will undertake a comprehensive procurement training Project for the participating colleges, and e-GP training will be arranged for all implementing agencies.
- (e) **Recruit local procurement consultant in the PMU.** The PMU will hire a senior local procurement consultant and two local procurement consultants for the entire duration of the Project.
- (f) **Due diligence measures.** The following steps will be followed as part of procurement and implementation arrangements: (i) by December 31, 2016, the PMU will have at least five persons who have completed a national three-week training Project on procurement and concerned Project officers will have completed specialized training on procurement red flags of fraud and corruption; (ii) at least two staff from the IDG

beneficiaries trained on procurement and fraud and corruption awareness within three months of approval of the IDG; (iii) all bid evaluation reports will cover verification of recommended bidders' post-qualification information (for goods and works); (iv) all contract negotiations will be preceded by additional due diligence by the PMU on verification of recommended consultants' experience and curriculum vitae of key staffs (for consultancy services); (v) make bidders generally aware about fraud and corruption issues (responsibility: PMU and IDG beneficiaries); (vi) award of contracts within the initial bid validity period, and close monitoring of the timing; (vii) take action against corrupt bidders in accordance with Section I of the Bank's Procurement and Consultant Guidelines besides provisions of Procurement Act of the country; (viii) preserve records and all documents regarding procurement (including correspondences with the potential bidders as well as complaints/clarification requests and so on), in accordance with the Public Procurement Rules 2008 and Bank's Procurement Guidelines, to facilitate smooth procurement audit or post review; (ix) publish contract award information on Central Procurement Technical Unit and the respective agencies' website within two weeks of contract award, and in United Nations Development Business online for International Competitive Bidding (ICB) or international consultancies; and (x) ensure timely payments to the suppliers/contractors/consultants.

30. ***Particular methods of procurement of goods, works, and non-consultancy services.*** Except as otherwise agreed in the Procurement Plan, works and goods may be procured on the basis of ICB. Procurement of goods and works having estimated value less than the ceiling stipulated in the procurement plan may follow NCB, Framework Agreement, and Shopping (Request for Quotations) methods. Direct contracting may be allowed under special circumstances with prior approval of the Bank. NCB will be carried out under the Bank Procurement Guidelines following procedures for Open Tendering Method of the People's Republic of Bangladesh (PPA 2006, 1st amendment to PPA 2009 and the Public Procurement Rules 2008, as amended in August 2009) using standard/model bidding documents satisfactory to the Bank. Shopping will be carried out based on a model document satisfactory to the Bank. For the purpose of NCB the following shall apply:

- Post-bidding negotiations shall not be allowed with the lowest evaluated or any other bidder
- Bids should be submitted and opened in public in one location immediately after the deadline for submission
- Lottery in award of contracts shall not be allowed
- Bidders' qualification/experience requirement shall be mandatory
- 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
- Single-stage two-envelope procurement system shall not be allowed

31. ***Methods of procurement of consultants' services.*** Selection of consultants will follow the Bank's Consultant Guidelines and standard documents in all types of selection processes. The following methods will apply for selection of consultants: Quality- and Cost-Based Selection,

Quality-Based Selection, Fixed Budget Selection, Selection based on the Consultants' Qualification, Least-Cost Selection and Single-Source Selection. Single Source Selection may be allowed under special circumstances with prior approval of the Bank. Shortlist of consultants for services estimated to cost less than US\$500,000 equivalent per contract may be composed entirely of national consultants. The procurement plan will specify the circumstances and threshold under which specific methods will be applicable, along with the Bank's review and implementation support requirements.

32. **Use of standard procurement documents.** For procurement through ICB and for selection of consultants, the Bank's Standard Bidding Documents and Standard Request for Proposals will be used, including the form of contract attached with Standard Bidding Documents and Standard Request for Proposals. For all NCB, shopping packages, Framework Agreements, and partnership agreements, the implementing agencies will use model documents agreed with the Bank.

33. **e-GP.** All NCB procurement under the CEDP will be allowed to be done through e-GP. The government has a road map to implement e-GP in all ministries. The Bank approved the system for use in NCB contracts under Bank-financed projects in Bangladesh. The following steps will be taken by the Project to implement e-GP:

- Assessment of its readiness and technical capacity to implement e-GP and identify hardware, software, and training needs (by April 2016). This readiness will include, among others, computer hardware, availability of adequate bidders (list of bidders generally participating in the PMU and college contracts generally done by the DSHE) and robustness of Internet connectivity.
- Acquire necessary training on e-GP (by August 2016)
- Conduct a campaign to all its bidders in the past to move to e-GP (September 2016)
- The procurement consultants will be proficient in e-GP and function as main trainers for PMU procuring entities.

34. **Prior review thresholds.** The procurement plan shall set forth those contracts which shall be subject to the Bank's prior review. All other contracts shall be subject to post review by the Bank. The initial Procurement Plan agreed with agencies indicate the prior review thresholds listed in table 3.7, which will be updated annually based on the review of the capacity and performance of the procuring entities and will be reflected in the updated Procurement Plan as appropriate.

Table 3.7. Prior Review Thresholds

Expenditure Category	Contract Value (Threshold)	Procurement Method	Contracts Subject to Prior Review
	Goods		
	< US\$2,000,000	NCB	All contracts valued US\$1,000,000 or more
	< US\$2,000,000	Framework Agreement	All agreements
		DC	All contracts
	≤ US\$6,000	RFQ/ National Shopping	Post review
	≥ US\$10,000,000	ICB	All contracts.

Expenditure Category	Contract Value	Procurement Method	Contracts Subject to Prior Review
	(Threshold)		
Works/Supply Installation	< US\$10,000,000	NCB	All contracts valued US\$10,000,000 or more
	≤ US\$12,500	RFQ/ National Shopping	Post review
		DC	All contracts
Services	≥ US\$500,000	QCBS /QBS	All contracts valued US\$500,000 or more
	< US\$500,000	FBS	All contracts valued US\$500,000 or more if allowed under exceptional circumstances
	< US\$300,000	LCS	Post review
	< US\$300,000	CQ	Post review
		IC	All contracts valued US\$200,000 or more; and all contracts of procurement and FM consultants
		SSS/partnership agreements	All contracts/partnership agreements

Note: In case of a contract package containing multiple lots, subpackages, or slices the sum of estimated costs of all lots/sub-packages/slices in that procurement package will determine the procurement method and whether it will be prior or post reviewed, in accordance with the thresholds given above. DC = Direct Contracting; FBS = Fixed Budget Selection; IC = Individual Consultants; LCS = Least Cost Selection; QBS = Quality Based Selection; QCBS = Quality and Cost Based Selection; RFQ = Request for Quotation; and SSS = Single Source Selection.

35. **Post review.** For compliance with the Bank’s procurement procedures, the Bank will carry out a sample ex post review of contracts that are below the prior review threshold.

36. **18-month procurement plan.** For each contract to be financed by the Project, the different procurement methods or consultant selection methods, the need for pre-qualification, estimated costs, prior review requirements, and time frames are agreed between the borrower and the Bank in the procurement plan. The procurement plan of the CEDP is in agreement with the Bank. It will also be available in the Project’s website, and in IDA’s external website for this Project. Besides, all expected major procurements will be announced in the General Procurement Notice, published in the Bank’s external website and United Nations Development Business. The Procurement Plan will be updated semiannually or as required and will be the basis of Bank’s procurement supervision plan. The Bank’s electronic procurement planning and monitoring system (STEP) will be used to prepare and regularly update and obtain ‘no objection’ of the Procurement Plans of this Project. Respective PMU staff will receive training on STEP and continuous training will be provided during its use in the Project.

Environmental Safeguards

37. The proposed IDG program would support the implementation of the IDP in each participating institution under several windows, which includes upgrading and modernizing basic teaching-learning facilities of colleges; and improving the connectivity through the existing BdREN. The activities that may be associated with the implementation of the IDP are (a) small-scale construction of new or expansion of existing facilities (civil works); (b) rehabilitation or renovation of existing facilities; (c) development of laboratories or furnishing of existing laboratories, augmentation of existing laboratory facilities; (d) excavation and backfilling for

laying out fiber optic cable lines; (e) horizontal directional drilling to install fiber optic cable lines where earth excavation is not possible; (f) handling of optical fibers and so on. Because the actual locations of these interventions are not known during the Project preparation stage, some generic positive and negative impacts and their mitigation measures have been suggested. The most general impacts during construction activities are noise and air pollution, water pollution, traffic congestion, occupational health and safety, drainage congestion, destruction of flora and fauna, and generation of construction waste.

38. The proposed mitigation measures during construction phase have been divided into two parts: (a) mitigation measures for small-scale civil works and (b) mitigation measures for activities associated with fiber optic cable laying operation. Mitigation measures for small-scale civil works are described as Environmental Code of Practices (ECOP) and will apply to manage small-scale infrastructure investments subprojects. ECOP will be a mandatory part of construction contract or bidding documents so that the contractor complies with environmental covenants. The PMU and construction supervisors will be responsible for monitoring of compliance with ECOP and preparing the required reports. The mitigation measures associated with fiber optic cable installation will also have to be adopted by the contractor in a way similar to the ECOPs, wherever applicable. Workers may also be exposed to miniscule or microscopic glass fiber shards that can penetrate human tissue through skin or eyes, or by ingestion or inhalation. Optical fiber installation activities may also pose a risk of fire due to the presence of flammable materials in high-powered laser installation areas. Therefore, it is suggested that the World Bank Group Environmental, Health and Safety Guidelines for Telecommunications be adopted in such works.

39. If it is assessed that the environmental impacts are minimal, no IEE/Environmental Impact Assessment will be required. If screening suggests that the impacts are moderate to high (for example, any land filling is required for subproject site preparation such as filling of low lying lands, cutting of forest trees to clear land, construction activities in ecologically sensitive areas and so on.) a full Environmental Impact Assessment will be required. This will include detailed examination of potential negative and positive environmental impacts, comparison with those of feasible alternatives, and recommendation for measures needed to prevent, minimize, mitigate, or compensate for adverse impacts and improve environmental performance. For each subproject, the environmental mitigation plan will clearly define actions to assess and mitigate associated risks as well as to mitigate potential impacts during site clearance and construction and to reduce the risks during operation. At a minimum, the mitigation plan will include a standard ECOP and site-specific mitigation measures, including an environmental monitoring program.

40. The MoE/NU will share the EMF with concerned academic institutions, the Department of Environment, and civil society. It will be disclosed in both Bangla and English by the MoE/NU in its CEDP website and it will also be made available at the World Bank's InfoShop. The NU will also ensure that the EMF is available at the subproject level to its eligible institutions receiving IDG.

41. The EMF will be implemented by the NU with specific functions at both the Project and subproject levels. At the Project level, the PMU headed by the PD assigned by the MoE will be responsible for the implementation of the Project including monitoring of all activities. The PMU will supervise and monitor the safeguard implementation performance at the institution level and include the progress/results in the Project's biannual monitoring report. For effective and timely

implementation of environmental safeguard activities, one senior official of the NU will be designated as an environmental focal point, who will be responsible for carrying out the activities as per the provisions of the EMF. In addition, the PD will also assign one official from the PMU to assist the subproject implementing colleges in EMF implementation. To assist the environmental focal point in EMF implementation, an environmental management consultant will be hired by the Project to assist the PMU in performing its tasks. At the subproject level, there will also be a local focal person at each of the institutions (typically a teacher designated by the principal of the institution), who will liaise with the focal point at the NU and the concerned PMU official. The college level focal point will be primarily responsible of filling out the screening forms and sending them to the PMU for review. At the Project level, the PMU will prepare a safeguard performance report twice per year describing the Project's compliance with the EMF.

42. It is expected that the agencies involved in CEDP implementation will not have any prior experience of EMF execution and therefore lack in capacity to manage environmental impacts and risks and to implement national laws and the Bank's requirements. As part of the capacity building on environmental issues in CEDP, selected staff of the PMU will receive training in EMF application and environmental management.

Social Safeguards

43. The activities identified under the Project are predominantly technical assistance in nature (development of soft skills, institutional self-assessment skills, and so on.) with only small scale civil works components or infrastructure development activities. The proposed Project may finance rehabilitation/renovation/refurbishment of existing building, classrooms, and science and computer laboratories facilities.

44. The Project will not finance any civil works or activities that are expected to trigger OP 4.12 (Involuntary Resettlement). No land acquisition, displacement of people or communities from private or public lands or any negative impacts on livelihoods will occur under the Project. Any infrastructure development and/or refurbishment/extension of existing infrastructure will only be carried out within the existing premises of the colleges. Public lands if used will be screened to ensure that the lands are encumbrance free and squatters, leasing farmers, sharecroppers, and so on, are not affected by the Project. Therefore, the Project will not trigger OP 4.12 (Involuntary Resettlement).

45. The Project will cover colleges all over the country including areas where Small Ethnic and Vulnerable Communities (SEVC) live. Thus, the Project will trigger OP 4.10. This SMF thus includes a Small Ethnic and Vulnerable Communities Development Framework (SEVCDF) and a Gender Action Plan for the Project. It is important to mention that the Project is not expected to cause any adverse impact on SEVC. The framework focuses on gender and inclusion aspects, and provides guidelines to engage in effective consultation with SEVC in general and students and teachers in particular to maximize the likelihood of achieving the Project's PDO for the said communities. Given that the Project only triggers OP/BP 4.10, and since the exact locations of Project implementation are yet to be determined, the SEVCDF attempts to ensure the participation of all SEVC in the Project in a culturally appropriate and sensitive manner, that meets the Bank's stated requirement of free, informed, and prior consultations with the relevant groups during

Project preparation and during implementation. This SMF has been developed in full concurrence with national laws and applicable Bank Operational Policies.

46. This SMF has been developed in full concurrence with national laws and applicable Bank Operational Policies. The SMF has also been developed following four rounds of stakeholder's consultation held on February 2, 2014, March 24, 2015, June 17, 2015 and November 25, 2015 during project preparations. These consultations drew together college teachers and management, students, NU officials, and GoB and policymakers involved in the subsector. The SMF and Framework and Guidelines for Small Ethnic Communities Plan were disclosed in-country and in the Bank's Infoshop on February 4, 2016.

47. To promote inclusion the Project will undertake: (a) stronger awareness raising campaign for ensuring access to and increasing the utilization of the IDG made available by CEDP funding; (b) development of a strategic plan through several consultations with different concerned groups; (c) initiatives for addressing particular needs of SEVC, persons with disabilities and women in accessing the facilities made available by CEDP funding.

48. A Project-specific SMF is being formulated following appropriate social safeguard principles to provide technical guidelines to identify impacts, prepare safeguard plans, and mitigate adverse impacts that are likely to arise from the activities financed by CEDP during implementation. The SMF spells out the potential social impacts during the planning, design, implementation, and operation of the CEDP Project and outlines the management measures required for effective addressing of the same. The adoption of this framework will help ensure that the Project meets the national as well as local level social requirements while also being consistent with the relevant safeguards policies and provisions of the Bank.

49. Following the SMF, the principles below will apply for selection of colleges and activities:

- (a) All proposed colleges to be funded by the Project will be subject to a social and gender screening to assess the prevalence of female students as well as of students from SEVC.
- (b) The institutions will not propose to undertake activities that may require land acquisition, or displacement of communities (regardless of title), or adverse impacts on livelihoods. All development works will be limited to improvement of the existing infrastructure if needed, and use their own land, which must be free of encumbrances, for any new structures (if applicable). In such reconstruction and improvement of infrastructure the institutions will undertake particular measures to ensure that the infrastructures are accessible to persons with disability

50. Moreover, to enhance the positive outcome of the Project for SEVC the following are suggested:

- **Consultation.** Consultation is suggested with the SEVC's representatives to incorporate their voices, providing them a sense of ownership and their active participation.

- **Identification of special needs.** Special needs identification is needed to support SEVC effectively and efficiently. One major issue in this regard can be language skill. As many of the SEVC are not fluent in Bangla or English other than their own ethnic languages and thus may not get opportunities to equally study in urban mainstream educational colleges, they rather complete schooling in local schools with local teachers. Helping them to break their inhibitions to have inter-community interaction as well as interaction with Bengalis will remove the existing language barriers.
- Sensitization of the wider student-teacher body regarding SEVC's, culture, customs, rituals and gender issues and so on: knowing each other's culture always gives space for more interaction, knowledge sharing, and trust building among different communities. Colleges can think of a yearly event of day-long cultural activities of all the tribal communities to showcase their cultural elements such as rituals, dance, music, costumes, and customs and so on, which will create stronger bonds and make the wider student-teacher body develop more interest in these cultures.
- **Identifying areas where students of SEVC require additional assistance.** Specific assistance needs of the SEVC, should be identified to offer additional support to them. These may vary in different faculties and regions.

51. **Screening and mitigation:** The PMU will screen the subprojects to ensure compliance with the above principles. For location-specific subprojects that trigger OP 4.10 the PMU will ensure that adequate and appropriate consultation modalities are adopted to build consensus among the SEVC and women, identify impacts in the light of their unique needs and way of life and implement mitigation measures commensurate with their cultural, religious, and societal norms. The Project mainly works on the supply side of the tertiary education quality enhancement and development. The curriculum can be made more accessible to SEVC and women by understanding their needs and exploring their career aspirations. The PMU may conduct a Needs Assessment Survey among students, focusing on students from SEVC and women.

52. **Grievance redress.** The NU and colleges will set up a procedure to address complaints and grievances regarding environmental and social guidelines concerning CEDP implementation. The procedure will however not preempt an aggrieved person's right to seek redress in the courts of law. All complaints will first be discussed in open meetings at NU and colleges. If this fails, the NU and colleges can refer the complaints to the PMU with the minutes of the hearing that took place at the colleges. If the PMU fails to resolve the matter, it can refer the unresolved cases to the MoE. Communities and individuals who believe that they are adversely affected by a Bank-supported Project may submit complaints to existing Project-level grievance redress mechanisms or the Bank's GRS. For information on how to submit complaints to the Bank's corporate GRS, they will be advised to visit <http://www.worldbank.org/> GRS and for the World Bank Inspection Panel to www.inspectionpanel.org.

53. **Capacity building.** The PMU has limited institutional capacity to implement the social safeguards. Specific capacity-building training programs for the PMU need to be planned for the Project. Furthermore, the NU should also have a designated officer who will be responsible contact person for matters related to the SMF.

Monitoring and Evaluation

54. The M&E unit of the PMU will be responsible for supporting the NU to carry out the M&E activities for the Project. The M&E activities include (a) periodic Project progress reviews and physical inspection; (b) preparing Project progress reports biannually, including updating the result indicators; (c) reporting on achievement of DLIs; and (d) conducting surveys and assessment studies. The NU will coordinate with all relevant implementing agencies and colleges to collect and consolidate the information on Project progress based on the agreed Results Framework and DLI verification protocols.

55. At the institution level, the head teacher of government and nongovernment colleges will be responsible for coordinating with the PMU and carrying out the progress monitoring. The head teachers will maintain all the records of Project activities in their respective institutions and be responsible for reporting the monitoring information to the M&E unit on time. In particular, the head teachers of colleges supported by the institutional development grants will establish a committee for monitoring the grant-financed activities and be responsible for compiling monitoring information in progress reports every six months. The detailed M&E requirements and responsibilities for the IDG will be described in the Project Implementation Manual.

56. The M&E capacity of the NU is limited. Component 3 will support the establishment and operation of the M&E unit and help strengthen the M&E capacity of the M&E unit and the NU. It will also support necessary activities for the verification of DLI achievements.

57. The NU, with the support of the M&E unit, will provide DLI monitoring reports on the status of achievements of DLIs every year as per the agreed schedule. The reports will contain comprehensive information on completed actions and relevant outcomes for each of the DLIs with all the necessary supporting evidences that satisfy all the conditions as described in the DLI verification protocols. Verification of achievements of the DLIs will be done jointly by the NU and the Bank team based on the DLI monitoring reports during the implementation support missions.

58. Verifications surveys will be conducted for DLI 4 and DLI 5. The TORs for the surveys will be developed by the M&E unit and agreed by the Bank. The verification reports will be attached to the DLI monitoring reports as part of the supporting evidence.

Governance and Accountability Action Plan

59. The CEDP is a critical and timely investment for the nation in the domain of the tertiary education sector. The objective of this Project is to strengthen the strategic planning and management capacity of the college subsector and improve the teaching and learning environment in participating colleges. To achieve this objective successfully, emphasis has been placed to on addressing various governance issues under the Project, and therefore, a Governance and Accountability Action Plan (GAAP) has been developed. The GAAP is designed to reflect the specific governance challenges that may arise from the activities proposed under the Project. It accordingly assigns the responsibilities and activities of the lead implementing agency (NU) and the financing partner (World Bank) to facilitate effective and appropriate use of the funds for the Project, and to prevent the incidence of corruption and enhance good governance. The plan is

based on an assessment of the governance risks related to Project activities and entities, particularly in context to fraud and corruption in Bangladesh and the necessary measures to be undertaken in preventing and addressing governance and anticorruption issues during Project implementation.

60. The GAAP will be available on the Project website and monitored regularly through indicators and document the progress and achievements in a semiannual monitoring report to be drafted by the implementing agency/and the PMU, as well as, in the Bank’s implementation supervision reports/aide memoires. It will be adjusted as necessary and/or strengthened with additional mitigation measures to reflect governance issues, which may emerge during implementation.

61. The GAAP has identified several governance challenges and necessary actions in the implementation of the CEDP. These concerns are related to inadequate institutional capacity, systematic weaknesses in the IDG and teacher training activity implementation, weak M&E capacity, and inadequate provision of citizen engagement. A summary of the governance issues and actions for addressing the challenges is provided in the GAAP matrix in table 3.8.

Table 3.8. GAAP Implementation Matrix

Issues/Risks Activities	Action/Features	Agency Responsible
1. Process for selecting grant recipients is biased and/or suboptimal	<ul style="list-style-type: none"> • Organize dissemination seminar/workshop. • Call for proposals • Evaluation of proposals by external committee • Selection and award 	MOE, NU, PMU
2. Wide variation in capacity and characteristics among colleges may lead to an unfair competition for IDG	<ul style="list-style-type: none"> • A set of criteria for grouping of colleges to create a level playing field on which colleges of similar student enrolments compete with each other for AIF • Undertake capacity-building programs for colleges 	MOE, NU, PMU
3. Implementation capacity of the IDG-recipient colleges may be weak	<ul style="list-style-type: none"> • Train procurement staffs of the PMU • Hire procurement consultants • Train college IDG management team and key staffs • Declaration of staffs on no conflict of interest in procurement activities • Documents are publicly disclosed through newspaper, website, and so on. • Evaluate procurement documents in a transparent way 	MOE, NU, PMU
4. Process for selecting teachers and staff for training is biased or suboptimal	<ul style="list-style-type: none"> • Organize information dissemination seminars/workshops • Call for teacher/management training to colleges • Full list of eligible trainees prepared and distributed among relevant training providers • Review of training nominations 	NU, PMU
5. Number of trainees may be over-reported	<ul style="list-style-type: none"> • Regular visits to monitor training progress at centers • Attendance verified on sample basis • List of trainees published on website 	NU, PMU

6. Inadequate capacity to handle procurement, FM, contract management, communication, and monitoring function	<ul style="list-style-type: none"> • Establish PMU. • Hire relevant officers, staff, and consultants. • Build capacity of CEDP PMU staffs and relevant others (training, workshop) 	MOE, NU, PMU
7. Internal accountability mechanisms in PMU may need to be established	<ul style="list-style-type: none"> • Establish a PMU • Establish a Project Steering Committee • Established a PIC • Establish Project website • Conduct meetings regularly and document decisions and follow up on implementing decisions • Inspection of IDG-recipient colleges and facilitate implementation of subprojects 	MOE, DSHE, NU, PMU, Planning Commission and so on.
8. Intense politicization and resistance against a Bank-financed project in the college education subsector may pose difficulty in implementing the proposed operation	<ul style="list-style-type: none"> • Conduct motivation and dissemination workshops to comply with Bank guidelines for IDG implementation. • Established transparent IDG and teacher training selection process. • Dialogue with policy and decision makers. 	MOE, NU, PMU, Bank
Issues/Risks Activities	Action/Features	Agency Responsible
9. The academic community's perception of objectivity and impartiality in awarding innovation funds may become an issue especially among members whose proposal is rejected	<ul style="list-style-type: none"> • The OM will explicitly describe the assessment criteria. • A number of awareness campaigns will be arranged to cover these issues in detail • A grievance mechanism will be established 	MOE, NU, PMU, Bank
10. Challenges may exist in ensuring a standard method for regular monitoring and assessment of the Project outcomes	<ul style="list-style-type: none"> • The Results Matrix would provide guidance for monitoring and evaluating the Project's output and outcome • Regular updating and discussion of the Results Matrix will be undertaken during joint supervision missions 	MOE, DSHE, NU, Bank
11. Need to ensure adequate monitoring by the CEDP	<ul style="list-style-type: none"> • Regular monitoring to be undertaken by the M&E Unit of the CEDP • IDG-recipient colleges to be monitored by M&E Unit of the CEDP • Disclosure of information 	NU, PMU, Bank
12. Voice and Accountability: Inadequate mechanisms for beneficiaries to engage with Project	<ul style="list-style-type: none"> • Development of website to ensure constant information flow between the Project and beneficiaries • Regular workshops and seminars with beneficiaries to inform on Project activities • Conduct periodic student, faculty, and employer satisfaction surveys under the Project • Hold regular workshops and consultations with stakeholders 	NU, PMU, Colleges, Bank
13. Grievance Mechanism: Proper mechanisms for addressing issues at the beneficiary level may not be in place	<ul style="list-style-type: none"> • Grievances placed forward through direct communication, via phone or email, with the Project Management Unit and in the institutions 	NU, PMU, Colleges, Bank

	<ul style="list-style-type: none"> • Focal points in the CEDP and institutions identified and trained; list established and published on the website • Regular communication on the available grievance mechanisms established 	
14. Need to ensure mechanisms for RTI are established	<ul style="list-style-type: none"> • Include section on RTI on the CEDP website for citizen information • The CEDP website will serve as the repository for all public information relating to Project activities • Designated officer from the PMU for attending to queries on the Project under the RTI 	NU, PMU, Colleges, Bank

Note: AIF = Academic Innovation Fund.

Annex 4: Implementation Support Plan

PEOPLE'S REPUBLIC OF BANGLADESH: College Education Development PROJECT

Strategy and Approach for Implementation Support

1. The strategy for implementation support has been developed based on the nature and risk profile with an aim to provide necessary support to facilitate better risk management, better results, and increased institutional development, while ensuring compliance with the Financing Agreement.
2. The Implementation Support Strategy comprises mechanisms, which will enable enhanced implementation support to the government and timely and effective monitoring of implementation progress and results. These include (a) joint implementation support missions; (b) regular technical meetings and field visits by the Bank team; (c) monitoring and reporting by the MoE and the PMU on implementation progress and achievement of results; (d) independent validation of DLIs, based on DLI verification protocols; and (e) internal audit and FM reporting.
3. **Implementation support missions.** The Bank with the MoE, PMU, and other key agencies involved in the college subsector will formally review implementation progress of the CEDP semiannually during the entire Project implementation period. These missions will focus on every aspect of Project implementation, including achievements against PDOs and monitoring and results indicators, implementation performance, Project management performance, fiduciary (FM and procurement) performance, disbursement, safeguards compliance, compliance with legal covenants; and implementation and review of risk mitigation measures. Findings, recommendations, and key agreed actions with the client will be recorded in an aide-memoire at the end of each mission which will be discussed at a wrap-up meeting.
4. At least one month before these missions, the PMU will share with the Bank an Implementation Progress Report in an agreed format. These semiannual joint implementation support missions will be complemented by regular monitoring, field visits and continuous communication, and follow-ups between missions.
5. **Mid-term review.** Between 24 and 30 months of Project implementation and before disbursements reach 40 percent, the scope of one of the implementation support missions will be expanded to serve as a Mid-term Review (MTR). The MTR will be an opportunity for the client and the Bank to reconsider the efficacy and effectiveness of the Project design and implementation approach and make adjustments as necessary. Specifically, the MTR will assess operational aspects, such as Project management and implementation performance, and review the extent to which Project objectives are being fulfilled and remain achievable within the Project time frame and/or relevant. The government and the Bank will jointly agree on appropriate actions regarding the future of operation, including significant Project restructuring, if necessary.

Implementation Support Plan

6. The colocated (country office in Dhaka and Headquarters) Bank team will ensure that the support provided to the client is timely, efficient, and effective. Detailed inputs to be provided by

the Bank team during the formal and interim reviews consist of (a) overall Project management and operational support; (b) technical support; (c) M&E; (d) fiduciary support; and (e) safeguards.

- (a) **Overall Project management and operational support.** The Bank team will work closely with the client to monitor the implementation progress regularly, help resolve problems quickly, and ensure the timely implementation of the risk management measures.
- (b) **Technical support.** The Bank team will maintain an ongoing policy dialogue with the client and provide the necessary technical assistance and policy advice on capacity-building activities that could lead to improved results at the Project level and at the college education subsector level.
- (c) **M&E.** The Bank team will support the clients in monitoring the Project’s performance against the agreed monitoring indicators and in evaluating the results. The team will provide the necessary technical assistance in designing and carrying out the agreed surveys and assessments.
- (d) **Fiduciary supports.** The Bank team, mainly based in the country office in Dhaka, will support the client with respect to FM and procurement through reviews of related documents, training and other capacity-building activities for the implementing agencies and IDG recipients, and formal semiannual implementation support missions and regular monitoring and field trips as required.
- (e) **Safeguards.** The environment and social development specialists based in the country office in Dhaka will monitor the compliance with the EMF and SMF during the formal implementation and support missions and provide technical guidance as necessary.

7. The Implementation Support Plan will be reviewed at least once a year to ensure that it continues to meet the implementation support needs of the Project.

Table 4.1. Implementation Support Plan

Time	Focus	Skills Needed	Resource Estimate (Staff Weeks)
First 12 months	Team leadership	Task team leaders (2)	24
	Technical support	Higher education specialist M&E specialist Operations officer/analyst	16 16 10
	Fiduciary training, implementation support, and supervision	FM specialist Procurement specialist	6 6
	Environment and social monitoring and reporting	Environment specialist Social development specialist	2 2
12–60 months	Team leadership	Task team leaders	–
	Technical support	Higher education specialist M&E specialist Operations officer/analyst	–

Time	Focus	Skills Needed	Resource Estimate (Staff Weeks)
	Fiduciary training, implementation support, and supervision	FM specialist Procurement specialist	–
	Environment and social monitoring and reporting	Environment specialist Social development specialist	–

Table 4.2. Skills Mix Required for Implementation Support Plan for CEDP

Skills Needed	Number of Trips	Comments
Task team leaders	Two annually and field trips as required	Country office and Headquarters-based
Higher education specialists	Two annually and field trips as required	Country office and international
M&E specialist	Two annually and field trips as required	Country office or Headquarters-based
Operations officer/analyst	Two annually and field trips as required	Country office or Headquarters-based
FM specialist	Field trips as required	Country office-based
Procurement specialist	Field trips as required	Country office-based
Environment specialist	Field trips as required	Country office-based
Social development specialist	Field trips as required	Country office-based

Annex 5: Economic and Financial Analysis

People's Republic of Bangladesh

1. This annex summarizes the economic and financial analysis of the CEDP to assess the rationale and cost-effectiveness of the Project and its financial sustainability. The annex is organized as follows: (a) the background about the labor market and higher education development in Bangladesh; (b) development impact of the Project; (c) rationale for the Project and the Bank's value added; (d) cost-benefit analysis; and (e) financial analysis.

Background - Labor Market and Higher Education in Bangladesh

Economic Development and Labor Market in Bangladesh

2. Bangladesh's economy grew strongly at an average annual GDP growth rate of 5.8 percent from 2000 to 2010. Agriculture fell as a share of GDP while the industry and service sector grew. Important changes occurred in the labor market as well. Employment opportunity, especially urban employment has grown, and there has been a gradual shift of workers away from agriculture toward industry and services. The share of workers in agriculture fell from 62 percent in 2000 to 47 percent in 2010, whereas that of industry and service sectors grew from 10 percent to 18 percent and from 24 percent to 35 percent, respectively, over the same period.¹⁸ During this transition, Bangladesh's labor market, because of the favorable economic development, has been enjoying relatively low unemployment. The unemployment rate stood at 4.3 percent in 2005 and remained almost unchanged at 4.5 percent in 2010 (BBS 2010). The GDP growth has been accompanied by a large increase in the labor force. The unmoved unemployment rate has been a testimony to the strong demand for labor, which was able to absorb the large increase in labor supply.

3. The Bank (2013)¹⁹ conducted a decomposition analysis on the GDP per capita growth from 2000 to 2010²⁰ and showed that improvement in labor productivity (that is, outputs per worker) accounts for as much as 71 percent of the total growth in GDP per capita in that period. Increase in the share of working age population, or so-called demographic dividend, was found to account for another 21 percent, while the contribution of the increased employment rate was 8 percent. Further, on evaluation of the labor productivity improvement, it was found that the labor productivity improvement in the industry sector accounts for the largest share (35 percent) of the total labor productivity improvement, while the productivity gains in the agriculture and service sectors represent somewhat smaller shares, 18 percent and 23 percent, respectively. Also important is the productivity improvement achieved by intersectoral shift of workers, namely movement of workers from low-productive agriculture to the high-productive industry sector. This intersectoral shift explains 24 percent of the total labor productivity improvement.

¹⁸ Bangladesh Bureau of Statistics (BBS). 2010. *Report on Labor Force Survey 2010*. Dhaka.

¹⁹ World Bank. 2013. "Bangladesh Poverty Assessment: Assessing a Decade of Progress in Reducing Poverty 2000-2010." Working Paper 31.

²⁰ GDP per capita can be decomposed into 3 parts: (a) output per worker; (b) employment to working age population ratio; and (c) working age population to total population ratio. Formally, it can be written as $Y/N = (Y/E) (E/W) (W/N)$, where Y, N, E, and W represent GDP, total population, employed population, and working age population, respectively.

4. The economic growth in Bangladesh has been associated with increasing size of labor force and shift of employment across different industry sectors. Table 5.1 shows employment by major industry groups over time. Overall, the total employment grew by about 39 percent from 2000 to 2010. Employment in manufacturing, construction, and finance and business and real estate industries have expanded more rapidly than the overall growth of the employed workforce, while employment in the agriculture, forestry, and fisheries sector has slowly declined. With regard to the size of employment absorption, the agriculture sector still accounts for nearly half of the total employment. At the same time, the industry sector jobs in manufacturing and construction as well as service sector jobs in trade and hotels provide substantial proportions of employment opportunities for the labor force in Bangladesh. Given their relatively higher labor productivity, promoting employment and skills development in those industries will likely have significant impacts on economic growth potential of the country.

Table 5.1. Employment by Major Industry Groups in Selected Years (in US\$, millions)

Employment by Major Industry	2000	2003	2006	2010	Percentage change between 2000 and 2010
Agriculture, forestry, and fisheries	19.8 (51%)	22.9 (52%)	22.8 (48%)	25.7 (48%)	29.8
Manufacturing	3.7 (9%)	4.3 (10%)	5.2 (11%)	6.7 (12%)	81.1
Construction	1.1 (3%)	1.5 (3%)	1.5 (3%)	2.6 (5%)	136.4
Trade, hotel, and restaurant	6.1 (16%)	6.7 (15%)	7.8 (16%)	8.4 (16%)	37.7
Finance, business services, and real estate	0.4 (1%)	0.3 (1%)	0.7 (1%)	0.9 (2%)	125
Health, education, public administration, and defense	–	2.5 (6%)	2.6 (5%)	2.3 (4%)	–8
Total	39.0	44.3	47.4	54.1	38.7

Source: Labor Force Survey (LSS) 2010; BBS.

Note: Percentages within brackets show ratios against the total employment each year.

5. As the country steadily treads a path toward the growth of the industry and service sectors, a highly educated workforce is in greater demand to fill professional and managerial jobs in those sectors. Table 5.2 shows the number of workers employed by major occupations and their respective growth rates between 2005–06 and 2010. Though it is still a fraction of the entire labor force, the share of administrative and managerial workers has more than doubled over a short period. The World Bank (2007)²¹ emphasized the importance of higher education levels and the experience of managers and greater application of innovation as requisites for improving the productivity of the manufacturing sector and highlighted the critical role of quality higher education.

²¹ World Bank. (2007). *The Knowledge Economy and Education and Training in South Asia*

Table 5.2. Employment and Growth Rate by Major Occupations (in Thousands)

Employment by Major Occupations	Labor Force (thousands)		% change between 2005–06 and 2010
	LFS 2005–06	LFS 2010	
Professional, technical	2,231	2,406	8
Administrative, managerial	223	689	209
Clerical worker	1,015	1,001	–1
Services worker	2,757	3,001	9
Sales worker	6,710	8,158	22
Agriculture, forestry, fisheries	22,926	25,698	12
Production, transport laborer, and others	11,493	13,470	17
Total	47,357	54,084	14

Source: Labor Force Survey 2010.

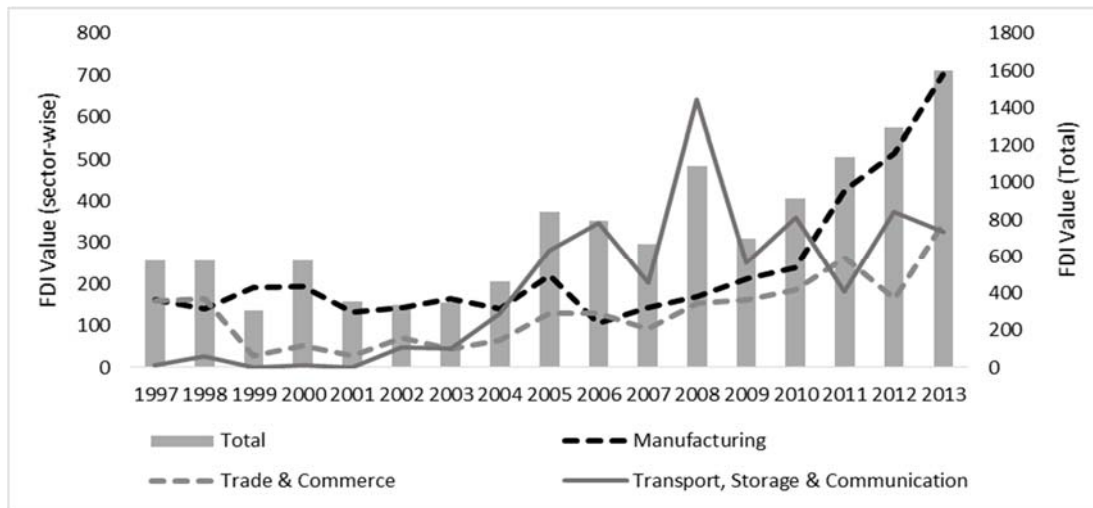
Note: LFS = Labor Force Survey.

6. Furthermore, foreign direct investments (FDIs), which bring significant productivity gains in manufacturing, have been attracted to Bangladesh in recent years, especially in nontraditional sectors such as manufacturing, trade, and communication. Figure 5.1 shows the accelerated inflow of FDI in Bangladesh; particularly an impressive increase in FDI value was observed in manufacturing. However, the shortage of a skilled workforce is often listed as one of the major obstacles to promoting FDI in Bangladesh and raising the international competitiveness of the country. Today's global economy requires countries to nurture sufficient pools of well-educated workers who can perform complex tasks and adapt quickly to the changing business environment.²² The role of higher education in facilitating a highly knowledgeable and skilled workforce has become critical to the country's competitive advantage in seeking investment and moving up the value chain in today's globalizing economy.²³

²² World Economic Forum. 2014. *The Global Competitiveness Report 2014–2015*. Geneva.

²³ The Economist. 2013. *Higher Education in South Asia: Trends in Afghanistan, Bangladesh, India, Nepal, Pakistan, and Sri Lanka*.

Figure 5.1. Amount of Inbound Foreign Direct Investment into Bangladesh from 1997 to 2013 (in US\$, millions)



Source: Bangladesh Bank.

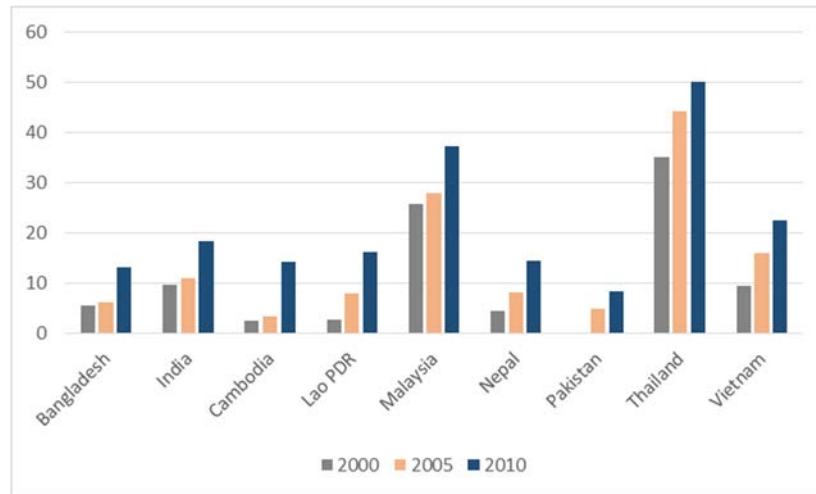
Tertiary Education and College Education in Bangladesh

7. In Bangladesh, higher education is provided through universities and affiliated colleges under the supervision of the NU or other regional universities. As of 2014, there are 112 universities (34 public and 78 private) and 1,731 colleges affiliated with the NU (260 government and 1,471 nongovernment) enrolling about 2.4 million students (0.8 million in universities and 1.6 million in colleges) and hosting about 91,000 teachers (23,000 in universities and 68,000 in colleges). Nearly two-thirds of the students in higher education are absorbed by colleges. Academically, in general, universities especially top-tier public universities, cover a broad range of subjects with a heavy emphasis on research. College education, on the other hand, is generally teaching oriented and focuses more on locally relevant research. With respect to the governance and management, universities are fully autonomous self-governing entities with guaranteed rights of academic freedom under the supervision and policy guidance of the UGC. Colleges affiliated to the NU, however, have only limited scope of autonomy in both academic and administrative affairs, most of which are centrally controlled by the NU, DSHE, and MoE.

8. Workers with higher education qualification are still hard to find in Bangladesh. In the current labor market, only 3.7 percent of the labor force above 15 years of age has a bachelor's degree/equivalent or higher (LFS 2010). Unlike in the traditional agriculture-based economy, dearth of a highly educated and trained workforce is likely to put a significant strain on a country's economic and social progress in the contemporary rapidly changing economy. The landscape, however, is expected to change dramatically in the coming decade as even more workers in the younger generation will enter the labor force with higher education qualifications. Looking at the GER of tertiary education in Bangladesh, the magnitude and speed of changes that are currently unfolding are almost mindboggling. In 1990, the tertiary GER in Bangladesh was reported to be about 4.1 percent. There was a modest increase by 2000 when the tertiary GER grew to 5.4 percent. Until 2005, the tertiary GER still hovered around the neighborhood of 6 percent. Then, by 2012, the tertiary GER in Bangladesh suddenly jumped to a little over 13 percent (United Nations Educational, Scientific, and Cultural Organization Institute of Statistics). People's awareness

about the importance of pursuing higher education seems to have grown considerably in the past decade. Bangladesh, however, is far from an exception in the region. Other countries in South Asia and South East Asia have also witnessed their tertiary education enrollment expand rapidly in recent decades. Compared to the neighboring countries, Bangladesh's tertiary GERs are still not satisfactory and have a long way to go to catch up with the middle-income countries in the region (see figure 5.2).

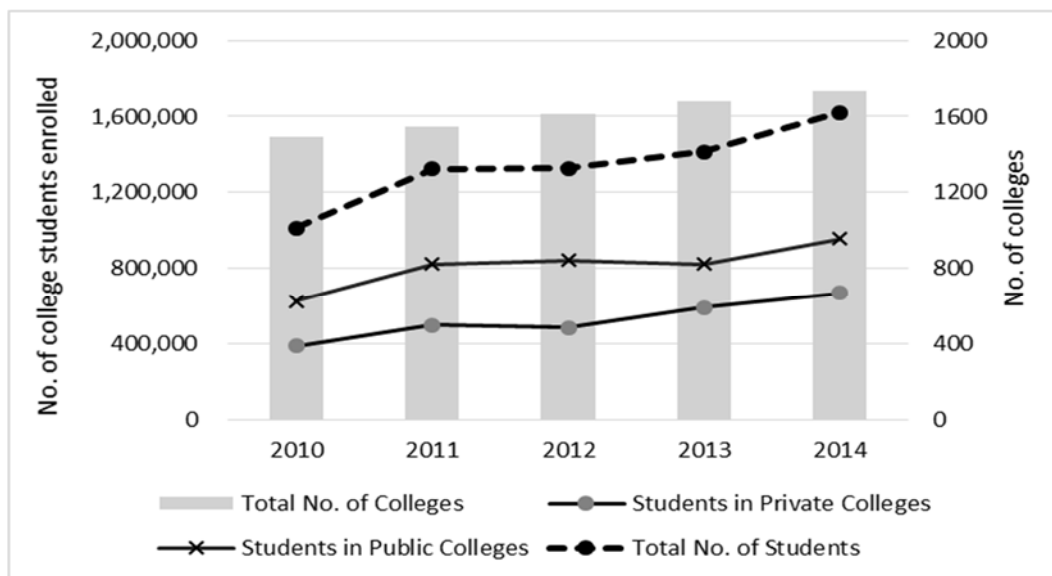
Figure 5.2. Tertiary Education Gross Enrollment Rates in 2000, 2005, and 2010



Source: United Nations Educational, Scientific, and Cultural Organization Institute of Statistics.

9. The college education subsector has been expanding dramatically in recent years (see figure 5.3). The number of colleges at the tertiary level increased gradually from 1,327 colleges in 2005 to 1,731 in 2014 (260 government and 1,471 nongovernment). With regard to the enrollment, colleges absorb nearly two-thirds of the entire student population of the higher education sector. The total number of student enrollments has grown by a staggering 160 percent (about 12 percent annually) over the past 5 years, from about 1 million in 2010 to 1.6 million students in 2014. Student enrollments have been increasing equally in government and nongovernment colleges, and government colleges consistently account for larger shares of students. It is evident that college education has been playing a crucial role in responding to the burgeoning demand and growing aspiration for higher education among Bangladeshi youth.

Figure 5.3. Student Enrollment in Government and Nongovernment Colleges from 2010 to 2014



Source: BANBEIS.

Note: Including only tertiary level enrollment in Degree (pass), Honours, and Masters courses.

Characteristics of College Students

10. **Characteristics of Bangladeshi college students.** For a vast education subsector with 1.6 million students, available literature and documentation on college education in Bangladesh have been few and far between, shedding little light on who they are, where they come from, and where they usually go to find jobs. This paucity of literature and documented evidence about the college subsector will pose considerable difficulties for stakeholders in setting the right agenda and priority for the development of college education. More information about tertiary college education in Bangladesh is immediately needed.

11. Very little information is available about the socioeconomic background of college students. From the gender perspective, the college education sector has almost achieved gender parity. As of 2014, 47 percent of 1.6 million college students are female (BANBEIS 2014)²⁴. To know more about the status of college education in Bangladesh, the Bank team conducted a large-scale survey on college students²⁵ with special focus on quality of college education and employability of college graduates. Stakeholder consultations under the survey suggest that students in colleges are (a) mostly from the rural part of the country; (b) from low- and middle-income families; and (c) weak in past academic achievement.

12. College students are generally poorer compared to students in universities; college students in rural colleges are especially likely to be from poorer families (see Table 5.3). The college survey

²⁴ BANBEIS. (2014). Bangladesh Education Statistics 2014.

²⁵ Nagashima, Yoko; Rahman, Mokhlesur; Rashed, Syed; Josh, Al-Zayed; S. Dhar, Subrata; Nomura, Shinsaku; Rahman, Muhammad Asahabur; Mukherjee, Hena. 2014. A study on National University and its affiliated colleges. Report No. 65. South Asia Human Development Sector, World Bank: Washington DC. Bank. 2014. "A Study on National University and Affiliated Colleges in Bangladesh." Discussion Paper Series. Dhaka.

has found distinctive differences in family income levels between university and college students as well as between students in urban and rural colleges. Income levels are lowest among students in rural colleges. Only about 10 percent and 5 percent of students in government colleges and nongovernment colleges in rural areas, respectively, have a total monthly family income higher than BDT 50,000, whereas about 57 percent and 63 percent of students in urban government and nongovernment colleges, respectively, are from families that earn BDT 50,000 or more per month.

Table 5.3. Share of Students in Different Income Groups by Type of Institution

Type of Institution	Monthly Family Income Groups				
	BDT 100,000 or more (%)	BDT 50,000–99,999 (%)	BDT 20,000–49,999 (%)	BDT 10,000–19,999 (%)	Less than BDT 10,000 (%)
Public university	21	34	28	8	9
Private university	42	39	19	0	0
Government college (urban)	19	38	31	12	0
Nongovernment college (urban)	22	41	36	1	0
Government college (rural)	2	8	69	10	11
Nongovernment college (rural)	1	4	42	41	12

Source: College Survey 2010.

13. At the same time, it should be noted that students who can currently afford college-level education are nonetheless mostly from better-off families compared to the average population of the country. To put the above income distribution into perspective, the average monthly family income in 2010 in Bangladesh is estimated at BDT 11,479 at the national level, BDT 16,475 in urban areas, and BDT 9,648 in rural areas (HIES 2010)²⁶. Therefore, only a very small proportion of college students in both urban and rural areas are actually from families with less-than-average income. In this sense, tertiary-level college education—though more accessible than university education—is still out of reach for a large part of the Bangladeshi population despite the expansion in college enrollment in the past decade.

Employment Opportunities for College Students

14. Where do those college students go for work after graduating from colleges and what is their overall employment outcome? Unfortunately, there have been no studies done to trace college students after graduation. The LFS presents the distribution of employment in different occupations by education levels of workers (see Table 5.4).²⁷ It is easily noticeable that more than 40 percent of employed individuals with undergraduate degree or equivalent are in professional and technical occupations. Colleges also offer undergraduate and Masters degrees. Nearly half of workers with undergraduate degree and Masters degree or equivalent are found in professional and technical occupations, and 10 percent of them are in managerial positions. From these statistics, it is obvious that most college graduates will be absorbed in white-collar jobs and especially in

²⁶ Household Income and Expenditure Survey 2010

²⁷ The national statistics, currently available, typically do not distinguish between individuals with university degree and those with tertiary-level college degree and instead lump them all together in one category of higher education degree holder. However, considering that nearly 80 percent of higher education graduates are actually college graduates, we can reasonably consider higher education graduates as equivalent to college graduates in those national statistics.

professional and technical positions as well as managerial positions. Many college graduates will become core and mid-level professionals and managers in various economic sectors who would play critical roles in boosting productivity of their businesses and economic growth of the country. Gaining a higher education degree also drastically reduces the probability of unemployment. Compared to SSC and HSC holders, higher education degree holders have generally much lower unemployment rates (see Table 5.5).

Table 5.4. Employed Persons Aged 15+ Years by Major Occupation and Education Levels (%)

Occupation Type	SSC and Equivalent	HSC and Equivalent	Technical & Vocational	Degree and Equivalent	Masters and Equivalent
Professional, technical	10.5	23.1	39.0	41.1	47.1
Administrative, managerial	2.0	2.4	1.2	5.3	10.7
Clerical worker	4.4	8.3	7.3	11.6	10.7
Services worker	4.1	3.6	2.4	2.5	1.5
Sales worker	21.1	19.7	18.3	17.9	13.3
Agriculture, forestry, fisheries	39.2	29.8	18.3	14.1	10.5
Production, transport laborer	16.7	11.5	13.4	6.5	5.8
Others	2.0	1.8	1.2	0.9	0.5

Source: Labor Force Survey 2010.

Table 5.5. Unemployment Rates of Persons Aged 15+ Years by Level of Education (%)

Education Level	Total	Urban	Rural
No Education	2.9	3.8	2.6
Class I–V	3.8	5.1	3.5
Class VI–VIII	5.2	5.6	4.6
Class IX–X	7.2	9.1	6.5
SSC/equivalent	7.3	9.7	6.2
HSC/equivalent	13.7	17.0	11.4
Degree/equivalent	0.5	0.4	0.6
Masters/equivalent	10.3	11.5	8.6
TVET	0.0	0.0	0.0
Average	4.5	6.5	4.0

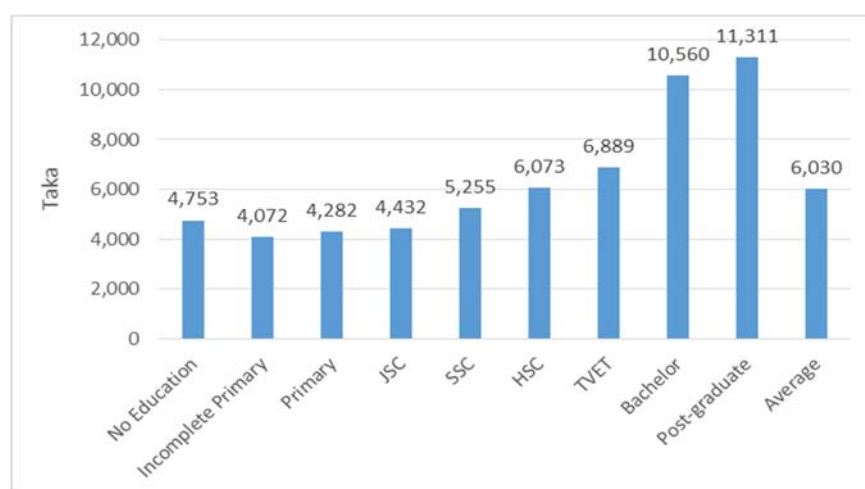
Source: Labor Force Survey 2010.

15. Higher education degrees from colleges and universities also open pathways for transition to formal employment. In Bangladesh, the informal sector employment is estimated to account for 89 percent of the total number of jobs in the labor market and is typically characterized by low levels of education. A survey of the informal sector²⁸ shows that only less than 2 percent of workers in informal sector jobs have bachelor's degrees/equivalent or higher and nearly 45 percent have no formal education qualification at all. Formal sector jobs, on the contrary, are for the better educated. About 18 percent of those employed in the formal sector have bachelor's degree/equivalent or higher. In fact, nearly 60 percent of tertiary degree holders in employment are employed in formal sector jobs. The Enterprise-based Skills Survey carried out by the Bank in

²⁸ Asian Development Bank, and Bangladesh Bureau of Statistics. 2010. *The Informal Sector and Informal Employment in Bangladesh. Country Report 2010*. Manila.

2014 also makes similar findings and further shows that in some of the most stable and better-paying economic sectors such as education, finance, and public administration, the proportion of workers with tertiary education degrees is considerably higher, reaching 40–58 percent. Thus, in Bangladesh, once a bachelor’s degree or equivalent is earned, the probability of finding jobs in the formal sector increases, and the shift from informal to formal sector employment is promoted. Partly because of shifting to formal employment and gaining professional and managerial positions, the average earnings of bachelor degree holders is considerably higher than those of TVET graduates or HSC holders (see figure 5.4).

Figure 5.4. Average Entry Monthly Salary of Workers by Education Background (BDT)



Source: Enterprise-based Skills Survey.

Note: Only workers who entered the labor force in the past three years are calculated.

Key Challenges in College Education in Bangladesh

16. Despite their significant presence in the tertiary education sector, the tertiary colleges have been largely neglected in the education agenda of the country and are faced with numerous long-standing issues and structural problems, adding complexity over the years as the size of the subsector grows. A number of challenges are identified in the college study, including issues in access and equity, quality and relevance of education, and finance and management.

17. **Access and equity.** Although colleges cater to less affluent youths compared to universities, the cost of college education is still out of reach for most low- and middle-income households. This is especially true for nongovernment colleges. The study shows that privately provided college education is usually too costly for poor families, while public institutions are reserved for academically well-performing students who tend to be from wealthy families in urban areas. At the same time, there is a supply-side constraint that negatively affects the equity of college education. While the majority of the Bangladeshi population resides in rural parts of the country, more than 60 percent of the student intake capacity in tertiary education is available in urban or semiurban areas. This urban concentration of the supply of tertiary education is effectively barring girls and low-income students in rural areas from gaining access to tertiary education. The issues of access and equity will possibly become more alarming over the years as the growing demand for college and university education makes admission to these institutions even more

competitive, filtering out academically less able students.

18. **Quality and relevance.** There is an immense challenge in raising the quality and relevance of college education. Teacher quality is often questionable. A very small proportion (4 percent) of college teachers possesses a doctoral level or MPhil degree, which questions their capacity to conduct academic research. Poor teaching performance is aggravated by the lack of professional development opportunities for teachers. Teacher training is only rarely provided, and the teachers' job performances are neither formally evaluated by supervisors nor reflected in their pay scale. Teachers are often poorly motivated due to the unattractive salary packages and unclear career paths and instead focus their attention on providing private tutoring, through which they make supplementary income. Moreover, government colleges suffer immensely from the chronic teacher vacancies, which are caused by frequent lengthy delays in college teacher appointment and deployment by the government. Poor learning facilities and dilapidated equipment at many of the colleges further diminish the scope of improving the quality of teaching. Furthermore, there is a growing disconnect between what is taught in the colleges and what is required in the labor market. The college curricula are all centrally developed with scant inputs from key stakeholders while curriculum revisions do not occur in a regular, systematic manner.

19. Questions may be raised regarding the quality of college examinations to effectively measure the achievements of students. The examinations are centrally organized by the NU, and examination questions are developed by public university faculties, which are engaged by the NU. Some question whether those university professors are sufficiently well versed about the curriculum used in the colleges to ask appropriate questions. Implementation of the examination itself is a huge undertaking where, in a single year, the NU is tasked with organizing 97 examinations in 382 subjects and 1,950 courses. College classrooms are often used as examination centers, frequently suspending regular classes because of the lack of examination halls. Sometimes college teachers are selected as examiners for answer scripts from other colleges. Examiners are often unable to meet the deadline for completion of the marking process, creating delays in the publication of examination results. This leads to severe time lags in executing examinations—a phenomenon called 'session jams', which greatly contributes to wastage of valuable resources and increasing costs of college education. Unofficial counts of session jams by NU staff indicate the current session jams amount to as much as three years (no 'official' figures on session jams are available). The NU has taken various steps to improve the efficiency of its operation, such as full digitization of the admission application process from 2010 or delegation of some examination administration tasks to its regional campuses, in a bid to reduce delays in the academic schedule. Yet, there remains a long way to go before all the delays are resolved. Partly because of the unsatisfactory quality of college education, dropouts from colleges remain high. Though accurate figures are not available, the NU estimates that dropout rates in Honours courses will reach as high as 24 percent—only 76 percent of those enrolled would graduate from the courses.

20. **Management and governance.** Management of the whole college subsector is deficient because of the size of the sector, its complexity and diversity, and existing NU capacity. The NU is underequipped, both in resources and manpower to fulfill all its administrative responsibilities in managing more than 2,000 colleges under its supervision. Existing accountability and monitoring mechanisms are weak and ineffective. Moreover, the NU has limited capability to carry out its academic responsibilities such as academic supervision or provision of necessary professional development opportunities. The NU has begun the initiative of establishing regional

campuses to delegate some of its operational functions to the district level. However, staff deployment and capacity building of these regional campuses remain insufficient and weak, hindering the progress of the NU's decentralization strategy. In addition, a lack of consultative process in the decision-making process with its affiliated colleges is identified as a challenge in the governance of the college sector. At the institutional level, serious concerns exist with regard to the internal governance of many NU-affiliated colleges. The college study identified the functioning of GBs and the impact of politically influential persons on the management of colleges, including the recruitment of teachers, as areas of concern. Equally adverse is the effect of student politics on college governance, particularly for administration of examinations and actual number of class days.

Development Impacts of the Project

21. The objective of the Project is to support the GoB to improve the management and governance of the college subsector and enhance the quality and relevance of college education through focusing on the following areas: (a) institutional capacity development at selected government and nongovernment colleges; (b) provision of professional development opportunities to college teachers and staff of relevant agencies; and (c) development of the strategy for and implementation of sectoral reforms. The focus at the institution level is on teaching and learning quality in science and technology subjects and on institutional capacity for labor market linkages.

22. The Project is expected to generate economic benefits both at the individual and societal levels. Key expected benefits at the individual level include (a) increased employability of graduates and (b) increased likelihood of completing the college study. Improving the quality and relevance of teaching and learning at colleges will likely enhance the levels of knowledge and skills acquired by college students. Provision of institutional grants as well as teacher training will contribute to improving the quality and relevance of teaching and learning. In addition, institutional grants are expected to promote more effective labor market linkage through providing employment support services and establishing employer feedback mechanism at participating colleges. These employment-related support Projects are also expected to contribute to improving the employability of graduates. Further, it is expected that fewer students will leave college prematurely as a result of quality enhancement through institutional grants and teacher training, reduction of session jams, and improved teacher deployment through the teacher recruitment system reform. Increased prospects of on-time graduation and quality education services will possibly increase student satisfaction and dissuade them from giving up college education.

23. At the societal level, in the mid to long run, the Project is expected to create significant positive impacts, including, among others, (a) creating a more productive and adaptable labor force for various economic sectors and public agencies, (b) producing more capable teachers for public and private schools, improving the quality of primary and secondary education, and (c) contributing to more favorable investment environments to attract domestic and foreign companies by providing larger pools of capable recruits. College graduates occupy the bulk of professional and managerial positions in most of the sectors in Bangladesh as they represent over 70 percent of higher education graduates. As such, the current degraded quality of college education is a serious concern for the educationalists and industry stakeholders in the country, and the spillover effects from improving the quality of college education will potentially be monumental and spread across almost every public and private sector.

Rationale of the Project

24. As discussed above, improvements in college education will have considerable benefits for society at large beyond private gains accruing to individual students and will contribute to improving the productivity of the economy of Bangladesh as college graduates often fill the positions of mid-level managers and professionals in public and private entities.

25. Although the private sector is increasingly playing a larger role in provision of college education in Bangladesh, the role of the public sector in college education is also significant from various viewpoints. First, as discussed, equity is one of the major concerns surrounding higher education in the country. Government colleges charge students only nominal tuition fees to ensure more affordable college education for students from rural and low-income families. Second, the public sector needs to play a pivotal role in setting standards and frameworks for quality improvement and assurance. The NU is the main body responsible for looking after the academic side of college education. They are tasked with accrediting affiliated colleges and developing all curricula to ensure the quality of college education. However, the capacity of the NU is unsatisfactory on many fronts, including curriculum development and revision, academic monitoring and supervision, examination administration, and other coordination and consultation. Third, the college sector has been severely underinvested relative to its potentially large returns to the society. The sector has not been given due priority by the government as it is seen as comprising second-class HEIs while much of the attention in higher education has been given to universities. The budget allocation to the college sector has been grossly insufficient. These financial constraints call for an urgent injection of additional funds from external sources.

Value Added of Bank's Support

26. The Bank has been the primary development partner for the education development of Bangladesh, including higher education. It has enabled the MoE, through the HEQEP, to modernize teaching and learning and improve the quality of research in public and private universities. The government has long requested the Bank's support for the college subsector, which can be built on the experience and lessons learned from the HEQEP and other Bank-financed Projects in the education sector. In particular, some of the reform and intervention strategies in the Bank-funded higher education and skills development Projects offer a set of tested policy instruments, which can be applied for designing reform actions in the college sector.

27. The GoB recognizes the Bank's commitment and leading role in supporting the development of college education. A review of Bangladesh's college sector has already contributed to diagnose key sectoral issues and to identify the proposed Project interventions. The Bank's global and local technical and operational experience in tertiary education can bring useful lessons to Bangladeshi policymakers as they attempt to design reforms of the college subsector. As the sole development partner supporting the higher education sector in Bangladesh, this Bank's first engagement in the college subsector will lend itself well to a catalyst role to promote policy dialogues at the central, regional, and institution levels, drawing on the Bank's international expertise; these dialogues will likely lead to more dynamic and ambitious reforms beyond the scope of the proposed Project.

Cost-Benefit Analysis

28. The Project will support a range of institution-level and sectorwide interventions to improve the quality and relevance of college education and the management and governance of the college subsector in Bangladesh. As discussed, potential benefits from the Project will go well beyond individual beneficiaries and cut across different sectors. However, for the benefit of focusing the analysis, this cost-benefit analysis will consider only the collective benefits at the level of individual beneficiaries in the form of improved employment and earnings prospects, which will result from better-quality college education. The likely direct beneficiaries of the Project include (a) Honours and Masters course students enrolled in the government and nongovernment college institutions supported through the institutional development grants; (b) students in government colleges where teacher vacancies are filled, teachers receive teacher training, and managers receive leadership training; and (c) students in all colleges through reduction of session jams and overall improvement of college education administration.

29. The cost-benefit analysis assumes that, owing to better quality education and more efficient management of college education, (a) completion rates of beneficiary students will improve (that is, less drop out from the courses), (b) employment rates of beneficiary graduates will improve, and (c) employed beneficiary graduates will receive higher wages. The analysis limits the scope of beneficiaries to students in the Honours courses as they are expected to be the main target group of the Project. The Project period is about five years; however, during the first year, exposure to the Project benefits will likely be insufficient. The analysis, thus, assumes that Honours course students in government and nongovernment colleges who are enrolled in the last three years of the Project will receive more or less full benefits of the Project and will regard them as potential beneficiaries. Furthermore, the Project benefits are not likely to be able to reach all the potential beneficiaries due to the limited scope of the Project intervention. The analysis assumes that 20 percent of the potential beneficiaries will actually benefit from the Project (the IDG will target about 100 colleges out of about 500 Honours and Masters colleges). The analysis also assumes that college students in Honours courses graduate at the age of 22 years and continue working until the age of 60 years. The benefit from the Project is assumed to last for 20 years after graduation.

30. To calculate the IRR and NPV of the Project, the cost-benefit analysis makes the following assumptions:

Table 5.6. List of Assumptions for the Cost-Benefit Analysis

Item	Assumption	Source
Total cumulative number of beneficiaries during the Project period	309,670	BANBEIS enrollment data; Project design
% of Honours course students who benefit from the Project	20	Project design
Graduation rate before the Project	75%	NU
Employment rate before the Project	90%	LFS
Employment rate of HSC graduates	85%	LFS
Graduation rate after the Project by scenario	77%, 80%; 82%	
Employment rate after the Project by scenario	91%, 92%; 93%	
Wage premium by the Project by scenario	1%, 2%, 3%	
Exchange rate	77.95	Bangladesh Central Bank

Item	Assumption	Source
Real interest rate (average over the past 20 years from 1994 to 2013)	8.1%	World Development Indicators
Start monthly salary of bachelor holders in 2010 (in 2015, adjusted for inflation)	10,560 (15,447)	Enterprise-based Skills Survey
Start monthly salary for HSC graduates in 2010 (in 2015, adjusted for inflation)	6,073 (8,883)	Enterprise-based Skills Survey
Average annual out-of-pocket expense for bachelor students in 2010 (in 2015, adjusted for inflation)	16,262 (23,788)	Household Income and Expenditure Survey

31. Table 5.7 shows the results of the cost-benefit analysis based on the sensitivity analysis using three different scenarios for the rates of employment and wage premium. These scenarios reflect internal risks associated with the investment. The internal risks are cases where investments in the college institutions did not yield as much positive impacts as had been expected. In such cases, labor productivity and employability of beneficiary students can be at risk, which leads to lower wage premiums and employment rates among beneficiary students. External risks — including future shocks in economic environment—will affect all college students indiscriminately and thus are not included in the sensitivity analysis.

32. The base scenario (80 percent graduation rate, 92 percent employment rate, and 2 percent wage premium) yields an NPV of US\$283 million and an IRR of 28 percent. The pessimistic scenario (77 percent graduation rate, 91 percent employment rate, and 1 percent wage premium) still yields a positive NPV of US\$78 million with an IRR of 16 percent, whereas the optimistic scenario (82 percent graduation rate, 93 percent employment rate, and 3 percent wage premium) yields an NPV of US\$471 million and an IRR of 35 percent. These results indicate that the investments under the Project are highly justifiable from the economic perspective.

Table 5.7. Summary of Results of Cost-Benefit Analysis of the Project by Scenarios of Impacts on Beneficiaries

Scenarios	Parameters for the Project Beneficiaries			Results	
	Graduation (%)	Employment (%)	Wage Premium (%)	NPV (US\$, millions)	IRR (%)
Pessimistic	77	91	1	78	16
Base	80	92	2	283	28
Optimistic	82	93	3	471	35

Note: NPV is in US\$, million; parameters for the counterfactual cases without the Project remain constant.

Financial Analysis

33. Partly due to the sheer number of students in colleges as well as the low public investment in the education sector, public investment per student in tertiary education in Bangladesh is at the lowest level among developing countries. In 2009, the country spent only about US\$193 per student (equivalent to 28 percent of GDP per capita) in tertiary education, which was lower than what India (US\$853 or 74 percent of GDP per capita) or Nepal (US\$246 or 50 percent of GDP per capita) invested in their tertiary education.

34. Colleges receive only a disproportionately small share of public funds from the government, considering the size of population to which the subsector is catering. In the 2014–15

budget, only 4.4 percent of the MoE budget was allocated to government colleges, and the share has been on a declining trend over the past five years (see table 5.8). Needless to say, most of the allocated budget is going to finance various recurrent expenditures, which can only keep the subsector afloat with currently available resources. Meanwhile, the share of the MoE budget allocation to universities has steadily grown from 10.7 percent in 2010–11 to 16.4 percent in 2014–15, with the lion’s share of the MoE budget going to higher education. Clearly, the college subsector has been neglected within the education sector. Budget allocation per student has also been disappointing. Over the past five years, the allocation dwindled from about BDT 5,700 (US\$71) in 2010 to BDT 5,100 (US\$63) in 2014. Per student allocation for universities was, on the other hand, estimated at about BDT 50,000 (US\$625) in 2013.

Table 5.8. Budget Allocation to MoE, Universities, and Government Colleges in Past Five Years

Year	MoE Budget (BDT billion)	University		Government College		
		Allocation (BDT billion)	% in MoE Budget	Allocation (BDT billion)	% in MoE Budget	Allocation per Student (BDT)
2010–11	101.55	10.91	10.7	5.09	5.0	5,777
2011–12	106.33	11.29	10.6	5.13	4.8	4,568
2012–13	115.83	17.75	15.3	5.49	4.7	4,709
2013–14	143.63	22.21	15.5	6.41	4.5	5,623
2014–15	155.50	25.47	16.4	6.81	4.4	5,175

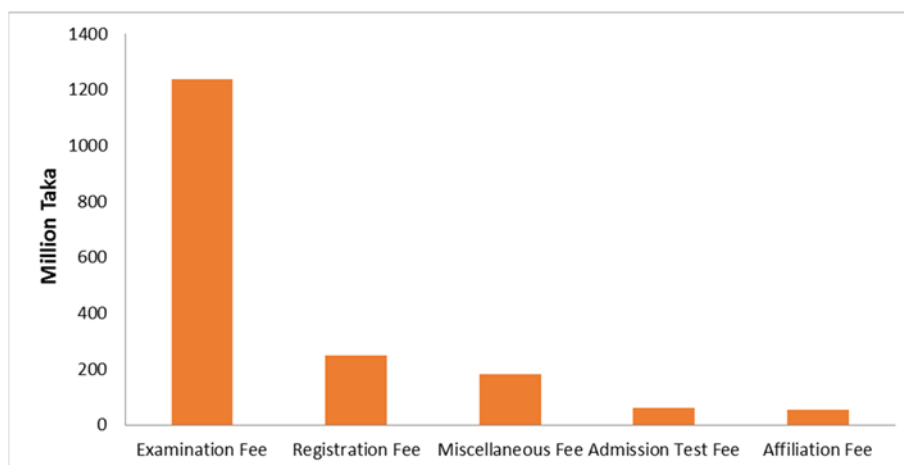
Source: (a) Budget Briefs 2007/8 to 2014/15, Finance Division; (b) Bangladesh Economic Review 2014, Finance Division; (c) UGC Budget 2007/8 to 2014/15, UGC, Dhaka.

35. The Project is not expected to cause significant impacts on the expenditures of college institutions throughout the Project implementation period and after the completion of the Project. The institutional grant under the Project will enable capital investment in teaching facilities and equipment. Maintenance and operation costs for those newly introduced facilities and purchased equipment are expected to be marginal. Upon applying for the competitive funding from the Project, colleges will be advised to consider possible implications of their proposed investments on their maintenance and operations expenditures and ensure that selected investments will be sustainable.

36. While college institutions, except for a handful of large colleges, are deprived of the capacity to raise their own revenues, the NU has large revenue sources that are financing all of their activities (the NU is basically self-financed). The NU receives revenues mostly from examination fees from students. In 2014–15, the NU raised a total of BDT 1,785 million (US\$22.3 million) from various fees, of which 70 percent comes from examination fees from students (see Figure 5. 5). The NU has full autonomy as a university to decide on their expenditure. The total expenditure in 2014–15 was calculated at BDT 1,687 million (US\$21 million), with a surplus revenue of about BDT 100 million (US\$1.2 million). The largest expenditure item for the NU’s operation is the cost for holding its numerous examinations, which accounts for about 47 percent of the total expenditure of the NU. Salary and allowance for the NU teachers and staff account for about 30 percent of the total expenditure, while other contingencies for various educational and administrative purposes amount to about 18 percent of the total expenditure. The Project may have some impacts on the NU’s budget requirements as a result of supporting the NU decentralization

and facilitating other sectoral reforms. It is likely, however, that such additional budgetary requirements will be absorbed relatively easily by the deep-pocketed NU budget.

Figure 5. 5. Sources of Income of the NU in 2014–15



Source: National University Annual Budget Book 2014–15.

Annex 6: The National University and its Affiliated Government and Nongovernment Colleges

Overview of the National University and its Affiliated Colleges

The National University

1. **The NU was established in 1992 under an Act of Parliament, taking over affiliating functions of tertiary-level colleges that were originally under large government universities.**²⁹ The NU is not a full teaching institution³⁰ and does not provide any direct assistance in conducting academic programs in the affiliated colleges. The NU is responsible for academic management of all the affiliated colleges and responsible for three major academic management functions, that is, admission, curriculum, academic monitoring, and examination.³¹ Its charter includes granting affiliation, developing curricula, approving academic programs, providing training, organizing student admissions, conducting examinations, and conferring degrees. It is also mandated to improve the quality of teaching-learning and strengthen academic management in colleges.

2. **As a public university, the governance structure and system of the NU is led by the vice chancellor.** The vice chancellor—as the chief executive—along with the pro-vice chancellor, the treasurer, the registrar, the deans, the Senate, the Syndicate, the Academic Council, the Finance Committee, and the Planning and Development Committee form the governance structure and system of the NU.³² The vice chancellor is empowered to appoint teachers (except professors), officers, and employees on an urgent and ad hoc basis ordinarily for a period of not more than six months and s/he must inform the Syndicate about such appointments. There are different Selection Committees, headed by the vice chancellor or his representatives, to recruit NU staff.

3. **The NU is the largest provider of tertiary education in Bangladesh.** As of 2014, the NU covers 64 percent (around 1.6 million students) of tertiary students across 1,731 colleges (260 government and 1471 nongovernment) while 112 universities (34 public and 78 private) cover 34 percent (around 853,700 students) and the BOU covers the remaining 2 percent (about 60,000 students) of student enrollment in Bangladesh.³³ These colleges vary in size and type and are spread across the country, with at least one college at each subdistrict (*upazila*).

²⁹ These include the University of Dhaka, University of Chittagong, and University of Rajshahi.

³⁰ The NU has started providing Masters programs in selected subjects from 2014 and MPhil and PhD programs at its Gazipur campus from 2006.

³¹ Affiliation eligibility is subject to (a) satisfying certain conditions and (b) approval of the Syndicate. These conditions include (a) a GB; (b) strength and qualifications of teaching staff; (c) suitable facilities; (d) financial resources to provide for continued maintenance; (e) absence of any other affiliated college within a radius of 8 kilometers except in the metropolitan, industrial, and municipal areas; and (f) functioning for at least three years and receiving salary subvention for teachers from the government.

³² The power and function of different authorities is provided in the NU Act of 1992.

³³ Bangladesh Education Statistics for 2014; BANBEIS 2015.

4. **The NU has started to decentralize its activities through six RCs.** These RCs have been established with the aim of improving coordination with and supervision of the colleges. However, the activities of the six RCs are limited to assisting the central NU in conducting examinations.

5. **The examination system of the NU is highly centralized.** The NU is responsible for the whole continuum of examination tasks, which includes constitution of examination committee; appointment of subject-wise panel of question setters and script examiners for all papers; printing of questions and its distribution to the examination centers; collection of scripts from all examination centers; sending of scripts to markers/evaluators; and finally announcement of results.

The Affiliated Colleges

6. **The NU affiliated colleges offer bachelor pass courses (three-year degree courses), bachelor Honours courses (four-year degree courses), and Masters programs in subjects covered by the general universities and in some professional subjects.** As of 2013, there were 1,731 affiliated colleges offering bachelor pass, Honours, and Masters programs. Of these, the nongovernment colleges (1,471) have rapidly expanded compared to government ones (260).³⁴ Additionally, the NU also offers professional courses under 347 affiliated professional institutions, which are separate from the colleges. The number of tertiary colleges providing higher education underscores the huge sectorwide qualitative and quantitative implications they have for the tertiary education sector as a whole.

7. **General characteristics such as enrollments, seat capacity, facilities, programs offered, and quality vary across the government and nongovernment colleges.** Government colleges tend to be large institutions, located mostly in metropolitan cities and district towns, while nongovernment colleges tend to have smaller institutions located in large metropolitan cities and extending to district and subdistrict (*Upazila*) towns. As nongovernment colleges (1,471) have rapidly expanded compared to government ones (260), student enrollments are almost at par across both types of institutions.³⁵

8. **Government colleges are administered through the government service rules while affiliated nongovernment colleges are governed by their GBs.** In government colleges, teachers are recruited through the Public Service Commission and their salaries are commensurate with the government salary scale. Administrative decisions are mostly taken by the government through the MoE and the DSHE under the MoE. By contrast, teacher recruitment in nongovernment colleges is conducted through committees with representation from the NU and DSHE and teachers are recruited from a pool that is certified by NTRCA.

9. **In terms of financial autonomy, government colleges are highly regulated and have little financial autonomy except in planning the annual budget.** Government colleges receive funding from the MoE through the DSHE. Government colleges therefore have little financial leeway to take up development initiatives to meet rapidly changing economic and social demands. By contrast, nongovernment colleges enjoy financial autonomy, but the majority have insufficient

³⁴ There are 330 government and nongovernment girls' tertiary colleges affiliated with the NU.

³⁵ Among these institutions, only 831 offer bachelor (Honours) and Masters programs. The remaining ones offer only bachelor (pass) programs. Barring a few, all of these colleges have higher secondary education schools integrated within the institutional structure.

resources to undertake development initiatives at their institutions. Nongovernment colleges are privately funded but have limited access to government funds through salary subvention known as MPOs. Additionally, some nongovernment colleges have physical facilities and infrastructure improved and maintained under government's development projects. Salary subvention is awarded to one teacher in a subject in every degree pass (three-year graduate degree) program. Under the MPO scheme, no provision of salary subvention exists for teachers in Honours (four-year graduate degree) and Masters program.³⁶

10. **With regard to outreach to female students, the NU affiliated colleges are quite ahead of other tertiary education providers.** Female student participation accounts for 45 percent of total enrollments in the colleges, whereas the figure stands at 32 percent for universities. The high number of colleges and their extensive network across Bangladesh therefore place the NU affiliated colleges in a strategic position to improve gender parity in the tertiary education sector.

11. **High teacher vacancy in the colleges across varied academic programs and location is a critical issue.** Currently, there is a vacancy of 3,286 posts against 14,205 sanctioned posts in government colleges.³⁷ The vacancy rate is highest for entry-level positions, that is, lecturer posts (37 percent), in the government colleges. Anecdotal evidence suggests recruitment of qualified teachers in the nongovernment colleges is also a challenge, particularly for Bachelor Honours and Masters programs. Moreover, geographic location also influences teacher staffing. The teacher vacancy becomes severe with under-staffing in rural colleges, arising from a general negative attitude to work in underserved rural areas among teachers.

Finance and Financing

Higher Education Financing in NU-affiliated Colleges

12. **Despite education being the highest allocation in the national budget, Bangladesh has one of the lowest allocations of education financing in general as percentage of GDP, and in higher education in particular, compared to other developing countries.** The share of education in the national budget has remained between 9–13 percent, while its share in GDP has remained steady at around 1–2 percent over the past years.

13. **FM in colleges varies depending on the nature and type of the institutions.** Colleges can be categorized into three groups by their financing relationship with the government: (a) government colleges; (b) nongovernment colleges with the MPO;³⁸ and (c) nongovernment colleges without the MPO.

14. **In terms of budget, the MoE received only 6.2 percent of national budget and higher education (that is, universities, UGC, and government colleges) received only 20.8 percent of the MoE budget in 2014–15.** Despite the rapid expansion of government tertiary college enrollments, MoE financing to the subsector has been low and declining as compared to

³⁶ It so happens that one teacher in a subject who gets subvention under the MPO scheme also teaches the subject at the HSC, Pass, Honours, and Masters programs in the same college. As a result, Honours and Masters teachers often indirectly receive MPOs.

³⁷ Data provided by the DSHE for 2014.

³⁸ MPO is a subvention provided by the government to nongovernment colleges to support teacher's basic salary.

government universities. The MoE allocation to government tertiary colleges declined from 7.1 percent to 4.4 percent between 2007–08 and 2014–15. The major share of the government funding to the colleges feeds into recurrent expenditures (70 percent of budget allocation), with little available for development purposes (table 6.1). Considering the significant increase in the demand for tertiary education, especially for colleges in recent years, and a great need to improve the quality of government colleges, the current funding level is inadequate.

Table 6.1. GoB Allocation to MoE, Universities, Government Colleges (BDT billion)

Year	National Budget	Allocation to MoE	% of National Budget to MoE	% of MoE budget to Colleges	% of MoE to Universities	% of National Budget to Universities	% of National Budget to Government Colleges
2010–11	1,300.11	101.55	7.81	5.01	10.74	0.84	0.39
2011–12	1,612.13	106.33	6.60	4.82	10.62	0.70	0.32
2012–13	1,917.38	115.83	6.04	4.74	15.32	0.93	0.29
2013–14	2,224.91	143.63	6.46	4.46	15.46	1.00	0.29
2014–15	2,505.06	155.50	6.21	4.38	16.38	1.02	0.27

Source: Budget Brief, MoF; MoE Annual Budget Books and UGC Annual Budget.

15. **Nongovernment colleges receive support from the government through MPOs, or salary subventions, to teachers.** The government MPO grants constitute about 20 percent of income for nongovernment colleges, while student tuition fees constitute more than 80 percent of total income. Government subventions finance 100 percent of the basic salary of the approved teaching and support staff posts in all recognized nongovernment colleges. However, significant numbers of teachers are not covered by the subventions due to MPO eligibility criteria. Only one teacher in a subject is entitled to an MPO in a graduate program (that is, three-year bachelor pass) offering college.³⁹ Hence, the majority of teachers in Honours and Masters programs are left out of the government’s MPO scheme.

16. **Financial autonomy varies widely across the government and nongovernment colleges.** Government colleges receive funding from the MoE through the DSHE. Government colleges are highly regulated and have little financial autonomy except in planning the annual budget. Colleges, therefore, have little financial leeway to take up development initiatives to meet rapidly changing economic and social demands. By contrast, nongovernment colleges enjoy financial autonomy, but the majority have insufficient resources to undertake development initiatives at their institutions.

Financing in the National University

17. **The NU revenue is based primarily on the various categories of fees charged to students and institutions.** The major source of NU’s income is from examination and registration fees of students followed by other types of payments from affiliated colleges. In FY 2014/15, total NU income from these different sources stood at BDT 1.79 billion, which is a 28 percent increase from the previous year’s earnings. The NU does not receive any GoB financing or grant through

³⁹ If a college offers 10 subjects but has 5 teachers for each subject, totaling 50, only 10 teachers will be entitled to receive an MPO, one from each subject.

the UGC. However, it implements several small development projects with GoB funding, which the NU receives directly from the government.

18. **The NU does not have any allocation in its annual budget for developing academic programs and teaching skills in affiliated government and nongovernment colleges.** The major share of the NU budget is spent on nondevelopment items, including salaries and examination-related expenses. In terms of expenditures to colleges, the NU spends a large proportion on conducting examinations and some teacher training. This fiscal structure leaves the NU with insufficient resources for improving the instructional quality and development initiatives.

19. **A large share of the NU expenditure is committed to holding of examinations.** The budget for holding examinations was BDT 796 million for FY 2014/15 and includes expenditures such as paper and toner purchase, printing, exam honorarium, paper delivery and distribution costs, and so on.

Institutional Arrangement of the NU College System

20. **The NU's complex institutional arrangements comprise a number of entities and government agencies, directly or indirectly involved in the governance of the college sector.** The NU is the apex body designated to look after tertiary-level college education. In addition, other agencies under the MoE (for example, the DSHE, NAEM, NTRCA, BANBEIS, UGC, and Public Service Commission) have overlapping responsibilities for the colleges. These overlapping six areas of college education governance are illustrated in table 6.2. According to the Rules of Business of the government, policymaking is the sole prerogative of the MoE. Only the MoE has the authority to initiate the process of making acts, ordinances, and rules concerning institutional governance of the subsector. However, the MoE, being the apex body in post-primary education, gleans its policy impetus from actions and experiences of its subordinate entities such as (a) the UGC for overall direction in tertiary education; (b) the NU for specific tasks with colleges; (c) the DSHE for residual overlaps on issues like subvention and administration of government colleges; and (d) the Education Boards for issues like GBs for colleges and higher secondary. However, the NU plays an important role in constituting the governing boards in colleges providing tertiary education.

21. There has been a proposal to change the affiliation policy, whereby the oversight of government colleges may be transferred from the NU to large public universities. This would have significant impacts on the governance of the college subsector. Therefore the government has requested the UGC (the apex body for management of higher education) to carry out a feasibility analysis on this proposal.

Table 6.2. Institutional Matrix of College Education Governance in Bangladesh

Agency	Policymaking		Development Projects		Personnel (Recruitment and Training)		Regulatory Role		Curricula Development		Quality Control	
	Government	Nongovernment	Government	Nongovernment	Government	Nongovernment	Government	Nongovernment	Government	Nongovernment	Government	Nongovernment
MOE	x	x	x	X	x	x	x	x			x	x
UGC	x	x					x	x				
NU	x	x			x	x	x	x	x	x	x	x
DSHE	x	x	x	X	x	x	x	x			x	
Board	x	x					x	x				
NAEM					x							
NTRCA		x				x		x				

Map of Bangladesh

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