THIRD PRIMARY EDUCATION DEVELOPMENT PROGRAM

RECORD OF DISCUSSIONS OF THE FIFTH JOINT ANNUAL REVIEW MISSION

2– 15 May 2016

I. INTRODUCTION

1. The Fifth Joint Annual Review Mission (JARM) of the Third Primary Education Development Program (PEDP3) was held from 2 to 15 May 2016. The main working sessions were chaired by Mr. Md. Alamgir, Director General, Directorate of Primary Education (DPE), from 2 to 4 May 2016 at the DPE. A joint Government and Development Partner (DP) field trip was made to Khulna and Rangpur Divisions from 8 to 11 May 2016.Mr. Md. Alamgir chaired the pre wrap-up meeting at DPE on 11 May 2016. Mr. Md. Humayun Khalid, Secretary, Ministry of Primary and Mass Education, chaired the wrap-up meeting on 15 May 2016. The Record of Discussions (RoD) records the key decision points reached during the mission and agreed at the wrap-up meeting.

2. The objectives of the JARM were to:
   - Jointly review overall sector performance and Third Primary Education Development Program (PEDP3) implementation progress based on the reports as specified in Section 6 of the Joint Financing Arrangement (JFA):
     - ✓ Quarterly IFRs;
     - ✓ Statement of progress on achievement of results;
     - ✓ Annual Sector Performance Report (ASPR);
     - ✓ Annual audit report; and
     - ✓ Reports from other reviews.
   - Review compliance with fiduciary safeguards.
   - Review compliance with safeguards requirements; and
   - Review Draft Annual Operational Plan (AOP), the Draft Annual Procurement Plan (APP) and the Draft Annual TA Plan of PEDP3 for FY 2016/17.

3. Representatives of the Government of Bangladesh (GoB) and the Development Partners[1] (DPs) participated in the JARM. Representatives of the Campaign for Popular Education (CAMPE),Bangladesh's International NGO Forum, United States Agency for International Development (USAID) and the World Food Program (WFP) were invited as observers(See Annex 1 for the objectives, required documents and program, and Annex 2 for the list of participants).

4. The JARM was informed by a series of plenary presentations including an outline of overall progress informed by the Annual Sector Performance Report (ASPR); a review of PEDP3 implementation progress; an update on alignment with the PEDP3 Social and Environmental Management Frameworks; and an update on a range of Financial Management related issue. The four Working Groups: Disparity (DWG); Quality (QWG); Administration and Monitoring (AMWG); and Procurement and Finance (PFWG) reviewed the Annual Operational Plan (AOP) for FY 2016/17 in concurrent sessions. Presentations were also made on the preliminary results of a recent "Mapping of all Teacher Education Development Training and Discrete Projects under PEDP3" by the consultant conducting the study, and on the Education Watch Report 2015 by CAMPE (see Annex 3 for copies of all the presentations made during the JARM).

II. STATUS OF PROGRAM PERFORMANCE AND COMPLIANCE WITH SAFEGUARDS

5. Based on the reports submitted and the findings during the review, overall program progress is satisfactory, and environmental and social safeguards are complied with. The requirements for the release of the Fixed Tranche as mentioned in the JFA are met, subject to the concurrence by Development Partners of an acceptable 2nd Quarter Interim Unaudited Financial Report (IUFR), as per bilateral agreements. Specific information related to program progress is summarized below and detailed in Annex 4 of this RoD.

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[1] Development Partners are Asian Development Bank (ADB), Australian Department of Foreign Affairs and Trade (DFAT), British Department for International Development (DFID), the European Union (EU), Global Affairs Canada (GAC), Global Partnership for Education (GPE), Japan International Cooperation Agency (JICA), Swedish International Development Cooperation Agency (SIDA), United Nations Children Fund (UNICEF) and World Bank (WB).

A. Sector and Program Performance:

6. Overall, the program continues to be implemented in a satisfactory manner, making important contributions to complex sector reforms, with notable achievements despite challenges. Key highlights include:

- *The program is largely on track to achieving its development objectives.*[2] The draft 2016 ASPR indicates improvement against many of the key performance indicators that measure progress in each of the four program components. The Net Enrolment Rate rose again and is now 97.94%, only 0.06% short of the end of PEDP3 target of 98%. The primary cycle completion rate continues to rise and reached 79.6% in 2015, while the proportion of schools meeting the composite school-level quality indicators also increased (from 28% in 2014 to 29.3% in 2015).The percentage of AOP budget allocation for unconditional block grants (SLIPs and UPEPs) has significantly increased compared to 2014 figures. However Gender Parity Index of gross enrolment rate (GER) increased from 1.03 in 2014 to 1.08 in 2015, which indicates the growing disparity in enrolment in favour of girls.
- Similar achievements were also highlighted in the 2015 Education Watch report "Moving from MDG to SDG: Accelerate Progress for Quality Primary Education" presented by CAMPE. The report advised that major improvements in primary education are reflected in immediate output indicators. However there are still persistent disparity and inequity issues in primary education especially in certain areas and socioeconomic groups. The report also emphasized the importance of focusing on quality of education in line with the Sustainable Development Goals 2030.
- *Implementation progress highlighted in the JARM included*: the GoB increased its capacity to deliver the Diploma in Primary Education from 7,200 places to 10,000 by increasing the number of Primary Training Institutes delivering the DPEd (from 36 to 50); in FY 2015/16 the percentage of Annual Operational Plan (AOP) budget allocation for School Level Improvement Plan (SLIP) considerably increased (from 4.1% in 2014 to 7% in 2015). The SLIP guidelines were revised to improve the quality of plans themselves; evidence based decision making was further strengthened through the ongoing development and mainstreaming of a range of tools (e.g. online Annual Primary School Census, online

[2] As measured using Key Performance Indicators and Primary School Quality Level indicators (Annex 4)

textbook monitoring); the revision of all textbooks of the five main subjects was completed; textbooks were distributed to more than 99% of schools by 31 January 2015 (Draft ASPR 2016);the mainstreaming of pre-primary education is now nearly completed with 95% of government and newly nationalized primary schools offering pre-primary classes in 2015; and progress on the qualitative elements of the needs-based school infrastructure (e.g. development of Primary Education Property Management Information System and dissemination of guidelines).

- *The JARM noted that as of the April 2016 JCM, in total 39 of the 45 Year 0 to Year 4 DLIs had been assessed as met.*[3]
- *Key areas of the program requiring special attention include*: starting implementation of Second Chance Education for Out-of-School Children; more comprehensive monitoring and reporting on progress against the Gender and Inclusive Education (G&IE) Action Plan; increased efforts to ensure teacher recruitment and deployment occurs in a timely manner; further development of staff capacity (teachers, DPE officials and field offices/institutions) including regular follow-up of teacher trainings; approval and implementation of the proposed recruitment rules for career progression for teachers, head teachers and DPE officers; implementing Communication and Social Mobilisation activities; and timely completion of the large volume of procurement.
- The JARM also noted that there are concerns about security of the Primary Education Completion Examination (PECE) with regard to leakage of question papers. In a meeting with the Secretary, MoPME on 15 May 2016 it was agreed that MoPME will hold discussions with NAPE, DPE and representatives of DPs to ensure that security concerns are addressed in the administration of the 2016 PECE whilst also maintaining the quality and integrity of the exam in accordance with the approved PECE Framework. Further discussion will be required to address the Examination issues in the post-PEDP3 planning.
- *The PEDP3 FY 2015/16 Development Budget was reduced by 25% during the mid-year Annual Development budget revision in line with a revised national development budget.* Implementation was slow in certain sub-components due to a wide range of factors including an issue with the timely release of advances. Some of the most significant

[3] As agreed during the MTR Closure and Additional Financing Appraisal, where possible the funds allocated to achieving the Year 0 Sector Finance DLI have been reallocated.

components of budget reduction include Participation and Disparities (28.4%) as well as Learning and Teaching (25%).

- The pace of implementation will need to be accelerated and development expenditures to be increased in the final year of the program to ensure full utilization of the funds allocated in the Revised Development Project Proforma.
- *Broader challenges that continue include* coordination across implementing agencies responsible for delivering program results, including timely response to audit broadsheet replies, and system capacity constraints.
- The JARM identified priority action items to be taken to ensure progress in these areas. These, and other priority action items, are outlined below in Table 2 – Priority Action Items agreed at JARM 2016.

***B. Compliance with Social and Environmental Safeguards*:**

7. The JARM confirms satisfactory compliance of PEDP3 with Environmental and Social management frameworks (EMF and SMF) in field implementation (Annex 5).

8. Environment: LGED screened 1,800 new schools between July 2015 and April 2016. No significant environmental issues were found during the screening process. Some minor issues occurring during the construction phase were identified which related to issues such as dust and sound pollution, the safety of the students and workers, and the worker sanitation. Remedial measures have been suggested to overcome those issues. Construction phase monitoring was conducted in 675 schools. In 127 schools, some minor issues were found including haphazard stacking of construction materials, and class rooms being used to store construction materials. Steps have been taken by LGED HQ to overcome those issues. The Directorate of Public Health Engineering (LGED) screened 3,892 WASH Blocks. No major environmental issues were found during the screening process. DPHE also conducted inspections of 2,274 existing WASH Blocks. Minor issues were found in 489 cases for which steps have already been taken by DPHE. DPHE inspected 3,045 water sources. It was found that in approximately 17% of cases the drainage of waste water was not functioning and corrective actions were taken. DPHE confirmed that no tube wells are handed over to the school authority unless arsenic test is done and found within the allowable limit.

9. Social: The Local Government Engineering Department (LGED) and DPE jointly screened 10,131 schools in line with the approved Social Management Framework (SMF).No adverse

involuntaryimpact resettlement was recorded due to any civil works. All additional classrooms were built within the existing schools premises, and no land acquisition was required for any civil works. No physical or economic displacement of people, or adverse impact on the livelihood of the surrounding people was recorded. All sample schools were also screened for Small Ethnic Communities (SEC) / Indigenous Peoples (IP) safeguards, and 628 schools enrolled SEC students. No adverse impacts for any SEC were noted.

C. Compliance with Fiduciary Safeguards:

10. The program continues to have a satisfactory level of fiduciary oversight. Four audit reports of satisfactory quality are available (FY 2011/12, FY 2012/13, FY 2013/14 and FY 2014/15). The audit report for FY 2014/15 dated 31 March 2016 was issued with an unqualified opinion stating that the financial statements give a true and fair view in all material aspects. Resolution of audit observations from the first three audit reports is in progress. The PFWG has developed a tool to monitor progress in resolving audit observations (Annex6). The JARM noted that a large number of audit broadsheet replies are pending with FAPAD. The last audit tripartite meeting was held on 12 May 2015. Joint Secretary (Budget and Audit), MoPME has agreed to organize two tri-partite meeting by 30 June 2016 and 30 September 2016 respectively to increase the momentum in settling audit observations.

11. Eighteen approved Interim Financial Reports (IFRs) have been generated through the Integrated Budgeting and Accounting System (iBAS) from FY 2011/12 to FY 2015/16. The IFR for the 2nd quarter of FY2015/16 reflects improvements in both quality and completeness, meet the disbursement requirements of DPs up to May 2016 (subject to DPs concurrence of satisfactory FY 2015/16 2nd quarter IUFR).Two Annual Fiduciary Reviews (AFR) are completed. The draft FY 2013/14 AFR was shared with GoB and the report should be finalized by 15 May 2016. Theinception report for the FY 2014/15 AFR was received on 20 April 2016 and an Interim Report is expected by 30 June 2016. The terms of reference for the AFR FY 2015/16 are attached to this RoD (Annex 6). Seven Quarterly Fiduciary Reviews (QFRs) have been conducted as of 2016 JARM; the last QFR was conducted in October 2015 and noted reasonable improvements in the system. During the 2016 JARM the progress of the PFM Action Plan was reviewed, and the Plan was subsequently updated and revised by including more measurable actions. The updated plan is attached (Annex 6)

12. To 25 and 26 April 2016 respectively, LGED has procured 57% of e-Government Procurement (e-GP) and DPHE has procured 72% of total program procurement packages. As of 27 April 2016 DPE has achieved 37% progress against the procurement plan for goods.

13. A meeting with Finance Division, Ministry of Finance (MoF) was convened on 10 May 2016 to discuss a more sustainable approach towards approval of advance funds and resolution of agreed reporting requirements in the existing iBAS. The meeting agreed that Ministry of Finance will develop a separate classification code from next fiscal year, which will be used to book and adjust advances enabling real time tracking of the status of advance. Finance Division of MoF suggested that DPE Accounting Information System can also book advances under the same classification code and then reconcile figures with iBAS. Until this arrangement is effective the current arrangements are expected to continue.

14. Based on the above-mentioned developments and findings from the reports, the JARM acknowledges PEDP3 is in compliance with the agreed financial management responsibilities and procurement procedures subject to concurrence of the 2nd Quarter FY 2015/16 IUFR, in accordance with the agreements in the JFA (see Annex 6 for details).

III. ANNUAL OPERATIONAL PLAN FOR FINANCIAL YEAR 2016/17

15. DPE shared the draft Annual Operation Plan (AOP) for FY 2016/17 with DPs one week before the commencement of the JARM, allowing the DPs to review the AOP in advance of the WG sessions during the JARM. Although initial submissions by line divisions of DPE amounted to BDT 6,039,81.61 Lakh, MoPME advised DPE to keep the budget within the FY 2016/17 envelope provided by MoF (BDT 4,972,68.00 Lakh). While the envelope is BDT 58,048.69 Lakh (10.4%) lower than the budget outlined in the Revised Development Project Proforma (RDPP), it is a 77% increase above the revised ADP of FY2015/16.[4]

16. It was also noted that even if the currently allocated budget of BDT 4,972,68.00 Lakh for FY 2016/17 is fully utilized, the Program will have achieved only 78% of the total allocated development budget of RDPP. The allocation for FY 2016/17 is not sufficient to complete the

[4]The JARM was informed that MoF can provide additional allocation during ADP revision, subject to satisfactory financial progress.

planned activities according to RDPP by June 2017. During the revision of ADP 2016/17 budget the development budget of PEDP3 shall have to be increased to BDT 6,039,81.61 Lakh.

17. To ensure that implementation will start from the first month of the Fiscal Year and start-up delays are minimized it was agreed that (i) DPE will submit the AOP to MoPME by 26 June 2016(ii) MOPME will approve the AOP by 21 July 2016,(iii) a Government Order is expected to be issued to release funds by 31 July 2016, and (iv) Finance Division of MoF during a meeting on 10 May 2016 showed their commitment to expedite approval of advance process for PEDP3 and have proposed to introduce a new classification code in iBAS to book and adjust advances.

18. The respective WGs reviewed the AOP to:
    - ensure that the activities planned for FY 2016/17 would be sufficient to meet the overall PEDP3 objectives and the activities planned for the sixth year of the program;
    - identify incomplete Year 5 activities that require a budget allocation in Year 6 to enable completion; ascertain areas where Technical Assistance (TA) is required to execute activities, as well as the duration, cost and engagement mechanism of these TAs;
    - identify any other areas where a budget is required to implement the program but not included in the draft AOP; and
    - prioritise activities for which funds are essential and are needed in the first two quarters of the year.

    The findings of this review were documented by each WG and are included in Annex 7. These documents will be utilised by DPE to inform further refinement of the AOP before it is submitted for approval.

IV. TEACHER RECRUITMENT AND DEPLOYMENT

19. The 2016 JARM discussed the progress made in the recruitment and deployment of teachers. 41,085 teachers have been recruited throughout the program to date. Government indicated that an additional 70,222 teachers will be recruited throughout FY2016/17. Of these, approximately 34,000 positions are attrition or vacant positions. Two proposals to create additional 36,222 positions are waiting for approval by the Ministry of Public Administration (MOPA).

20. In order to meet the ambitious target, the key dates regarding teacher recruitment and deployment are outlined in the priority action items Table 2 below.

V. TECHNICAL ASSISTANCE

21. The 2016 JARM reviewed the progress made in implementing the Technical Assistance (TA) plan, noting the progress made in streamlining and improving the process of TA initiation. However challenges still remain, particularly in relation to the engagement of firms and the lengthy contract negotiations and agreement process. Given the importance of some studies in the light of the PEDP3 assessment and post-PEDP3 planning, the JARM 2016 agreed to accelerate the signing of the following contracts:

- Capacity Assessment Study of Monitoring and Evaluation Division of DPE
- Third Party Validation of 2016 Annual Primary School Census
- Teacher-Student Contact Hours Study
- Textbooks Quality Study
- Update and operationalization of Organization Development and Capacity Building Guidebook (ODCBG) of Primary Education
- Mid-Term Review Quality Study (Phase II)
- Monitoring and Mentoring of Needs Based Sub-Cluster Training Study
- Study on Monitoring and Mentoring for Teacher Professional Development Courses
- Information and Communication Technology Study to examine utilization of ICT equipment and to assess the future needs in the primary education

VII. NEXT STEPS FOR PROGRAM IMPLEMENTATION

A. Disbursement Schedule

22. The disbursement schedule in Table 1 below provides an overview of disbursements by DPs to date and projections up to October 2016. The projected disbursements are subject to: (i) submission of acceptable IUFRs as per bilateral agreements, and (ii) specific prerequisites, if any, in bilateral agreements. DPE is urged to review bilateral agreements and consult respective DPs to ensure that all prerequisites for disbursement are duly addressed so that disbursements can be made as planned. The next assessment of DLIs is planned for October 2016, during the JCM.

Table 1: PEDP3 Disbursement to date and projections to October 2016

DP	Type of Tranche	Currency of Commitment/ Disbursement	Original Commitment in the agreement (million)	Disbursed as of March 2016 in commitment /disbursement Currency (million)	Undisbursed amount in commitment /disbursement currency (C-D) (million)	Plan Disbursement in April- October 2016 in commitment/ disbursement currency
	A	B	C	D	E	G
ADB	FT*	USD	204.44**	146.786	57.654	0
	VT*	USD	235.56**	164.164	71.396	8.88
DFAT	FT	AUD	24.5	19.066	5.434	00
	VT	AUD	24.5	18.329	6.171	00
DFID	FT	GBP	33	33	0	0
	VT	GBP	77	65.5	11.5	3
EU	FT	EURO	36.5**	14.5	22	14.5
	VT	EURO	64**	6.5	56***	6.5
GAC	FT	CDN	32	28	4	0
	VT	CDN	32	17.7	14.3	0
IDA (World Bank)	FT	SDR	0	0	0	0
	VT	SDR	457.3****	181.7	275.6	56.2
JICA	FT	YEN	1500	1000	495*****	245
	VT	YEN	1,000	500	495*****	136.1
SIDA	FT	SEK	150	149.768	0	0
	VT	SEK	150	99.660	0	0

GPE	FT	USD	0	0	0	0
	VT	USD	100	0	100	20.8
UNICEF	FT	USD	0.6	0.4	0.2	0.1
	VT	USD	0			

* **FT = Fixed Tranche; DLI = Variable Tranche**

** **Including additional financing**

*** **EUR 1.5m lost due to the 3 DLIs not met within the EU deadline**

**** **This reflects both the Original (Restructured) IDA commitment and the Additional Financing Credit Agreement signed on 25 January 2015. The Credit Agreement became effective on 1 March 2015.**

***** **10 Million JPY was deducted from the current approved PRS Grant (due to mis-procurement issue)**

B. Agreed Actions for Implementation

23. The JARM reviewed the progress in accomplishing actions agreed upon during the April 2016 JCM. The table of priority actions has been updated to include actions earlier identified but not completed, as well as new activities identified during the May 2016 JARM. Priority action points are actions that should be completed prior to the next JCM in October 2016 that require high level attention to facilitate completion. The updated list of priority action points is found in Table 2 below.

Table 2: Priority Action Items Agreed at the 2016 JARM

Topic	Item	Responsible	Due Date
Second Chance Education (SCE)	Advertisement for SCE published	SCE Division	17/05/16
Primary Education Completion Examination (PECE)	Organize a consultation meeting with MoPME NAPE, DPE and DPs(including international consultant) on procedures for 2016 PECE	Additional Secretary, MoPME	22/05/16
Post-PEDP3 planning	Convene the first formal meeting of Assessment and Planning Oversight Committee	MoPME	29/05/16
High level meetings	DP Consortium Chair to arrange a meeting between MoPME, DPE and DPs to discuss: • Next steps regarding teacher recruitment • Career path	DP Consortium Chair	30/05/16
Textbook production and distribution	DPE introduces firm engaged (Ernst and Young) to undertake study into production and distribution of textbooks to NCTB and other relevant stakeholders.	Admin Division DPE	30/05/16
Gender and Inclusive Education	Specify topics and develop ToRs for Gender and Inclusive Education qualitative studies (part of PEDP3 and post-PEDP3 planning)	DWG	30/05/16
IFR	Submit 3rd quarters IFR for FY 2015/16	Finance Division, DPE	31/05/16

Program Support Office (PSO)	PSO consultants to be on-board	Finance Division, DPE	30/06/16
Teacher recruitment	Follow up on approval of pending 36,222 positions by MoPA	PSO	22/05/16
	Official decision on Pool/Panel teacher formally communicated to DPE	MoPME, Policy and Operations Division, DPE	22/05/16
	Recruitment of teachers (from existing pool and advertised) commenced	Policy and Operation Division, DPE	15/07/16
PPE	Report from study on current status of implementation of minimum quality standards in PPE classrooms is finalized and submitted to MoPME for endorsement	Policy and Operation, DPE and UNICEF	25/06/16
AOP	Submission of draft AOP to MoPME AOP approved by Program Steering Committee	Program Division DPE MoPME	26/06/16 21/07/16
Audit and Budget	MoPME (JS Audit and Budget) to organize two tripartite meetings to report progress in next JCM	MoPME	30/06/16 30/09/16
Position transfers	Prepare and share with AMWG a plan for the transfer of PEDP3 positions (needs-based) to revenue budget	Admin Division, DPE	30/06/16
Communicatio n Strategy	Share an action plan with DWG to implement Communication Strategy after divisional level consultations	Policy and Operations, DPE	30/07/16
School Inspections	Organize a workshop to outline the new draft inspection guidelines and seek feedback from stakeholders	M&E Division, DPE	31/07/16
Infrastructure	Meeting on PEPMIS institutionalization and remaining two modules development (for post-PEDP3 planning)	MoPME with LGED, DPHE and DPE	16/08/16
Education in	Develop and share with DWG an	Planning and	15/09/16

Emergency	implementation plan of EiE framework	Development, DPE and UNICEF	

VIII. Concluding Remarks

24. In his closing remarks the Secretary stated that all the joint efforts are aimed at the final objective of PEDP3: improving the quality of primary education for all children in Bangladesh. He commended all teams for the exemplary JARM process. He expressed his appreciation to all participants for their hard work during the last twelve months, in particular during the last four weeks. He highlighted the need to pursue on time implementation of activities and conscientious planning to ensure the success of PEDP3 especially in the final year of PEDP3 implementation.

15 May 2016

15-5-16

Mr. Pawan Kucita

Chair

PEDP3 DP Consortium

Mr. Md. Humayun Khalid

Secretary

Ministry of Primary and Mass Education

Annexes

Annex 1: Objectives, Required Documents and Program
Annex 2: List of Participants
Annex 3: May 2016 JARM Presentations
Annex 4: Overall Program Performance: Key Performance Indicators and Primary School Quality Levels
Annex 5: Safeguards - Environmental and Social (including Gender and Inclusive Education)
Annex 6: Fiduciary Oversight
Annex 7: Outline of working group discussions
Annex 8: JARM Field Trip Report

