

Government of the People's Republic of Bangladesh
Economic Relations Division
Ministry of Finance

Press Release

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A Financing Agreement of US\$ 100 million has been signed today January 21, 2016 at the Economic Relations Division (ERD), Dhaka between the People's Republic of Bangladesh and the International Development Agency (IDA) as Additional Financing to the ongoing Skills and Training Enhancement Project (STEP). **Kazi Shofiqul Azam, Additional Secretary, ERD and Mr. Martin Rama, Acting Country Director of the World Bank Dhaka Office** signed the Additional Financing Agreement on behalf of their respective sides. Senior officials of the Government of Bangladesh and the World Bank were present on the occasion.

The overall responsibility of the project implementation rests with the Directorate of Technical Education (DTE) as the lead implementation agency while the Bureau of Manpower, Employment and Training (BMET) and Bangladesh Technical Education Board (BTEB) would implement relevant components. The project is being implemented for the period of July 2010 to June 2016 and for additional financing the implementing period has been upto June 2019.

The objective of the project is to strengthen technical training institutions to improve training quality and employability of diploma and short-term training programs in both public and private institutions and to make the Technical and the Vocational Education Training (TVET) sector more responsive to current and emerging local and global labor market. The project also focuses on introducing key institutional level reforms. These reforms are aimed at transforming these institutions from being supply-driven to demand-driven and to work in a setting where they could act under developed operating rules and greater autonomy. The project is structured around three key components:

- (i) improving the quality and relevance of diploma and short-term training programs;
- (ii) strengthening the capacity of key institutions such as **DTE, BTEB** and **BMET** and
- (iii) strengthening the monitoring and evaluation of the **TVET** sector.

Additional Financing would support the original components of the project which remains identical and it would scale-up ongoing institutional supports to additional public and private institutions along with existing institutions.

The financing credit is soft and concessional in nature; it carries a service charge of 0.75% on the withdrawn amount. The credit is repayable in 38 years with a grace period of 06 years with no commitment fee.


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