ANNEX

Mid-term Review of the Country

Strategy Paper for Bangladesh (2007-13)

and

Multiannual Indicative Programme 2011-13
### Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>BBS</td>
<td>Bangladesh Bureau of Statistics</td>
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<td>BEC</td>
<td>Bangladesh Election Commission</td>
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<td>CDMP</td>
<td>Comprehensive Disaster Management Programme</td>
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<td>CHT</td>
<td>Chittagong Hill Tracts</td>
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<td>CSP</td>
<td>Country Strategy Paper</td>
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<tr>
<td>CTG</td>
<td>Caretaker Government</td>
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<td>DFID</td>
<td>Department for International Development (UK)</td>
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<td>DIPECHO</td>
<td>Echo’s Disaster Preparedness Programme</td>
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<td>DoL</td>
<td>Division of Labour</td>
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<td>DRR</td>
<td>Disaster Risk Reduction</td>
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<td>EC</td>
<td>European Community</td>
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<td>ECHO</td>
<td>European Commission Humanitarian Aid Office</td>
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<td>EIDHR</td>
<td>European Initiative for Democracy and Human Rights</td>
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<td>EITI</td>
<td>Extractive Industries Transparency Initiative</td>
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<td>EOM</td>
<td>Election Observation Mission</td>
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<td>EU</td>
<td>European Union</td>
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<td>GAERC</td>
<td>General Affairs and External Relations Council</td>
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<td>GCCA</td>
<td>Global Climate Change Alliance</td>
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<td>GoB</td>
<td>Government of Bangladesh</td>
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<td>GSP</td>
<td>Generalised System of Preferences</td>
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<td>HNPSP</td>
<td>Health, Nutrition and Population Sector Programme</td>
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<td>ICT</td>
<td>Information and Communication Technology</td>
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<td>IFI</td>
<td>International Financial Institutions</td>
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<td>ILO</td>
<td>International Labour Organisation</td>
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<td>IPR</td>
<td>Intellectual Property Rights</td>
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<td>JSC</td>
<td>Joint Cooperation Strategy</td>
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<tr>
<td>Acronym</td>
<td>Description</td>
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<td>LDC</td>
<td>Least Developed Countries</td>
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<td>LGSP-LIC</td>
<td>Local Governance Support Project–Learning and Innovation Component</td>
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<td>LRRD</td>
<td>Linkages between Relief, Rehabilitation and Development</td>
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<td>MDGs</td>
<td>Millennium Development Goals</td>
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<td>MIC</td>
<td>Monitoring and Information Centre for Civil Protection</td>
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<td>MIP</td>
<td>Multi-annual Indicative Programme</td>
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<td>MTDF</td>
<td>Multi-Donor Trust Fund</td>
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<td>MTR</td>
<td>Mid-Term Review</td>
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<td>NFP</td>
<td>National Food Policy</td>
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<td>NPRS</td>
<td>National Poverty Reduction Strategy</td>
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<td>NFPE</td>
<td>Non-Formal Primary Education</td>
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<td>NIP</td>
<td>National Indicative Programme</td>
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<td>PEDP</td>
<td>Primary Education Development Programme</td>
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<td>POPs</td>
<td>Persistent Organic Pollutants</td>
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<td>REOPA</td>
<td>Rural Employment Opportunities for Public Assets</td>
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<td>SAARC</td>
<td>South Asian Association for Regional Cooperation</td>
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<td>SCP</td>
<td>Sustainable Consumption and Production</td>
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<td>SME</td>
<td>Small and Medium-sized Enterprises</td>
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<td>SWAP</td>
<td>Sector-Wide Approach</td>
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<td>TCF</td>
<td>Technical Cooperation Facility</td>
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<td>TEIN</td>
<td>Trans-Eurasia Information Network</td>
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<td>TRTA</td>
<td>Trade-Related Technical Assistance</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>UNFPA</td>
<td>United Nations Population Fund</td>
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PART I — EXECUTIVE SUMMARY

The MTR has identified a number of issues and lessons learnt, such as the need for a more pro-poor approach in view of increased food and fuel price volatility; the need for reinforced efforts on primary education-related MDGs, and the growing need to take into account the commitments entered into by EU Member States and the EU in the field of aid effectiveness when programming and implementing EU-Bangladesh cooperation.

Taking these issues and lessons into account, it is concluded that the CSP analysis continues to be valid. Minor modifications proposed include:

- for the AAP 2010: continue and step up support to Primary Education (formal and non-formal) instead of shifting support to Secondary Education. An action in the field of social statistics with a view to supporting the 2011 Census has been added;

- for the MIP 2011-13: (i) greater emphasis on pro-poor actions in all possible sectors, in particular Private Sector Development; (ii) greater emphasis on reform issues in the health sector; (iii) further support to statistics for development policy-making.

The MTR analysis and extensive consultations have led to the following indicative allocations

<table>
<thead>
<tr>
<th>Focal Area 1 – Human and Social Development</th>
<th>74 meuro (37 %)</th>
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<tr>
<td>➔ Primary Education and Health reform</td>
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<tr>
<th>Focal Area 2 – Governance and Human Rights</th>
<th>54 meuro (27 %)</th>
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<tr>
<td>➔ CHT Peace Process, Electoral Process, and Options for support to policy making (such as Statistics, Technical Cooperation Facility and Local Governance)</td>
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<th>Focal Area 3 – Economic and Trade Development</th>
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<tr>
<td>➔ pro-poor Private Sector Development</td>
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<th>Non-Focal Sector – Environment and Disaster Management</th>
<th>30 meuro (15 %)</th>
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<td>➔ Climate Change Adaptation for the poorest</td>
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<tr>
<th>Non-Focal Sector – Food Security and Nutrition</th>
<th>20 meuro (10 %)</th>
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<tr>
<td>➔ Food Security support for ultra-poor women-headed households</td>
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<tr>
<th>Total</th>
<th>20 meuro (10 %)</th>
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|                                                        | 198 meuro       |

The average amounts provided for individual actions in all areas of the new MIP 2011-2013 have been increased (as compared to the previous MIP 2007-2010) to maximise impact and reduce transaction costs.
**Cross-cutting issues**, such as gender, disability and the environment, will be mainstreamed into programmes. Given the level of threat that climate change poses to overall development progress in Bangladesh, climate change will need to be thoroughly addressed in the context of sector-specific activities.

The new MIP should be flexible enough to support the **Joint Cooperation Strategy** (JCS) to be agreed between the Government of Bangladesh (GoB) and donor partners in 2010. This flexibility should also allow the Commission to respect the commitments entered into by the European Community and Member States in the fields of aid effectiveness, in particular regarding **division of labour**.
PART II - CONCLUSIONS TO THE MTR PROCESS

1. Changes in the country context

The years 2008 and 2009 have been crucial for the return of democracy to Bangladesh. Following the promulgation of the State of Emergency on 11 January 2007, the country was ruled by a reform-oriented caretaker government backed by the military, which committed to holding elections by the end of 2008. The landslide victory by the Awami League (AL) in an internationally-recognised election provides an opportunity not to be missed for the country. Yet, a number of recent events (the Bangladesh Rifles mutiny, the irregularities during the upazila elections, a number of disruptions to the normal functioning of Parliament) show that the risk of a return to instability still remains.

Throughout 2009, the new government has revised the National Poverty Reduction Strategy (National Strategy for Accelerated Poverty Reduction NSAPR II for 2009 to 2011) in line with Awami League Manifesto, but the update that was shared with the stakeholders in autumn 2009 did not change the analysis and planning substantially. Plans are also underway to move towards five-year plans as of 2010/2011. One of the Government’s top five priorities is the elimination of extreme poverty and inequality (extension of the social safety net for the ultra-poor, creation of employment opportunities in the rural economy). High priority is also given to increasing domestic food production, with arrangements for timely food import to ensure national food security.

The Government of Bangladesh and the country’s donor community have taken a step forward towards closer and more aligned cooperation with the agreement to develop a Joint Cooperation Strategy (JSC) by 2010. This JCS, which will emphasise inter alia, a better division of labour among donors and a move towards better alignment with country systems in accordance with the Paris and Accra agendas, will have to be taken into account in future programming strategies.

There remains uncertainty as to the depth and severity of the impacts of the recent global financial crisis on the economy of Bangladesh. Although the country is relatively insulated from the global financial sector, it is vulnerable to a potentially long-term global economic slowdown. The Bangladesh economy relies heavily on garment exports, which are mainly destined for the European and the American markets. Growing insecurity of employment for Bangladeshi workers in the Middle East and Asia poses major risks for the flow of remittances into the country.

Since 2007, Bangladesh has been greatly affected by volatility of food and fuel prices. The prices of rice, wheat, edible oil and pulses almost doubled. Currently around 32% of the population or approximately 47 million people are severely food insecure (i.e. consume less than 1805 kcal/day). Despite the recent downward trend in falling food prices, the overall situation remains of concern. It is believed that food prices in the long run will remain high in the long run. Due to increased consumption in some countries and bans on export to control local prices, the availability of food in the international market has experienced sharp decline. This situation has prompted the Government of Bangladesh to reemphasise again the need to reach self-sufficiency in national food production. In 2006, the Government of Bangladesh ratified a new National Food Policy (NFP) – an action supported by EC funding - which was followed by the approval of the corresponding Plan of Action in August 2008.
Bangladesh is one of the countries most vulnerable to the effects of climate change. There is a high probability of increased frequency and intensity of natural hazards due to climate change, which will affect mostly the poor. In addition, more intense river flooding and erosion and seawater level rises will adversely affect agriculture production and therefore aggravate the food crisis. In September 2008, Bangladesh launched a Climate Change Strategy and Action Plan which is now drawing support from development partners, including the EC. The NPRS also includes climate change elements.

2. **Developments in EU Policies**

Since the adoption of the CSP for the period 2007-2013, a number of **EU policies relevant for Bangladesh** have either been adopted or updated. None of them fundamentally alters the content of the EU Strategy vis-à-vis Bangladesh, which, to a large extent, already takes into account new policy concerns. Annex 5 on Policy Coherence for Development contains a description of a wide range of EU policy fields and their impact on EU-Bangladesh cooperation and relations. Some of the most relevant fields are described in this chapter. Where appropriate, ongoing and future programmes will be adapted so as to take into account the most recent developments.

Since the previous CSP was drafted, the EU adopted two **new EU Human Rights Guidelines** on children (2007) and women (2008)\(^1\). In addition, other human rights policies have been developed, e.g. as regards the death penalty, torture and human rights defenders. A stronger gender focus is also enshrined in the 2007 EC Strategy on Gender Equality and Women Empowerment in Development Cooperation, which refers to the need to refocus specific actions for women’s empowerment in the field of governance and political participation, employment and economic activities, education, health and gender-based violence.

In 2007, the Commission adopted a **Communication on Aid for Trade**, which was followed by Council Conclusions\(^2\). Support to trade and private sector development is already an important focus of the CSP, which allocates one fifth of the funds to the promotion of trade and private sector development. The priorities stated in the Communication on Aid for Trade are addressed by the programmes adopted under the MIP 2007-2010, which are intended to support the development of a country-owned trade policy, reinforce trade capacity and improved standards.

In May 2006, the Commission adopted the **Communication on Promoting Decent Work for All**\(^3\). In this Communication, the Commission developed an integrated strategy with a view to mobilising EU internal and external policies (such as development, external cooperation, trade, enlargement and bilateral and multilateral external relations) to promote decent work. In 2008, the Commission adopted a Report on the EU contribution to the promotion of decent work in the world\(^4\). The report supports the existing integration of decent work issues into CSPs and puts forward proposals to promote this goal.

**Climate change** is becoming increasingly important in the EU’s external action. In the last two years, the EU has adopted an Energy and Climate Change package (2007), a Global

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1. EU Guidelines on violence against women and girls and combatting all forms of discrimination against them (2008); EU approach on Women and Peace Processes.
Climate Change Alliance (2007), and a Global Energy Efficiency and Renewable Energy Programme (2008). Bangladesh, one of the countries most affected by climate change, will continue to require substantial support in the coming years.

In response to the 2007-2008 global food price hike which pushed an estimated 75 million people into food insecurity and further aggravated the nutrition situation for many of the poorest, the Commission established in early 2009 the so-called “Food Facility Regulation” which allocates €1 billion over the budgetary period 2008-2010 for actions and programmes to counter the negative effects of soaring and volatile food prices. Measures dovetail with other assistance, and support country-owned food security priorities, thereby contributing to the achievement of MDG1.

In Bangladesh, which has been allocated € 50 million from the Food Facility, measures are aimed at boosting productive capacities of agricultural workers and small farmers and at mitigating and reversing situations of food insecurity of the most vulnerable poor households.

Migration is one of the most prominent issues of the EU Strategy on the External Dimension in the area of freedom, security and justice, adopted by the Council in December 2005. Since 2007, this strategy has been underpinned by the new thematic co-operation instrument on migration and asylum, alongside regional and country strategies. Recent migration flows from Bangladesh have concentrated more on non-EU countries (mainly Gulf countries). The importance of migration for the promotion of economic development is generally acknowledged. This is especially the case in a country like Bangladesh, where 5.8 million Bangladeshis are currently working abroad. Remittances sent by migrants through official channels reached a record high level of USD 6.5 billion in the 2007 fiscal year. Although, due to the world’s economic downturn, there are reports of workers returning to the country, remittances continued to grow in the fiscal year 2008-09. The EU’s efforts on education, especially in the field of technical and vocational training also aim to boost the country’s potential as an exporter of manpower.

A number of phenomena linked to migration, such as the trafficking of women and children, continue to cause serious violations of human rights. The EU has joined other donors’ efforts in this regard, providing support to the Anti-trafficking component of the Police Reform Programme.

The EU’s Regional Strategy Paper (2007-2013) promotes regional cooperation in the SAARC area, South Asia being one of the least integrated regions in the world. In view of major challenges common to all countries in the area in fields such as climate change, security, uprooted people (Rohingya) and (illegal) migration, the EU will continue to support, to the extent possible, regional cooperation in both South and South-East Asia.

With the adoption of the Accra Agenda for Action in September 2008, partners furthered the commitments made in the Paris Declaration on Aid Effectiveness (2005). EU partners had already committed themselves to an even more ambitious agenda by subscribing to the EU Code of Conduct on Complementarity and Division of Labour in Development Policy endorsed by the Council in May 2007. Moreover, Bangladesh is one of the pilot countries for EU fast-tracking of Division of Labour (DoL). At the Council’s request, the EU and the Netherlands have assumed local leadership in this regard. The Government of Bangladesh is

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5 Sources : International Organisation for Migration, World Bank.
still developing its aid management capacities in order to interact effectively with the large community of donors active in Bangladesh. Given the needs of an ever-increasing population, delivering on aid effectiveness commitments is to be one of the prime targets for donors and Government in the years ahead. The Joint Cooperation Strategy (JCS), in which the EU played a catalytic role in Bangladesh and which is expected to be adopted in 2010 by the Government of Bangladesh and the donor community, will be the prime vehicle to achieve this goal. The MIP 2011-2013 will have to align with the JCS and its Results Matrix.

3. Performance and Lessons Learnt

Country performance

Successful parliamentary elections in December 2008 constituted a major step forward for the return to democratic normalcy. The newly-elected Awami League Government has expressed a strong commitment to achieving development outcomes for the ultra-poor.

The major weaknesses in the public sector’s human resources management are affecting the country’s performance not only in general, but also in development cooperation. The incessant and excessive rotation of government officials, due to systemic factors but also for political reasons, undermines all efforts to build institutional memory and capacity, and stands in the way of more effective ownership of development activities by Government services.

The Government of Bangladesh’s weak implementation capacity in general continues to be an impediment to full alignment by development partners with country systems, even though some headway is being made here too. There is increasing use of Multi-Donor Trust Funds (MDTFs) and the EU contributes to several of these. With a view to better aligning its aid, the EU has started to involve more actively Government services in the management of projects through partially decentralised activities in the areas of food security, health and education.

Despite recent progress, Public Financial Management, and not least with reference to procurement practices, needs to be strengthened further to become an effective policy-making and accountability instrument for the Government and to gain the confidence of the international community, also with a view to moving towards more aid-effective implementation arrangements for bilateral cooperation, such as budget support. Activities under the new MDTF for Public Financial Management, in which the EU participates, started in 2009 and will serve as a litmus test for progress in this field.

In 2000, Bangladesh committed itself to achieving the Millennium Development Goals (MDGs) by 2015. A Mid-Term Progress Report published by the Government of Bangladesh in December 2007 indicated that, while the country had achieved MDG 3 (gender parity in primary and secondary schooling) and was on track on a number of other MDGs, it was behind schedule on MDG 1 (eradicate extreme poverty and hunger), MDG 2 (completion of primary schooling), MDG 3 (gender parity in tertiary education), MDG 5 (reducing maternal mortality) and some of the targets for MDGs 6 (communicable diseases) and 7 (environmental sustainability). The adjustments to the CSP are proposed with MDGs 1, 2 and 5 in mind.

Cooperation performance

EU-Bangladesh cooperation is proceeding very well, albeit against a backdrop of huge needs and continuing challenges in all sectors, especially the severely underfunded social sectors.
Modernisation and increased efficiency are at the forefront of identified needs in the Health sector in Bangladesh. Progress in implementing the Health, Nutrition and Population Sector Programme (HNPSP) has been only moderately satisfactory. Reform elements of the programme have seen dramatic under-spending, partly due to weak ownership by the previous government, whereas procurement activities (supplies and equipment) have more or less advanced as planned. Population-based surveys indicate big improvements in child mortality, whereas fertility rates are declining, sustaining the chances for successful economic and social development. The Public Health Administration has taken various steps towards making better services available to the poor. However, daunting challenges remain. Maternal mortality remains high and providing adequate primary health care is a must if high malnutrition rates are to be reduced. The low cost-effectiveness of the system aggravates the already dramatic underfunding problem. Given Bangladesh’s vulnerability to the effects of climate change, appropriate measures will need to be integrated into health programmes wherever relevant. Specific activities should include: awareness-raising and capacity building for health professionals; contingency and infrastructure planning for extreme weather events; and planning for the increased prevalence of disease.

Bangladesh needs continuing support to improve the quality of education at all levels so as to (i) move closer towards achieving the Millennium Development Goals; (ii) reduce the very high drop-out rate in primary education (still around 50%); (iii) ensure that all children are enrolled in primary education (1.5 million still not enrolled), and (iv) increase levels of literacy. A major focus of PEDP-II has been infrastructure development and teachers’ recruitment. While both are important, more attention should be paid to quality. The Non-Formal Primary Education (NFPE) project started belatedly in 2007. At present, around 260,000 students are enrolled in non-formal (pre-) primary education, with 300,000 expected to be enrolled by the end of project implementation. Progress in NFPE is very satisfactory. While the EU’s Technical and Vocational Education and Training (TVET) programme started only in 2007, it is already evident that it addresses a major need for more and better technical and vocational training in the country.

Whereas the CSP stated that the MIP 2007-2010 would focus on secondary education, analysis and consultation during the Mid-Term Review, and an elaborate pre-identification study on Education, have made it abundantly clear that the secondary education subsector is not yet ready to absorb donor resources on a scale comparable to the primary education sector. The education resources earmarked for education in the MIP 2007-2010 (approximately €52 million) will thus continue to be channelled to (non-formal) primary education for the time being with a view to addressing remaining challenges for primary enrolment and retention rates (MDG 2). In the meantime, the EU will strengthen its engagement in policy dialogue with the Government and other donors already active in Secondary Education so as to help the Government prepare the sector for more substantial future donor involvement (one possibility being a sector programme for Secondary Education along the lines of the PEDP). If necessary, the EU could support such preparation with an ad hoc small-scale technical assistance intervention, which would be complementary to other donors’ efforts. The effects of climate change, particularly on the capacity to deliver

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6 The current level of public health spending, in the range of US$4 per capita, compares poorly to the approximately US$30 which the WHO estimates to be the minimum amount required for a basic set of health services.
education following damage to infrastructure or reduced availability of staff will need to be factored into education programmes. National education provides an opportunity to sensitize local populations to the effects of, and strategies to cope with, climate change.

**Focal area 2: Governance and Human Rights**

**Progress has been made on a number of governance indicators** included in the CSP\(^7\), such as local governance, the electoral process and police reform.

The UNDP-administered pool fund for the establishment of the **Electoral Roll** with photos, to which the EC contributed substantially (€15 million), was a resounding success, as it managed to register more than 80 million voters in less than a year and a half. Gender-related activities are almost invariably assessed as quite successful. The EU’s commitment to development in the **post-conflict context of the Chittagong Hill Tracts** is another example of a successful action (co-)financed by the EU.

In other governance-related fields, the results of the Government programmes have been mixed. This can largely be attributed to the instability preceding the state of emergency, the CTG priorities differing from those of previous governments, and serious ownership and capacity issues in some line ministries. Despite recent progress and the start of an ambitious multi-donor supported programme in 2009, Public Financial Management needs to be strengthened further to become an effective policy-making and accountability instrument for the Government. While public expenditure policy has many positive aspects, financial management systems remain weak, undermining the effectiveness of the policy.

Through interventions such as Local Governance Support Project — Learning and Innovation Component (LGSP-LIC), Support to Village Courts and Rural Employment Opportunities for Public Assets (REOPA), the EU has established itself as one of the leading partners in local governance. Despite the limited implementation capacity of the Local Governance Department, a continuation of this engagement is considered essential, as it secures administrative, fiscal and democratic accountability, as well as access to justice for the poor and vulnerable at the local level. It also provides strategic linkages to EU actions in Environment and Disaster Management, and Food Security.

**Focal area 3: Economic and Trade Development**

In the economic and trade development sector, the results of the **Trade-related Technical Assistance (TRTA)** programmes have been positive, but slower than expected especially on the policy and strategy level, even if some progress on the regulatory reform process has been made with the setting-up of the Regulatory Reform Commission (RRC). However, in-built resistance to reform in the public sector has affected progress under the Trade Support Programme, the Quality Support Programme and the Intellectual Property Rights (IPR) project in particular.

According to the CSP\(^8\), economic and trade development assistance should be carried out in two phases, the first one (2007-2010) focusing on the development of a trade and private sector development policy, a legal and institutional framework in the areas of standards, conformity assessment and IPR as well as SME development, and the second one (2011-13)

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\(^7\) P. 18.  
\(^8\) P. 20.
focusing on promotion of export diversification. However, more work is needed to consolidate the achievements of the first phase, and evaluations of these ongoing interventions will have to be taken into account during the preparation of the next CSP. Moreover, during the MTR consultations, a clear need to target pro-poor growth in the second phase of the current CSP has been identified.

Non-focal area 1: Environment and Disaster Management

In the area of Environment and Disaster Management, results have been generally satisfactory. However, the integration of environmental concerns into all development activities is proceeding slowly. Due to overpopulation, weak law enforcement and weak urban planning, challenges to effective environmental protection remain huge.

More consistent integration of climate change-related measures will be necessary to enhance risk awareness and appreciation of the inter-linkages between climate change and other areas of sustainable development. However, Bangladesh is a leader in disaster management and has made solid progress in managing natural disasters, not least thanks to the EU co-financed Comprehensive Disaster Management Programme (CDMP). A noticeable impact was the relatively low death toll following the November 2007 Sidr cyclone and the May 2009 Aila Cyclone.

Non-focal area 2: Food Security and Nutrition

The MTR has clearly confirmed the relevance of the EU’s staying in this area, in which only a limited number of donors are active and to which the EU brings expertise and innovation. The recent increase in the numbers of ultra-poor due to food and fuel price volatility in 2008 has only underlined the importance of engagement in the area of food and livelihoods security. The Commission’s approach to the implementation of food security support, which is delivered in Bangladesh through a wide range of partners (Government of Bangladesh, international organisations, international and local NGOs) has resulted in high impact on the target groups. The fact that Bangladesh is not eligible for the revised thematic food security instrument and the provisional character of palliative measures (transitional allocation under the Food Facility) creates a new situation in which geographical funds will have to be the main source for food security programmes. Apart from maintaining present funding levels under the CSP’s non-focal sector, an effort is made under the MIP 2011-13 to integrate the issue of food and livelihoods security in other areas of EU assistance.

Good complementarities have been achieved between the two non-focal areas.

4. Quality Improvements

Extensive analysis and consultations as part of the Mid-Term Review have led to the conclusion that the CSP analysis remains valid overall. A number of relatively minor revisions, set out below, will make it even better attuned to the country’s context and policies.

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9 In financial terms, this means that the total EU allocation per year to Bangladesh (MIP +Food Security thematic instrument) will sharply decrease from around €109 million per year during the period 2003-2006 to €66 million per year during the period 2011-13. National Indicative Programme allocations were respectively €288.5 and €100.7 million for 2003-2005 and 2006 and allocations to Bangladesh under the Food Security Budget Line amounted to €81.4 million over the four years between 2003 and 2006. This has to be compared to the MIP allocation for 2011-2013 (€198) million and no funding from the Food Security Thematic Programme.
to new European Union policies and global realities, and to the aid effectiveness agenda. The current choice of three focal and two non-focal areas remains justified and allows the EU to comply with the requirement to allocate 20% of the funds to basic health and education (Focal Sector 1).

Lessons learnt under the Health SWAP and other Health interventions suggest that the current underfunding of the sector is much aggravated by insufficient progress on reform towards better efficiency of government services, human resource management and financing arrangements. The CSP needs to (i) define more clearly the rationale for health interventions as a key to poverty reduction, achievement of the MDGs and better governance; and (ii) address reform, efficiency and modernisation issues through support in key policy areas such as health financing, human resource issues, and collaboration between the public and the private sectors. In view of the relatively modest allocation available under the MIP 2011-13, particular attention must be given to the added value that EU involvement will bring in this field.

In the field of education, the MIP 2007-2010 mentions only secondary education as a focus of intervention, with a view to follow-up previous support given to primary education under the PEDP-II programme. In view of the urgent need to continue catering to large numbers of pupils not served by government primary schooling in order to meet MDG2, the nascent state of reforms in Secondary Education and the currently limited added value of an EU intervention in the subsector, the allocation provided for in the MIP 2007-2010 for secondary education will be redirected to Non-Formal Primary Education (NFPE).

Experience shows that reliable data on population growth, poverty status, educational status, maternal health, gender-related issues and progress on MDGs remain key to effective policy-making. This is particularly relevant in the areas of health, education and food security, areas for which precise data on the population — currently estimated at between 150 and 160 million — are indispensable for policy-making and appropriate targeting of resources. National capacities in statistics remain weak and donor involvement in this area has been very limited so far. For that reason, the Government of Bangladesh has issued a plea to development partners to participate in the financing of the 2011 Population and Housing Census. While the Government is covering most of the budget, a significant budget shortfall of approximately €10 million remains. In this field, the EU has a clear comparative advantage in terms of financing possibilities and statistical expertise. In view of the need to start preparing for support to the census under the MIP 2011-2013, a preparatory action in the field of social statistics will be covered under the MIP 2007-2010.

The election of a new Government and the reform legacy of the CTG (including institutional, electoral and political party reforms) offer a window of opportunity for strengthening good governance. In view of Bangladesh’s recent political history, an overarching concern should be the promotion of a constructive and responsible approach to politics, a culture of respect for democratic rule, human rights and tolerance across the whole of the political and religious spectrum. Proper attention should be paid to the appropriate division of labour among donors according to their comparative advantage. Given its longstanding political and financial support to the Chittagong Hill Tracts Peace Accord and its implementation, and its comparative experience on Indigenous Peoples, the EU is uniquely placed to continue this support.

The EU has a clear comparative advantage in trade and private sector development in Bangladesh where it is in the lead on trade-related technical assistance. As the destination
of approximately 50% of Bangladesh’s exports, the EU has a clear role to play in this field now and in the future. The overall strategy for economic development and trade-related assistance in the CSP 2007-2013 is appropriate, provided that work on the legal and policy framework for trade is continued during the period 2011-13. Secondly, the strategy has until now focused primarily on export sectors. However, based on the primary aim to reduce poverty and on the possible impact of the financial crisis on the main export sectors, the possibility should be open for supporting non-export sectors as well. Should the Government of Bangladesh request technical assistance in the context of EU-Bangladesh economic cooperation, including in related areas such as competition policy, the EU should seek to provide it, subject to the availability of funding.

The response strategy is still adequate for the environment and disaster preparedness sector, provided that other sources of EU funding, such as ECHO, DIPECHO, the Instrument for Stability, thematic initiatives (such as the Global Climate Change Alliance — GCCA), add to the MIP funds. For most donors, climate change has become a high priority area for action. An MDTF is in the process of being established, to which the EU intends to contribute with GCCA funds allocated for 2009 with a view to building the Government’s capacity to implement the National Strategy on Climate Change. Climate change concerns also need to be integrated more consistently into other sectors.

The relatively limited — in view of the needs — amount of funds available for food security will require the EU to maximise the impact of its actions through geographic or thematic concentration. In late 2009, the European Commission carried out a review of food security interventions in Bangladesh. The lessons learnt will be used for improving and better targeting future food security actions. The issue of food and more broadly, of livelihoods’ security will increasingly need to be taken into account in programmes under the other areas of intervention as well. A first move in this direction was initiated in 2009, with the identification work for the pro-poor growth in private sector development intervention.

Whereas work towards a Joint Cooperation Strategy (JCS) planned for 2010 is progressing, work on division of labour — already recently initiated at EU level — will need to be intensified in order to produce tangible results, especially in the areas of health and education. The MIP 2011-13 should contribute to improved donor co-ordination and allow for some flexibility for the EU to engage in meaningful discussion on DoL and to take into account the JCS to be adopted in 2010 (see Part II, section 2 above).

With a view to creating much-needed flexibility to accompany ongoing EU actions, prepare future ones, contribute jointly with other development partners and the Government of Bangladesh to ad-hoc needs in the context of the Joint Cooperation Strategy process, and to help the Government and the EU to prepare the next Country Strategy Paper, the MIP 2011-13 contains a modest allocation for a Technical Cooperation Facility, aimed at financing studies, training activities and seminars and thus reinforcing Government ownership of EU-funded cooperation.

One of the quality improvements required for this Mid-Term Review Process and future Country Strategy Papers is the analysis of the possible synergies between the EU’s development strategy and other EU policies, in accordance with the Commission Communication Policy Coherence for Development and the GAERC Conclusions adopted on 24 May 2005. A detailed Policy Coherence for Development analysis of the twelve areas mentioned in the 2005 Council Conclusions is attached as Annex 5.
PART III - MULTIANNUAL INDICATIVE PROGRAM FOR 2011-2013

The total allocation for the MIP 2011-13 is €198 million or €66 million/year as opposed to €51 million/year for the MIP 2007-2010. The increased commitment and disbursement pressure makes it even more important to better anticipate the identification of actions and to concentrate resources on a manageable number of interventions. Interventions will have to build even more strictly than before on the EU’s comparative advantage, particular expertise, or otherwise well-established track record if they are to make a meaningful contribution to the Joint Cooperation Strategy process in Bangladesh, with which this MIP is to be fully aligned. The issue of Division of Labour, which may make it advisable for a partner to take a back seat in certain ‘overpopulated’ sectors in order to concentrate expertise and financial resources in others, makes further flexibility a necessity.

The activities in this MIP do not stand alone. Actions financed under the CSP 2002-06 and the previous MIP 2007-2010 as well as a wide array of interventions under various other EU budget lines (such as Food Security, Non-State Actors, EIDHR) not covered by this CSP complement the activities of the current MIP, and actions continuing to be implemented after 2011 will mutually reinforce each other.

**Focal Area 1 - Human and Social Development (€74 million — 37% of MIP)**

**Education (€54 million)**

With a view to consolidating the achievements of previous interventions and to further improving Bangladesh’s performance on the Education MDGs, especially those on primary school enrolment and retention rates, the MIP 2011-13 will continue to contribute to the Government’s efforts in the field of Primary Education (potentially grades 1 to 8). This can be done either through a renewed contribution to the successor of the second Primary Education Development Programme (PEDP-II), which will end in 2011, or through other means, to be determined during identification and formulation. Funding of support to other Education subsectors (e.g. technical and vocational education, adult literacy programmes, educational efforts towards the Government of Bangladesh’s vision of a ‘Digital Bangladesh’ by 2021) will continue to be possible.

Impact indicators for this area of intervention include, depending on the exact targeting of the action, the improvement of literacy, completion, drop-out and retention rates (see Annex 4 for further information).

**Health (€20 million)**

Financing for the sector under the MIP 2011-13 will address the need for capacity building in the context of health reform, efficiency and modernisation issues through technical cooperation. According to capacity building plans and demand expressed by the Government as well as other health sector stakeholders; this envelope will address key policy areas such as health financing, human resource management, and collaboration between public and private sector. The most appropriate modality for delivery will be determined during the identification and formulation phases; the Commission will pursue the closest possible

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10 All allocations in this document are indicative and approximate.
alignment with national policies, national systems and procurement procedures as well as harmonisation with other donors’ actions in the sector.

Output indicators for the institutions to be strengthened towards the agreed sectoral outcomes and impacts (e.g. improved access and services for the poor) will be identified in the context of the sector programme during the formulation phase (see Annex 4 for further information).

**Focal Area 2 – Governance and Human Rights (€ 54 million — 27% of MIP)**

*Support to the implementation of the Chittagong Hill Tracts Peace Accord (€24 million)*

The EU has contributed to the UNDP-implemented Chittagong Hills Tract Development Facility since its inception in 2005 and supported earlier projects in the fields of health, education and water supply. The current Chittagong Hill Tracts Development Facility implemented by the UNDP, will come to an end in 2010. In September 2009, the UNDP signed an agreement with the Government of Bangladesh to extend the CHT Development Facility until 2013, generating new momentum for development of the region.

Given the pervasive poverty of the area, social and political tensions and the slow implementation of the Peace Accord, the relevance of the intervention in the CHT continues to be high. The activities contemplated in the CSP in the fields of community empowerment, confidence building and economic, social and cultural development in the region continue to be necessary to ensure the region’s growth and political stability. The Commission intends to continue to be the leading partner for the Government of Bangladesh for the continuation as of 2011 of financial support for the implementation of the Peace Accord for the CHT.

The leading role of the EU among the donor community will ensure visibility, coordination and political weight vis-à-vis the Government for advocacy for the full implementation of the 1997 Peace Accord even in relation to more sensitive issues. By capitalising on the results achieved so far, support to the region is expected to continue in the same direction to cover more communities in all three CHT districts, improve the capacity of local officials, traditional and village institutions, enhance economic indicators and build confidence. The EU has successfully used its leading role, with the UNDP, to interest other partners in contributing to donor support to the area. These efforts have so far yielded sizeable contributions from Canada and Denmark in recent years. The renewed EU contribution of approximately €24 million will help continue indispensable efforts to promote good governance and social and economic development in the CHT. Efforts will be stepped up to promote mainstreaming of CHT interventions, or at least close coordination with national sector policies and programmes, in particular in Health and Education.

Impact indicators for this assistance include the improvement of empowerment of CHT indigenous communities, the improvement of the management capacity of local institutions, and at a more general level the maintenance of political and social stability (see Annex 4 for further information).

*Building further on achievements in the electoral process (€10 million)*

Following the successful compilation of the Electoral Roll with Photographs, further work will be needed to keep it up to date and to increase the quality of private data in the electoral list and its planned use for a national ID card system, with due consideration to privacy aspects.
The recommendations made by the EU EOM warrant further EU engagement in **electoral support**, notably in enhancing the capacity of the Election Commission and providing technical assistance in reforming the rules on candidate nomination and empowering women and minority voters. Further options for support under this heading include, *inter alia*, financial support to the next round of parliamentary elections and voter and civic education.

The impact for this intervention will be measured through indicators related to the quality of the voter list and its updates, the compression of calendar dates in accordance with the EU EOM Guidelines, the reduction of election-related incidents, the timely publication of a realistic electoral schedule and delimitation of electoral boundaries and the transparent and efficient management of the poll, the count, and the tabulation and publication of results (see Annex 4 for further details).

**Options for support to policy making (€20 million)**

The CSP provides a number of further options under Focal Sector 2 — Governance and Human Rights to support policy-making and better governance in Bangladesh. With a view to keeping flexibility for the ongoing process of Division of Labour among donors to help the Government achieve the results agreed in the 2010 Joint Cooperation Strategy, the current MIP contains the following options, in the fields of statistics and local governance.

**Data for Development — Support to Statistics.** Increasing the capacities of the Bangladesh Bureau of Statistics (BBS) will help the Government of Bangladesh improve the quality of its policy-making across all sectors, not least the social ones. Part or all of this support could be channelled to the **2011 Population and Housing Census**. The Census, supported and coordinated by the UNFPA and to be implemented by the BBS, will focus on vital data for social policy-making such as figures disaggregated by gender on education and literacy, health and mortality, disability, employment and income.

Impact indicators for the Census will include the availability of high quality, suitably disaggregated data on the population, strengthened capacity of the BBS, and, on a more general level, evidence of social policy-making on the basis of the new census data (see Annex 4).

**Local Governance** - With a view to a continuing support to Local Governance, in synergy with a host of other EU-funded activities in a wide array of areas, an allocation could be earmarked to a **rights-based approach in local governance with a focus on democratic accountability and active citizenship**. An EU action in this area would strengthen links between local authorities and civil society as well as between the different tiers of Government. Our approach should also enable local government bodies to become effective partners in the delivery of EU aid in other sectors, notably health, education, food security and the environment.

The main indicators for local governance activities will be improvement of the individual and community income and living standard; improvement of access to local government services by communities and individuals, including access to justice; increases in staff numbers and of trained staff in local institutions and the transparent execution of local budgets and financial reporting.

With a view to fulfilling the EU’s commitments in the context of the EU Code of Conduct on Complementarity and Division of Labour and the future Joint Cooperation Strategy for
Bangladesh, a certain degree of **flexibility** is needed for the EU to participate meaningfully in ongoing discussions on these issues.

This is especially relevant in the area of good governance given the large amount of donors, the scattered nature of the interventions and the impact of political developments on programme conception and implementation. For that reason, the Governance envelope will also be available for **Support to key democratic oversight institutions**, such as the Anti-Corruption Commission or the National Human Rights Commission in cases where joint donor interventions in support of such institutions fail to materialise or to materialise fully through other donors.

**Technical Cooperation Facility (appr. €2 million)** Further to the need, clearly identified in the course of the MTR, for more flexibility in the implementation of EU-Bangladesh cooperation and for resources to improve the Government’s capacity to manage aid and improve aid effectiveness, the MIP can finance a **Technical Cooperation Facility** (TCF) to accompany ongoing EU interventions (monitoring, evaluation, studies and seminars not covered by other means), prepare future ones and contribute jointly with other development partners and the Government of Bangladesh to ad hoc needs for studies, seminars and training in the context of joint cooperation interventions (including in the context of overarching issues such as the Joint Cooperation Strategy or civil service reform). It will allow the EU, by means of well-targeted, small-scale interventions, to build further on achievements of past or ongoing assistance\(^\text{11}\). It will also provide resources to help the EU and the Government prepare the next Country Strategy Paper. The TCF will likewise provide the much needed resources for continuous consultation by the GoB and the EU with Bangladesh’s very extensive civil society on all issues of interest to EU-Bangladesh cooperation.

**Focal Area 3 – Economic Development and Trade (€ 30 million - 15% of MIP)**

**Pro-poor Private Sector Development (€30 million)**

Analysis and consultation during the MTR have made it clear that there is a need for economic development activities more directly aimed at the poor. All resources under this focal area will therefore be directed to **making private sector development work more for the poorest**, assisting and promoting entrepreneurship at grassroots level and above, in addition to and in synergy with private sector development interventions already underway at Ministerial level and below (these interventions funded under MIP 2007-2010 will run in parallel and last until 2013-14). The intervention will be innovative and based on the EU’s, other donors’ and Non-State Actors’ rich experience in the fields of private sector development, skills development, and livelihoods security. It will aim to fully involve Government services in its design and management. It should also include efforts to promote corporate social responsibility and decent work.

This allocation is meant to act as a catalyst to attract other donor funding so as to cover a significant number of beneficiaries at grassroots level particularly in rural areas.

Impact indicators for this field of intervention include better access to relevant business development services, skill enhancement, sources of finance, markets, information and communication, and a more conducive business environment for the poorest layers of the

\(^{11}\) This is especially the case of areas such as trade and private sector development standards, conformity assessment and intellectual property rights.
population, leading to more diversified and sustainable self/employment opportunities livelihoods in the targeted areas and in the relevant nodes of pro-poor value chains (see Annex 4 for further details).

**Non-Focal Area 1 — Environment and Disaster Management (€ 20 million - 10% of MIP)**

*Climate Change Adaptation among the Poorest (€ 20 million)* - In order to **reduce the burden of disasters on the poorest**, the aim of the intervention under 2011-2013 is to support, in synergy and alongside the CDMP, more effective Disaster Risk Reduction at community level through targeted actions on disaster prevention, mitigation and preparedness. The focus will be on the most vulnerable parts of the population and on permanent solutions to identified disaster risks. These interventions on DRR will complement other EU actions and tools in this field such as the CDMP and activities funded by ECHO and DIPECHO, the Instrument for Stability, and the Environment and Natural Resources Thematic Programme (ENRT). Close coordination, possibly in the form of pooled funding, will be sought with other ongoing interventions in the field of Climate Change and Disaster Risk Reduction.

Performance is to be measured through indicators pertaining to the impact of natural disasters on national and local GDPs, to population behaviour change, and the numbers of victims of natural disasters.

**Non Focal Area 2 – Food Security and Nutrition (€ 20 million - 10% of MIP)**

The MIP 2011-13 will build on previous experiences and lessons learnt (including lessons identified during a subsector-wide comparative assessment to be held in 2009), and will concentrate resources on an intervention **promoting food security for the most vulnerable women-headed households in highly food-insecure areas which are particularly prone to natural disasters**.

The measure will be characterised by the continued strengthening of government ownership and its implementation and delivery capabilities, effective LRRD (Linking Relief, Rehabilitation and Development) through close collaboration with ECHO and — if possible — with the EU Food Security Thematic Programme, close linkage of food security with Disaster Risk Reduction, and strategic nutrition support (e.g. nutrition education and cost-effective micro-nutrient supplementation for women and children). This intervention will respond to the priorities identified in the Plan of Action of the National Food Policy endorsed by the Government of Bangladesh in May 2009.

Performance will be measured through a variety of indicators related to **inter alia** household income among poor and ultra-poor household in target areas, wasting and stunting figures and changes in household expenditure (see Annex 4 for further details).

**Cross-cutting issues**

As was the case under the MIP 2007-10, the issue of **gender**, and more particularly women’s empowerment will continue to have a central place, in particular in the areas of Education, Health and all food and livelihoods security-related activities under Focal Sector 2 (Good Governance and Human Rights), Focal Sector 3 (Economic and Trade Development) and NFS2 (Food Security and Nutrition). **Disability** will be mainstreamed into EU interventions as well. Growth support initiatives will include **efforts to combat exclusion and ensure**
respect for human rights, including improved labour standards and decent work opportunities.

Apart from being a separate non-focal area, environment and climate change will continue to be integrated into interventions wherever possible, for instance in private sector development. The same will apply to food and livelihoods security and nutrition, both for urban and rural areas, for instance in the pro-poor orientation of the envisaged private sector development programme under Focal Sector 3.

Non-State Actors (NSAs) will continue to be directly supported under the EU’s dedicated thematic budget lines. Moreover, NSAs will also continue to play an essential role in the implementation of the current MIP, most notably in interventions at grassroots level.

The EU will continue to encourage the Government and NSAs to enter into public-private partnerships, especially in the delivery of basic social services, such as health, non-formal primary education and social transfers. The activities foreseen by the MIP under "local government" will also focus on the involvement of non-state actors in local development planning, implementation and monitoring, through strengthened cooperation with local authorities.

The EU’s commitments to the aid effectiveness agenda will be fully lived up to under the MIP 2011-13. Whereas the MIP will strive to align itself with the Joint Cooperation Strategy to be entered into between the Government of Bangladesh and the development partners in 2010, interventions will be fully harmonised with other development partners’ activities wherever possible and appropriate. Pooled funding mechanisms, joined policy dialogue with the Government and alignment with government systems will be sought wherever possible and appropriate, the latter through (partially) decentralised management arrangements or even Sector Budget Support if the conditions for it are met.
## Revised MIP 2007-2010 and MIP 2011-13 - Bangladesh (indicative allocations)

24/11/2009

<table>
<thead>
<tr>
<th>Sector</th>
<th>Interventions</th>
<th>Committed</th>
<th>Planned</th>
<th>Allocation in MIP 07-10</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2007</td>
<td>2008</td>
<td>2009</td>
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<tr>
<td>FS1</td>
<td>Support t/Reach through Basic Education (NFPE-II)</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Education in CHT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FS2</td>
<td>Justice - Village courts</td>
<td>10,0</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Local Governance</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Voters' registration (PERP)</td>
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<tr>
<td></td>
<td>Land Reform</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Data for Social Development : Population and Housing Census 2011 (1st phase)</td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td>Public Finance Management (PFMIP)</td>
<td>15,0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FS3</td>
<td>Better Quality &amp; Work (BEST)</td>
<td>15,0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Trade Policy Support Programme</td>
<td>6,0</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>INSPIRED (Private Sector Development)</td>
<td></td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>NFS1</td>
<td>Sunderbans (SEALS)**</td>
<td>10,0</td>
<td></td>
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<td></td>
<td>Comprehensive Disaster Management (CDMP2)</td>
<td>13,0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NFS2</td>
<td>Food Security &amp; Nutrition****</td>
<td>30,0</td>
<td>46,0</td>
<td>72,6</td>
</tr>
</tbody>
</table>

Commitment per year: 30,0 46,0 72,6 56,4
% of MIP per Year: 15% 22% 35% 28%
Cumulative amount of Commitments: 30,0 76,0 148,6 205,0 205,0
%: 15% 37% 72% 100%

FS1 Focal Sector n°1 = Human and Social Development
**FS2** Focal Sector n°2 = Governance and Human Rights

**FS3** Focal Sector n°3 = Economic and Trade development

**NFS1** Non-Focal Sector n°1 = Environment and disaster management

**NFS2** Non Focal Sector n°2 = Food security and nutrition

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**MIP 2011-2013: € 198 million**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Interventions</th>
<th>Planned</th>
<th>Allocation in MIP 11-13</th>
<th>Allocation in CSP</th>
</tr>
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<tbody>
<tr>
<td></td>
<td></td>
<td>2011</td>
<td>2012</td>
<td>2013</td>
</tr>
<tr>
<td><strong>FS1</strong> Primary Education</td>
<td></td>
<td>54,0</td>
<td>74,0</td>
<td>37%</td>
</tr>
<tr>
<td>Support to reform in the Health sector*</td>
<td></td>
<td>20,0</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FS2</strong> Support to implementation of CHT Peace Process</td>
<td></td>
<td>24,0</td>
<td>54,0</td>
<td>27%</td>
</tr>
<tr>
<td>Electoral process/electoral roll</td>
<td></td>
<td>10,0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Options for support to policy making:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Local governance</td>
<td></td>
<td>12,0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Data for Social Development : Population and Housing Census 2011 (2nd phase)</td>
<td></td>
<td>6,0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Technical Cooperation Facility</td>
<td></td>
<td>2,0</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FS3</strong> Pro-poor Private Sector Development</td>
<td></td>
<td>30,0</td>
<td>30,0</td>
<td>15%</td>
</tr>
<tr>
<td><strong>NFS1</strong> Climate change adaptation for the poorest</td>
<td></td>
<td>20,0</td>
<td>20,0</td>
<td>10%</td>
</tr>
<tr>
<td><strong>NFS2</strong> Food Security and Nutrition</td>
<td></td>
<td>20,0</td>
<td>20,0</td>
<td>10%</td>
</tr>
</tbody>
</table>

| Commitment per year                  | 86,0    | 92,0    | 20,0        | 10%        |
| % of MIP per Year                    | 43%     | 46%     | 10%         |            |
| Cumulative amount of Commitments     | 86,00   | 178,00  | 198,00      | 100%       |

| %                                   | 43%     | 90%     | 100%        |            |

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Average intervention size 2007-10: 14,6 MEUR

Average intervention size 2011-13: 19,8 MEUR

* + possibility for delegated management of Member States (DoL)
| Focal Sector 1 - Human and Social Development | 58,6 | 74,0 | 132,6 | 33% | 35% | -2% |
| Focal Sector 2 - Governance and Human Rights | 59,4 | 54,0 | 113,4 | 28% | 25% | 3% |
| Focal Sector 3 - Economic and Trade development | 40,0 | 30,0 | 70,0 | 17% | 20% | -3% |
| Non-Focal Sector 1 - Environment, Disaster management | 23,0 | 20,0 | 43,0 | 11% | 10% | 1% |
| Non-Focal Sector 2 - Food Security and Nutrition | 24,0 | 20,0 | 44,0 | 11% | 10% | 1% |
| **Total CSP 2007-13** | **205,0** | **198,0** | | | | |
### ANNEX II

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>1 Proportion of population below $1 per day in PPP</td>
<td>58,80%</td>
<td>49,60%</td>
<td>40%</td>
<td>29,40%</td>
</tr>
<tr>
<td>2 Prevalence of underweight children (&lt; 5 years old)</td>
<td>67%</td>
<td>51%</td>
<td>39%</td>
<td>34%</td>
</tr>
<tr>
<td>3 Under-five mortality rate (deaths/1000 live births)</td>
<td>151</td>
<td>82</td>
<td>62</td>
<td>50</td>
</tr>
<tr>
<td>4 HIV prevalence rate of women aged 15-24</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>5 Proportion of births attended by skilled personnel</td>
<td>5%</td>
<td>12%</td>
<td>18%</td>
<td>50%</td>
</tr>
<tr>
<td>6 Proportion of 1-year-old children immunised</td>
<td>54%</td>
<td>69%</td>
<td>77,7%</td>
<td>100%</td>
</tr>
<tr>
<td>7 Net enrolment rate in primary education</td>
<td>73,70%</td>
<td>82,7</td>
<td>87%</td>
<td>100%</td>
</tr>
<tr>
<td>8 Ratio of girls to boys in primary and secondary education</td>
<td>55:45</td>
<td>48:52</td>
<td>53:47</td>
<td>48:52</td>
</tr>
<tr>
<td>9 Primary school completion rate</td>
<td>34:66</td>
<td>52:48</td>
<td>50:50</td>
<td>50:50</td>
</tr>
<tr>
<td>10 Proportion of the population with sustainable access to an improved water source</td>
<td>97,3</td>
<td>97,3</td>
<td>97,6</td>
<td>100%</td>
</tr>
<tr>
<td>11 Telephone lines and cellular subscribers/100 people</td>
<td>n/a</td>
<td>1,32</td>
<td>14</td>
<td>n/a</td>
</tr>
<tr>
<td>12 Formal cost required for business start up Cost (% GNI per capita)</td>
<td>n/a</td>
<td>n/a</td>
<td>739,8</td>
<td>n/a</td>
</tr>
<tr>
<td>13 Time required for business start up (days)</td>
<td>n/a</td>
<td>n/a</td>
<td>74</td>
<td>n/a</td>
</tr>
<tr>
<td>14 GNI per capita (US$)</td>
<td>n/a</td>
<td>411</td>
<td>523</td>
<td>690</td>
</tr>
<tr>
<td>15 Access of rural population to an all season road</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>16 Household electrification rate</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Note: 1) For some areas there are no data available (n/a)
2) Currently, only 40% of the population has access to electricity in Bangladesh
## ANNEX III

### Donor Matrix Bangladesh (in million USD)*

| Sectors by DAC code | Education | Health | Population Policies | Water Supply and Sanitation | Government and Civil Society | Other Social Infrastructure and Service | Transport and storage | Communications | Energy | Banking and Financial Services | Business and other Services | Agriculture, forestry and Fishing | Industry, Mineral Resources and Mining, Constructing | Trade and Tourism | Multi-sector/Cross-cutting | Commodity Aid and general Programme Assistance | Action related to Debt | Emergency assistance and Reconstruction | Support to NGOs | Unallocated/Unspecified | Total by donor |
|---------------------|-----------|--------|---------------------|-----------------------------|----------------------------|--------------------------------------|-----------------------|---------------|--------|-------------------------------|-------------------------|--------------------------------|--------------------------------|----------------|--------------------------|----------------|----------------|----------------|
| **Donors**          |           |        |                     |                             |                            |                                      |                      |               |        |                              |                         |                                |                                |                |                          |                        |                          |                |                |
| All present EU Donors |           |        |                     |                             |                            |                                      |                      |               |        |                              |                         |                                |                                |                |                          |                        |                          |                |                |
| Denmark             | 14        | 11     | 12                  | x                           |                             | x                                    | 95                    | x             | 8,6    |                              | x                       |                                |                                |                |                          |                        |                          | 140,3            |                |
| Germany             | 30        | 122    | 61                  | xx                          |                             | x                                    |                      |               |        |                              | x                       |                                |                                |                |                          |                        |                          | 217,3            |                |
| Netherlands         | 123       | 49     | 50                  | 25                          | xx                          | xx                                   | 25                    | x             | 12     |                              |                         |                                |                                |                |                          |                        |                          | 284,4            |                |
| Sweden              | 53        | 76     | 8                   | x                           |                             | xx                                   | 1,9                   | xx            |        |                              |                         |                                |                                |                |                          |                        |                          | 138,8            |                |
| United Kingdom      | 222       | 196    | 112                 | 240                         | xx                          | x                                    | x                     | 445           | xxx    | 1,9                           |                         |                                |                                |                |                          |                        |                          | 1217             |                |
| EU                  | 193       | 154    | 110                 | 107                         | x                            | x                                    | 190                   | xx            | 7,5    | xxx                           |                         | xxx                           | xxx                           |                | 66                       |                        |                          | 718,8            |                |
| **EU + MS**         | 635       | 597    | 174                 | 452                         | xx                          | x                                    | 755                   | xxx           |         | xxx                           |                         | xxx                           | xxx                           |                | 11                       |                        |                          | 2716             |                |
| Major Non-EU Donors |           |        |                     |                             |                            |                                      |                      |               |        |                              |                         |                                |                                |                |                          |                        |                          |                |                |
| Australia           | 21        | 33     |                     | x                           |                             | x                                    | xx                    | xx            |        |                              |                         |                                |                                |                |                          |                        |                          | 54,18            |                |
| Canada              | 83        | 76     | 8                   | 13                          | xx                          | xx                                   | xx                    | x             |        |                              |                         |                                |                                |                |                          |                        |                          | 190,7            |                |
| Japan               | 7         | 3      | 152                 | 5                           | x                            | 400                                  | 52                    | xx            | 60     | xxx                           |                         | xxx                           | xxx                           |                |                          |                        |                          | 678,9            |                |
| Korea               |           |        |                     |                             |                             |                                      |                      |               |        |                              |                         |                                |                                |                |                          |                        |                          | 0,49             |                |
| Switzerland         | 12        |        |                     | x                           |                             | xxx                                  | xx                    | xx            |        |                              |                         |                                |                                |                |                          |                        |                          | 16,98            |                |
| United States       | 18        | 103    |                     | xx                          |                             | x                                    | 220                   | xx            |        | xx                             |                         |                                |                                |                |                          |                        |                          | 359,2            |                |
| International Organisations |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| ADB                         | 400 | 25 | 158 | 397 | xx | xxxx | xxxx | 400 | x | 40 | 1420 |
| United Nations              | 15 | 82 | 14 | x | xx | | | 103 | x | x | 213,7 |
| World Bank                  | 332 | 300 | 111 | 609 | xx | xxxx | xxxx | 305 | xxx | x | 1694 |
| IDB                         | 27 | 6 | | | | | | | | | 103 |
| Total by sector             | 1550 | 1219 | 609 | 1513 | | | 1835 | | | | 7377 |
| % EC                        | 12% | 13% | 0% | 7% | | | 10% | | | | 10% |

Sectors by DAC Code:

- DRR
- GEN
- CHT

110: Education
120: Health
130: Population Policies
140: Water Supply and Sanitation
150: Government and Civil Society
160: Other Social Infrastructure and Services
210: Transport and storage
220: Communications
230: Energy Generation and Supply
240: Banking and Financial Services
250: Business and other Services
310: Agriculture, Forestry and Fishing
320: Industry, Mineral Resources and Mining, Construction
330: Trade and Tourism
400: Multi-sector/ Cross-cutting
500: Commodity Aid and General Programme Assistance
600: Action related to Debt
700: Emergency Assistance and Reconstruction
920: Support to NGOs
998: Unallocated/Unspecified

For a more exhaustive view on the classification of sectors according to the DAC Code see the document: REPORTING DIRECTIVES FOR THE CREDITOR REPORTING SYSTEM – ADDENDUM 2, Reporting on the Purpose of Aid – Classification by Sector of Destination, DCD/DAC
Timelines for the data: The Matrix reflects ongoing commitments, i.e. a period from 2007 to 2013 (depending on the planning cycle of each donor). Following the review of the National Strategy for Accelerated Poverty Reduction II (NSAPR II) for the period 2010 to 2011 in 2009, the Government is also working on 2 subsequent five year plans for the period 2011 to 2021. In view of this planning as well as the ongoing drafting of a Joint Cooperation Strategy jointly by the Government and all DAC donors, it has been agreed that a Donor Matrix should be established for the High Level Development Forum Bangladesh in February 2010. The relevant discussions on the most suitable template/database for Bangladesh have not yet been concluded within the Government of Bangladesh. The aim will be to establish a more detailed picture on past and future commitments under the leadership of the Government with support of all the donors active in Bangladesh.

Where available figures have been provided in M-USD, otherwise envelopes have been established to indicate: xxxx>100; xxx >50 <100; xx >10 <50; x >2 <10 all MUSD (The template has been based on the template donor matrix as per iQSG website (http://www.cc.cec/dgserv/dev/newsite/index.cfm?objectid=B51EFA5C-0F6F-14E5-D61F5EB409F6AEEC), modified based on a locally produced draft by DFID)
MIP 2011-13 PERFORMANCE INDICATORS

The indicators, baseline figures and targets below have been drafted in a context, where often not very tangible indicators and targets have been used for government planning. In September 2009, the Government of Bangladesh submitted the updated poverty reduction strategy (National Strategy for Accelerated Poverty Reduction 2009 to 2011 (NSAPR II)) to national stakeholders and donors for consultation. The quality of indicators and targets in the NSAPR II requires further work. Strategic planning for the years 2011 to 2021 is under way (2 subsequent five-year-plans for 2011 to 2021 are envisioned by the current government), but will probably continue for most of 2010 and even in 2011.

Recently, joint efforts to improve aid management in Bangladesh in view of the Paris Declaration and Accra Agenda for Action have taken substantial momentum. One highlight of this process will be the High Level Development Forum in Dhaka in February 2010, where for the first time since 2005 the Government will present the results of its development work and goals and targets for the future.

As part of this process to improve aid management, government and donors are also working on a Joint Cooperation Strategy (finalisation planned for the first half of 2010) that will include a Joint Results Framework including indicators and targets related to NSAPRII and upcoming future planning documents. In the future, the EC will try to align to the maximum extent possible, its programming indicators and targets to government planning and indicators in this document may as a consequence be subject to adaptation.

As a further caveat, it should be noted that baseline figures, performance indicators and targets can for most individual interventions only be established in a meaningful way during the identification phase. All indicators given below are therefore given on an indicative basis, to be reviewed and refined during identification and formulation of the respective interventions.

The indicators and baselines for this document (extracting them from various more detailed programming documents) draw on instructions by AIDCO H 1 (Note 67012 of 8 April 2009) as well as by Director General Koos Richelle (Note Ares 175890 of 13 July 2009).

Clear baselines (facts and figures) are not always available for Bangladesh. This makes the MDGs particularly important, as the indicators related to the MDGs are regularly monitored and updated. Some of the MDG targets, such as those for education, are probably overly ambitious; some fine-tuning could be expected in the future. MDG relevant indicators will be listed for the relevant sections for easy reference. These have been deducted from

GoB – MDG Mid-Term Bangladesh Progress Report 2007 (December 2007) - as well as
(both reports published by the GoB General Economics Division, Planning Commission.)
FOCAL AREA 1 – HUMAN AND SOCIAL DEVELOPMENT

Education

Relevant MDG Baselines and Targets

*MDG 2 – Achieve Universal Primary Education*

Net enrolment ratio in primary education (2005: 87.2% - Target 2015: 100%)\(^{12}\)
Proportion of pupils starting grade 1 who reach grade 5 (2007: 67.0% – Target 2015: 100%)

- Adult Literacy rate of 15+ years old (2006: 38.8% – Target 2015: 100%)

**Intermediate impact indicators**

- Women to men parity index, as ratio of literacy rates, aged 15-25 maintain 50% (BBS)\(^{13}\)
  UNICEF
- Poverty reduction and sustainable economic growth in line with government objective of becoming a middle income country by 2021

**Specific impact indicators**

- Literacy rate increased (% of total population) (UNICEF, UIS Data,)
- Education primary completion rate improved (UNICEF, BBS)
- Drop out rates decreased, retention rates increased (School life expectancy male and total; UNICEF)

**Results/ outcome indicators**

- Net and gross enrolment increased (BBS, PEDP II)
- Access to level school level 6 increased (BBS, PEDP II)
  * Increased net and gross enrolment to reach the last 10% currently excluded (BBS)
- % of trained teachers providing better quality teaching and using adequate teaching learning materials (PEDP II)

Health

Relevant MDG Baselines and Targets

*MDG 4 – Reduce child mortality*

- Under five mortality rate (per 1,000 live births) (2006: 62 - Target 2015: 50%)
- Infant mortality rate (0-1 year per 1,000 live births) (2006: 45 - Target 2015: 310%)
- Proportion of 1 year old children immunized against measles (2006: 87.2 - Target 2015: 100%)

**Intermediate impact indicators**

*Functional Health system*

- % of unmet need for health care services across categories
- Improved health status

---

\(^{12}\) Bangladesh’ MDG targets for Education quoted all aim for a probably overambitious 100% and are bound to be revised at some point in the future.

\(^{13}\) Source of Data Ministry for Primary and mass Education (MOPME), PEDP-II and follow-up.
Under five mortality rate (BDHS\textsuperscript{14})
Infant mortality rate (BDHS)
Proportion of 1 year old children immunized against measles (BDHS)

**Specific impact indicators**

**Use of Health care services**
Utilisation rate of Essential Health care service among the two lowest quintiles
Proportion of Birth attended by skilled personnel

**Increased Access to Health care**
% of lower two quintiles population having access to Public/Private health care services

**Increased social protection**
Proportion of population having protection from catastrophic health expenditure

**Results/outcome indicators**

**Presence of Specific reform scheme**
Number of districts with health care financing in place
At least 60% population of the lowest two quintiles are covered under Demand Side Financing Scheme (DSF) or social protection scheme.

### FOCAL AREA 2 – GOVERNANCE AND HUMAN RIGHTS

**Governance and Human Rights in CHT**

*Support to the implementation of the Chittagong Hill Tracts Peace Accord\textsuperscript{15}*

**Relevant MDG Baselines and Targets**

**MDG 1 – Eradicate extreme poverty and hunger**
Proportion of population below national poverty line (2005: 40.00 - Target 2015: 29.4)
Poverty gap ratio (2005: 9.00 - Target 2015: 8.60)
Share of poorest quintile in national income (2005: 5.3 - Target 2015: n/a)
*The census in 2011 will help to define more precisely the targets for CHT area.*

**Intermediate impact indicators**
Communities empowered, (Ministry of CHT, UNDP surveys)
Political and social stability maintained (Ministry of CHT, UNDP, reports of independent watchdogs)

**Specific impact indicators**
Individual and community income on upward trend and living standard improved (Standard economic indicator; PRSP)
Economic opportunities and products diversification increased (Market indicator)
% of communities and individuals access to services by local government improved (*DAC indicator; level of population coverage*)
Produces market higher volumes and get higher prices (Standard market indicator)
Management capacity of local institutions improved (Sources of Funding and Staff has increased)

**Results/outcome indicators**

\textsuperscript{14} BDHS = Bangladesh Demographic & Health Survey.
\textsuperscript{15} Sources of data : Ministry of CHT, Ministry of Home Affairs (MoHA), UNDP programme monitoring, NGO publications on Chittagong Hill Tracts.
CSO (Village committees) organized and functioning (DAC Indicator: # of CSO having benefitted from capacity-building actions)
CSO (Village committees) managing income generating projects successfully (Performance indicator from Proposal Document)
CHT Institutions functioning as development agencies in services to people (DAC Indicator: Percentage of local government plans, by targeted local government, designed with participatory approach)

<table>
<thead>
<tr>
<th>Electoral Support and democracy(^\text{16})</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intermediate impact indicators</td>
</tr>
<tr>
<td>Political and social stability (MoHA, BEC, independent watchdogs)</td>
</tr>
<tr>
<td>Elections and representativeness in government, Local Authorities and Parliament properly ensured (UNDP, BEC)</td>
</tr>
<tr>
<td>Specific impact indicators</td>
</tr>
<tr>
<td>Compression of calendar dates (EOM guidelines)</td>
</tr>
<tr>
<td>Reduction of election related incidents (e.g. electoral violence and hate speech, voter intimidation, ballot stuffing) (MoHA, NHRC, EOM, independent watchdogs)</td>
</tr>
<tr>
<td>Accuracy of voter list maintained (UNDP-MoHA, EOM)</td>
</tr>
<tr>
<td>Results/outcome indicators</td>
</tr>
<tr>
<td>Effective, transparent and accurate update of voters list at regular intervals (with special care of indigenous people and minorities) (BEC, EOMs, MoHA)</td>
</tr>
<tr>
<td>Timely publication of realistic electoral schedule and delimitation of electoral boundaries according to demographic data (BEC, EOMs, MoHA)</td>
</tr>
<tr>
<td>Transparent and efficient management of poll, count, tabulation and publication of results (BEC, EOMs)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Local Governance and Public Service delivery(^\text{17})</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevant MDG Baselines and Targets</td>
</tr>
<tr>
<td>MDG 1 – Eradicate extreme poverty and hunger</td>
</tr>
<tr>
<td>Proportion of population below national poverty line (2005: 40.00 - Target 2015: 29.4)</td>
</tr>
<tr>
<td>Poverty gap ratio (2005: 9.00 - Target 2015: 8.60)</td>
</tr>
<tr>
<td>Share of poorest quintile in national income (2005: 5.3 - Target 2015: n/a)</td>
</tr>
<tr>
<td>Intermediate impact indicators</td>
</tr>
<tr>
<td>Political and social stability (MoHA, HoM reports)</td>
</tr>
<tr>
<td>Specific impact indicators</td>
</tr>
<tr>
<td>Individual and community income on upward trend and living standard improved (Standard economic indicator; PRSP)</td>
</tr>
<tr>
<td>% of communities and individuals access to services by local government improved (DAC indicator: level of population coverage)</td>
</tr>
<tr>
<td>% of staff trained, number of staff in local institutions (MoLG)</td>
</tr>
</tbody>
</table>

\(^{16}\) Source of data: Bangladesh Election Committee (BEC), National Human Rights Commission (NHRC), Election Observation Mission reports (EOM), Head of Missions Reports, reports by independent watchdogs like Human Rights Watch (HRW) and Amnesty International (AI), Transparency International (TI).

\(^{17}\) Indicators: PRSP, DAC Standards Indicators. Source of Data: MoLG, MoHA, TI Transparency International, DAC, NGOs.
• Transparent execution of Local budget and financial reporting (TI, GoB and MoLG, Districts administration)

**Results/ outcome indicators**

- CSO (Civil Society Committees) (at District, Upazila and Union Parishad level) organised and functioning *(DAC Indicator: # of CSO having benefitted from capacity-building actions)*
- CSO (at District, Upazilla and Union Parishad level) managing income and generating projects successfully *(DAC Indicator: # of CSO having benefitted from capacity-building actions)*
- Local Administrations at District level functioning as development agencies in services to people *(DAC Indicator: Percentage of local government plans, by targeted local government, designed with participatory approach)*

<table>
<thead>
<tr>
<th>Support to Human Development data gathering (Census 2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intermediate impact indicators</strong></td>
</tr>
<tr>
<td>• Planning/policy making</td>
</tr>
<tr>
<td>• Health budget prepared based on the census relevant data</td>
</tr>
<tr>
<td><strong>Specific result indicators</strong></td>
</tr>
<tr>
<td>• Identify need based funding/programming</td>
</tr>
<tr>
<td>• Census based prioritization for increased funding on different sectors</td>
</tr>
<tr>
<td>• % of census based programmes on education, health and occupation</td>
</tr>
<tr>
<td><strong>Results/outcome indicators</strong></td>
</tr>
<tr>
<td>• Data on population disaggregated by sex, age-groups, region, socioeconomic status and other relevant characteristics available</td>
</tr>
<tr>
<td>• Trends of socio-economic situation like health, education and employment patterns</td>
</tr>
</tbody>
</table>

**FOCAL AREA 3 – ECONOMIC AND TRADE DEVELOPMENT**

*Intervention: pro-poor Private Sector Development*

**Intermediate impact indicators**

- % employment to economically active population ratio increased
- Proportion of population below national poverty line reduced (i.e. reduction in poverty incidence, based on CNS 2007, HIES*18*

**Specific impact indicators**

- Increase in trade volumes (both world-wide, regional and specifically Bangladesh/EU)*19* - complemented by an analysis of poverty reduction impacts from above changes in trade volumes.
- Better domestic market integration and diversification, leading to increased internal trade volumes benefitting poor target areas
- Improved level of social and environmental compliance by meeting international norms and practices, enabling the relevant industries
- Improved quality of legislation and regulation (including reviews leading to simplification or elimination) leading to a more conducive business environment and investment climate (based on expert reviews).

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19 Bangladesh Bureau of Statistics.
• Improved business performance by SMEs in the poor target areas (based on business ratios, revenue, profitability, turnover, as well as employment generation, depending on specificity of economic subsectors, baseline data, and resources available for target group surveys).

**Sub-sector indicators**
- Number of companies and turn over in the RMG and Textiles sectors increased
- Number of social compliance "level A" companies increased
- Number of certificates from BAB and main quality infrastructure bodies issued to companies in target areas
- Pro-poor business models developed in relevant nodes of the local value chains, leading to better entrepreneurship, employment and income opportunities for targeted poor households.

**Results/outcome indicators**
- Improved household income of poor and ultra-poor families in Bangladesh (HIES 2005)\(^{20}\)
- Increased entrepreneurial activities in poor target areas (for creation of employment and self-employment)
- Enhanced Market Access\(^{21}\)
- Enhanced and relevant Business Development Services (including, amongst others skill enhancement and facilitation of access to finance) tailored on poor target groups

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\(^{21}\) Market Access Indicators by ITC, UNCTAD and WTO – adapted to measurement at local level, depending also on baseline data available.
NON-FOCAL AREA 1 – ENVIRONMENT AND DISASTER MANAGEMENT

Relevant MDG Baselines and Targets

*MDG 7 – Ensure environmental sustainability*

- Proportion of land area covered by forest (2006: 13 - Target 2015: 20)
- Proportion of urban population with access to safe drinking water (2006: 99.9 - Target 2015: 100)
- Proportion of rural population with access to safe drinking water (2006: 79 - Target 2015: 96.5)
- Proportion of urban population with access to sanitary latrines (2007: 88 - Target 2015: 85)
- Proportion of rural population with access to sanitary latrines (2007: 85 - Target 2015: 55.5)

Intermediate impact indicators

- % of population in disaster prone areas perceiving that they are safe from natural disasters (DMB-CDMP)\(^ {22}\)
- % of people living in zones where they are exposed to natural hazards (DMB-CDMP)
- % impact of natural disasters on national and local GDP (Disaster Management Bureau database / Disaster Management Information Centre)

Specific impact indicators

- % of population practicing safer behaviour as a result of disaster preparedness awareness (DMB-CDMP)
- % of people living in safe sites/structures in disaster prone areas (DMB-CDMP)
- % of districts and upazilas that have included disaster management actions in their development plans (DMB-CDMP)

Results/outcome indicators

- Number of deaths from natural disasters (Disaster Management Bureau database/ Disaster Management Information Centre)
- % of houses constructed in safe sites in disaster prone areas (DMB-CDMP)
- % of population with appropriate awareness of disaster hazards and preparedness in disaster prone areas (DMB-CDMP)

NON-FOCAL AREA 2 – FOOD SECURITY AND NUTRITION

Relevant MDG Baselines and Targets

*MDG 1 – Eradicate extreme poverty and hunger*

- Proportion of population below national poverty line (2005: 40.00 - Target 2015: 29.4)
- Poverty gap ratio (2005: 9.00 - Target 2015: 8.60)
- Share of poorest quintile in national income (2005: 5.3 - Target 2015: n/a)
- Prevalence of underweight children under five years old (2005: 39.7 - Target 2015: 33)
- Proportion of population below minimum level of dietary energy consumption (2005: 19.5)

While the Delegation currently does not have programmes with direct relevance to the MDG indicators listed here, they continue to be monitored as generally relevant benchmarks for the ongoing and planned programmes.- Target 2015: 14)

\(^{22}\) DMB-CDMP : Disaster Management Bureau – Comprehensive Disaster Management Programme – Special survey to be carried out.

\(^{23}\)
Intermediate impact indicators

- Height for age (stunting) for children up to 5 years old (HKI\(^{24}\) & HFSNA 2008-9\(^{25}\)).
- Prevalence of low birth weight rate (HKI & HFSNA 2008-9).
- Prevalence of anaemia in pregnant women and children under 2 (HKI & HFSNA 2008-9).

Specific impact indicators

- Food diversity index (number of different food groups consumed).
- Weight for height (wasting) in children up to 5 years old (HKI & HFSNA 2008-9).
- Perception of household on their food insecurity situation (BRAC RED\(^{26}\)).
- Women's participation in the household decision making process (BRAC RED).

Results/outcome indicators

- Improved household income of poor and ultra-poor families living in the rural areas in Bangladesh (HIES 2005\(^{27}\)).
- % household expenditure by category of household expenditure (reduced % in food, increased in health and education) (HIES 2005).
- Value of productive assets owned by beneficiary household (HIES 2005).
- Reduction of lean (monga-like) period (in days) for ultra-poor households in rural Bangladesh (specific surveys due to seasonality).

CROSSCUTTING ISSUES - GENDER\(^{28}\)

Relevant MDG Baselines and Targets

**MDG3 – Promote Gender Equality and Empower Women**

- Ratio of women to men in tertiary education institutes(2005: 36:64 - Target 2015: 50:50)
- Ratio of literate women to men, 20 to 24 years old (2005: 55:71 - Target 2015: 100:100)
- Share of women in wage employment in the non-agricultural sector (2003: 58.6 - Target 2015: 50%)

Intermediate impact indicators

- Ratio of Girls to Boy in Primary education, MDG target achieved
- Incidents of gender based violence reduced (BBS, MoHA)

Specific impact indicators

- Gender-awareness of formal and informal justice systems strengthened
- Number of Court cases submitted and prosecuted
- Number of victims of gender-based violence rehabilitated and integrated into the economic system

Results/outcome indicators

- Share of women in wage employment in the non-agricultural sector

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\(^{24}\) HKI – Helen Keller International.
\(^{25}\) HFSNA – Household Food Security & Nutrition Assessment.
\(^{26}\) BRAC RED – Research & Evaluation Division of Brac.
\(^{27}\) HIES – Household Income & Expenditure Survey of the Bangladesh Bureau of Statistics.
\(^{28}\) Sources of data : BBS, Ministry of Home Affairs, National Human Rights Commission, Bangladesh Election Commission, Ministry of Establishment, Ministry of Women and Children Affairs.
• Women’s access to land, property and credit increased, legal status in relation to property for women improved
• Ratio of literate women to men, 20 to 24 years old (MDG target)
Annex 5: Policy Coherence for Development

The Commission Communication Policy Coherence for Development\(^{29}\) and the GAERC Conclusions adopted on 24 May 2005 have been taken into account during the preparation of the MTR Conclusions. Some of the twelve policy areas included in the GAERC Conclusions, such as trade, environment and climate change, have a considerable impact on EU-Bangladesh relations. On the other hand, certain areas, such as information society, are not yet central issues, even though new developments, such as the Government’s policy “Digital Bangladesh” may allow for broader cooperation in the future.

The interaction of the different EU policies is closely followed by Member States represented in Dhaka and the EU Delegation meet regularly in different formations (development counsellors, trade counsellors, human rights task force, climate change task force –recently created) to monitor ongoing developments in Bangladesh and their impact on EU policy-making.

Trade

The EU is Bangladesh’s main trade partner. Bangladesh’s total exports to the EU amounted to some € 6 billion (0.4% of total EU imports) in 2008. Bangladesh benefits from the most preferential trade arrangement granted unilaterally by the EU to 50 LDCs (the Everything but Arms scheme - EBA), which is an integral part of the EU’s Generalised System of Tariff Preferences (GSP). Under the EBA, Bangladesh enjoys duty and quota-free access to the EU market for all their products except arms and armaments. Bangladesh exports to the EU are concentrated in a few sectors: textiles and textile articles (86 %) and live agricultural products (3.9 %).

The EBA scheme has substantially contributed to the increase of exports from Bangladesh. In 2007, Bangladesh ranked 4th amongst the users of the EU’s GSP (6.2% of the total EU preferential imports). Preferential imports from Bangladesh have risen from about € 2,048 million in 2003 to € 3,559 million in 2007. The global utilisation rate in the same period has varied from 58 % to 71 %.

The EU’s trade assistance programme, which aims to support the integration of Bangladesh in the world’s trading system, is the EU’s largest of its kind. The programme’s specific objective is to increase trade and economic growth in Bangladesh through an improved trade regulatory framework (including \textit{inter alia} trade policy making, quality standards and intellectual property rights), an increased SME competitiveness and export diversification.

\(^{29}\) COM (2005) 134.
Environment and Climate Change

The priorities for EU cooperation with Bangladesh are based on (i) the objectives of the 6th Community Environment Action Programme, in particular those related to climate change (to which Bangladesh is one of the most vulnerable countries), biodiversity, health and quality of life, natural resources and waste; (ii) the integration of the environmental dimension in development policy, stressing the links between environment and poverty (especially, the protection of livelihoods and food security) and between disaster management and the environment.

An example of this integration is the decision taken in 2009 under the DCI geographical envelope to contribute €10 million to a programme in support of the Sundarbans coastal forest and its surrounding communities, including fishermen local populations. This mangrove forest, recognised by the Ramsar and World Heritage Conventions, constitutes the nursery for many fish species of the Bay of Bengal. The Sundarbans forest is also the last refugee of the Bengal Tiger.

The EU is at the forefront of international efforts to tackle climate change. In addition to setting binding targets on the reduction of greenhouse gas emissions (a minimum 20% reduction by 2020 compared to 1990 levels; rising to 30% if comparable offers are made), the European Council has made clear the EU's willingness to contribute its fair share to scaling up international finance to help developing countries combat climate change. The EU recognises the particularly acute impacts that climate change will have on developing countries, and is ready to take on a role in supporting developing countries to deal with those impacts. In September 2009, the Commission published a blueprint which stated that support for adaptation to climate change should give priority to the most vulnerable and poor developing countries. It also proposed that fast-start financing will be needed for adaptation, mitigation, research and capacity.

Bangladesh has been allocated the largest individual country envelope for 2009 under the Global Climate Change Alliance—originally an EC initiative to which Sweden and the Czech Republic have joined. In addition to existing actions, the particular vulnerability of Bangladesh to the effects of climate change will need, increasingly, to be taken into account when designing policy initiatives and thematic aid programmes. These will complement the actions financed by geographical funds. Successful delivery of development cooperation as a whole will depend on effective partner-working between donors in Bangladesh: existing synergies will need to be exploited, and donors should seek to avoid duplication in new programming. There is room for further cooperation on issues such as technology transfers for renewable and alternative energies or the development of clean development mechanisms.

The EU has also been active in the field of international advocacy, arguing for bold action to address climate change in their talks with leaders of other countries and regions. In the

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framework of the Green Diplomacy Initiative, the EU has held discussions with the Government of Bangladesh on *inter alia*, Climate Change Adaptation and Disaster Risk Reduction, where Bangladesh has developed a unique expertise. Bangladesh’s status as one of the nations most vulnerable to climate change and its valuable knowledge, together with its active role in international fora, such as the G-77 and the Organisation for the Islamic Conference allow for deeper cooperation between the EU and Bangladesh in international initiatives and organisations.

In Bangladesh, **linkages between relief, rehabilitation and development (LRRD)** in the sectors of food security and disaster preparedness/disaster risk reduction are particularly important, as structural issues in these sectors are directly contributing to the humanitarian crises caused by sudden onset disasters. The EU’s efforts in the field of disaster preparedness and management under geographical funds (Non-Focal Sector 2) have been complemented by humanitarian assistance and Disaster Preparedness initiatives financed by ECHO (DIPECHO) and the Instrument for Stability. The use of other instruments, such as the European Commission Monitoring and Information Centre for Civil Protection (MIC), could be explored in the future. The link between emergency and longer-term interventions is well illustrated by the case of the SIDR cyclone in 2007, where the €13 million-intervention sourced from the Instrument for Stability aimed at the restoration of livelihoods, following the provision of €25.4 million in humanitarian aid.

**Ship dismantling** is a critical environmental and social issue in Bangladesh. More than 80% of the large end-of-life ships worldwide since 2004 have been dismantled in South Asia (India, Bangladesh and Pakistan). The key problem in Bangladesh is the extremely poor conditions under which dismantling takes place: many accidents; poor health care; recycling of hazardous materials without protective equipment, no reception facilities for oils and other hazardous wastes; extensive pollution of the coast and marine environment (see also the section The Social Dimension of Globalisation below).

Indiscriminate expansion of ship-breaking activities in Bangladesh poses a real threat to the coastal inter-tidal zone and its habitat and to local biodiversity in general. High concentrations of ammonia, burned oil, floatable grease balls, metal rust (iron) and various other disposable refuse materials together with high concentration of POPs lead to high turbidity of sea water and contamination of soil, causing widespread mortality amongst the population of fish, mammals, worms, crabs, molluscs and other water organisms. Furthermore, this situation poses additional pressure to food security, especially for an economy dependant on fishing and sea products.

Building on the 2007 Green Paper on Better Ship Dismantling and the results of a subsequent public consultation process, the European Commission adopted a **Communication on an EU Strategy on Ship Dismantling** which is aimed, *inter alia*, at reducing significantly and

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31 Ship-breaking is now a key industry in Bangladesh that employs an average of 30,000 workers directly and between 100,000 and 200,000 indirectly.

sustainably the negative impacts of ship dismantling, especially in South Asia. Moreover, the European Commission has been active in the work carried out in the framework of the International Maritime Organisation, for the development of a globally-binding regime on ship dismantling through the Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships. The Convention, adopted in May 2009, lays down, *inter alia*, regulations on the design, construction, operation and preparation of ships so as to facilitate safe and environmentally sound recycling (including workers’ safety and training); the operation of ship recycling facilities in a safe and environmentally sound manner; and the establishment of an appropriate enforcement mechanism for ship recycling, incorporating certification and reporting requirements. The implementation of the EU Strategy on Ship Dismantling and the entry into force and future implementation of the Hong Kong Convention will require joint efforts by the flag and recycling countries and therefore, will have to be addressed in EU-Bangladesh relations.

**Security**

The EU action in Bangladesh has aimed at promoting stability in the country. The lifting of the majority of the population above the poverty line and Bangladesh’s progress towards the status of a middle income country will be key to defuse the risk of insecurity. The EU’s focus on the sectors of health and education (human and social development, Focal Sector 1) seeks to create the conditions for combating poverty and to enable people to improve their social, economic and cultural situation and to improve the opportunities for equitable economic growth.

The protection of the whole range of human rights is crucial for the country’s long-term stability and its promotion is a key aspect of the EU’s engagement in Bangladesh. The EU follows closely the human rights situation in Bangladesh and it discusses the whole range of human rights issues with all relevant actors. EU representatives carry out regular information activities on human rights such as the Human Rights Jamboree (on the anniversary of the Universal Declaration on Human Rights) and roundtables on issues such as the death penalty and torture. Apart from geographical funds (Focal sector 2, Governance and Human Rights), the EIDHR has financed programmes on *inter alia* advocacy for access to justice for vulnerable groups and for workers’ rights, support for activities to prevent violence in the public and private domain (rights training for law enforcement officials) and the rehabilitation of torture and violence victims.

Conflict prevention efforts are an example of a coherent and complementary use of the EU policy toolbox. The EU played an instrumental role during the transition to democracy in Bangladesh, from the decisive move to suspend the EU Election Observation Mission (EOM) in January 2007, to the swift mobilisation of funds for the creation of a reliable voter roll with photographs and the redeployment of the EU EOM this year. This sustained engagement has been followed up by the visit of the EU EOM Chief Observer to Dhaka where he presented the mission’s final findings and recommendations, which are the object of discussions between the EU and Bangladesh.

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The EU also follows up closely issues with security implications, such as the implementation of the **Chittagong Hill Tracts Peace Accord**, the situation of minorities and refugees and extremism. These discussions have been furthered by regular visits by EU representatives to the affected regions.

The priorities included in the CSP are intended to further this peace and stability objective. The EU’s substantial support (as the leading donor) to the development of the Chittagong Hill Tracts region, aims at promoting peace by implementing the commitments of the 1997 Peace Accord and integrating the poorest and the weakest in the region. This is done through support to confidence building and community empowerment with a focus on meeting development targets.

In Bangladesh, the EU has supported UNHCR in the establishment of the official refugee camps of Kutupalong and Nayapara and the provision of assistance to the **Rohingya refugee population**, both registered and non-registered. Funding provided and foreseen amounts to approximately € 20 million since 1992 (plus € 3.8 million in humanitarian aid since 2007, targeting non-registered refugees). Following the change in the Government’s policy with regard to freedom of movement and self-reliance, the EU has supported a strategy which, apart from assistance, also includes empowerment and social development. The EU’s most recent initiatives also foresee development funding for the local populations affected by the inflow of refugees. Given the living conditions prevailing in Myanmar, the return of refugees to their places of origin and the stop of inflows seems unlikely in the near future. Therefore, apart from focusing on the development of the affected region of Cox’s Bazar, a successful resolution of the Rohingya crisis may require a regional approach, including a more active engagement with ASEAN Member States concerned.

**Agriculture**

Bangladesh received a € 50-million allocation under the Food Price Facility indirectly financed with uncommitted funds from the CAP\(^34\). EU food security initiatives in Bangladesh concentrate on the poorest and most vulnerable sections of society, especially women and their dependents.

Yet, Bangladesh **ceased to be eligible for the Food Security Thematic Programme in 2007**. The Food Security Thematic Programme addresses food security at global, continental and regional levels, and complements the geographical programmes where these instruments cannot fully operate, while ensuring the continuity of assistance in the transition from relief to development. This has resulted in a substantial decrease of the funds allocated to the country. In financial terms, this means that the total EU allocation per year to Bangladesh will sharply fall from around 109 million per year during the period 2003-2006 to 66 million per year during the period 2011-2013\(^35\). Therefore, the increase of the geographical allocation from €50 million per


\(^35\) See FN 7 of the MTR Conclusions document for more details.
year in 2007-2010 to €66 million in 2011-2013, is more than offset by the withdrawal of funding from regional/global sources.

Bangladesh is the most populated Least Developed Country and it suffered acutely from the 2008 price hikes. The country has an alarming malnutrition situation (as indicated by the Global Hunger Index) and has been included by the FAO on a list of 31 countries in substantial need of food assistance. Therefore, the above situation exemplifies a serious policy coherence issue between geographical and regional food security programmes. This situation may contribute to an increased vulnerability of the poorest, which in turn could deteriorate the food security situation and lead to an acute humanitarian crisis. The ongoing Mid-Term Review of the Food Security Thematic Programme may be an opportunity to re-consider Bangladesh as eligible for FSTP funding as of 2011.

**Fisheries**

Bangladesh exports a large amount of sea fish and aquaculture products to the EU. While monitoring the compliance of these exports with the sanitary conditions enshrined in Community legislation, the EU is actively assisting Bangladesh to meet the standards for access to EU markets.

In September 2008, the Council adopted EU Regulation 1005/2008 which seeks to prevent, deter and eliminate Illegal, Unreported and Unregulated Fishing (IUU) by ensuring that no products derived from IUU fishing appear on the EU market or on markets supplied from the EU.

Most Bangladeshi fisheries exports to the EU are frozen shrimps and prawns from aquaculture, which do not fall under the scope of Regulation 1005/2008. However, Bangladesh also exports small quantities of frozen saltwater fish that need to comply with the IUU legislation. The EU has informed the Government of Bangladesh about the adoption of this Regulation and is assisting third countries to facilitate the implementation of this new Regulation through regional seminars.

**Social Dimension of Globalisation**

The European Union promotes a comprehensive approach to the promotion of global labour standards, combining actions concerning the labour market, social dialogue, social protection, and an improved access to education. Combating child labour is also part of the EU strategic partnership with the International Labour Organisation (ILO) since 2004, whereby the Commission supports decent work actions in external co-operation.

36 The Global Hunger Index, developed by the International Food Policy Research Institute (IFPRI), was presented for the first time in 2006.

37 47 million of people are severely food insecure in Bangladesh. The internationally recommended average daily allowance for energy intake is 2,250 kcal/day, but according to the Bangladesh Bureau of Statistics, 40% of that country’s population are considered to live below the “upper poverty line” because they consume ≤ 2,122 kcal/day, while 20% live below the “lower poverty line” (≤ 1,805 kcal/day).
The European Commission, together with the Member States represented in Dhaka, is following closely the labour rights situation in Bangladesh and keeping a dialogue with the Government on this issue, notably in the framework of EU-Bangladesh Joint Commission/Joint Commission Sub-Group meetings. This includes trade union and labour rights, including the situation of child workers. The EU Human Rights Task Force, composed of the European Commission Delegation and a number of Member States, has held meetings with civil society organisations dealing with labour issues in order to gain further insights into the labour conditions prevailing in the country. The European Union is working actively to **improve labour conditions in the garment industry**. Future development programmes could be extended to other relevant sectors, such as the shrimp industry.

Apart from being an environmental problem (see the Section Environment above), ship-breaking activities also represent a threat to public health. Exposure to asbestos fibres (even in very low concentrations), heavy metals and chemicals resulting from the ship-breaking activities, can result in serious pathologies, such as asbestosis and various types of cancer. The violation of social rights is aggravated by the large presence of child workers in the shipyards. In view of this, the implementation of the European Strategy on Ship Dismantling and the Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships (once it enters into force) will require not only cooperation with Bangladesh on the enforcement of current waste shipment law, but also support for implementation of current **international guidelines on environment and health protection**.

### Migration

Increasingly, migration is recognised as a **livelihood option and a major development issue**. Remittances sent by migrants through official channels reached a record high level of USD 8 billion in 2008. The Bangladeshi migrant population amounts to 5 million people in over 100 countries. Most migration flows from Bangladesh are to Gulf countries and South East Asian emerging economies (i.e. Malaysia, Singapore) for short-term employment. Migration from Bangladesh to European countries is mostly limited to a relatively small number of skilled and semi-skilled workers. The United Kingdom is the preferred destination country followed by Italy, Spain and Germany. Recent interest has grown in countries of the former East European block, like Poland and Romania, where labour shortages are observed in specific sectors such as construction.

Bangladesh has benefitted from thematic programmes in the area of migration. These programmes have aimed at the protection of migrants' rights, in particular from trafficking and exploitation, fostering the links between migration and development, and promoting well-managed labour migration.

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39 Source: IOM.
**Transport**

Following the “open skies” judgements of the European Court of Justice on 5 November 2002, existing [bilateral air services agreements](#) are infringing Community law and needed to be amended to include Community designation clauses permitting designation of any Community air carrier established in a Member State (freedom of establishment). Recently, Bangladesh agreed to the amendment of designation provisions to comply with EU law thus restoring legal certainty to its amendments with Member States.

Under the Asia Regional Programme, the European Commission adopted a draft project with SAARC in the field of transport aimed at (i) improving air safety levels; (ii) promoting the adoption of European safety regulations; (iii) fostering links and cooperation between the Asian and the European industry; (iv) promoting regional integration for improving safety levels in aeronautics and to ensure the safety oversight functions to group resources within regional. While the programme had to be cancelled for logistical reasons, this is an area where the potential for **synergies between the transport policy and support to South Asia’s regional integration** remains.

The EU's transport policy cooperation with Bangladesh need not be limited to the aviation sector. Progress on transport safety in the maritime, inland waterway, road and railway sectors could save many lives, and better regulation of traffic might also help safeguard the country's road infrastructure.

**Energy**

While Bangladesh is rich in energy sources such as wind, sun and biomass, the technologies are still costly for the country because the key components need to be imported. There is room for **further cooperation on issues such as technology transfers for renewable and alternative energies**. The unreliability of the main electricity supply and the large numbers of people who have no access to the mains is also a significant constraint on the country's development. Therefore, the management and expansion of Bangladesh's electricity infrastructure are important development challenges. Matters could be substantially improved by closer EU-Bangladesh cooperation in this policy area. The involvement of the European Investment Bank in the areas of transport and energy could be further explored as well.

The already launched [SWITCH-Asia](#), a € 90-million multi-annual assistance programme for the benefit of Asian countries, including Bangladesh, responds to the need for cleaner and more energy efficient industries in Asia. It funds projects aimed at improving the environmental sustainability of industrial production and consumption patterns, especially in Small and Medium-sized Enterprises.

The strong presence of pulp industries, textile mills and leather processing units in Bangladesh (mainly SMEs), lead to widespread use of chemicals and dyes, generating highly toxic wastes and gaseous emissions. Untreated effluent discharges to the adjoining rivers threaten ecosystems,
animals and the rural population. While they are major actors in development with a key role in providing local employment, Bangladeshi SMEs have serious difficulty in making the transition to a more environmentally sound mode of operation, often lacking know-how and adequate technology which would allow minimising waste by being more energy efficient.

**Sustainable Consumption and Production (SCP)** can make an important contribution to saving natural resources, energy and ultimately, towards fighting climate change. Several Bangladesh SMEs are benefiting from SWITCH-Asia grants and many more should be encouraged to participate in the next call under this programme.

The exploration and development of Bangladesh's **natural gas fields** is another energy sector where EU policy (regulatory/legislative) expertise could bring significant benefits. Encouraging Bangladesh to participate in the Extractive Industries Transparency Initiative (EITI), which introduces greater transparency and consistency in reporting on payments at project level, could be one way of helping to ensure better management of the country's energy resources.

**Research and Innovation**

The **Erasmus Mundus** scholarship scheme continues to attract a high number of applicants from Bangladesh, with 74 being successful for the academic year 2008/2009. The latest call for proposals for the Erasmus Mundus mobility programme is expected to be published in December 2009.

Bangladesh plans to join the regional programme **TEIN3 (Trans Eurasian Information Network)** in 2010. The Trans-Eurasia Information Network (TEIN) uses the ICT technologies to increase regional cooperation with Asian countries and to bridge the digital divide of less developed regions. It connects universities and research institutions with high capacity Internet network to increase the exchanges of knowledge among them and make big international research projects real. Currently, the scientific community in Bangladesh is now in the process of activating its "Research Networks" so as to be connected via "online research" with other partner countries.

**Information Society**

To date, Information Society has not been a priority in EU-Bangladesh relations. New policy developments in Bangladesh, such as the Government’s “**Digital Bangladesh**” policy, should facilitate active policy cooperation in the future.
ANNEX VI

Brief note on MTR consultations on the Bangladesh Country Strategy Paper
2007-2013

As part of the Mid-Term Review exercise of the Bangladesh Country Strategy Paper (CSP) 2007-2013, the EU Delegation has completed in May and June 2009 a series of consultation meetings with different stakeholders in Bangladesh's development. These consultation meetings complemented permanent contacts with the aforementioned stakeholders and the wider donor community in Bangladesh.

The series kicked off with a working luncheon with Parliamentarians of the four Parties represented in Bangladesh's Parliament. It was followed by a half-day consultation workshop with Local Authorities and Civil Society Organisations, a consultation meeting with the eight EU Member States diplomatically represented in Bangladesh and ended with a visit by the Head of Delegation to the Secretary of the Economic Relations Division (ERD) of the Ministry of Finance.

The aim of the events was to deliberate with participants on the validity of the EC's Country Strategy Paper in view of the Mid-Term Review (MTR) at issue. To this end, invitees had received a short Issues Paper on the CSP and the MTR for their personal preparation. The discussions were all introduced with presentations (oral for the working luncheon and the visit to the Minister of Finance, PowerPoint for the consultation meetings) featuring the current CSP and MIP, the role of the MTR as well as new elements to be taken into account and issues for debate within this exercise. The operating context for the CSP was seen to be one of poor governance resulting in poor service delivery with poverty increasing while the population continues to rise. The supporting documents were aimed at ensuring that group discussions were focused on the Country Strategy Paper and possible changes to it.

Consultations with Local Authorities and Civil Society Organisations (CSOs) were well attended with spirited participation. The discussions with these, as well as with Parliamentarians, local EU Member State representations and the Economic Relations Division (ERD) Secretary revealed broad agreement on the EU's analysis as outlined in the preparatory Issues Paper and the introductory presentations.

The discussions with the ERD Secretary and CSOs on the one hand, and Member States on the other hand, were dominated by the issues of a possible redirection of allocations for secondary education to non-formal primary education and Aid Effectiveness & Division of Labour respectively. Involvement of the EU in non-formal education, in fact, came out as the only contentious topic of this consultation series with most CSOs expressing some scepticism about the idea of redirection. The ERD Secretary was entirely supportive of such a redirection of allocations. The two major players in the area of secondary education, ADB and WB, were extensively consulted by the EU and were fully supportive of its decision to engage more in dialogue in that subsector but not to contribute financially to it yet, in line with the spirit of Division of Labour among donors.

The EU’s comparative advantage in the field of non-formal education was recognised by donors and GoB alike, and the EU was encouraged to assume leadership in this field. Apart from non-formal education there was general confirmation by all participants that the EU is addressing the
right sectors. Requests were made by some CSOs to address specific problems of their respective interest groups.

The draft texts of the MTR and MIP 2011-13 was subsequently finalised between the European Commission headquarters and the EU Delegation in Dhaka.