

National Indicative Programme

2007 - 2010.

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| Country/Sub-Region: | Bangladesh |
| Budget Years: | 2007-2010 |
| Budget Lines: | 1910 |
| Legal Base: | DCI – Development Co-operation Instrument |
| Cost of Order: | €205 million |

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1. SUMMARY OF THE NIP

The National Indicative Programme (NIP) covering the period 2007-2010 is strategically framed by the Country Strategy Paper (CSP) 2007-2013. The CSP's key objectives are the alleviation of poverty through interventions in human and social development, the improvement of governance through institutional reforms and support to economic growth through the promotion of trade, economic development and employment creation. The strategy will be implemented in two stages. The first NIP will concentrate on the following focal and non focal priority areas reflected in the strategy:

Focal areas

- **Human and social development** with a distinct emphasis on secondary education to improve quality of teaching and strengthen gains made in enrolment and quality of primary teaching while paying due attention to the critical role of employment generation and decent work.
- **Good governance and Human Rights**, to strengthen the efficiency of Governance institutions, to improve the delivery of public services and to promote the protection of Human Rights and minority rights.
- **Economic and trade development** to enhance competitiveness and the investment climate by supporting measures to improve the legal and institutional framework as well as the policy framework for trade and private sector development, while taking full account of the social dimension of globalisation.

Non-focal areas

- **Environment and disaster management** to enhance the GoB's capacity to prepare for and cope with the adverse effects of global warming and enhance the provision of adequate protection of vulnerable groups from environmental hazards and disasters.
- **Food Security and nutrition** to sustainably reduce the level of poverty, food insecurity and malnutrition in Bangladesh primarily among rural ultra-poor, particularly women beneficiaries and their dependents.

The NIP is embedded in Bangladesh's own development policy, which is set out in the Poverty Reduction Strategy Paper (PRSP)¹. The strategy further builds on our long term development commitments in key areas, notably economic development co-operation, social development, Governance and human rights. While conscious of the need to concentrate resources, in the spirit of the 'European Consensus' on EU Development Policy², the EC will maintain its substantial commitment to safety net programmes in the food security sector. In view of the significant poverty dimension of environmental hazards, the EC will fund specific environment interventions complementing the three main priority areas

¹ 'Unlocking the Potential, National Strategy for Accelerated Poverty Reduction', November 2005.

² OJ 24/02/2006 (2006/C46/01)

Integrated sector type programmes will be the preferred means of delivery. At the same time the politically volatile context warrants a flexible approach to implementation. Appropriate implementation mechanisms will therefore be determined in conjunction with the GoB and donor partners during formulation. A mid term review will further ensure the possibility to reappraise our commitments. In order to maximise the impact of EC assistance, particular attention will be paid to cross cutting issues including gender, environment, social labour standards, human rights and governance.

2. BUDGET BREAKDOWN

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|--|-------------|------------------|
| Priority Sector 1 – Human and Social Development | 35 % | 70 meuro |
| Priority Sector 2 – Governance and Human Rights | 25 % | 55 meuro |
| Priority Sector 3 - Economic and Trade development | 20 % | 40 meuro |
| Non Focal Sector – Environment and disaster management | 10 % | 20 meuro |
| Non Focal Sector - Food security and nutrition | 10 % | 20 meuro |
| Total | 100% | 205 meuro |

3. PRIORITIES AND ACTIONS

3.1. Priority 1 – Human and Social Development

Given that EC’s support to the health sector (HNPS) is secured until 2010 with substantial funding from the 2002-2006 strategy (€105mn), the emphasis of this NIP in priority 1 is on the education sector. Taking into account that reforms in primary education are addressed by a comprehensive sub sector programme (PEDP) until 2009, the focus of this NIP is on secondary education. The long term objective, which will be relevant for the NIP 2010-2013, is to support the education sector with a sector type programme embracing the primary, secondary and non-formal education. Building on the work initiated under NIP 2006, the education programmes will be complemented by supporting measures that look at improving access to quality vocational training, improved school-to-work transitions and provision of decent work opportunities in trade and economic development programmes (see point 3.3.).

Education Sector

Strategy / context / Overall Objective

The considerable progress made to date in the primary sector is still fragile. Sustainability at the high level of sub-sector financing established under PEDP-II will eventually need reinforcing beyond the PEDP-II program cycle (2010). At the same time, weaknesses in the secondary education system create a bottleneck for the gains made in enrolment and quality at the primary level. Building on our support activities in primary education started under the previous CSP and based on lessons from the programme approach established in primary education, the NIP 2007-2010 will concentrate on the secondary education level with a view to improve the quality of teaching and counter problems of early school drop outs, particularly from poor families. In the course of the Mid Term Review, the EC will examine, in close consultation with the GoB and other donors, the possibility of assisting the education sector through a larger scale programme covering the primary and secondary education sector.

Approach

As the primary education sector programme runs until 2009, the intervention in the education sector will address **secondary education**. This shift in education support to skills development and employability at the post-primary level is coherent with our trade related activities where skills issues are equally addressed and warranted by the severe constraints in secondary education. Furthermore the massive human resources potential created by the investments in primary education under PEDP-II will be lost or at least under-utilized if the bottlenecks in secondary education are not addressed. While the policy framework for secondary education is still fragmented and donor coordination still needs to be established, the ambition is to move towards a sub sector type programme during the first NIP.

Specific Action: Build on Primary Education Investments through improved Secondary Education

Specific Objective

Based on the progress made at the primary level, our support to secondary education will strengthen the absorptive capacity and education quality for an increasing number of qualified primary graduates particularly from poor families.

Expected Results

- Secondary education is more accessible for children from poor backgrounds
- The high drop out rates particularly at mid- and higher levels of secondary education are reduced
- The systemic bias against girls is removed

- Policy reforms towards a more integrated and coherent secondary education system, as specified in the PRSP, are initiated and successfully implemented.
- Learning contents of the secondary level are more oriented towards employability.
- Technical and vocational education and training facilities are expanded, more accessible for students from poor families and particularly girls
- Technical and vocational training and education are better integrated and form a major part of the secondary education cycle.

Activities

Taking into account that the secondary education sector is highly the EC will initially concentrate its support to core problem areas and cross-cutting issues. Specific activities supported by the EC may include:

- Support to a development program for underserved groups
- Improved pre- and in-service training for teachers
- Support to the development of a core curriculum for the secondary sector
- Improved supply of teaching and learning materials
- Better sector governance, discouragement of private tutoring
- Make schools more girl friendly through better infrastructure, improved transport, increased female ratio in teaching, stipend programs.
- Open technical and vocational education and training to an increased number of students, support better linkages between technical and vocational training and general secondary education.

Implementation

The EC's preferred approach will be, where possible, to work in cooperation with other development partners and move towards a programme approach for the secondary sector.

Cross-cutting issues – environment, gender, poverty, governance

An indirect relationship with environmental sustainability can be established through improved curricula and sensible teaching which will help create awareness and change behavioural patterns. As one of the foreseen activities covers support to the development of a secondary core curriculum, the integration of ecological issues will have to be closely monitored.

Gender issues and inequalities in Bangladesh relate mostly to the disadvantaged position of women and girls in Bangladeshi society. With a significantly improved primary completion rate for girls over the last years, the main bottlenecks lie now in the first two years of secondary education, where most girls from poor families drop out due to early marriage and work commitments. All monitoring of activities will be disaggregated by sex.

It is assumed that more and better investments in education in Bangladesh, particularly at the secondary level, will help children and adolescents, particularly girls, to develop better skills and, to broaden their options for better employment, thus opening a way out of poverty.

The EC support strategy for secondary education addresses issues of sector governance by monitoring effectiveness and efficiency of service provision and by fostering the preparation for a sector-wide approach. In addition, a positive impact for the education sector is expected from the newly introduced focal area of Governance.

Risks and Assumptions

Following the policy agenda for the education sector defined in the PRS, the established sector dialogue between development partners and the existing experience with a program approach in formal primary education, the EC assumes that a broader education SWAP is feasible in Bangladesh. The main risks lie in broader governance and public sector reform issues which are difficult to address from within the education sector. It is expected that the EC's new priority area of Governance will, in concert with other Development Partners, help address these broader issues of transparency, accountability, and administrative capacity.

Main Indicators

The points listed as expected results of the EC's support to education under this NIP also constitute the main indicators for an overall progress assessment. The means of verification are:

- Secondary education access, drop-out and completion rates, disaggregated by sex, and including technical and vocational education and training;
- Secondary education financial performance monitoring, audit reports and expenditure tracking studies;
- Progress monitoring of the PRS policy agenda for the education sector, particularly for the secondary level.
- Development of a comprehensive policy framework for primary and secondary education, including TVET.

Indicative timeframe

Operational activities in secondary education under this NIP are expected to cover a period until end 2010, around which time other education initiatives including the second phase of the Primary Education Development Program (PEDP-II) and several larger project activities in secondary education and in non-formal education will come to an end, thus opening the way for a broader sector dialogue on primary education.

3.2 Priority 2 – Governance and Human Rights

Strategy context/justification

As a second priority we will support the GoB in addressing the issues of **Governance**. Good governance has been identified by Government and development partners alike as the crucial underpinning to pro-poor growth and development in Bangladesh. Good governance provides the fundamental basis for economic development. Our overall objective is to support significant

improvements in the core areas of governance in order to ensure pro-poor growth, economic development and employment creation that benefit the whole society.

The EC will join other donors to support systemic reforms which the Government has identified in the governance matrix of the PRSP. This may include an overhaul of the public administration, further support for decentralisation and justice reform.

We will also ensure that the opportunities for supporting demand-side/bottom-up approaches through the European Initiative for Democracy and Human Rights (EIDHR) and other thematic programmes are effectively aligned with the rest of our programming. Governance is also addressed as a cross-cutting issue in other sectors. We will continue to support the development of the Chittagong Hill Tracts in an approach which combines local governance, conflict prevention and respect for minority rights with the development of effective social service provision. We will also continue to support refugee communities through the displaced persons budget line. Conflict prevention will be treated as a cross-cutting issue in our approach to migration/trafficking, minorities and environment.

Given the focus on key areas of reform, where progress has hitherto been slow, a prudent approach to programming is required. A **Mid Term Review** will inter alia, determine whether supply-side programmes supporting GoB commitments in the PRSP are likely to deliver the results specified in the NIP, or whether funds should be reallocated within the Governance priority, shifting the emphasis to demand-side actions, implemented through civil society and to other key areas of support for democratic governance. The Governance programmes involving the Government will be linked to performance indicators and an incentive mechanism that could possibly allow for an upward adaptation of the budget in case of reform delivery or a downward correction in case of non delivery on agreed benchmarks.

Objectives and thematic areas

The **overall objective** of the EC's Governance strategy, which is strongly grounded in the PRSP priorities, is to contribute to the reduction of poverty, the strengthening of democratic values and the reinforcement of a more equitable society. This will be achieved through a broad approach based on two **specific objectives** - to increase the effectiveness of public institutions and to improve security and access to justice for the poor. **Government effectiveness will entail assistance** to the improvement of service-delivery, public financial management, decentralisation and local governance. **Justice, security and human rights will be addressed through reform** programmes in collaboration with other donors, incorporating an access to justice approach as well as tackling key institutional reform, such as reform of the police, the prison service and the judiciary. There will be continuity with programmes initiated under the 2003-5 and 2006 NIPs, including support for social development, human rights and security in the **Chittagong Hill Tracts**. Where feasible we will deliver assistance in this region through integrated or bundled programmes, so as to ensure coherence and to reduce the administrative and management burden on the EC Delegation. However, given the uniqueness and the history of our involvement in the Chittagong Hills Tracts we plan to continue support for a stand alone programme for this region which builds on 2005 / 2006 programming commitments and which, unlike all other programmes, will benefit from an established and functioning implementation structure and partnership.

Thematic area 1: Government effectiveness

Actions / Approach

1. Support for effective delivery of key services with a bearing on poverty alleviation (may include the following sectors: health, education, energy, environment) by line ministries, with drastic reduction in leakage of public funds.
2. Continued support for local governance/decentralisation, building on actions commencing under NIP 2006. Actions under NIP 2007-10 will be in close coordination with other donors and will include support for capacity building for elected local councils, community empowerment and support for the Ministry of Local Government.
3. Actions in partnership with other donors in support of public finance management reforms that may include improving budget planning, execution, procurement systems, external audit and parliamentary oversight. The scope for EC involvement will be determined following, notably, the WB's Review of Institutional Arrangements for Public Expenditure, Financial Management and Procurement.
4. Actions in support of effective working of the institutions of democratic governance, such as Parliament, Election Commission, may be envisaged, following the 2007 national elections.

Objectives

- To ensure improved government service delivery, in particular to women and to the poor, in key areas, particularly education, health and employment.
- To support the strengthening of local government delivering key services based on well-administered block grants, local revenue collection, participation of communities, especially women and the poor, in planning, supervising and monitoring the activities of local councils.
- To support improved finance management, including implementation of MTEF, reflected in improved PEFA scores.
- To support the strengthening of the institutions of democratic governance.

Expected Results

- Effective delivery of key services by line ministries with drastic reduction in leakage of public funds.
- Improved Public Financial Management, including adaptation of budgeting and accounting systems to accommodate decentralisation and trained accounting personnel at the local council level.
- Effective local government accountable to community, providing effective services, based on improved local revenue collection, accountability, community participation and well-managed block grants.

- Parliament, including Parliamentary Standing Committees playing effective role in oversight of government activity. Independent Election Commission able to play full role in ensuring free and fair elections at all levels.

Activities

- **PFM:** The EC will in cooperation with GoB and the other development partners develop actions to support the Public Financial Management Action Plan. The specific areas and actions remain to be determined in cooperation with GoB and other development partners.
- **Administrative reform and combating corruption:** The support of a large scale multi-donor programme to assist the GoB in its effort to improve the internal operating conditions of the administration with a view to reduce leakage, improve detection, enforcement and sanctions through oversight functions, upgrading of management skills and addition resources to tackle reforms.
- **Decentralisation and local governance:** Support for local governance will address both supply and demand side. With regard to the former, we will continue to collaborate with the WB and other donors in supporting the roll-out and strengthening of the block grant system and in providing capacity building for the local councils (union parishads). At the same time, to avoid the pitfalls of elite capture, corruption and leakage, it will be essential to support a major effort to strengthen the role of communities, particularly women and the poor, in ensuring that decentralisation leads to greater accountability to them and significant improvement in service delivery, based on empowerment of the beneficiaries within the WDR 2004 'Making Services Work for Poor People' (MSWPP) paradigm. It is likely that we will build on actions to be funded under NIP 2006 to support the scaling up of the UNDP local governance programme as the learning and innovation component of the WB Local Governance Support Programme and also that we will develop programmes specifically to support NGOs working to empower local communities and to train local councils.

Implementation

Implementation will be as far as possible in close collaboration with other donors. We will respond positively to opportunities for joint funding and development of sector programmes, although this is not currently envisaged. We are also mindful of the need to provide sustained and adequate support to the demand side of democratic government and public service delivery. We therefore expect to provide strong support for civil society. This may involve funding a small projects facility or a similar call for proposals.

Cross-cutting issues - conflict prevention, gender, poverty, employment and decent work, environment.

Conflict prevention: the role of local institutions in preventing conflict, particularly in regard to land ownership, will be addressed.

Gender: women are discriminated against socially, subject to domestic violence and disempowered. The programme will focus strongly on addressing the need to empower women within local government and to ensure that key health and education services are delivered to them within a context of increasing their voice in local and national government.

Poverty: the programme will focus strongly on empowering the poor through increasing their voice within strengthened local governance institutions.

Environment/ rural development: strengthening local governance will increase the ability of communities to improve their area based management capacities, especially as regards management and access to natural resources. It will further enable them to respond adequately to the severe environmental challenges they face in terms of both preventing environmental degradation and pollution and disaster preparedness. The programmes focusing on the effective delivery of key services and the improved running of administrations will enhance the capacity to enforce environmental laws. Linkage with our environment programming will be ensured.

Risks and Assumptions

- GoB remains committed to the priorities set out in the PRSP, particularly with regard to local governance.
- Continued political and macro-economic stability following 2007 elections
- Ministry of Finance remains interested in 'governance instrument' concept after 2007 elections.
- WB remains committed to major funding for local governance.

Main Indicators

Indicators will be developed during the identification and formulation process. They are likely to include such key factors as:

- Achievement of targets for improved delivery of services in key areas, such as school stipends, production and delivery of pharmaceuticals.
- Improved PEFA indicators
- Increased local revenue collection
- Increased block grant provision to local councils
- Achievement of planned social services delivered by local council
- Improvements in key education, health and employment indicators
- Number of women on local councils
- Number of women in community involved in participative planning and monitoring

Indicative timeframe

- Funding of the PFM and the improved service delivery schemes is expected to commence in 2007.

- Funding for local governance should build on activities commenced under NIP 2006, but also needs to take into account the substantial funding expected from other donors, which will require attention to issues of harmonisation and collaboration, as well as to absorption capacity. Funding should commence from 2008.
- Funding for other possible areas of democratic governance should follow the proposed mid-term review, since it may partially or wholly depend on the reallocation of funds.

Theme 2: Justice, Security and Human Rights

Objectives

The objective of this component is to improve human security, give vulnerable groups greater access to justice and to render the judiciary and law enforcement agencies more accountable for their actions. Civic participation in public affairs at all levels through democratic means is considered a fundamental human right in this context.

Expected Results

- The backlog in criminal and civil court cases is reduced substantially with more legal disputes submitted to arbitration and settled in an equitable manner out of court.
- Vulnerable groups will have access to free legal counsel and be more aware of their rights and the channels through which to assert them.
- Improved human security for vulnerable groups.
- The incidence of violent crime relating to land disputes is reduced significantly.
- Minority groups will have their rights to security of person, property and free exercise of cultural tradition upheld.
- No minor will be detained in an adult prison. Creation of a functioning probation service for juvenile offenders, with an emphasis on community service and rehabilitation through basic vocational training.
- Increased freedom of expression for human rights defenders.
- Measured progress on the implementation of the ILO time-bound programme for the abolition of the worst forms of child labour. Review and enforcement of existing labour safety standards.
- Significant reduction in human trafficking and improved protection for migrant workers.

Activities

- **Access to Justice:** Building on activities initiated under NIP 2006 (Village Courts) and the outcomes of proposed donor workshops and surveys (UNDP and WB) in 2006, the EC will develop further programmes in the area of access to justice, which may include provision of legal aid, further work on alternative dispute resolution (ADR), demand side approaches to justice, etc

- **Institutional Reform in justice and law and order:** The EC will also seek to fund institutional reform in the justice and law and order sector, including further support to police reform, support for penal reform (including non-custodial forms of punishment and identification of mentally ill defendants and convicts leading to review of their cases and their referral to modern psychiatric treatment), and – if there is adequate indication of Government ownership and interest - reform of the judiciary and the land registry.
- **Rights of minorities and vulnerable groups:** The EC will support actions that aim at improving the physical security and rights of minorities and vulnerable groups, protecting their property rights, ensuring their rights to equal and fair treatment is respected, and upholding minorities' religious and linguistic traditions,. The EC will also promote inter-cultural dialogue and tolerance. The types of actions include advocacy, legal aid, civic awareness campaigns as well as media and police training.
- **Human Rights Defenders:** The EC will support civil society and individuals who take considerable personal risk to defend human rights in Bangladesh.
- **Core labour rights:** The EC programme will include support for core labour rights, including direct support for existing programmes for the eradication of child labour, for labour rights, especially for women, and for decent work.
- **Human trafficking and migration:** The EC will further develop actions to combat human trafficking and will seek to develop a programme addressing human rights concerns associated with labour migration.

Implementation

The implementation of actions in the area justice, security and human rights will build on corresponding programmes under the NIP 2006. We will seek close co-ordination with other major donors and complementarity with their interventions, such as the judicial and legal capacity-building programme of the World Bank. Past experience suggests that the preconditions for a SWAP do not yet exist, but the feasibility thereof may be reviewed during identification and appraisal.

Cross-cutting issues

Disadvantaged groups: minorities are particularly vulnerable to land-grabbing and related violent crime. Women are discriminated against in both social and legal contexts, particularly with regard to property rights and in their participation in the democratic process. Both the judiciary and law enforcement are male-dominated and unsympathetic to the needs of women. Trafficking is a major problem, which mainly affects women and girls. An unacceptably high number of women are the victims of domestic violence, often dowry-related. The programme will focus strongly on disadvantaged groups, specifically women, minorities and the disabled.

Employment and decent work: the programme will also focus on improving the enforcement of national labour laws and international laws standards and on promoting decent work for all. Linkage with thematic programming on human and social development will be ensured.

Risks and assumptions

The following assumptions are crucial for the success of the proposed intervention:

- Government maintains its commitment to the reform roadmap outlined in the PRSP.
- Key figures in the stakeholder institutions, such as *MoLJPA, Home Ministry, Supreme Court, Attorney General* are committed to implementing these reforms and to co-operating with the EC in the proposed interventions.
- The stakeholder institutions will allow civil society organisations to participate in the execution of the programme.
- Support for minority rights continues through EIDHR.

Main indicators

Detailed programme indicators will be defined during the appraisal phase, and will be based on the benchmarks and targets to be established; they could include elements such as:

- Average duration of court cases in pre-defined categories
- Number of legal cases handled in an integrated way between the subsystem of investigation and other subsystems in the criminal justice system
- Number of violent crimes per category, established through statistically sound methodology.
- Number of judicial and law enforcement personnel trained in the principles of justice, rule of law and human rights protection. Level of knowledge retention.
- Number of land title deeds issued to poor people, especially from minority and vulnerable groups.
- Violations of the rights of minorities and vulnerable groups, including seizure of property, evictions, destruction of property, looting, extortion, intimidation and obstruction of religious practice.
- Incidence of incitement of hatred against minorities and vulnerable groups, including denigrating references in school textbooks and media.
- .Increased freedom for human rights defenders to carry out their activities.
- Violations of core labour rights.
- Number of children engaged in the worst forms of child labour.
- Number of victims of trafficking.

Donor Co-ordination

Donor Co-ordination will be assured through the LCG forum, more specifically the governance sub-group and the working group on justice and human rights. Relevant donors should co-ordinate their interventions through an agreed reporting schedule and a structured dialogue.

Indicative timeframe

To ensure a smooth transition from the actions under NIP 2006, a financial commitment is foreseen for 2008, with identification and appraisal beginning in the preceding year.

Thematic Area 3: Chittagong Hill Tracts

Strategy context/justification

The CHT, with a population of 1.3 million has remained largely outside the mainstream of development assistance for more than 25 years due to insurgency and instability in the area until the signature of the CHT Peace Accord in 1997 which gave the opportunity for reopening the flow of development assistance. Assessment studies of the area suggests that the dominant development challenge in the CHT is the profound and pervasive poverty affecting its inhabitants, which is rooted in and is exacerbated by factors such as: scarcity of cultivable land, low levels of education and health, weak development institution, high unemployment, low income. Despite a general improvement of the security situation, sporadic incidents among different groups and factions (indigenous community, army, Bengali settlers, political parties etc.) unveil the vulnerability of the area to a stable situation.

The institutions responsible for addressing these issues i.e. the Ministry of CHT Affairs, the CHT Regional Council, the Hill District Councils, the traditional Circle Chiefs system and the CHT Development Board, which form an unique administrative set up for Bangladesh, are all currently challenged with low development capacities and, due to a non-clear central policy, with a considerable degree of ambiguity as to their respective authorities and mandates. From 2007 forward the Chittagong Hill Tracts Development Facility (CHTDF) project will be in its fourth year of implementation. The first two phases of the project will have delivered measurable improvements to local institutions, security and empowerment of indigenous communities. It is proposed to continue our engagement in this direction while expanding the activities implemented during the previous phases to cover more of the CHT population with a focus on promoting a governance model where resources are channelled to local communities and where government services are oriented in support of grass roots initiatives.

Actions

Continue support to confidence building and community empowerment with a focus on meeting development targets. Further enhancement of the capacity building of local institutions will be necessary to ensure sustainability.

Objectives

The overall objective is to promote peace and implement the commitments of the peace accord while integrating the poorest and weakest of the region into a development process that focuses on meeting the MDG targets in the key social sectors. Vulnerable local communities supported by strong local institutions and actively operating in an enabling environment will take the lead in their own development. The specific objective is to promote a conducive framework for development in the CHT and a grass roots model of local governance based on community empowerment supported by efficient institutions that support people

Expected results

- Effective functioning of CHT Institutions
- Improved quality access to basic social services including education, health and employment
- Enhanced community empowerment process for self-reliant development and enhanced security
- Technical services and donor coordination effectively organized

Activities

To deliver the above-mentioned results the EC proposes four sets of activities:

- Regular and systematic consultation with major GoB institutions and facilitation and engagement of line Departments in community development; development of institutional self-assessment framework and support self-assessment process; development of effective coalition, coordination and network of key CHT institutions and stakeholders; promotion of ideas of decentralization and local governance and support Regional multi-institutional training programme.
- Development of human skill capacity through skill development training; consultation with Chambers of Commerce and industries for increasing job quotas and opportunities; improve access and demand for education, improve quality of basic education and increase accountability and capacity of decentralized institutions mandated for education
- Expand the “Quick Impact Fund” to cover the entire region: group and leadership formation, institutional capacity of community, training, awareness, income generation activities.
- Facilitate dialogue among stakeholders through a) increased interactions, mutual recognition, dialogue, consultation and awareness of opportunities to solve long-standing problems; b) creating an enabling environment for effective functioning of GoB commissions, task forces and policies aimed at solving long-standing problems i.e. land ownership, refugees, elections, etc ; c) support for institutions promoting minority rights and culture; gender mainstreaming through training, workshops, awareness rising; d) promotion of cultural diversity

Implementation

Based on the strong relationship of the EC with UNDP developed during the two previous phases (January 05-June 06 and July 06-September 09), the UNDP's well established field presence and partnership with the local authority and different stakeholders in the area, the implementation of the programme may be continued with UNDP. In principle the EC supports a multi-agency approach and will at the same time seek synergies with independent MS programmes like DANIDA where possible. A sector approach in the CHT might be possible.

Cross-cutting issues - conflict prevention, gender, poverty, employment and decent work, environment

In working for the improvement of local institutions to deliver efficiently services the programme address directly governance. Moreover the programme will work to address decent work deficits, mitigate deterioration of environment and improve management practices. It will also focus its attention to the situation of vulnerability of *Jumma* women in a militarized area and will try to discern their exclusive role either in official institutions or as an active member of the community to negotiate and promote peace. Education will be addressed directly by the programme, while close monitoring of working conditions and worst forms of child labour will be addressed during consultation with Chamber of Commerce and Industries and social partners as in the programme.

Risks and Assumptions

Assumptions

- Unequivocal will and interest of the GoB to implement the peace accord. GoB support for the peace process and a policy of "grass-roots model of local governance".
- The constitutional recognition of the identity and rights of indigenous people.
- Application of a "performance-linked second resource channel (outside the ADP)" as foreseen in the PRSP with regard to "Promoting Local Governance".

Risks

In the politically sensitive and volatile environment of the CHT, any offence, crime or wrongdoing is a potential cause of a wider conflict between institutions and communities. Provocative actions by army personnel and law enforcement officials in support of Bengali settlers still happen, arousing the resentment of the indigenous population and confrontational reactions. Winning the trust and confidence of the local people and institutions and find means to balance the interests of different stakeholders will be the major challenge for the implementing partners of the action.

Main Indicators

- Improved functioning of CHT institutions in performing development mandate. Enhanced functioning/efficiency of CHT Refugee Task Force and CHT Development Board, Land Commission.

- Number of law enforcement officers trained (level of training coverage, level of attendance). Percentage of CHT institutions staff trained (level of training coverage, level of attendance).
- Percentage of targeted population benefiting from CHT institutions development initiatives (level of population coverage)
- Increased number of targeted people benefiting from services, facilities and resources. Number of people trained on technical skill, disaster management, gender, environment.
- Ratio women-men of people employed / involved in entrepreneurships
- Number of youths employed (level of employment). Number of people informed on market related issues (level of market related knowledge). Improved functioning of Private Sector Actors (Chambers of Commerce, Business/Trade Associations etc.).
- Number of trained teachers, number of children attending school (level of attendance)
- Number of people/villages benefiting from the Quick Impact Fund (QIF level of people coverage).
- Number of women led projects implemented (gender ratio)
- Number of people trained (level of training coverage, level of attendance).
- Number of families who are permanently settled and who have changed fully or partially from the slash-and-burn method of cultivation.

Indicative timeframe

The EC contribution under NIP 2006 will cover the programme until 2009. Therefore the contribution under NIP 2007-10 will be committed in year 2010 only.

3.3 Priority 3 - Enhancing Trade Capacity and Economic Development

Strategy Context/justification

A wide range of independent assessments including the EC funded **Trade Needs Assessment** conducted in spring 2005 (jointly with Japan, International Finance Corporation, DFID and Canada) have identified a number of factors that are interrelated and that seriously hampering trade. These barriers include weak governance, infrastructure inadequacies, low education level of the workforce, lack of access to finance, inadequate regulations and regulatory mechanism for quality standards and certification and lack of awareness and preparation amongst the business community and trade bodies for tackling the challenges resulting from the adoption and implementation of WTO rules. In order to enhance Bangladesh's economic potential and alleviate poverty analysts advise to tackle the a.m. obstacles through a strategic approach that can combine government policies, regulatory and structural reforms, institutional and individual capacity building, capital works and the creation of effective partnerships between the public and private sectors is required

The Private Sector Development Support Programme (PSDSP) currently being developed by the World Bank, DFID, EC, Canada and the Japanese Development Agencies represents an important positive step in this direction. The latter aims at improving the investment climate and addressing crucial infrastructure needs. At the same time, the removal of the current anti-export bias may require continued budgetary support by the World Bank and other donors to address the temporary cost of liberalization and adjustment costs.

Action: Trade and Private Sector Support Programme (TPSSP)

The objective of the Trade and Private Sector Support Programme is to build on the experience gained through a set of TRTA programmes in the strategy 2003-2005- / 2006 and to ensure continuity in the support of these important activities through a more strategic and integrated programme. This approach is also sustained by the findings and recommendations of the Trade Needs Assessment. Lessons learned from the strategy 2002-2006 will be duly incorporated, particularly as regards the need for larger programmes that address a number of constraints to trade and private sector development holistically and simultaneously through joint donor approaches. We plan to join other development partners in the area of private sector development and trade, with a preference for a sector type delivery of larger government programmes, such as the PSDSP. In addition to addressing cross-cutting issues of governance, gender and environment, the proposed trade and private sector support programme will also link with programming under the governance and education headings.

In the area of **trade-related legal and institutional framework**, support will build on the experience from the Quality Support Programme, Trade Support Programme, Intellectual Property Rights Project and Small Projects Facility which address priority areas such as conformity assessment, quality management, intellectual property rights, and trade-capacity building. Given the enormity of the challenge faced by the country in adopting and implementing WTO rules and regulations, continued support beyond the life-cycle of the current programmes shall be essential. In order to maximise the opportunities for Bangladesh arising from its preferential market access as an LDC, the TPSSP will also address the **competitiveness of the private sector and explore increased possibilities for export diversification**, particularly through the continued support for sector development in the areas of ready made garments, light engineering, agribusiness and information technology, the provision of business development services to SMEs and access to finance, while taking full account of the social dimension of trade and globalisation.

Objectives

The **overall objective** of the Trade and Private Sector Support Programme is to support the integration of Bangladesh into the world trading system so as to induce “*pro-poor growth*” for increasing income and employment for the poor (Bangladesh’s PRSP target).

The **specific objective** is to increase trade and economic growth in Bangladesh through an improved trade regulatory framework and increased SME competitiveness and export diversification

Expected Results

- The policy framework for trade and private sector development is improved
- The legal and institutional framework for trade is improved in the areas of norms and standards, conformity assessment, labour rights, intellectual property rights and the capacity of decision makers in the Government and the private sector on trade related issues is increased.

- SMEs, particularly female-owned enterprises, have better access to finance and business development services.

Activities

- Support to the GoB in developing a comprehensive trade development policy and trade development strategy, while taking full account of the social dimension of trade and globalisation.
- Assistance in updating GoB legislation so as ensure WTO compliance, the modernisation of trade support organisations, and awareness raising among the private sector, particularly on issues such as sanitary and phytosanitary measures, technical barriers to trade, labour rights and intellectual property
- Strengthen business development services and business associations, and train financial institutions and the SME sector so as to ensure enhanced access to finance and facilitate regional trade.

Implementation

Preference will be given to a joint donor approach based on greater co-operation by development partners within the framework of jointly funded programmes such as the PSDSP and the South Asia Enterprise Development Facility (SEDF). This should be within the context of movement towards a sector-wide approach in this field that would contain all relevant actions. Continued support to the SEDF fits entirely into this approach and is therefore envisaged.

Cross-cutting issues

Women face restricted economic opportunities and strong gender-role stereotypes limit the types of jobs women are able to access. Recent Government policies, extensive NGO led programmes and the Ready Made Garments (RMG) sub-sector have changed the perceived role of women in the economy. This is reflected in the increased female participation in training programmes designed by both public and private institutions. However, their participation is still very limited and therefore the participation of women in entrepreneurship and at all levels of training should be encouraged. Social customs appear to be the main factor constraining increased female participation. Employment, social and environmental impacts of increased economic activity induced by the action will be assessed and mitigating measures will be in-built into the interventions. Promotion of corporate social responsibility, productive employment and decent work and environmental standards will be taken up.

Risks & assumptions

The following assumptions are crucial for the success of the action:

- Continuous economic growth of the Bangladesh economy occurs.
- Government shows continuous commitment for reform of private sector regulation and for private sector development.
- Private sector is interested to share a bigger responsibility in economic management.
- Government is committed to further trade liberalisation and integration in the framework of the WTO.
- Funding for trade support organisations is provided on a continuous basis.

- Government and society support women's access to financial and business development services and increased number of female-owned enterprises

Main Indicators

These will be established during the design phases in agreement with the donors and the GoB in the coordination committees. However, the indicators of the attainment of the objectives are supposed to provide detailed information on the following:

- Expected changes to trade policy implemented by the GoB.
- Higher capacity of the GoB and the private sector to understand and negotiate trade policy and WTO related issues.
- Improvements in the investment climate and increased foreign direct investment inflows.
- Increases in the competitiveness, labour productivity, real wages and working conditions of key export sectors.
- Improvements in the legal framework and institutional infrastructure for export sectors in the area of sanitary and phytosanitary measures, technical barriers to trade, labour rights, intellectual property rights, standards and conformity assessment.
- Increase in social and environmental compliance of the private sector.
- SME's have better access to finance and services for increased growth and employment generation. Improved access to finance and business development services for women. Increased number of women using finance and business development services

Donor Co-ordination

The major development partners are co-operating actively in this field within the framework of the local consultative subgroup on private sector development. The Delegation holds the position of vice-chair and leads a working group on trade issues. Development partners are co-ordinating their efforts intensively within the management mechanisms of the jointly funded programmes such as the PSDSP and the SEDF.

Indicative timeframe

The action is expected to be committed in 2008 to allow a seamless continuation of the work started under the last CSP. Identification and formulation will start in 2007.

3.4 Non-focal area – Environment and disaster management

Strategy context/justification

The Bangladesh economy and the livelihoods of poor and vulnerable groups are unusually exposed to environmental hazards and natural disasters. This has been recognized by GoB in drafting its PRSP which includes Environment and Disaster Management as main supporting programmes. The donor community has welcomed this approach. The EC has been instrumental internationally in flagging environment, climate change and disaster management as major components for supporting sustainable development.

Actions / Approach

Environment is a cross-cutting issue with key features for all sections that are important for pro-poor growth and poverty alleviation, but are not included as focus areas in this CSP. The approach is three fold. Firstly to provide specific interventions to improve community awareness and warnings of climate events that will reduce the impact of disasters on the livelihood of the poor. The second is to include environment and disaster management as focus areas within the local governance sector. (See local governance section) and lastly to ensure that environment and disaster management is included in the approach for each focus sector notably education and health, but also trade.

Objectives

The overall objective is to reduce the impact of poor environmental management and disasters on the poor and vulnerable groups, by ensuring that climate change, water supply and environmental degradation issues are tackled as part of the pro-poor development strategy of Bangladesh.

The specific objective is to assist in developing capacity within Bangladesh to reduce the impacts of poor environmental management and disasters on the poor.

Expected Results

- GoB has the capacity to provide improved climate warnings to local communities to help them prepare for and cope with the increasing frequency of extreme weather events brought on by global warming.
- The poor and vulnerable groups receive the services they require to protect their well being from environmental hazards and disasters including climate change events. Environmental issues are included in school curricula at all levels and appropriate media developed.
- Suitable materials, including films, posters, texts and computer based applications) are available through local production houses.
- A cadre of suitably trained environmental technicians is available to meet the environmental monitoring needs of Bangladesh in the future.
- The legal and institutional framework for environmental standards is improved as necessary.
- The private sector is made aware of and assisted in improving environmental standards and services to meet EC and international best practice standards.

Activities

- Support the GoB initiatives to develop enhanced climate prediction capacity, together with the capability to disseminate information and warnings down to local communities in time for them to prepare for and take coping actions thereby reducing the impact of climate change and weather events on their livelihood. This will support the 3 specific activities.
- Improving climate prediction capacity and capability within Bangladesh
- Improving the quality of digital elevation models throughout the country but particularly in flood areas and areas subject to sea level rise, cyclone surges etc. This enables accurate short term and long term warnings down to both rural and urban communities. It also facilitates

accurate zoning for city planning a capacity lacking at present, building on the work of the Coastal Embankment Rehabilitation Project.

- Strengthening of the institutional capacity to provide essential services to local communities.

In addition we will:

- Promote awareness of the impact of environment on pro-poor growth and vulnerable groups through EC supported programmes. These to include global and regional programmes, and national CSP focus sectors particularly community awareness through the education programme, but also environmental health messages.
- Identify appropriate approaches at the local level through an active local governance programme. (See local governance programme).
- Support environmental aspects of trade through local programmes as possible.

Implementation

As a cross-cutting issue these actions rely for implementation on a selection of global, regional and national focal sector instruments. It is required that the delegation has the resources to monitor and coordinate these instruments as an integral part of implementation through these instruments.

Cross-cutting issues - conflict prevention, gender, poverty, environment,

There are real concerns that conflicts will arise from competition for resources particularly in stress situations following on from natural disasters. This is an important part of disaster preparedness and one that will be increasingly important as climate change events become more frequent. They are dealt with along with gender and child issues as part of the community awareness component of the actions. The protection of poor and vulnerable groups livelihoods is the main objective of the connected actions which of course deal specifically with environmental issues. Other environmental issues arising from the impact of actions need to be dealt with as part of the action and resources allocated accordingly.

Risks and Assumptions

- It is assumed that MS partners will cooperate in funding the GoB flood action proposals. The Netherlands has already indicated a willingness to cooperate on this.
- It is assumed that the Asia Pro Eco regional environmental programme will be discontinued. Resources need to be allocated to each focus area programme to ensure compliance with EC policy requirements

Main Indicators

- GDP continues to grow even in the event of a natural disaster.
- GDP per capita of the lowest quartile shows significant increase over the period and is not slowed by climate related events.
- In the event of a serious natural disaster the impact on GDP/capita is less than in past events.

Specific Indicators

- Enhanced climate early warning systems in place and providing useful information to vulnerable groups.

- Digital elevation data improved to provide accurate flood risk maps country wide and at the community level.
- Weather prediction systems providing accurate medium and short term information.
- Timely information being delivered to vulnerable groups in usable format.
- A programme of support to environmental education in place
- Each focus area programme has particular monitoring of backward and forward environmental linkages of the programme.

3.5 Non-focal area – Food Security and Nutrition

Strategy Context/Justification

With nearly half of the country's population living below the poverty line and some 30 million of hard core poor, food security is of vital importance. Malnutrition rates in Bangladesh are among the highest in the world, affecting 50% of children and women. Landlessness combined with lack of employment opportunities restricts the access of many of the poor to adequate nutrition, leading in turn to poor health status and reduced ability to work. Women-headed households are especially vulnerable.

Since 1976, food aid and, more recently, food security have been a central area of intervention of the European Commission in Bangladesh. Behind the background of continued high poverty incidence and the relevance of food security for the MDGs, it is essential to continue providing safety nets to the hard the core poor. The EC will continue to support traditional food security measures while strengthening the Government capacity as a prerequisite for the successful implementation of the national food security policy and the PRPS. These measures will be complemented by measures from the EC's thematic Food security instrument enhancing innovative food security policies and implementing mechanisms.

Actions

The food security programmes will focus on innovative approaches/interventions by primarily targeting extreme poor and food insecure women, who have not benefited from mainstream poverty reduction programmes, by tackling food insecurity through holistic/integrated concepts and by strategically strengthening the capacities and responsibilities of decentralized government institutions for participatory planning and implementation of food security interventions. A second focus will be the complementarity of the food security interventions to the focal sector actions of the CSP. The actions mentioned below will facilitate linking food security and nutritional interventions with education sector programmes as well as good governance, the two high priority identified strategies for Bangladesh. Further support will be provided through the EC thematic instrument for food security.

Objective

The main objective is to sustainably reduce the level of poverty, food insecurity and malnutrition in Bangladesh primarily among rural ultra-poor, particularly women beneficiaries and their dependents.

Expected results

- Ultra-poor women and their dependents sustainably lifted out of poverty,
- Nutritional and health status of target beneficiaries and their dependents improved
- Food security policy framework enhanced and government capacities improved

Activities

The following food security actions are proposed under the NIP 2007-10:

- Support to the testing and consolidation of innovative safety net type interventions implemented by NGOs and GoB, including local government institutions, targeting the most deprived rural ultra-poor women and their dependents.
- Nutritional interventions to eradicate malnutrition of children, lactating mothers and adolescent girls through projects like feeding of vulnerable, school feeding, school nutrition gardening, nutritional education/motivation and nutritional surveillance and monitoring,
- Interventions to strengthen government capacities for enhancing the food security policy framework for improvement of governance and decentralized management of development projects.

Implementation

Food security interventions will be implemented through relevant government implementing agencies, NGOs and/or UN agencies.

Risks and assumptions

Assumptions

- GoB's overall policy remains favourable towards innovative safety net type interventions,
- GoB policy remains consistent for decentralization and capacity strengthening of local government institutions,
- GoB will not restrict potential partners, such as local NGOs, to receive donor funding and/or implement donor funded projects,

Risks

- Large scale natural disasters such as exceptional flooding and earthquakes which adversely affect food security interventions, their output and impact,
- Funding level under the new instrument not adequate to tackle food insecurity in Bangladesh,

Main indicators

Food security and nutrition indicators refer to the broad objectives and expected impacts of the food security interventions in the context of Bangladesh. The indicators are categorized under the three pillars of food security (availability, access and utilization) and other relevant issues and which are measurable through national surveys and special studies.

- Increased food availability of marginal farmers and landless poor through crop diversification, homestead gardening, school gardening etc.:
- Improved access to food by beneficiaries reflected by increased means and levels of sustainable income mainly from income generating activities, by enhanced social and economic status of beneficiaries, by accumulation of productive assets and wealth and by access to micro-credit services;
- Improved utilization of food (nutrition) by beneficiaries characterized and determined through provision and / or increase of daily full meals, adequate diversification of the food basket to provide balanced diets, the reduction of malnutrition among mainly female beneficiaries and children, the measurement of nutritional status indicators (e.g. Body Mass Index), and the level of food provisioning at household level;
- Improved livelihood of beneficiaries characterized by enhanced awareness on basic social, rights and environmental issues, functional literacy-reading and numeracy skills and increased attendance to primary school of both boys and girls;
- Quantity and quality of mechanism and capabilities of beneficiaries to cope with various disasters (natural, health, agricultural and economic);
- Level of ultra-poor beneficiaries participating in decision making at decentralised level; Level of access of beneficiaries to public and civil society services and resources;
- Capacity of local government institutions to effectively plan and implement (including resources management, monitoring and evaluation) of pro-poor development projects

4. ALIGNMENT, HARMONISATION AND CONSULTATION

4.1 The dialogue with the Government / Alignment to national policies (i.e. PRSP)

The EC works closely with the GoB departments and ministries involved in its programmes. Apart from numerous ad hoc meetings on specific projects and activities with line Ministries, monthly meetings are held with the Economic Relations Department at Joint Secretary Level.

The CSP 2007-13 and NIP 2007-10 have been prepared in response to the policies of the Government of Bangladesh as set out in the draft PRSP, in line with EC development policy priorities, lessons learned from and continuity with current programmes and the clearly identified needs of the people of Bangladesh, especially the poor and disadvantaged. A specific meeting with the Secretary of the Economic Relations Department took place on 6 June 2005, at which the Secretary expressed his concern for continued support to the health sector. He explained that GoB was linking its development budget to PRSP, the draft of which highlighted the critical challenges faced in health and population. ERD Secretary said that the problem of HRD in the sector was the lack of real expertise among the Ministry's staff for these challenges, which he hoped HNPSP would address. He also explained that there were funding gaps in the secondary education sector. He also welcomed proposed interventions in the general area of governance in line with the priorities set out in the PRSP.

Following the launch of the PRSP at the PRSP Implementation Forum in November 2005, eight working groups have been formed to focus on 11 key results agreed for the first year of PRSP implementation. The EC is a member of the working group to 'Review the policy of Empowerment and Development of Women.'

4.2 Consultations with civil society

The EC's programme includes a large number of projects implemented by and through Bangladesh's vibrant NGO community. These include projects funded under the NGO co financing budget line and the EIDHR. The first call for proposals for the EIDHR micro projects will take place in 2005/6. A call for proposals for Civic Awareness has also been launched and a small projects facility for trade-related projects is ongoing in 2005. The Delegation maintains close contact with civil society as a whole and with the organizations that implement EC projects, in particular.

On 6 June, 2005 a formal meeting took place to discuss the CSP/NIP with representatives of civil society, at which the latter emphasized the need for attention to human rights and, in particular gender issues. Discussion also focused on alignment with the PRSP and the role of NGO's in implementing development programmes.

4.3 Harmonisation and Co-ordination with Member States and other donors

The EC Delegation has held a series of consultation sessions with development counsellors of the seven Member States represented in Bangladesh, to inform and align CSP and NIP with the strategies and priorities of others. This process has further been backed by an initiative of the EC Delegation in autumn 2005 to launch a discussion on the EU roadmap for coordination and harmonisation of EU programmes.

The Local Consultative Group (LCG) as the main coordinating body for the 30 sized International donor community has been the main mechanism informing donors on priorities and commitments of other partners. As co-chair / chair of five LCG sub- and working groups, the EC has played an active role in steering sector discussions and co-ordinating donor activities. In parallel the government has set up a separate mechanism to interface with the donor community on the implementation of the PRSPS. Once a balanced representation of all donor interests are reflected in this mechanism, coordination on implementation of the PRSP should be further enhanced.

5 ANNEXES

Abbreviations

| | |
|---------------|--|
| ADP | Annual Development Programme |
| CHT | Chittagong Hill Tracts |
| CHTDF | Chittagong Hill Tracts Development Facility |
| DFID | Department for International Development (UK) |
| ERD | Economic Relations Department |
| GDP | Gross Domestic Product |
| HNPSP | Health Nutrition and Population Sector Programme |
| HR | Human Resources |
| ILO | International Labour Organisation |
| LCG | Local Consultative Group |
| LDC | Least Developed Country |
| MDG | Millennium Development Goals |
| <i>MoLJPA</i> | Ministry of Law, Justice and Parliamentary Affairs |
| MS | Member State |
| MTEF | Medium Term Economic Framework |
| NGO | Non Governmental Organisation |
| PEFA | Public Expenditure and Financial Accountability |
| PSDSP | Private Sector Development Support Programme |
| QIF | Quick Impact Fund |
| RMG | Ready Made Garments |
| SEDF | South Asia Development Facility |
| SME | Small and Medium Enterprise |
| SWAP | Sector-wide Approach |
| WB | World Bank |
| WDR | World Development Report |
| WTO | World Trade Organisation |

5.1 Overview of past EC co-operation 2002-2006 (in meuro)

| Priority Sector Budget Line | | CSP 2002-6 | NIP 2003-5 | Actual Commitments | | Activity Description | NIP 2003 – 2005 Revised (MTR) | | | NIP 2006 |
|--|------------------|---------------|---------------|---|-----------|--|----------------------------------|-----------|----------------|--------------|
| | | meuro | meuro | 2002 | | | 2003 | 2004 | 2005 | 2006 |
| 1.1. Health | B7-300 | 120 | 120 | - | - | 1. Health sector programme (HNP) | - | => | 108** | |
| 1.2. Education | B7-300 | 125 | 135 | - | - | 1. Primary Education Dev Prog. (PEDPII) 2. Support for NFPE | 105 | - | - | |
| 1.3. Food Security / Rural Dev. t | B7-200 | 120 | 95 | - | - | Indicative commitment level | 10* | 20 | 20 | 25 |
| 1.4. Employment Creation | B7-300 | 10 | - | Rural Towns Dev. Pilot | 10 | | - | - | | |
| 2.1. Economic Development and Trade Capacity | B7-301 B7-300 | 49 | | SEDF (SAEnterprise Development Facility) | 10 | 1. TRTA (Cancun Package, Intell. Prop) 2. Total Quality Programme 3. Small Project Facility 4. Econ. Governance / VET | =>8,75 3 | 10 | 1.2 - | 20-30 |
| 3.1 CHT Programme | B7-300 | 60 | | - | - | 1. CHT development prog. Phase I 2. CHT development prog. Phase II | => | | 7.5 | 15-20 |
| 3.2 NGO Co- financing | B7-6 | 30 | 18 | Global Cfp* | 2 | Global Call for Proposal* | 4, 4 | 2.1 | 4* | 4* |
| 3.3 Human Rights & Democracy | B7-300 | 46*** | 9 | - | - | 1. Support to Electoral Process 2. Promotion of Individual Rights (Unicef) 3. Civil Justice reform 4. Combat Human Trafficking 5. Reserve for Human Rights activities linked to PRSP | - - | => | 2.5+3.5 6** | 10 2 5 |
| 3.4 Others | B7-3 | | 9 | SMILING | 8 | Disaster Preparedness | | => | 9** | |
| Them./Regional | B7-302 | | | | | Burmese Refugees (Uprooted People) | 2 | 1 | 1 | 1 |
| SUBTOTAL 19 10 01/02 (B7-300 and | | 410 | 303.5 | | 28 | SUBTOTAL 19 10 01/02 (B7-300 and B7- 301) | 116.8 | 10 | 161.7 | 52-67 |
| SUBTOTAL HTBs | | 150 | 117 | | 2 | SUBTOTAL HTBs | 16 | 27 | 23-25 | 30 |
| TOTAL | | 560 | 420.5 | | 30 | TOTAL per year | 132.8 | 37 | 186.7 | 82-97 |
| TOTAL 19 10 01 and 02 only | | | | | | | 340.5-355,5 | | | |
| GRAND TOTAL all budget lines | | | | | | | 438.5-453,5 | | | |

* Forecasted estimate for projects selected under global Call for Proposal

** 10% budget shifts in context of MTR

*** Forecasted estimate for ALA and non ALA budget lines (e.g. Uprooted people, Humanitarian aid & disaster preparedness, Regional programmes)

5.2 Harmonisation Roadmap for Bangladesh

In September 2005 the Delegation took the initiative of approaching the EU Presidency in order to agree on further development on the EU side for coordination and harmonization. Informal consultations took also place with the 7 represented Member States in Dhaka and with the Norwegian and Swiss Embassies. In view of the initial positive replies, the agenda of the regular EU development Counselors meeting which took place mid-September was entirely dedicated to this topic. As a result, an agreement in principle for the elaboration of a roadmap has been reached. The association of Switzerland and Norway, both active donors in Bangladesh, to this exercise is also agreed.

With regard to its content, there is also a consensus on the fact that the roadmap should not cut across existing mechanisms, including the Government of Bangladesh leadership of the Harmonisation Action Plan, process which appears well advanced. The current draft “Bangladesh Harmonization Action Plan” is attached for information. It will be discussed in the coming days in the framework of the Local Consultation Group (LCG). The LCG and its sub-groups is also a key feature of the coordination mechanisms already in place in Bangladesh among all donors. It is also worth noting that a number of SWAPs, to which the EC is party are already ongoing and a joint Strategy has been elaborated by the four largest donors (WB, ADB, DFID, Japan).

At this stage, possible ideas for content of the roadmap include:

- Enhanced information sharing, including possibility of an EU website.
- Advanced co-ordination of EU position to various forums such as the PRSP Implementation meeting/statement on the PRSP.
- Enhanced and earlier in-country dialogue on EC/MS programme proposals.
- Shared messages to GoB on governance concerns
- Thematic meetings amongst EU partners

With regard to the timing, a precise calendar has not been fixed yet and it is most likely that the different tasks and objectives will start and be defined after the Poverty Reduction Strategy Implementation Forum has taken place in November 2005. Progress on roadmap content and first actions are expected nevertheless by mid-2006. The Delegation will pay attention to the guidelines received which proved already very useful and will keep you posted on further developments.