



# Bangladesh Annual Program Performance Report 2011

June 2012

## Summary

This annual program performance report (APPR) summarises progress in Australia's aid program to Bangladesh in 2011. Bangladesh continued to make significant gains against poverty targets and social development indicators during the year despite deteriorating macro-fiscal conditions and governance challenges. Australia's aid program contributed to development progress by achieving results in child and maternal health, primary education, poverty reduction and disaster risk reduction.

Throughout 2011 the Australian Agency for International Development (AusAID) redefined its approach and objectives to ensure alignment with Australia's aid policy, Effective Aid. This included positioning the program to maximise results from the increasing aid budget expected over the next five years. From 2012 Australia will support government-led programs in health, education and climate change, and is assisting the government to develop a National Social Protection Strategy. This will help to build program sustainability and complements continued assistance for development results delivered through strong civil society partners.

## Context

Bangladesh is transitioning towards becoming a middle income country. The country continues to record strong economic growth and is on track to meet many of its MDGs. However tens of millions of Bangladeshis remain in extreme poverty and access to basic services is uneven, particularly affecting marginalised groups.

The Government of Bangladesh (GoB) updated its poverty reduction approach in 2011 through its Sixth Five Year Plan (2011-2015). The Plan reflects the country's growing confidence - it sets out an ambitious pathway for Bangladesh to achieve middle income country status by 2021.<sup>1</sup> The Plan focuses on inclusive economic growth, poverty reduction, gender equality and environmental protection. Bangladesh's 2012-13 national budget will provide the first substantial indication of the plan's prospects to drive policy and budget allocations.

Political tension is expected to escalate in the lead up to the national elections scheduled for January 2014. This is likely to result in increased instances of strikes, political violence and general social and economic disruption. Increased tensions are expected to have minimal impact on Australian aid to Bangladesh as our programs are largely operating in sectors that have broad political and community support.

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<sup>1</sup> Analysis, including from the ADB, suggests the country will need to grow at approximately 8% annually to reach its goal of middle income country status by 2021.



## Poverty and the Millennium Development Goals

Sustained annual economic growth and development support is helping to lift millions of Bangladeshis out of poverty.<sup>2</sup> Over the last decade, the proportion of people living under the daily income of US\$1.25, a common measure of poverty, has declined by 15 per cent. Bangladesh is on track to achieve its Millennium Development Goals (MDG) of halving the proportion of citizens living in poverty by 2015.<sup>3</sup> Bangladesh's gains have been heavily driven by economic growth as well as local resilience and initiative, including a vibrant civil society. Bangladesh's under five mortality rate has fallen faster than the South Asian average since 2002.<sup>4</sup> It is on track to meet MDG targets relating to reducing the numbers of mothers dying giving birth, as well as immunization coverage.<sup>5</sup> The country's proportion of people with access to clean water is higher than the regional average. Equal numbers of boys and girls are enrolled in primary school.<sup>6</sup>

Continuing the same rate of development progress, as experienced over the past 20 years, will be difficult for Bangladesh. For example, primary school enrolment rates are now approximately 95 per cent. While this is a considerable achievement attention needs to shift to keeping children in school and on the quality of education provided. In addition, high poverty rates, extreme population density, rapid urbanisation and the ever-present risk of external and natural shocks<sup>7</sup> continue to challenge social and economic development.

Inequities in service delivery are a challenge to further progress. Twice as many of the poorest children die before the age of five as do children from the richest families. Coastal and flood-prone areas have higher incidences of poverty. A larger number of people are affected by under nutrition. Regional disparities in quality and reach of services make large parts of the population more vulnerable to health issues.<sup>8</sup> A growing urban poverty problem is emerging as poor people move to urban areas in search of jobs and services. These urban areas are already struggling to cope with existing population. Similarly, many ethnic minority communities in remote areas, including Chittagong Hill Tracts, have worse development indicators than the national average.

The complexity of gender inequality in Bangladesh requires careful consideration by Australia's aid program. Bangladesh ranks poorly on the gender inequality index at 116 out of 137 countries.<sup>9</sup> While access to education has improved, learning outcomes for girls continue to be poor. The gender gap is significant by the end of secondary schooling. Women's employment tends to be in the low-wage side of

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<sup>2</sup> GNI per capita is rising steadily matching the trend of other Least Developed Countries though not at the same pace the average rate across the region. World Bank GNI data <http://data.worldbank.org/country/bangladesh>

<sup>3</sup> According to the latest World Bank reporting, the proportion of extreme poor in Bangladesh is 43 per cent. The target is 34 per cent by 2015, half of the 68 per cent in 1992. Using a different measure of poverty, based on the cost of basic needs, the Government of Bangladesh is reporting a poverty rate of 32%. Though Bangladesh's performance on reducing poverty levels is impressive, it is still the highest poverty head count ratio for South Asia.

<sup>4</sup> World Bank country data, 2012

<sup>5</sup> World Development Indicators 2012, based on comparison of individual countries.

<sup>6</sup> Gender parity at primary school enrolment is ahead of most low income South Asian countries, according to the World Bank Development Indicators (2012) for South Asian countries.

<sup>7</sup> No substantive natural shocks were recorded in 2011

<sup>8</sup> The country is not on track to meet some Millennium Development Goals targets: reduction in numbers of underweight children; completion of primary schooling, achieving full employment by 2015.

<sup>9</sup> UNDP Human Development Report 2010.



formal employment and informal sector activity, leading to a significant gender disparity in earnings. Maternal mortality and malnutrition rates remain high. The high level of violence against women remains a constraint to their mobility and quality of life. Despite the increase in women's political participation, it remains challenging for female politicians to influence public decision making.

Continual tension between the two major political parties and variable capacity prevents government focus on policy implementation.<sup>10</sup> Broader governance challenges, including corruption and weak accountability mechanisms, are a significant dampener on development and reduce the extent to which growth benefits are broad-based. The possibility of a different political party being in government after the January 2014 elections, with the potential for changed policies as a result, represents a significant risk of working through and with the GoB.

### Donor engagement

The diversity of development actors in Bangladesh makes effective coordination between official development partners with the Government critical. Bangladesh has a moderate to low level of aid funding per capita when compared with other Least Developed Countries.<sup>11</sup> There are 19 bilateral donors represented in Bangladesh<sup>12</sup> and 14 multilateral development partners, of which the World Bank, Asian Development Bank (ADB), United Nations Development Programme (UNDP), United Nations Children's Fund (UNICEF) and World Food Programme (WFP) are most active in development programming and dialogue. This is complemented by a large number of civil society and non-government organisations (both international and Bangladeshi). There are mechanisms in place to support government-donor coordination and there is an expectation, particularly as our aid to Bangladesh increases, that Australia will be active in the country level and sector coordination mechanisms. Government-donor engagement is often complex. Two examples of this challenging environment from 2011 were 1) the tensions related to the Padma Bridge which impacted on overall donor government relations, and 2) the delaying of the 2011 Bangladesh Development Forum (BDF).

Australia's development assistance to Bangladesh has tripled since 2006-07. In 2011-12 the program budget was A\$94.9 million and it is expected to be A\$100.4 million in 2012-13. Further growth is expected on the back of the 2011 Independent Review of Aid Effectiveness which endorsed the sectors to be targeted and approach to be used in the Bangladesh program.

Australia is now one of the Bangladesh's top six bilateral donors.<sup>13</sup> Our growing budget and experience is providing opportunities to have a more productive engagement with partners including the GoB. Given our relatively small in-country presence, our still modest proportion of overall aid to Bangladesh (less than 3 per cent), and the skills and experience of other actors, Australia works in partnership

<sup>10</sup> The World Bank rated Bangladesh's public sector management and institutions at 3.0, slightly lower than an average country (3.10). <http://www1.worldbank.org/operations/CPIA2010/BGD.pdf>. Transparency International ranks Bangladesh 134th out of 187 countries in its 2011 Corruption Perception Index.

<sup>11</sup> Only Nigeria and Myanmar, of the 41 countries that the 2010 HDR classified as "Low Human Development," received less per capita than Bangladesh.

<sup>12</sup> Five of these countries—Brazil, France, Italy, Russia and Spain— have very small programs.

<sup>13</sup> UK, US, Japan, EU and India are the other bilateral donors in this group.



with large like-minded donors and strong performing civil society organisations. A key bilateral relationship is with the UK, who we work closely with on social protection and poverty reduction as well as part of broader donor groups supporting the government's programs in health, education and climate change. While this partnership approach with donors and civil society organisations serves to maximise the impact of Australian aid, we may not always have a clear alignment of interests with all our partners and must be prepared to adjust our approach to changing circumstances.

It is not yet clear what impact the current global economic uncertainty will have on donors' ability to allocate planned increases of funds. Reporting of donor flows is problematic, and the GoB does not always have complete and/or accurate data on total aid flows.

### Quality of information and statistics

There is a high volume of development data in Bangladesh but the unreliability of some data and gaps in analysis limits the ability of the government and donors to plan and implement development programs. For example, the government reports Bangladesh's population as 142.3 million while the UN recently estimated 150.5 million.

### Economic growth

Despite the global economic slowdown, Bangladesh achieved economic growth of 6.3 per cent in 2011. It recorded high export growth, primarily from the garment industry. The government also achieved a 27 per cent growth in revenue collection in 2010-11 compared to the previous year. This significant progress is critically important for creating additional fiscal space for social programs.

Bangladesh's strong economic growth is not sufficient to counter-weigh the macro fiscal challenges constraining the government's ability to accelerate poverty reduction efforts.<sup>14</sup> Macroeconomic stability was under growing strain in 2011 due to rising inflation, increasing domestic interest rates and falling foreign exchange reserves. The effects of these economic conditions include pressure on food prices and food security. Due to the absence of a credible and effective regulatory body the government has failed to manage the capital market. The collapse of this market had a contagion effect on the banking sector. Levels of government debt are high, in part due to borrowing to meet the country's energy shortages. The International Monetary Fund has agreed to new funding to promote macro-economic stability.<sup>15</sup> Tax collection remains extraordinarily low, with only approximately 150 large direct tax payers in Bangladesh. Remittances from overseas workers contribute significantly to national income but the total level is likely to be volatile in the context of global economic uncertainty.

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<sup>14</sup> Bangladesh's economic growth is supported by export growth, including in the ready-made garment sector.

<sup>15</sup> Bangladesh concluded negotiations with the International Monetary Fund in early 2012 and will receive US\$987 million over three years.



## Program objectives

This APPR details draft new objectives the program will report against from 2012. It is anticipated that these new objectives will be agreed between the Australian and Bangladesh governments in 2012 as part of consultation on a new country program strategy (2012-16). A program level performance assessment framework has been developed which will assist the program to track progress against these new objectives under the new strategy. The new objectives and the program logic for them are detailed below.

### Increased equity of access to and outcomes from health and education services

The GoB's responsibility for delivering equitable services across the nation makes it crucial for Australia to engage with government programs. Working collaboratively with other development partners, Australia uses its funding and (limited) human resources to engage pragmatically, supporting sustainable improvements in the quality of and access to health and primary education services. Australian support for government programs<sup>16</sup> will be complemented by ongoing support to local non-government organisations (NGOs) with proven records in delivering high-quality development results at scale. Into the future, Australia will support greater integration between non-government and government delivery of programs.

### Fewer women and men living in extreme poverty and vulnerable to economic and natural shocks

Supporting a sustainable reduction in the high levels of extreme poverty is critically important to further development progress in Bangladesh. Australia continues to partner with BRAC (Bangladesh's largest NGO) and the United Kingdom's Department for International Development (DFID) on their successful poverty reduction programs which build economic resilience in vulnerable communities. Australia is also one of a handful of donors the GoB has approached to help it develop a social protection strategy, including for the urban poor.

Bangladesh's geography and population density makes it vulnerable to threats posed by climate hazards. Environmental shocks will further undermine the living conditions of millions of vulnerable people<sup>17</sup>, and could displace many millions from their homes.<sup>18</sup> Australia is contributing to two government-led climate change programs which are supporting the government to adapt to the impacts of climate change and natural disasters.

### Women and marginalised groups better able to demand services and assert rights

From 2012 enabling women and marginalised groups to be better able to demand services and assert their rights will be a new program objective. This objective is

<sup>16</sup> Australia has committed to fund GoB programs in education and health, for which the government is contributing 85 per cent and 75 per cent of its own development budgets respectively.

<sup>17</sup> For example, rising sea levels and flooding often exposes people to water born disease.

<sup>18</sup> UNDP factsheet "Climate Change and Bangladesh: A summary of vulnerability, impacts and response".



based on the principle that Bangladesh's development can be sustained if achieved through inclusive growth. Countries can develop and grow cohesively when governments respond to the voices of their poorest citizens. Australia will look for opportunities to establish and enhance linkages between civil society and the GoB to strengthen the ability of the poor to demand and receive services. Success in this objective will provide greater efficiency and effectiveness in the country's development programs overall.

## Program delivery

Throughout 2011 AusAID put in place programs aligning with key commitments in *Effective Aid*. Australia will take a dual approach to its program delivery. Australia works in partnership with reputable local organisations, in particular BRAC, to deliver results at scale. Complementing these investments, Australia is strengthening its engagement with the GoB by consolidating program-level arrangements, including through direct support for government systems and enhanced policy discussion.

This two-pronged approach to program delivery is detailed below.

First, we are investing in government-led programs to strengthen state institutions and systems in health, education and climate change that can contribute to sustainable development. Working more intensively with the government will be challenging, due in part to capacity constraints, and we expect progress to be slow and iterative. Working with like-minded development partners particularly the ADB and World Bank, is strengthening the government's fiduciary oversight of financial and procurement management processes. In spite of the challenges, this is important work and will help the GoB to deliver on its mandate and responsibility to ensure equitable service delivery across the country.

Second, Australia works with other development organisations to deliver immediate and strong results to the most marginalised people in Bangladesh. This includes funding through partnerships with:

- BRAC for its development programs in health, education and extreme poverty reduction. From 2012 Australian assistance to BRAC will be through a strategic partnership arrangement between Australia, the United Kingdom and BRAC.
- International Centre for Diarrhoeal Disease Research, Bangladesh (ICDDR,B) for their health research and public health services.

A key challenge for development partners is to balance support for immediate development results with support for long-term improvements to public sector capacity. Australia's two-pronged approach is supported by two principles.

1. It is not enough for our program, which aims for large development impact (as articulated in *Effective Aid*) to only support immediate service delivery through NGO mechanisms. BRAC's extensive, informal education project, for example, only reaches around 7 per cent of primary school age children in Bangladesh. We therefore need to support government programs with the potential to reach a much greater percentage of the population.

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2. Australia has the potential to help national-level government programs benefit from the experiences of our development partners by engaging at high levels across sectors, promoting lessons learned and encouraging uptake. This includes learning from civil society’s pragmatic approach to implementation which can quickly adapt to changing conditions and access hard-to-reach groups and those with special needs. Other lessons include the benefits of multi-partner coordination, as well as local-level planning and budgeting which have improved service uptake in areas where our support has been targeted. Australian support also made a valuable contribution to the development of national strategies, guidelines and standards. The challenge for Australia from 2012 will be to engage effectively at the higher, sector level to promote the uptake of these lessons.

## Progress against objectives

As the program’s new objectives will be finalised in 2012, reporting of progress in 2011 is detailed here against existing objectives. These are set out in *Australia’s Strategic Approach to Aid in Bangladesh* (December 2010), as follows: (i) improve basic health and primary education; and (ii) reduce vulnerabilities caused by natural disasters, climate change and lack of social protection.

## Expenditure

Table 1: Estimated expenditure in 2011-12

Objective	A\$ million	% of bilateral program
Objective 1	62.6	66%
Objective 2	32.3	34%

In 2011, Australian aid made a significant contribution to development in Bangladesh, in line with our two objectives. Australia contributed to programs benefiting more than 17 million Bangladeshi women and children in health, more than 18 million children in primary school education, and more than 300 000 in pre-primary school education. We also helped approximately 96 000 women and their families to lift themselves out of extreme poverty and contributed to the training of approximately 6500 volunteers in cyclone preparedness to strengthen the resilience of coastal communities against climate hazards.



Table 2: Ratings of the program's progress towards the objectives

Objective	Current rating	Relative to previous rating
Objective 1: Improve basic health and primary education	■	Same
Objective 2: Reduce vulnerabilities caused by natural disasters, climate change and lack of social protection	■	Same

Note:

- The objective will be fully achieved within the timeframe of the strategy.
- The objective will be partly achieved within the timeframe of the strategy.
- The objective is unlikely to be achieved within the timeframe of the strategy.

## Objective1: Improve basic health and primary education

### Health

#### Program results

In 2011, Australia contributed to improved maternal and child health results through partnerships with the GoB, UNICEF, BRAC and ICDDR,B. Under-five mortality and maternal mortality rates improved across 18 of Bangladesh's 64 low-performing target districts. These achievements were supported by a focus on increasing community level demand for services, while at the same time strengthening the operations of the health facilities to meet that demand for services, including in emergency obstetric and newborn care services.

In 2011, Australia funded: 1) Integrated Package Maternal, Neonatal and Child Health (delivered by UNICEF) and 2) the Maternal, Neonatal and Child Health project (delivered in partnership by UNICEF/BRAC/GoB). This funding contributed to the following results:

- 480 166 children were vaccinated (3rd dose DPT)
- 125 523 additional births were attended by a skilled birth attendant
- 11 per cent (annual average) decrease in maternal deaths in four targeted districts between 2009 and 2011 compared with the national average of a 5.5 per cent annual decrease
- 231 500 women received medical care for pregnancy-related complications in 2011 in these four targeted districts, a 33 per cent increase in coverage in these districts since 2008
- 10 000 community health workers and volunteers trained and deployed to provide basic services
- 50 per cent of newborn babies in targeted districts received thermal care within 5 minutes of birth (baseline 15% and target 25%)
- 88 per cent of children in targeted districts with acute respiratory illness received antibiotics (baseline was 49%).

- supported the GoB and World Health Organization's demand side financing trial as part of efforts to identify innovative solutions to Bangladesh's health challenges.

Australia also contributed to policy discussions with the GoB in 2011 on developing the next phase of the national health program (starting in 2012). This sector-wide program is one of the largest in the world and is supported by 15 other development partners. Australia played a role in increasing focus on donor harmonisation and aligning activities with the GoB in the health sector. Work involved commissioning a review of donor coordination and exploring financing models for the sector program, focusing on strengthening public services, creating demand and diversifying service provision.

In 2011 Australia contributed to health research through core funding to the ICDDR, B. This funding helps ICDDR, B identify ways to strengthen the health system, including by supporting underserved districts. The centre helped the GoB develop and publish its second Bangladesh Maternal Mortality and Health Service Survey. This survey generated a reliable up-to-date baseline on maternal deaths, critical for long-term planning. Australian support also assists the centre to maintain and improve field sites, surveillance systems and healthcare facilities. These facilities treat around 300 000 people annually for acute diarrhoea as well as other maternal and child health medical conditions. Australia is building capacity in the ICDDR,B through scholarships and volunteer placements, maximising gains from our investment.

## Water and sanitation

### Program results

Despite having South Asia's largest proportion of people with access to water, communities in Bangladesh still lack adequate access to clean water due to pollution and arsenic contamination.

In 2011, Australia's support reached 500 000 beneficiaries through the government's Hygiene, Sanitation and Water Fund, jointly managed by the GoB and the Danish International Development Agency. The fund helps vulnerable communities from three southern coastal districts of Bangladesh. It is trialling a decentralisation approach to give greater responsibility to local governments and communities for managing services. Australia also influenced the fund's overall approach and it now includes the extreme poor and people with disability.

Results from Australian assistance included:

- 190 350 people (approximately 50 per cent women) provided with increased access to safe water
- 310 000 people (approximately 50 per cent women) provided with increased access to basic sanitation
- 470 000 additional people (Men: 188,000, Women: 282,000) provided with increased knowledge of hygiene practices
- 49 per cent women (among a total number of 400,000) representation as members on water and sanitation community management committees



## Education

### Program results

In 2011, Australian funding contributed to improvements in the quality of education being provided to Bangladesh children. This assistance, provided over many years, has helped to improve net enrolment and completion rates. Bangladesh's primary education net enrolment rate improved from 87.2 per cent in 2005 to 95.6 per cent in 2010. The completion rate has moved from 52.1 per cent in 2005 to 60.2 per cent in 2010. While figures for 2011 are unavailable, we expect continued improvement in these rates.

During the year, Australia's funding to the BRAC Basic Education Program resulted in 262 331 children completing pre-primary and 114 351 completing primary school (64 per cent girls). These are children who would otherwise not have completed primary school. Australia's assistance through UNICEF's support to the GoB's Second Primary Education Development Program (PEDPII) improved children's access to quality education by training teachers and school officials and distributing supplementary education materials to children in disadvantaged areas.

Additional results from Australian assistance included:

- 312 366 additional children (63.14% girls) enrolled in school
- 51 788 primary school teachers and 7,941 non-formal primary school teachers trained
- 1073 school officials (including 76 non-formal BRAC school officials) trained
- 356 400 textbooks, 830,404 books as supplementary teaching materials and 29,235 teachers' guides provided
- 9701 children able to access schools that have been made more accessible to children with disabilities

Australia's engagement in policy discussions was an important aspect of our development program in 2011. We engaged with the GoB and other development partners on the design of the next phase of its sector-wide program and supported the shift from an input-based to a results-based approach. Australia advocated for new measures in the GoB's third Primary Education Development Program (PEDPIII) to improve teaching quality and equity. Measures included: a new child-centred teaching and learning approach; enhanced school-based management; and a gender and inclusive education action plan. Australia influenced the inclusion of these measures into the national program. Australia also worked closely with the World Bank on the GoB's Public Financial Management Action Plan, laying the foundation for emphasis on improving learning in the classroom and ensuring all children having equal access to primary education.

Australia's assistance through UNICEF and BRAC helped to develop innovative solutions to improve the quality of education outcomes. UNICEF facilitated the incorporation of the following into the GoB's sector program (PEDPIII):

- revised school level improvement plans (SLIP) and Upazila (sub-district) Primary Education Plan guidelines to support community and child participation in school management

- pre-primary educational operational framework and interim module for training pre-primary teachers with the goal of providing universal pre-primary education by 2015
- comprehensive review of teacher education (2010–11) resulting in a comprehensive national plan and strategy for primary teacher education and development, to be used as the basis for teacher professional development in PEDPIII.

Lessons from our investments are being incorporated into GoB's primary education sector program (PEDPIII).

## Objective 2: Reduce vulnerabilities caused by natural disasters, climate changes and lack of social protection

### Social protection

#### Program results

Reducing extreme poverty is an important part of Australia's assistance to Bangladesh. Bangladesh is increasingly using social protection to reduce extreme poverty including through transfers of cash, food and productive assets.

Australia's funding is contributing to national efforts in reducing the number of people living in extreme poverty. Our support to BRAC and delegated cooperation with the United Kingdom's Department for International Development (DFID) helped 96 800 extreme-poor families targeting parts of the population of particular vulnerability. While BRAC's Challenging the Frontiers of Poverty Reduction Program focuses on communities throughout the country, DFID's Chars Livelihood Programme targets communities of isolated chars (river islands).<sup>19</sup>

These programs are innovative ways of reaching the poorest missed by conventional safety nets and microcredit programs. Results include:

- 96 800 extreme-poor families provided with productive assets, cash stipends and livelihoods skills
- 96 800 families provided with health services, including 8000 women received pregnancy-related care, 18 000 families were provided with latrines and 1500 families were provided with tube wells
- 1400 village based committees formed to mobilise community support for the extreme poor, including to help enrol additional children in school and provide access to local government services, such as vaccination of livestock and supply of latrines and tube-wells
- 8700 families supported to raise household plinths above flood levels
- 288 000 person days of work provided for 10 000 people to help prevent food insecurity during lean agricultural seasons.

<sup>19</sup> Due to their geographical environment, these are among the world's poorest and most vulnerable communities.



These results also had a positive impact on gender and women's empowerment, including through transferring assets to women and providing them with training to manage these assets.

Australia supports policy dialogue with the GoB on social protection reform. In 2011, we joined with the United Kingdom and the UNDP to fund a national social protection conference. The conference led the GoB to endorse a plan to develop the National Social Protection Strategy to rationalise, consolidate and scale-up social protection programs. This strategy will guide the country's social protection activities, better targeting them and making them more effective. We will continue to support the GoB in strengthening its social protection sector and providing funding to help with strategy implementation.

### **Disaster risk reduction and climate change adaptation**

During a November visit, Australia's Parliamentary Secretary for Pacific Island Affairs announced additional assistance of \$15 million for disaster risk reduction and climate change adaptation. Our support for climate change programs in Bangladesh aligns with Australia's constructive engagement with Bangladesh through international climate change negotiations.

#### **Program results**

In 2011, Australia supported the GoB's Comprehensive Disaster Management Program (CDMP) Phase II managed by the UNDP. The program assisted local communities to improve their resilience to the impacts of climate change and natural shocks. Our support also enabled the GoB and the UNDP to deploy a revised early-warning system, which uses mobile phone broadcasting technology. This system provides early warning and other disaster-related information to the public on a demand basis.

In 2011, our support to the CDMP assisted:

- 203 households in two villages in the south-western coastal district affected by Cyclone Aila to develop resilience through livelihoods development and homestead gardens
- 6539 volunteers to be recruited, trained and equipped to rapidly expand the coverage of the GoB's Cyclone Preparedness Programme
- 4000 people from 650 households to benefit from improved protection from erosion in flood-prone regions.

Australia also commenced funding the Bangladesh Climate Change Resilience Fund (BCCRF). The fund has emerged as the government's key mechanism to channel donor funds for large-scale climate change adaptation projects and is globally recognised as an innovative, nationally-led approach for translating adaptation funding into activities with impact. While implementation has been slow to date a process to prioritise projects is expected to improve disbursement levels in 2012. Through the fund, Australia can directly engage with the GoB on this critical issue.



## Humanitarian assistance

### Program results

Australia provided \$2 million to WFP during 2011 for assistance to Rohingya refugees from Burma living in registered camps in Bangladesh. Food assistance was provided to approximately 4400 beneficiaries, including pregnant and lactating women, and children under the age of five. WFP provided school feeding, 50 grams of fortified biscuits per child each school day, helping to increase school attendance for refugee boys and girls. Australia also continued to support advocacy for a political-level solution to address the long-term situation of Rohingyas, including through the Head-Of-Mission level *Dhaka Steering Group*. However the lack of progress, despite efforts at many levels, indicates there is likely to be ongoing critical humanitarian needs.

In 2011 Australia continued discussions with UN agencies including UNICEF and WFP, on assisting poor and vulnerable communities living in Cox's Bazaar in southern Bangladesh. Australia is supporting WFP operations in Cox's Bazaar to:

1. Reduce prevalence of under-nutrition among women and children to break the intergenerational cycle of under-nutrition.
2. Increase access to pre-primary and primary education for children.
3. Enhance food security for vulnerable households through safety nets/livelihood support.

This WFP work commenced in late 2011, after extensive delays, will improve the nutritional intake and food security of vulnerable communities. Engagement in this project has highlighted the sensitivities of working with the host communities in this area of Bangladesh partly due to the precarious legal status of Rohingya refugees.

In July 2011, flooding caused significant displacement and damage to crops in the south-west of the country. Through the WFP, Australia and other donors responded by assisting 150 000 beneficiaries in water-logged areas through general food distribution activity.

## Cross-cutting areas

### Women

In 2011, the Government of Bangladesh developed a range of legal and policy frameworks to address gender challenges, including introducing legislation on violence against women and revising the 'National Policy for Women's Advancement'. Its Sixth Five Year Plan has a strong focus on gender. Economic growth is also changing the role of women in Bangladesh. The rapid growth of the garment industry has provided a large number of formal sector jobs for women, who comprise more than 90 per cent of its labour force.

The visit by Australia's Sex Discrimination Commissioner's in November 2011 raised the profile of women's issues, including eliminating violence against women. Australia started support for the local Acid Survivors Foundation to enhance awareness, access to legal support and better health responses to victims of acid



violence, including women. Acid violence is emblematic of the discrimination and violence experienced by large numbers of women in Bangladesh.

In November 2011 Australia conducted an analysis of its Bangladesh development program to assess gender equality issues and identify strategies for improving the way gender is addressed across all of our programs. In 2012 we will develop an action plan including a monitoring and evaluation (M&E) strategy to better track gender results.

### People with disability

Australia's new country program strategy will include disability as a cross-cutting element to the program. Program options will be informed by analysis on disability issues undertaken by Australia in 2011. People with disability, who make up around 5.6 per cent of the Bangladesh's population, are amongst the poorest and most marginalised people in Bangladesh. Analysis undertaken by Australia in 2011 highlighted the general lack of awareness about disability in-country and the high levels of stigma and discrimination suffered by people with disability. This limits their access to services and community services, including through education, health care, rehabilitation and development programs.

In 2011 Australia supported the global Disability Rights Fund which channelled assistance to nine Bangladeshi disabled persons' organisations. The fund supported service provision to people with physical and intellectual disability in rural communities, strengthened the capacity of community-based disabled persons' organisations, and ran an advocacy and awareness-raising campaign on the United Nation's Convention on the Rights of Persons with Disability.

ICDDR,B – through an Australian Development Research Award research grant – has been implementing a rapid assessment of disability to measure the effectiveness of development activities targeting people with disability in Asia and the Pacific. In 2011 the ICDDR,B developed a toolkit which was validated and is now being analysed for implementation.

Australia has funded six projects through Australian NGOs to support disability-related projects. Under the Australian Youth Ambassadors for Development program, Australia mobilised eight volunteers to help disability-focused organisations in Bangladesh in 2011.

During 2012 the program will identify a way to support civil society action on advocacy and rights. In addition the BRAC Strategic Partnership Arrangement would allow Australia to support its programs on rights, advocacy and justice.

### Ethnic minority groups

In 2011, Australia extended its Australia Awards to include all ethnic minority groups in Bangladesh (it originally only targeted ethnic minority communities from Chittagong Hill Tracts). Fourteen Australia Awards were awarded to ethnic minorities for study in Australia starting in 2012.

The decision to refocus was made, in part, on the results of an analysis commissioned by Australia in 2011 that recommended helping local organisations from minority communities to deliver support to their own communities. The analysis found that







Results revealed that our programs have strong development effects on addressing these policy priorities, but recommended a stronger strategic focus and the need to provide advice on how to achieve this. From 2012, the program will implement review recommendations to achieve a more effective, inclusive aid program.

Our new program delivery approach focuses on developing long-term partner capacity in managing results. Our support to BRAC, through the Strategic Partnership Arrangement, will help the NGO with corporate reforms, including strengthening reporting systems for development outcomes. Core funding to ICDDR,B, another key partner, will help the centre reform its corporate system in line with its strategy to deliver more effective health solutions. With our entry into government-led programs in health, education and climate change, Australia is devoting more attention to coordination of support behind government priorities.

Table 3 Summary of scores given to initiative reviewed as part of AusAID's quality processes in 2011

Name	Relevance	Effectiveness	Efficiency	Monitoring and evaluation	Sustainability	Gender
Australian Development Scholarships	5	4	5	3		3
Chars Livelihood Programme	6	5	5	5	4	4
Hygiene, Sanitation and Water Fund	6	5	5	4	5	5
Comprehensive Disaster Management Program	5	4	5	3	5	4
Core funding to the ICDDR,B	6	5	6	5	5	5
BRAC/UNICEF partnership on integrated maternal, neonatal and child health	6	5	4	5	4	5
UNICEF maternal, neonatal and child survival	6	5	4	5	4	5
BRAC education program <sup>20</sup>	6	5	6	5	4	5
Support through UNICEF to Bangladesh PEDP-II <sup>21</sup>	5	5	4	3	4	5
Strategic Partnership Arrangement with BRAC	6	5	6	5	4	5
Support to Bangladesh education sector program	6	5	4	5	5	6
Support to Bangladesh health sector program	5	4	4	5	5	4

Performance against quality criteria is rated using a six-point scale

6 = Very high quality—needs ongoing management and monitoring only

5 = Good quality—needs minor work to improve in some areas

4 = Adequate quality—needs some work to improve

3 = Less than satisfactory—needs work to improve in core areas

2 = Poor quality—needs major work to improve

1 = Very poor quality—needs major overhaul

## Multilateral performance assessment

In line with the reshaping of the aid program, Australia's relationships and ways of working with multilateral organisations has changed. In Bangladesh, our primary

<sup>20</sup> Scores are from BRAC's Independent Completion Report (14/11/2011) PEDPII UNICEF.

<sup>21</sup> Scores are from the PEDPII UNICEF Independent Completion Report (10/05/2011).



relationship has been with UNICEF in education and health, as a project funder. As part of the expansion of Australia's aid to Bangladesh in 2011, we started working more intensively with a larger number of multilateral organisations. This is helping Australia to engage more productively in policy discussions with the GoB and other partners on the sector programs we are focused on. These new working partnerships are still developing. In future, Australia will report systematically on the effectiveness of these multilateral organisations.

Multilateral organisations Australia is engaged with<sup>22</sup>:

- World Bank (health, education and climate change)
- ADB (education)
- UNDP (climate change, social protection and aid effectiveness)
- UNICEF (education and health)
- WFP (food security and humanitarian operations).

The effectiveness of these partnerships is central to delivering aid results. Australia also looks to key multilateral organisations, in particular the World Bank and UNDP, to provide leadership on joint donor engagement with the GoB to press development and governance issues. This leadership role is institutionalised through the Local Consultative Group.

The major issue that continued to affect organisation effectiveness in 2011 is the ongoing challenge of recruiting and deploying staff to Dhaka, often resulting in long vacancies. This has a big impact on performance.

The World Bank's suspension of its proposed \$1.2 billion loan for the Padma Bridge while corruption allegations are investigated was a high profile issue. This decision strained the World Bank's relationship with the GoB and slowed joint donor engagement with Bangladesh as well as progress on other unrelated activities. Nevertheless, the bank's decision clearly signalled that improved standards of fiduciary management and accountability are expected of the government as it works toward Bangladesh's transition to a middle-income country.

## Management consequences

### 2011 management consequences

Management consequences outlined in the 2010 report, which are the direct responsibility of the South Asia Program, have largely been addressed. Some consequences, which are related to broader AusAID processes, such as the resources required to deliver an effective larger program, are still underway. Details on implementation of the 2011 management consequences are provided below.

- *South Asia Australia Awards program regional management contract:* Management of this program was clarified and restructured with responsibility

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<sup>22</sup> In 2012 we will also explore opportunities to engage with the Bangladesh Chapter of The Asia Foundation.



for contract management shifting from AusAID's Dhaka Post<sup>23</sup> to the South Asia Regional Section in Canberra.

- *Bangladesh Australia Awards program:* Dhaka Post expanded its target groups, including within GoB and to all ethnic minority communities. A five-year strategic plan for Australia Awards will be developed to align scholarships and other training opportunities to country program objectives.
- *Commencing social protection dialogue:* Dhaka Post has engaged in policy dialogue with GoB and development partners on a social protection framework. This included support for the National Social Protection Conference which included participation by the Prime Minister of Bangladesh and senior Ministers.
- *Health and education moving into sector-wide approaches:* Entry into the government's health and education programs was completed and work will continue to strengthen our partnerships with these sectors to maximise our returns on investment. The future of technical assistance and supporting innovation in these sectors is being considered.
- *BRAC Strategic Partnership Arrangement:* The Strategic Partnership Arrangement with BRAC and the United Kingdom was established in 2011 and launched by all partners in June 2012.
- *Programming load:* To spread the programming load AusAID intended to have some major agreements lasting more than four years. This was not achieved which means there is the potential for a heavy program load in 2015 (a situation also experienced in 2011). Approval was granted for a new operations manager for Dhaka Post to assist in the management of the forward program.
- *New programs and a rapid increase in the size and profile of the Bangladesh program:* Reporting lines were clarified and streamlined and a Dhaka counsellor position created to lead the Bangladesh program. Workforce planning issues started to be addressed through agency-wide and Dhaka Post processes.
- *Budget predictability and planning for scale up:* The Comprehensive Aid Policy Framework<sup>24</sup> will provide greater budget predictability. A robust performance assessment framework was developed for the framework which will enable Australia to better identify its development contribution in Bangladesh.
- *Crosscutting issues require more attention:* Crosscutting analyses on urban poverty, ethnic minority, disability and gender issues are completed. We will start implementation of results in the area of disability by integrating disability as a crosscutting issue across all programs. We will use this as a model to incorporate the results of the other analyses.

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<sup>23</sup> AusAID overseas mission in Dhaka based at the Australian High Commission comprised of Australian and locally employed staff.

<sup>24</sup> The Comprehensive Aid Policy Framework or CAPF gives effect to Australia's new Effective Aid policy. It contains a four-year budget strategy, which has informed the 2012-13 aid budget and future aid budgets to 2015-16

- *Resource constraints are a key management risk:* While the Bangladesh program gained some additional resources it needs more—as outlined in the 2010 APPR. Managers of the South Asia program are examining how to effectively manage relationships as well as program accountabilities and risks with the limited resources available.

## 2012 management consequences

Effective Aid, Australia's aid policy launched in 2011, is guiding delivery of development results through deeper engagement in a smaller number of sectors focused on human development and building resilience. In 2012 management will focus on embedding the new program elements in five key areas in Bangladesh:

### 1. Working with the GoB

- a) We are now working directly with the GoB in all of our key sectors. This provides the basis for regularising our relationship including through reaching bilateral agreement on a country program strategy.
- b) We will use upcoming consultations on the country program strategy to seek GoB agreement to institutionalise our good working relationship through annual high-level consultations.
- c) We will support the GoB's development of a national social protection strategy, providing leadership through targeted application of practical support including for social protection training to better inform senior policymakers from across government of the contribution social protection can make to national development. We will also provide leadership by continuing to strongly advocate for a coordinated approach by development partners.

### 2. Developing our policy agenda

- a) We will develop short policy notes on our sectoral engagements in education, health and climate change. This will help to ensure a focused and agreed approach (between Post, desk and thematic group). These notes will set out the issues forming Australia's major focus for broader sector dialogue, outline opportunities and include tools. AusAID will use the notes to take forward issues and anticipated outcomes of engagement.
- b) We will encourage linkages with and collaboration between GoB programs and programs delivered by large NGOs. We are well placed to do this because of our investment and involvement in major sector programs and the Strategic Partnership Arrangement with BRAC and DFID.
- c) We will continue to focus on fiduciary management in sector programs, particularly in education where Australian funds are provided directly to the government. Our capacity to engage will be strengthened by the recruitment of a public financial management regional adviser in 2012.
- d) We will implement the recommendations of the 2011 assessment report to effectively mainstream disability into the Bangladesh program. This will include engaging with BRAC to mainstream disability across its development work.



### 3. Continuing our focus on managing for results

- a) We will continue to work with implementing partners (government, multilateral organisations and national NGOs) to improve their performance reporting systems to increase our confidence in the robustness of the results they reported. This reflects the change in our approach. Our relationships with key partners have changed from support delivered through third parties to program-level engagement with government and other development partners.
- b) We will work closely with BRAC and DFID to establish a robust results framework for our Strategic Partnership Arrangement including reporting on how well it is working. We will also support research on the contribution the partnership arrangement is making to accelerating development results.
- c) We will make a greater investment in monitoring health and education results (including through agreed technical assistance) and absorbing lessons learned.
- d) We will have a major focus on donor coordination and alignment within health and education programs - and broader joint government-donor efforts – in order for us to deliver results.
- e) We will align our work to the country program strategy agreed with the GoB, supported by the performance assessment framework developed in early 2012.
- f) We will consolidate internal program management systems in the Bangladesh program, including by:
  - o responding to audit findings and implementing recommendations
  - o completing the assessment of national systems (by mid-2013).
- g) We will develop a delivery strategy by mid-2013 for social protection and will support activities addressing the third objective of the program strategy— ‘Women and marginalised groups better able to demand services and assert rights’.
- h) We will make decisions on the next phase of support to climate change and water, sanitation and hygiene activities including the mix of bilateral and regional activities and management.

### 4. Consolidating the BRAC Strategic Partnership Arrangement

- a) We will consolidate the way we work and ensure sector program staff take ownership of and can inform this increasingly strategic-level engagement.
- b) We will lead the first annual review of the BRAC Strategic Partnership Arrangement. We will use the review to ensure the arrangement is operating to deliver accelerated development results.
- c) We will manage the transition of senior staff at Post to enable continued institutional ownership of the principles and ways of working agreed to by partners.
- d) We will also institutionalise these relationships at headquarters in Canberra, including by facilitating a visit by BRAC leadership (chairman and executive director) to Australia to engage with policymakers.



## 5. Strengthening the management structure and commencing workforce planning

- a) We will build the capacity of both the Dhaka Post and Canberra team to work effectively in the new operating context where we increasingly play the role of an active and influential donor.
- b) We will put in place a clearer structure to develop a leadership team at Dhaka Post that includes senior overseas-based staff.
- c) We will also start, in line with AusAID's workforce plan, to identify the skills required to support deeper engagement and larger investments. This will likely include developing skills for: working in partnerships; monitoring performance and results; and developing and engaging on policy.
- d) We will recruit a corporate manager to better coordinate corporate processes.