



Joint strategic country evaluation of the development cooperation of Denmark, Sweden and the European Union with Bangladesh 2007-2013

Final Report

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List of Acronyms

ADB	Asian Development Bank
APSC	Annual Primary School Census
ASPR	Annual Sector Performance Report
ASPSII	Agricultural sector programme support, phase II
ASSC	Annual Secondary School Census
BANBEIS	Bangladesh Bureau of Educational Information & Statistics
BBS	Bangladesh Bureau Of Statistics
BCCRF	Bangladesh Climate Change Resilient Fund
BDF	Bangladesh Development Forum
BEHTRUWC	Basic Education for Hard to Reach Urban Working Children
BEST	Better Work and Standards Programme
BG	Bangladesh
BIO	Business Intermediate Organisation
BMMS	Bangladesh Maternal Mortality Survey
BNP	Bangladesh Nationalist Party
BQI	Better Quality Infrastructure
BQSP	Bangladesh Quality Support Programme
CBO	Community Based Organisation
CC	Climate Change
CCAMP	Climate Change Adaptation and Mitigation Programme
CCAPP	Climate Change Adaptation Pilot Project
CCI	Cross-cutting issue
CDMP	Comprehensive Disaster Management Programme
CEDAW	Committee on the Elimination of Discrimination against Women
CHT	Canada Health Transfer
COMMAND	Comprehensive Option, Managing Measures and Actions against Natural Disaster
CRC	Convention on the Rights of the Child
CRDP	City Region Development Project,
CSO	Central Statistics Office
CSP	Country Strategy Paper
DAC	Development Assistance Committee
DCI	Development Cooperation Instrument
DDM	Department of Disaster Management
DER	Disasters & Emergency Relief
DFID	Department for International Development (UK Aid)
DK	Denmark
DLI	Disbursement Linked Indicators
DM	Disaster Management
DMRD	Disaster Management and Relief Division
DP	Development Partner

DPE	Department of Primary Education
DRR	Disaster Risk Reduction
EAMR	External Assistance Management Report
EBA	Everything but Arms
EEAS	European External Assistance Service
EIDHR	European Instrument for Democracy and Human rights
ELGC	Education – Local Consultative Group
ENV	Environment
EP	Evaluation Partner
EQ	Evaluation Question
ERD	Economic Relations Division of the government's Ministry of Finance
ESI	Education Specialist, International
EU	European Union
EUD	European Union Delegation
EU MS	European Union Member State
FFS	Farmer Field School
GCF	Green Climate (GCF) fund
GDP	Gross Domestic Product
GER	Gross Enrolment Ratio
GoB	Government of Bangladesh
GSP	The generalized System of Preferences
HIV	Human Immunodeficiency Virus
HR	Human Rights
HRBA	Human Rights Based Approach
IBAS	Integrated budget and accounting system
ICPD	International Conference on Population and Development
IFC	International Finance Corporation (part of the World Bank Group)
INSPIRED	Integrated Support to Poverty and Inequality Reduction through Enterprise Development
IO	International Organisation
JARM	Joint Annual Review Mission
JCM	Joint Consultation Meeting
JCS	Joint Cooperation Strategy
JFS	Joint Strategic Framework
JICA	Japan International Cooperation Agency
LASI	Learning Assessment of Secondary Institutions
LCG	Local Consultative Group
LCG AE WG	LCG Aid Effectiveness Working Group
LCS	Local Construction Societies
LDC	Least Developed Countries
LDRRF	Local Disaster Risk Reduction Fund
LGBT	Lesbian, Gay, Bisexual and Transgender
M&E	Monitoring and Evaluation
MDG	Millennium Development Goals
MICS	Multiple Indicator Cluster Survey

MIP 2007-2013	Multiannual Indicative Programme
MoE	Ministry of Education
MoEF	Ministry of Environment and Forest
MoF	Ministry of Finance
MoPME	Ministry of Primary Mass Education
MoWCA	Ministry of Women and Children Affairs
MTBF	Medium Term Budgetary Framework
MTR	Mid-Term Review
NAPE	National Academy for Primary Education
NCTB	National Curriculum & Textbook Board
NEP	National Education Policy
NER	Net Enrolment Rate
NFE	Non Formal Education
NGO	Non-Governmental Organisation
NHRC	National Human Rights Commission
NSA	National Student Assessment
NSAPR	National Strategy for Accelerated Poverty Reduction
ODI	Overseas Development Institute
OECD-DAC	Organisation for Economic Cooperation & Development/Development Assistance Committee
OHS	Occupational health and safety
PEDP	Primary Education Development Programme
PEFA	Public Expenditure and Financial Accountability
PEI	Poverty-Environment Initiative
PERP	Preparation of Electoral Roll with Photographs
PFM	Public Finance Management
PFMIP	Public Financial Management Improvement Programme
PRSP	Poverty Reduction Strategy Programme
PSD	Private Sector Development
RBF	Results-Based Framework
RFLDC	Regional Fisheries and Livestock Development Component
RMG	Ready-Made Garment
ROM	Results Oriented Monitoring
RTE	Real Time Evaluation
SBS	Sector Budget Support
SC	Steering Committee
SE	Sweden
SEALS	Sundarbans Environmental And Livelihoods Security
SEC	Securities & Exchange Commission
SEQAEP	Secondary Education Quality and Access Enhancement Project
SHARE	Supporting the Hardest to Reach through Basic Education
SME	Small and Medium Enterprises
SMEF	SME Foundation
SPEMP	Strengthening of Public Expenditure Management Programme
SPSS	Statistical Package for the Social Sciences
SWAP	Source Water Assessment Program

TA	Technical Assistance
TC	Technical Cooperation
TF	Trust Fund
TI	Transparency International
ToC	Theory of Change
TRA	Trade Related Assistance
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNRCO	United Nations Resident Coordinator's Office
UPR	Universal Periodic Review
WB	World Bank
WG	Working Group

Executive Summary

This Joint Country Evaluation of the development cooperation of Denmark, Sweden and the European Union with Bangladesh has a dual objective of firstly providing accountability through an overall independent assessment of the cooperation strategy and delivery of the Evaluation Partners in Bangladesh, and secondly informing future decision-making through lessons learnt. The main focus of the evaluation is the development cooperation extended during the 2007-2013 period, including both spending and non-spending activities.

The first two decades after Bangladesh's independence in 1971 were characterised by political turmoil and military coups contributing to widespread poverty and famines. The restoration of democracy in 1991 has been followed by relative calm and economic progress. However, *politics* remain highly confrontational, with antagonistic relations between the main parties. The evaluation period has seen a partial breakdown of consensus on core democratic processes, with politically motivated violence increasing.

With the political and security stabilisation in the early 1990s, *economic growth* picked up and has been positive ever since, with an accelerating trend over time, exceeding 6% annually for most of the evaluation period. Remittances and the garment industry have been the main drivers of growth, but with increasing economic sophistication, new sectors are emerging as key contributors to Bangladesh's structural transformation. In this process, women have entered the formal labour market in significant numbers, challenging conventional gender norms and stereotypes.

Sustained high economic growth has allowed for impressive outcomes in terms of *poverty reduction*. Thus poverty declined from 40% of the population in 2005 to 24% in 2014, whereas the Gini coefficient declined from 33.5 in 2000 to 32.1 in 2010. Partly as a consequence of this robust and inclusive economic growth,

Bangladesh has already met many targets of MDGs.

These impressive outcomes have been achieved despite the poor quality of *governance* that characterises many of Bangladesh's public and private sector institutions. Bangladesh has thus consistently featured among the poorest performers in international indexes - such as the corruption perception and doing business indexes. There has been virtually no progress in these indexes during the evaluation period, despite governance increasingly becoming a key focus area of most development partners (DPs) including the three evaluation partners (EPs – the EU, Denmark and Sweden).

EPs disbursed a total of €1.38 billion over the 2007-2013 period, of which the EU accounted for 57%, Denmark 25% and Sweden 17%. In addition to governance, EPs had a diversified *portfolio* of interventions, including education, health, trade, private sector development (incl. agriculture), gender, water & sanitation and climate change.

The evaluation followed a rigorous *methodology* and process. Nine evaluation questions were formulated following the analysis of the rationale and theories of change behind the EPs' engagements. In addition, a comprehensive quantitative overview of the funding for each EP was made on the basis of the information provided. Methodologically, the focus has been at both strategy and sector/thematic levels, with the two informing each other. At strategy level, particular attention has been given to relevance for poverty reduction and the aid effectiveness of the EPs. At sector level, the assessment has been informed by an in-depth review of the dynamics in five key areas of cooperation - education, human rights and democratic governance, climate change and disaster management, gender and private sector development – as well as the study of 24 EPs' supported interventions (several of them being joint) spanning these sectors.

Specific methodological and analytical attention has been invested in the evaluation of DPs' support to *primary education*. The OECD/DAC methodological approach for the evaluation of budget support operations has been utilised by adapting the so-called 3-step approach to take account of the specificities of the Bangladeshi context.

Overall assessment and conclusions

All three EPs have contributed to the impressive gains made in creating a more inclusive, prosperous and gender equal society. While the key drivers have primarily been domestic, the EU, Denmark and Sweden have supported millions of women, men and children in escaping poverty, relying on both incremental improvements to the livelihoods of the poor as well as supporting more transformative changes.

In the *social sectors*, the EU and Sweden have improved more equal access to both education and health services, with a particular focus on women. This has contributed to increasing the number of children enrolled in schools, with girls now more likely to enrol than boys. The EU and Sweden have also supported better and more harmonised aid delivery mechanisms in these sectors, hereby reducing fragmentation and creating the potential for more substantial engagement in core technical issues related to improvements in classroom practices. In the *productive sectors*, the EU and Denmark have contributed to rising incomes of millions of poor farmers, workers and businesses. Denmark has focused mostly at individual farmers' level, successfully introducing more productive technologies and methods through an incremental and contextualised trial and error method. The EU has appropriately focused more at the level of policy and regulatory reforms that have helped Bangladesh to take advantage of the global trading opportunities.

In addition, *the maintenance of a broadly open EU trade regime has allowed for rapidly increasing exports*, encouraging a process of labour intensive industrialisation that has also marked the unprecedented entry of millions of women into

the labour force, increasing the autonomy of women. The EU has leveraged its important trade links with Bangladesh to catalyse improvements in the garment industry, skilfully combining trade and development engagements through, for example, the Sustainability Compact which promoted garments workers' safety while keeping the EU markets open.

Nevertheless, many governance-related challenges remain outstanding, even after decades of support from the EPs. Clearly, the key drivers and inhibitors for improving the quality of governance have been domestic, with DPs (including EPs) facing major difficulties in promoting changes. The governance paradox of worsening governance indicators simultaneously with strong inclusive growth calls for renewed reflection on the importance of governance in promoting development outcomes in Bangladesh over the reviewed period.

Despite the disappointing outcomes in improving nationwide governance indicators, EPs have managed to deliver impacting and useful support at local and individual levels. In this context, EPs have often been able to engage constructively with selected government institutions, hereby improving the quality of governance. Characteristically, such interventions focused on relatively solvable problems where both domestic partners and EPs had identified the issues and there was clear demand from part of the domestic stakeholders. These experiences also demonstrate that developmental policies have been implementable, even in an adverse governance context.

Conclusions

Against this background, ten specific conclusions have emerged from the findings and analyses presented in the form of answers to a set of evaluation questions. The first five conclusions pertain to strategic and aid effectiveness issues, whereas the last five revolve around sector-specific analyses.

EPs strategies formed a mostly coherent and appropriate response to key Bangladeshi challenges (C1). The

strategies were generally operationalized in ways that were relevant for poverty reduction, but at times with challenges. The EU and Denmark had more direct emphasis on providing services to the poor and creating an enabling framework for accelerated poverty reduction. The EU had particular - and effective - focus on improving trade and development policy coherence, which translated into significant engagements in, for example, trade that enabled Bangladesh to increase exports to the EU. While there has been increased interest in strategically linking commercial (from bilateral EPs) and wider European interests to development assistance, this has (with a few minor exceptions) not yet materialised in ways that have undermined the effectiveness of the assistance, nor has it impacted on the current pipeline. On the other hand, attempts to introduce a whole-of-government approach have a significant (yet mostly unrealised) potential to improve in the future policy coherence for development in critical areas such as migration, international money laundry and climate change.

Engagements were most relevant where EPs had a long-term strategic perspective based on realistic assessments of existing capacities, reform willingness and real demand for reforms (C2). Such reforms often materialised incrementally, non-linearly and through trial and error. The ability to not only accept setbacks, but also to flexibly adapt, learn and reiterate has been key. This allowed for improvements in diverse areas such as farmers' productivity, trading standards, educational access and increased governmental capacity to assist victims of violence against women. Conversely, attempting to impose comprehensive 'best practices' approaches whether in PFM, agriculture or SME policy development has produced few lasting outcomes, especially where ownership was weak.

EPs' alignment to national policies and country systems as well as division of labour between DPs has been undermined by the challenging Bangladeshi context (C3). EPs' strategies have all been firmly grounded in the government's own development strategies. However, the government's strategies tended to lack

prioritisation as well as detailed planning and budgetary frameworks to constitute clear guiding strategy documents for EPs to align to. Furthermore, while the government and DPs (including EPs) invested substantial resources in promoting alignment in the first part of the evaluation period, most DPs have subsequently had less interest in pushing the alignment agenda, with increased aid fragmentation and a more competitive aid landscape becoming dominant.

The significant channelling of aid through international organisations (IOs) has generally been an appropriate and effective response to the context, although technical and management disagreements between EPs and international organisations at times undermined the efficiency of the support (C4). The use of IOs has allowed the EPs to leverage specific expertise, promote harmonisation and compensate for limited in-house capacity. However, an overly instrumental view of IOs as merely contractors (as opposed to development partners) reduced efficiency.

The EU's decision to use sector budget support (SBS) in primary education was relevant. However, the adding of EU-specific features and the suspension of the disbursements in 2014 weakened its effectiveness (C5). With other DPs (including Sweden) moving towards closer alignment in the education sector, the EU's most relevant choice was to use sector budget support. However, the two EU specific additional Disbursement Linked Indicators (DLIs) did not promote a policy dialogue orientated towards outcomes; EU reporting requirements have been considered as an additional burden by the government; and linking the PFM conditionality to progress in a PFM reform project (that underperformed) in addition to wider PFM performance was inappropriate and did not promote dialogue with the Ministry of Finance; the suspension of disbursements isolated the EU and undermined harmonisation efforts.

EPs' support to primary education contributed to improving access and retention in the country and to promoting quality-oriented policy reforms (C6). DPs' approach has however not been consistently

conducive to promote positive dynamics in the sector nor to improve practices in classrooms, due to an incomplete approach to the sub-sector and too much focus on DPs' (disbursement) requirements. Nevertheless, millions of children have gained access to education with the EU and Sweden contributing to this outcome.

The private sector has been a main driver of poverty reduction; EPs have mostly successfully supported it in rural areas and in increasing its ability to trade, but less successfully in promoting SME policy development outside agriculture (C7). Denmark and the EU have contributed to private sector-led growth within two key areas, trade and agricultural productivity. The Sustainability Compact has also contributed to maintaining access to the EU market at a time when there was substantial public pressure to sanction Bangladeshi exports in the process of promoting better working conditions for labour. The EU's SME policy support and the Danida supported business-to-business programme have so far underperformed. They were using blueprint approaches, formulated largely by the EPs and had supply driven TA as key characteristics.

EPs' support to human rights and democratic governance (HR&D) was appropriate but has not impacted significantly on the overall situation of the country (C8). EPs' support to HR&D rightly focused on the vulnerable and exposed groups and has been beneficial to these target groups, offering critical support and services. By providing core funding to advocacy NGOs, it enabled them to participate in political debate. But (so far) the support has failed to change systemic issues, which are mainly amendable to domestic forces and take a long time to materialise.

EPs have made important contributions to both the policy framework for climate change adaptation and disaster risk reduction as well as to actual reductions in Bangladesh's vulnerability (C9). This included enhanced resilience of vulnerable communities, better early warning systems and improved infrastructure. But there have been (and still are) sustainability concerns both regarding

community resilience and the maintenance of infrastructure. Moreover, compartmentalised sector-specific mandates and an overemphasis on infrastructural responses at times hampered more preventive and comprehensive responses.

EPs' interventions were successful in supporting the livelihoods of poor and ultra-poor women and in some cases this had led to an increase in their confidence (C10). With EPs' support, the country has achieved tremendous progress in terms of access of girls to primary education. In the political space, there has been significant focus on getting legislation into place, for example, the National Women's Policy and legislation against domestic violence. The EPs have successfully provided long-term support to NGO partners to enable this. However, EPs have not systematically mainstreamed gender in programming, policy dialogue and interventions, the focus has been on women rather than on gender equality, reducing the analytical and implementation attention to systemic causes of gender inequality.

Recommendations

The recommendations are based on the analysis and conclusions and intend to inform the EPs' future strategies, engagements and interventions. They are structured around two clusters: The first six recommendations focus on improvements in the strategic approach and the aid modality choices; the last five focus on the key sectors where EPs have been active.

EPs should further seize both incremental and transformative opportunities using more politically smart iteration as guiding principle (R1). Despite many unresolved governance related challenges, EPs can play a useful role in assisting the government in providing services to both the private and social sectors. To maximise impact, EPs should engage selectively, building on specific and realistic assessments of the level of demand for support. The core of the support should be a shared vision of the goals to be reached that should allow for flexibility and learning-by-doing during implementation. EPs should display more flexibility and agility than the programmatic nature of aid (with its

traditional log-frames, theories of change and pre-determined milestones) usually allows for. This should entail acceptance (and embracing) of variation and uncertainty, where context-specific, technically-sound and politically-feasible solutions can have a greater chance of success. This recommendation cuts across all sectors and aid modalities.

EPs should be selective in their support and focus financial and human resources on fewer engagements (R2). With increasing private and development investments in Bangladesh, there is a need for EPs to sharpen their focus to provide more added value. Faced with few in-house resources and substantial - growing for the EU-portfolios, EPs must display greater selectivity, probably entailing fewer sectors of active engagements. Where active, they should formulate, on the basis of in-depth assessments of local dynamics, detailed responses for the sectors where there is demand for EPs' support and shared vision. This would allow a better utilisation of scarce human resources, and in turn boost capacity for policy and operational dialogue with partners. EPs should also consider staying engaged in the sectors where they have gained robust contextualised understanding of the sector specificities.

In delivering aid, *explicitly consider possible compromises when using development cooperation to leverage non-development objectives (R3).* With a growing market, the bilateral commercial interests are increasing and EPs have legitimate commercial and security interests to promote. However, with more than 40 million extremely poor Bangladeshis, there is still an unfinished agenda of eradicating poverty. In this context, development assistance should focus squarely on reducing poverty as effectively and efficiently as possible, as the EU is clearly doing, arguably because it is better insulated from bilateral day-to-day political pressures. Using development cooperation as a means to promote non-development objectives can compromise aid effectiveness, as evidence from both Bangladesh and elsewhere has shown. Denmark and Sweden should thus ideally base their development engagements on an analysis of how to maximise development outcomes, as

they have done hitherto, and not on the degree to which it will benefit commercial interests. If, in the future, this is not politically feasible, they should be more explicit on the potential loss of effectiveness of development cooperation, allowing for mitigation efforts.

Reinvigorate pragmatic coordination efforts for promoting joint approaches (R4). Division of labour has remained limited, due to patchy government engagement in coordinating donors and limited DPs' willingness to coordinate in an increasingly competitive aid and commercial landscape. However, there are specific areas and sectors where there is scope for more coordination. In particular, the EU joint programming process holds promise that should be further exploited. It is also advised to concentrate coordination efforts in the sectors where the government or DPs are willing to take a more proactive role.

Select the aid modalities that provide the opportunities both for learning and increased harmonisation and alignment, while also reflecting the demand from counterparts (R5). The choice of aid modalities should result from a joint discussion with the partner on the basis of a detailed review of the potential comparative advantages offered by the various aid modalities. It should enable development partners to strengthen harmonisation and move towards better alignment with country systems along the progress in PFM achieved by the country. Joint results matrices and joint disbursement mechanisms should be favoured in joint programmes. TA should be more coordinated, harmonised, demand-driven, and of better quality to strengthen long-term capacity development.

Budget support should be used highly selectively considering the substantial fiduciary risks (R6). At EU level, only the EU is presently considering further budget support while EU MS continue to be reluctant to provide budget support. In a context of high fiduciary risks, the EU should use budget support selectively after a careful examination of the context, and in particular of the willingness of the government to move forward with the public financial management

agenda. Budget support should preferably be considered in joint programmes where leverage would be higher. In the support to education, if the treasury model is maintained in the next phase of PEDP (after 2017), sector budget support should be used, but due care should be made not to link the PFM conditionality to the performance of any donor-funded project supporting PFM. The assessment should take account of sector realities (safe-guards) and of the joint technical opinion of participating DPs.

Broaden the education focus and policy dialogue to encompass the whole sector's dynamics (R7). EPs should take the lead in adopting a genuine sector approach that would pay attention to the relationship between sub-sectors. EPs (with other DPs) should on that basis design instruments to respond to its challenges. In the process, EPs should also promote a more trust-based approach towards government's ability to deliver services, striking a better balance between the requirements for transparency and accountability, disbursement imperatives and the objective of long-term system development. This latter part is also valid for the other sectors.

Integrate socio-economic analyses and monitoring in private sector support, not least when partnering directly with the private sector (R8). The private sector obviously has its own incentives, with profit maximising typically trumping others; this should be factored into the design and implementation phases to avoid compromising other concerns (e.g. workers' rights/safety, environmental protection) and to ensure inclusive growth that generates employment. In some cases, this has indeed been done, but not consistently.

Defend the rights of vulnerable and exposed groups by more forcefully combining development interventions and political action (9). Given the government's extensive interference in this area, political action is necessary to cover the full range of human rights concerns. EPs should ensure adequate capacity of their in-country staff to

engage in evidence-based assessments of the local human rights situation, and in particular of its impact on vulnerable or exposed groups. On this basis, EPs should encourage alliance-building between the government and civil society organisations on improved human rights protection for vulnerable and exposed groups.

Accelerate efforts aimed at mainstreaming climate change and disaster preparedness approaches, emphasising the need for long-term perspectives (R10).

A key learning from previous engagements is that progress and capacities are likely to be developed incrementally, through a process of learning by doing, especially when promoting new concepts and approaches (as detailed in R1). For more transformative and sustainable mainstreaming outcomes to emerge, long-term perspectives and focus on having domestic organisations driving the progress will be key. EPs should encourage the use of the Ministry of Finance for fund management and overall coordination (under the overall guidance of the Inter-ministerial Climate Change Committee), while simultaneously strengthening the Ministry of Environment & Forest and Ministry of Disaster Management & Relief's capacities for providing technical inputs.

EPs should strengthen internal staff capacity on gender issues and ensure systematic gender mainstreaming in all interventions (R11). EPs have not invested adequately in internal staff capacity on gender equality and women's empowerment. This resulted in EPs' project design and implementation often being gender-blind, with limited focus on changing the systemic causes of gender inequality. As a starting point, the EU Delegation and Member States should implement the recommendations of the 2014 Gender Country Profile concerning the need to set-up a knowledge hub. EPs should invest in strengthening staff capacity so that they can adequately meet their mandates on gender mainstreaming.

1. Introduction

The Joint Country Evaluation of the development cooperation of Denmark, Sweden and the European Union with Bangladesh has been commissioned by the Directorate-General for Development and Cooperation – EuropeAid Evaluation Unit.

This introduction summarises the objectives, scope, process and methodology of the evaluation, and presents the context in which the development cooperation took place. The report then provides the response to the evaluation questions (EQs) along the following lines:

- Section 2 discusses transversal themes to the EPs cooperation: relevance of EPs strategies; coherence, coordination and complementarity of EPs support; and choice of aid modalities and partnerships (EQs 1, 2 and 9);
- Section 3 discusses the effectiveness of EPs cooperation in four major areas of intervention: primary education, private sector development, climate change and disaster management and gender (EQs 3, 4, 5, 6 and 7);
- Section 4 presents an overall assessment and the conclusions of the evaluation; and,
- Section 5 presents the recommendations.

1.1 Objectives and scope of the evaluation

The **object** of the current evaluation is the Evaluation Partners' (Denmark, the European Union and Sweden) cooperation strategy and implementation with Bangladesh over the period 2007-2013.

Its main **purposes** are:

- To ensure **accountability** through an overall independent assessment of the cooperation strategy and delivery of the Evaluation Partners (EPs) in Bangladesh.
- To inform **future decision-making through lessons learnt**. It aims to draw lessons from past cooperation, which will be useful for the EU+ joint programming process, as well as the planned mid-term review of the EU Multiannual Indicative Programme (MIP). Lessons should also feed Evaluation Partners' own programming exercises, such as the EU's MIP foreseen in 2015, Denmark's 2016-2020 country programme, and possible revisions and the completion of Sweden's 2014-2020 Results Strategy for the Development Cooperation with Bangladesh. Finally, lessons could also inform the joint programming of interested EU+ member states.

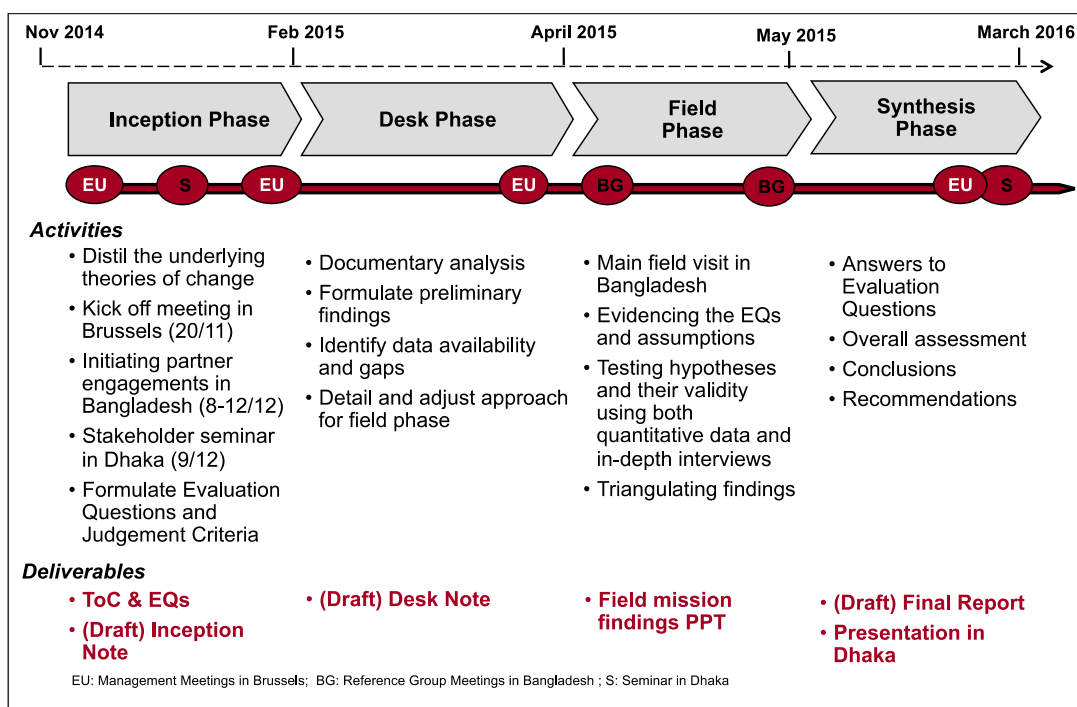
The **scope of the evaluation** covers the whole of EPs’ development engagement with Bangladesh along the following lines:

Time	The 2007-2013 period (but also including 2014 for the data mappings and where appropriate)
Themes	Focal and non-focal sectors of EPs’ development cooperation strategies
Institutional	Governmental cooperation of Denmark, Sweden and the EU’s engagement in the area of cooperation (by the Commission and the European External Action Service)
Legal	1) Spending from the different types of funding instruments and programmes, including budget support and support to sector wide approaches; and 2) Non-spending activities, including political and policy dialogue in the field of cooperation

1.2 Evaluation process

The evaluation process follows the three phases as described in the Terms of Reference (ToR) (Annex 1) and as per the figure below presenting the evaluation process, with the main activities, deliverables, Management Group (EU) meetings in Brussels, field briefing/debriefing (BG) and Seminar (S) in Dhaka (Annex 9).

Figure 1 - Evaluation process



1.3 Evaluation methodology

The evaluation followed EuropeAid's methodological guidelines for geographic evaluations, which is based on the OECD/DAC approach, and took account of ADE's good practices developed for country-level evaluations. The methodology is presented in detail in Annex 3; its main features are presented below.

The team applied a theory-based non-experimental design¹, using the reconstructed theories of change as the basis for assessing the contribution of EPs' development cooperation strategies to government policies and poverty reduction strategies. The assessment of DPs' support to primary education (including basket fund and sector budget support) has been guided by the OECD/DAC methodology for the evaluation of budget support operations.

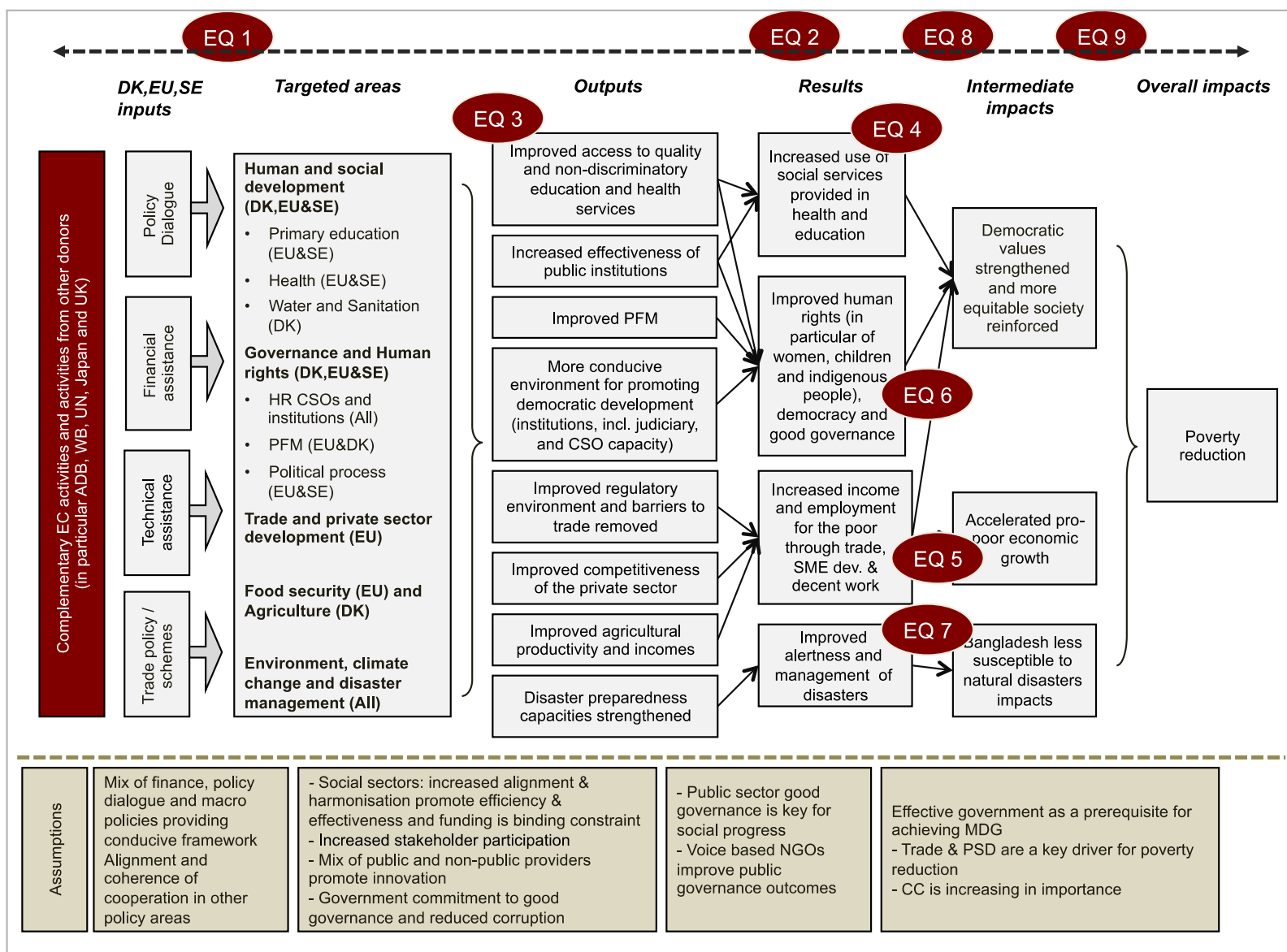
The evaluation was structured in three main phases: desk phase, field phase and synthesis phase. A preliminary visit was held in Dhaka in December 2014 whilst the main field mission took place over three weeks in April 2015 both in Dhaka and within the country. A management group chaired by the EU guided the evaluation process.

1.3.1 Evaluation framework

With a view to preparing the evaluation framework, the team first detailed the rationale, assumptions and theories of change of the EU, Denmark and Sweden's strategies with Bangladesh. It then built a consolidated theory of change diagram presenting the whole transmission chain from inputs until impacts (see figure below) for the three EPs. In addition, the team built a comprehensive quantitative overview of the funding for each EP, on the basis of available information provided (Annex 2).

¹ Theory-based evaluation is an approach in which attention is paid to *theories* of policy makers, programme managers or other stakeholders, i.e., collections of assumptions, and hypotheses - empirically testable - that are logically linked together.

Figure 2 - Location of evaluation questions in the consolidated theory of change



On the basis of the comprehensive theory of change diagram, the team derived, in agreement with the Management Group, a set of nine Evaluation Questions (EQs) to focus the evaluation work on both strategic themes and key priority areas for the three EPs. The EQs cover the traditional DAC criteria as well as the 3Cs.

In order to assess DPs' support to primary education, the team used the OECD/DAC methodological approach for the evaluation of budget support operations. It adapted the 3-step approach to take account of the specificities of the Bangladeshi context: evaluation of the support from two donors, to one single sub-sector (primary education), through basket fund and sector budget support, with various forms of budget support (targeted for Sweden – the 'treasury model' – and untargeted for the EU). Step 1 of the approach is covered by EQ3; Step 2 is covered by EQ4; and Step 3 is presented as a separate section combining the results of EQ3 and 4.

Table 1 - Evaluation questions

EQ1 Strategies	To what extent were EPs' strategies, including choice of sectors, relevant for sustainable poverty reduction?
EQ2 3Cs	To what extent have EPs' strategies been coherent, coordinated with and complementary to each other and other development partners' strategies?
EQ3 EPs' support to primary education (Step 1)	To what extent and under which circumstances have interventions by development partners (notably EPs) contributed to aid effectiveness and to enhancing the policies, spending actions and service delivery of the Government of Bangladesh in the field of formal and non-formal primary education?
EQ4 Results in primary education (Step 2)	Has access to better quality primary education for all Bangladeshi boys and girls improved? What have been the main determining factors of observed evolutions?
EQ5 Inclusive PSD	To what extent have EPs' interventions contributed to enhancing private sector development, including in rural areas, hereby promoting increased employment and inclusive growth?
EQ6 Human rights and democratic governance	To what extent have EPs' interventions contributed to fostering respect for human rights and democratic governance?
EQ7 Climate change and disaster management	To what extent have EPs assisted Bangladesh in adapting to climate change and improving disaster management?

EQ8 Gender equality	To what extent have EPs contributed to improving gender equality and the empowerment of women?
EQ9 Aid modalities and partnerships	To what extent have the EPs' different aid modalities and their capacities facilitated the reaching of intended objectives?

1.3.2 Approach for data collection and analysis

The evaluation followed a rigorous approach for data collection and analysis so as to guarantee the credibility of the analysis. It has been articulated around two major analytical frameworks: (i) analysis of overall issues (e.g. relevance of the strategies) and (ii) in depth analysis of EPs' cooperation in the five selected sectors. The results of these analyses are presented in the detailed answers to the EQs in chapters 2 and 3. These analyses are backed-up by the data collection carried out by the team for each theme/sector along the agreed judgement criteria and indicators (see Annex 5). In addition, project fiches for selected interventions present –where available– detailed information on the outputs and results achieved by the interventions studied in-depth (see Annex 6). The reader is thus asked to refer back to these two annexes (5 and 6) to obtain the detailed information on which the analysis is based.

Combining a mix of tools

The team progressively complemented and cross-checked data by relying on different primary and secondary sources of information with a view to providing evidence-based answers to the evaluation questions.

Information was gathered through different sources and then analysed with a combination of evaluation tools (see figure below), in particular the review of general-level documents (e.g. on aid effectiveness in Bangladesh) and project-level documents, a range of semi-structured interviews with key stakeholders covering cross-cutting strategic issues and sector-specific issues, and the in-depth analysis of a selection of 24 EPs' interventions (several of them being joint, see table 2 below) to deepen the assessment at sector level. They aimed to provide a representative picture of the cooperation over the 2007-2013 period across the three EPs' portfolios. They cover the five key sectors and feature a variety of project sizes, financial instruments and aid modalities as well as both closed and on-going interventions. For each sector under review, site visits have been organised to observe the direct outputs of some of the selected interventions and to conduct interviews and focus group discussions with key stakeholders, including final beneficiaries.

For the assessment of DPs' support to primary education, the team mixed quantitative (historical statistical analysis, budget data analysis and econometrics) and qualitative approaches (documentary analysis and interviews as detailed above). For the quantitative approach, the team undertook statistical analysis of educational performances, including geographical disparities (at district or upazila levels). It also examined the evolution of the volume of public spending on education through budget data analysis. On the basis of the

data made available to the team, the econometric analysis focussed on the disparities observed in the Bangladesh education sector, also with a view to complementing existing econometric analyses. Despite continuous efforts made throughout the process (assisted by the EU) the team could only get access to the upazila-level primary school census data.

Figure 3 - Evaluation tools

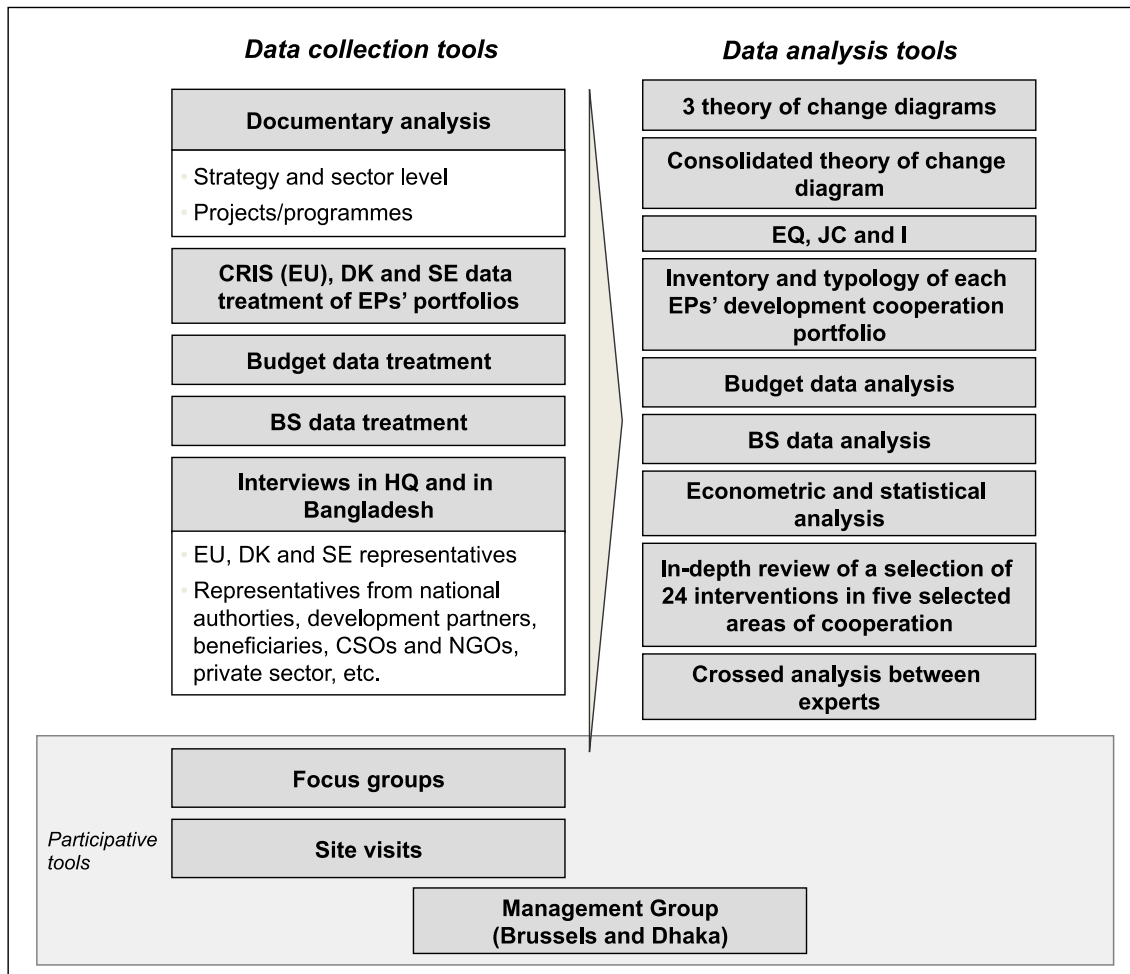


Table 2 - Selected interventions for in-depth study

Sectors of intervention	EP
Primary education	
Third Primary Education Development Programme (PEDP 3) (2012-2017)	EU & SE
PEDP 3 Result-based management technical assistance support (2008-2014)	SE
Support to the Hard to Reach through Basic Education (SHARE) (2010-2017)	EU
Private sector development	
Agricultural Sector Programme Support, Phase II (ASPS II) (2006-2013)	DK
Better Work and Standards Programme (BEST) (2009-2015)	EU
Integrated Support to Poverty and Inequality Reduction through Enterprise Development (INSPIRED) (2012-2018)	EU
Human rights and democratic governance	
Preparation of Electoral Roll with Photographs (PERP) (2007-2010)	EU, DK & SE
National Human Rights Commission Capacity Development Project (2009-2015)	DK & SE
Supporting Local Development in the Chittagong Hill Tracts (2011-2013)	EU
Conflict Prevention, Recovery and Peace-building in Chittagong Hill Tracts of Bangladesh (2014-2015)	DK & SE
Climate change and disaster management	
Bangladesh Climate Change Resilience Fund (BCCRF) (2012-2016)	EU, DK & SE
Comprehensive Disaster Management Programme (CDMP Phase II) (2010-2014)	EU & SE
Sundarbans Environmental And Livelihoods Security (SEALS) (2010-2014)	EU
Gender equality and empowerment of women	
Agriculture Sector Programme Support Phase II (ASPS II) - Regional Fisheries and Livestock Development Component (RFLDC) (2006-2011)	DK
Agriculture Sector Programme Support Phase II (ASPS II): Agricultural Extension Component (2006-2011)	DK
Multi-Sectoral Programme on Violence against Women Phase-III (One-Stop-Crisis centre) (2011-2016)	DK
Food and Livelihood Security programme for the Ultra-poor women, Small and Marginal farmers (2012-2014)	EU
Strengthening Activism Towards Human Rights Culture in Bangladesh (2012-2016)	SE

1.4 Limits of the evaluation

The team faced a number of challenges and limitations that it attempted to mitigate as much as possible through the evaluation design.

This evaluation was joint with the three EPs but it actually covered three relatively independent strategies. The approach adopted did not attempt to conduct three distinct evaluations of the strategies adopted by each EP. Instead, the team built a common evaluation framework for all three EPs and aimed to highlight both common lines and major discrepancies between the EPs' strategies.

This evaluation covered a particularly wide scope, encompassing the strategies and operations of three donors, which went across different sectors, periods and geographical areas and involved a range of partners. The evaluation had to go beyond the mere summation of evaluations of multiple operations. The team designed a specific structured methodological approach based primarily on a common set of EQs, JCs and indicators for the three EPs.

This evaluation also included an in-depth assessment of DPs' support to primary education (including basket fund and SBS), which was guided by the OECD/DAC methodology for the evaluation of budget support operations. The adapted OECD/DAC approach and the challenges encountered have been detailed above (section 2.2.3).

The limitations of the analysis were closely related to the quantity and quality of information that was available to the evaluation team. This relates in particular to the process of accessing primary sources, as well as the availability, heterogeneity and quality of secondary data. Information on results and impacts has been particularly scarce,² mostly due to the widespread absence of systematic monitoring. The evaluation team aimed to mitigate this by diversifying the sources of information and subsequent triangulation.

High staff turnover among EPs (and also most DPs) and most government counterpart institutions limited the institutional memory on which the team could rely on. Thus many interviews focussed on more recent events and programmes often not covering the early years of the evaluation. The team triangulated, as much as possible, data originating from several sources so as to mitigate this bias.

At country level, it has been challenging to isolate the effects of the EPs' support in a multi-stakeholder and complex environment. None of the identifiable dynamics and effects at country level was solely dependent on the EP's contributions, but were the results of an interplay of various stakeholders and contextual factors. The team completed quantitative data with qualitative assessments so as to delineate more clearly the role played by the EP in observed evolutions.

² A notable exception is the Danida farmer field school evaluation and the Danida evaluation of the business-to-business programme.

1.5 Context of EPs' engagement in Bangladesh

This section briefly presents the national background as well as EPs' strategic and financial engagement in Bangladesh. Annex 2 gives the full details.

1.5.1 National Context

Bangladesh has approximately 160 million inhabitants on a landmass of 147,570 square kilometres, making it the most densely populated non-city country in the world. Historically, *geography* has been a main determinant of the country's development, with 80% of its land being floodplains created by more than 300 rivers and channels, including three major rivers: the Ganges, the Brahmaputra, and the Meghna. Bangladesh's geographical position and very high population density make it highly vulnerable to natural disasters including floods, droughts, and cyclones. While Bangladesh has substantially improved its capacity to manage such natural disasters (and hence reduce the associated human and economic costs), global climate change has increased these vulnerabilities manifold and threatens to undermine the gains made in disaster risk reduction.

Politically, Bangladesh's first two decades were characterised by turmoil and military coups contributing to widespread poverty and famines. The restoration of democracy in 1991 has been followed by relative calm and economic progress. However, politics remain highly confrontational especially between the two female headed major parties: the ruling Awami League and the Bangladesh Nationalist Party (BNP). Dynastic and personal elements exacerbate the tensions between the two main parties. In the evaluation period, Bangladesh has seen one caretaker government (2006-2008) and one election (2008) resulting in the Awami League winning. The 2008 elections (supported *inter alia* by the EU) were generally perceived as a success as it demonstrated that Bangladesh could oversee a peaceful transition of power from one government to another without the violence that had accompanied such changes in the past. However, the first-past-the-post electoral system also meant that the BNP-led opposition with 33% of the vote translated into only 10% of the seats in parliament, whereas the Awami League led coalition with 49% of the vote had 88% of the seats. Combined with antagonistic relations between the main parties, the political contest is often seen as a 'winner takes all' process.

Since the 2008 elections, central level politics have arguably become even more antagonistic with frequent jailing of opposition politicians³ and breakdown of consensus on core democratic processes. The opposition has increasingly resorted to parliamentary boycotts, political demonstrations, hartals (labour strikes), and transport blockades. These activities have often succeeded in disrupting economic activities and immobilizing the government. With the opposition's boycotting of the January 2014 elections, these were unsurprisingly won by the ruling Awami League coalition, but at a high cost. Twenty-one people died in election related violence on voting day alone, with over 100 polling centres

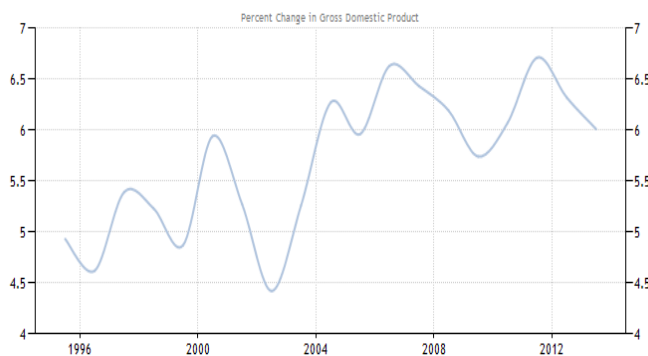
³ For example, the leader of the country's main Islamic party, Jamaat-e-Islami has now been sentenced to death twice (sic), first by a criminal court and secondly, by Bangladesh self-styled International Crimes Tribunal.

set on fire. The EU did not send monitors as ‘Bangladesh’s main political parties were unable to create an atmosphere for transparent, inclusive and credible elections, despite many efforts, including under UN auspices.’⁴ Institutional oversight is weak in Bangladesh. Competition between political parties has hindered development of strong mechanisms for domestic accountability, with a state driven by party interests, in which the ruling party tends to use state institutions for its own interests rather than developing institutions with appropriate checks and balances. Parliament and the judiciary do not provide significant oversight of executive power. Non-governmental organisations, professional associations, and the media provide alternative checks and oversight on Parliament and the executive, but many are allied with partisan interests.

With political and security stabilisation in the early 1990s, *economic growth* picked up and has been positive ever since, with an accelerating trend over time as can be seen from Figure 3 below. Bangladesh’s achievements are substantial and extremely robust to the numerous external and internal shocks such as natural disasters, global financial crises and political turmoil. As a consequence, the Bangladesh economy has seen substantial structural change with a declining share of agricultural GDP over the last four decades, dropping from about half of total GDP during the 1970s to about 15.8 per cent in 2014. Despite this decline, the

sector still provides employment to about half of the country's labour force.

Figure 4 - Bangladesh GDP Growth Rate



Source: World Bank: WDI and Country Update, 2014

For most of the period the garments industry and remittances were the two key *growth drivers*; combined, they accounted for two-thirds of export earnings and allowed Bangladesh to run a surplus on the current account. The growth of the garment industry, set to become the most important manufacturing sector in Bangladesh, has also

catysed significant social changes. Women with access to such factory jobs have declining fertility and marry later.⁵ Growth drivers have become more diverse with the combination of falling fertility and increased labour demand from factories pushing up agricultural wages and productivity. A recent ODI study estimates that agricultural wages in Bangladesh rose a staggering 45% for men and 48% for women between 2005 and 2010, clearly also driving rural poverty reduction.⁶ In aggregate, poverty has declined from 57% at the beginning of the 1990s to 49% by 2000, 40% by 2005 and 31% by 2010, the latest year for which survey-based evidence is available. However, based on extrapolations, the World

⁴ EU High Representative, Ms Ashton, 20 December 2013.

⁵ Heath and Mobarak: ‘Manufacturing Growth and the Lives of Bangladeshi Women’, NBER Working Paper 20383.

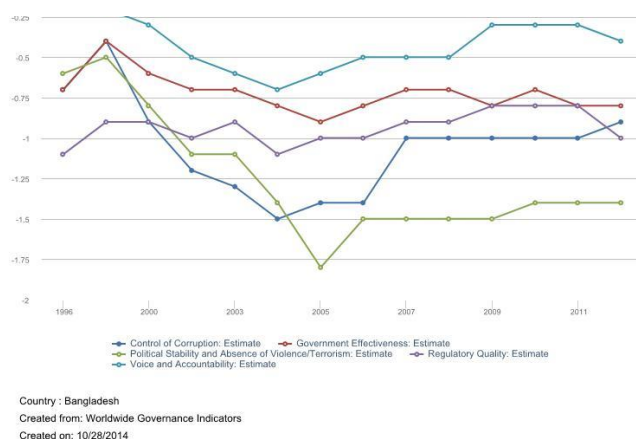
⁶ ODI: *Rural Wages in Asia* London, October 2014.

Bank estimated that poverty has declined further, to 24% in 2014 (World Bank, October 2014). Inequality has also fallen, albeit more modestly, with the Gini coefficient dropping from 33.5 in 2000 to 32.1 in 2010.⁷

Partly as a consequence of this robust and inclusive economic growth, Bangladesh has already met many targets of MDGs, such as reducing the headcount ratio and poverty gap ratio, attaining gender parity at primary and secondary level education, under-five mortality rate reduction, containing HIV infection with access to antiretroviral drugs etc. This has led the UN to conclude that Bangladesh has been one of the best performing LDCs in attaining the MDG.⁸

Bangladesh is in some ways a development paradox. It has achieved impressive progress on key social indicators of importance to its development partners in areas such as general education -and girls' education in particular- and health indicators. Moreover, Bangladesh has seen robust growth over the last two decades, accelerating to an annual average just above 6% throughout the evaluation period.

Figure 5 - Governance indicators in Bangladesh



These achievements are even more impressive given the poor quality of governance that characterises Bangladesh's public and private sector institutions. Moreover, Bangladesh has consistently featured among the poorest performers in international indexes, such as the corruption perception index, doing business and other more specific indicators have shown virtually no progress (see figure 5). Some argue that Bangladesh thus defies conventional wisdom that good governance of key

institutions is a core ingredient of promoting inclusive growth and it also calls into question the validity of previous warnings that failure to address governance quality would undermine the development gains.⁹ This was already stated more than a decade ago in, for example, the previous EU evaluation of its Bangladesh country strategy (2003). Bangladesh is thus arguably a case of a growth governance conundrum.¹⁰

⁷ World Bank *WDI*, 2014. For comparison, Denmark's recent gini coefficient was 24.0 whereas the corresponding figures for Germany and USA were 30.6 and 48.0 respectively.
⁸ <http://www.un-bd.org/Mdgreports>
⁹ See e.g. Asadullah, Savoia, and Mahmud: 'Paths to Development: Is there a Bangladesh Surprise?' in *World Development*, Vol 62, 2014
¹⁰ See e.g. Mahmud, Ahmed & Mahajan: 'Economic Reforms, Growth and Governance: The Political Economy Aspects of Bangladesh's Development Surprise' World Bank 2010.

Despite the antagonistic political context, there has been a consensus around some core institutional principles such as the maintenance of macroeconomic discipline, as is evident from low inflation rates, fiscal deficits and external indebtedness. Moreover, the state has significantly improved its capacity to manage natural disasters, thus considerably reducing their macroeconomic impact.

Recognizing its limitations in meeting the high demand for services, successive governments have created space and forged partnerships with NGOs and the private sector to deliver services. Similar consensus has been achieved on the role of women, where consistent efforts have been made to unleash the development potential of half the population, with successive governments having supported family planning, girls' participation in schooling and female entry into the labour force. All three EPs have focused on governance in the evaluation period, often in the form of strengthening demand and reducing alleged information asymmetries between government and the wider population.

1.5.2 EPs' strategic and financial engagement with Bangladesh

The three EPs worked on the basis of a major assumption, that good governance was the long-term underlying foundation without which development would be undermined. They assumed that the government would accelerate measures to curb corruption and misuse of funds.

Denmark

Bangladesh has been one of the main recipients of Danish development assistance since its independence in 1971. The assistance aimed to promote pro-poor economic growth and strengthen democratic development, with poverty reduction as the overriding priority. The three key strategic areas of intervention outlined in Denmark's strategy documents (Bangladesh – Denmark Partnership, Strategy for Development Cooperation 2005-2009, and Denmark – Bangladesh Policy Paper 2013-2017) have been: 1) agriculture, 2) water and sanitation and 3) human rights/governance. In addition, under the development cooperation programme, a business-to-business intervention has also been implemented during the entire evaluation period, linking Danish companies to Bangladeshi counterparts. Denmark put a specific emphasis on accelerating inclusive rural growth, with female headed and poorer households, and ethnic minorities being particularly targeted. A key strategic tenant was to provide both on-and off-farm employment opportunities as well as improve water and sanitation in rural areas, which in turn could improve health outcomes, productivity and rural incomes.

Danish allocations over the period amounted €254m, while the disbursements amounted €173m. The main benefiting sectors have been: agriculture with €66m disbursed, water and sanitation with €48m, and good governance and human rights with €44m. Yearly disbursements varied quite substantially over the period, partly due to large-scale infrastructure in water and sanitation where large one-off payments produced spikes in 2010 for example. Average disbursements have been around €40m per year over the period.

The European Union

EU-Bangladesh relations date back to 1973 and have evolved over the years with increasing amounts of development assistance but also by deepening economic relations even further. The comprehensive co-operation agreement signed in 2001 considerably broadened the scope for co-operation, in extending it to trade and economic development, human rights, good governance and the environment. The EU's development assistance strategy (as outlined in the Bangladesh – EU Country Strategy Paper (CSP) for 2007-2013) aimed to reduce poverty through rapid economic growth, greater inclusion of the poor and increased employment generation, within a framework of the rule of law and respect for human rights. The 2011 Mid-Term Review (MTR) suggested that a more pro-poor approach should be adopted, especially in the economic and trade development area. The EU retained three focal areas: trade and economic development; human and social development, with engagement in primary education and health; and governance (particularly public financial management) and human rights to support more effective service delivery of the government and improve access to fair justice, especially for the poor minorities and women. The CSP also identified two non-focal sectors, food security and environment/disaster management. The latter grew in importance for the EU during the evaluation period, with the MTR focusing on enhancing risk awareness and appreciation of the inter-linkages between climate change and other areas of sustainable development. Besides, cross cutting issues included democracy, good governance, human rights, indigenous peoples' rights, gender, children's rights, environmental sustainability, and global warming. Gender mainstreaming was a key cross-cutting issue for the EU.

The EU disbursed a total of €631m in Bangladesh over the 2007-2014 period. The interventions covered a wide range of thematic areas, in line with the focal and non-focal areas. Funds mostly originated from the bilateral geographic instrument DCI-Asia (66% of the disbursements), and various DCI thematic instruments (30% of the disbursements), non-state actors and the European Instrument for Democracy and Human Rights (EIDHR).

Sweden

Similarly to Denmark, Sweden has provided development assistance to Bangladesh since the country became independent. Sweden's assistance (as outlined in the Cooperation strategy for development cooperation for the period 2008-2012 - extended until 2014 -) aimed to contribute to the fulfilment of the right to education, health, and a clean and healthy environment for people living in poverty, through increased access to education and health services as well as improved democratic governance and urban environment. Applying poor people's perspectives on development and the rights perspective has been at the core of the Swedish development cooperation. Four principles served as guidelines: participation, non-discrimination, transparency, and accountability. In addition, the Climate Change Initiative (CCI) – supporting adaptation to climate change - taken by the Swedish Government in December 2008 for the period 2009-2011 complemented the strategy. Primary health care and education have been the core areas of the Swedish development assistance. Other Swedish strategic areas of intervention mostly focused on women's rights, climate change and urban environment.

SIDA's development aid to Bangladesh amounted to a yearly level of roughly €25-30m during the period 2007-2014. This level was relatively stable over those years. The sectors having benefited most from the assistance have been: health with 46% of Swedish disbursements (€86m), education with 28% (€48m), the environment with 8% (€14m) and human rights and democratic governance 7% (€13.5m).

2. Strategic relevance and aid effectiveness

This section presents the transversal findings that emerged from this evaluation, in the form of answers to evaluation questions. They focus on overall issues dealing with the relevance of the EPs' strategies (EQ1); coordination, complementarity and coherence (the 3Cs) (EQ2); and aid modalities and partnerships (EQ9).

2.1 EQ1: Strategies

EQ1: To what extent were EPs' strategies, including choice of sectors, relevant for sustainable poverty reduction?

All three evaluation partners have pursued poverty reduction as the overall objective for their development interventions, with only Denmark also having aimed to leverage commercial gains. Most interventions had a robust analytical conceptualisation of the underlying change processes needed for driving poverty reduction, especially in the social sectors and those that worked closest to the poor. In these interventions, the sound analytical base also proved relevant for and induced a consistent implementation and monitoring focus on the poverty reduction dynamics catalysed. Moreover, these engagements often made substantial contributions to the impressive reductions in poverty that have been achieved in Bangladesh during the evaluation period. However, policy and regulatory level engagements in especially private sector development and trade tended to have weaker analytical understanding of exactly how the activities and outputs would translate into inclusive change processes. Unsurprisingly, in those cases, monitoring of poverty impact has also been weaker. This was unfortunate as the impacts, where successful, are potentially more structurally transformative.

Impacts at policy level have required an approach of persistence, trial-and-error, high-quality TA, response to a clear demand for support and the forging of alliances in and outside government among those articulating this demand. In this context the assumptions concerning progress in governance and policy reforms have often proven too optimistic in the short-term and efforts futile if there was no or only weak demand. Nevertheless, the focus on robust governance has proven relevant although limited progress has been achieved at the aggregate level, whereas some improvements have been made in accessing justice in remote areas for example, and supporting a limited number of victims of human rights abuses.

While at times over-ambitious, not least in the governance engagements, the strategies and their implementation have proven relevant in assisting Bangladesh in reducing poverty. Core ingredients for the successful implementation of the strategies have been alignment to national priorities and policies at either local or central level and domestic ownership at these levels. At times EPs have been challenged in their alignment

ambitions by weakly or inconsistently defined sector frameworks and with limited uptake from the government to engage in policy dialogue to strengthen these. Moreover, outside the social sectors, alignment efforts have waned in the latter part of the evaluation period, with increased HQ pressure on delivering tangible results and in combining EPs' domestic interests and development interests. So far there are at best mixed experiences in promoting both the 'results agenda' and in mixing domestic interests with development engagements. Increased focus on delivering tangible results clearly attributable to an individual donor can compromise strategic vision and undermine systemic improvements. In addition the tying of commercial and development interests have often been inefficient and ineffective from both a business and developmental perspective, with the notable exception of the Sustainability Compact.

Background and Rationale

All three evaluation partners (EPs) had poverty reduction as the main objective of their development cooperation. As corollary, most of the specific engagements also aimed to contribute to poverty reduction but addressing different challenges deemed critical for pursuing that objective. The three EPs also committed to alignment to the (then) Poverty Reduction Strategy Paper (PRSP) and national procedures in order to improve relevance of their support and increase ownership of policies supported.

The national strategic context was shaped by the PRSP entitled "Unlocking the Potential: National Strategy for Accelerated Poverty Reduction (NSAPR I, 2005-2007)", subsequently extended up to June 2008. The second NSAPR (2009-2011) was prepared by the caretaker government, but revised in 2009 after the elected government came into office. However, after the revised NSAPR II, the government reverted to naming its main planning document as the 6th Five Year Plan (2011-2015). While this Plan still has a strong poverty focus, poverty reduction is only one of the objectives pursued. The 6th Five Year Plan still conceptualises economic growth as a core engine in reducing poverty, complemented by investments in social protection, health and education.

This question intends to evaluate whether the strategies deployed by the EPs were relevant in achieving the desired outcomes and whether they were aligned to relevant domestic initiatives. The analysis is based on how the EPs translated their strategic objective into main concrete interventions (e.g. in education, HR & democratic governance, climate change, PSD/agriculture, and gender) and the degree to which alignment with national priorities was achieved. Further, the EQ assesses whether there has been a 'strategic thread' whereby the individual engagements of the EPs were convincingly and analytically linked to their overall strategic objective.

JC1.1 Extent to which EPs' strategies aimed at poverty reduction with a credible 'theory of change' using relevant engagements in the main areas of support

At strategy level all EPs had poverty reduction as the core focus, which was also reflected in their interventions. EPs' strategies have been based on a combination of both perceived comparative advantages, division of labour and pragmatism based on past interventions and experiences.

The **EU** aimed to contribute to reducing poverty strategically through support to rapid economic growth, greater inclusion of the poor and increased employment generation, within a framework of the rule of law and respect for human rights. Operationally, it focused most of the funding on three sectors, i.e. social development, good governance and economic & trade development, based on the assumption that this would increase alignment and also utilise its core competencies and consequently increase relevance. At strategic level this focus was highly relevant, but arguably also over-ambitious especially in the governance sector, where it was assumed that large-scale reform programmes in, for example, public financial management (PFM) were critical to reaching the MDGs and accelerate pro-poor growth. This line of causality or 'theory of change' proved not to be so robust with results in governance generally and in PFM were specifically disappointing, but with solid progress on the MDGs regardless (see also EQ6). However in the social sectors more substantive progress has been made with the EU engaging with credible analysis followed up by increasingly strategic dialogue. However at the end of the evaluation period, the strong involvement of HQ in shaping priorities, modalities and partner choice has risked undermining the contextualisation and relevance of the future strategy, by pointing to aid modalities and implementing partners that are in the evaluation team's view less than ideal in the Bangladeshi context.

Denmark also pursued poverty reduction as its strategic objective through promotion of pro-poor economic growth and strengthened democratic development, including improvement in governance, respect for human rights, rights of minorities, and improved gender equality. The key sectors were agriculture, water and sanitation, and good governance. Over the evaluation period Denmark has increased focus on bottom-up strategies, especially in areas where central level engagements yielded few results. This has yielded concrete, relevant and poverty reducing outcomes but has arguably also limited the transformative potential, as the more systemic impact at, for example, policy level has been limited.

Sweden aimed to contribute to the achievements of the right to education, health, and a clean and healthy environment for women, men, girls and boys living in poverty. Its strategy stated that Sweden should have flexibility and a willingness to take risks, for supporting new ideas and innovations alongside the sector programmes and taking care of areas that would otherwise be forgotten. In the health and education sectors, Sweden has provided support through joint sector programmes, which both had robust theories of change concerning the transformation of inputs into sustainable poverty reduction. Progress has been made in widening access, especially in the education sector. In the human rights and democratic governance sector, Sweden has channelled support through

joint initiatives and CSOs. While all relevant, an unfavourable political environment caused limited progress on contentious human rights and electoral issues, but relevant and effective support was provided to other areas such as the promotion of gender equality, which in turn has important poverty dimensions.

Most interventions were based on robust analyses of the causal transmission mechanisms promoting poverty reduction, especially so in social sectors such as primary education, but also in rural development interventions. This also translated into relatively strong emphasis on poverty dynamics catalysed by the engagements, not least in the primary education sub-sector and the rural development space, where significant resources were invested in both monitoring and rigorous evaluations. The primary education sub-sector had a comparatively comprehensive approach which included both substantial support to actual delivery at learners' level combined with central level policy dialogue that informed the designing and implementing of key reforms that increased access and that are expected to drive improvements in learning outcomes in the medium term. Similarly, climate change and disaster risk reduction also had credible causal links to poverty reduction, with the poor being the primary victims and with least access to insurance and protective measures. Despite the strategic relevance of such support, its effectiveness was often compromised by rushed implementation schedules and limited local ownership and knowledge transfer.

Assistance to private sector development and trade that aimed at strengthening central level policy and regulatory frameworks had more uncertain relevance and impact on poverty reduction, partly due to inadequate analytical and monitoring efforts, partly due to limited demand for such support. Amongst EPs, the EU has arguably been the most persistent and also most substantial contributor in this space, with mixed results. While referring to poverty reduction at the level of the objectives pursued, these engagements tended to have less convincing 'theories of change' in relation to their inclusiveness aspects, partly also because the causality chain was longer and more complex than those engagements directly focussing on the poor. The monitoring efforts on socio-economic impacts in those engagements were also less robust.¹¹ This constitutes a missed opportunity as some of the engagements were likely to have contributed to more transformative changes (e.g. easing access to the EU market for Bangladeshi exporters in the fishery sector). In addition, where there was limited initial government demand for support to build on, most efforts have so far proved futile as the EU's work on SME development (through INSPIRED) and Denmark's TA to central ministries also testified.¹² In this context Denmark arguably had somewhat more flexibility in being able to terminate such support once the limited progress became evident, whereas EU's contractual obligations and procedures are more rigid.

Engagements at central level have been successful when responding to genuine demand and taking a long-term perspective. This was particularly the case in private sector development and trade, where engagements aiming to increase exports (with

¹¹ A future study from BEST may address this issue.

¹² Danish TA to policy reforms was clearly not demanded nor effectively used by the ministry. Fortunately, Denmark realise this and terminated this kind of support.

emphasis on exports to the EU) took a long-term perspective regarding especially capacity development and governance improvements, and forged alliances for transformative change among stakeholders in and outside the government. Typically, only specialised TA that could not be sourced in Bangladesh was provided. In addition, this strategy also relied on the acceptance of set-backs and used a trial and error approach, where solutions were developed iteratively and flexibly according to the context and openings for progress. It was also the case in the primary education sub-sector where the support responded to genuine demand and adopted a long-term strategic perspective, strengthening planning, monitoring, financial management and reporting capacities in the process.¹³

Using development engagements as a strategy to leverage commercial gains can compromise development effectiveness. Many bilateral DPs have growing intentions of leveraging their own commercial interests through development assistance, mirroring similar developments seen in, for example, Australia, Canada and the Netherlands.¹⁴ This has been referred to as a more ‘balanced relationship’.¹⁵ However, past experiences have demonstrated that the combination of commercial and development interests have at times compromised the effectiveness and value-for-money of both the export promotion and development effectiveness objectives. The Danish experiences in Bangladesh clearly demonstrated this: the Danish company-tied business-to-business programme delivered mixed outcomes in terms of effectively and efficiently contributing to poverty reduction in Bangladesh, contributing to the suspension of the programme.¹⁶ Fortunately, there is limited evidence that this ‘balanced relationship’ has seriously impacted on the design of the future Danish programme, a testimony to the substantial capacity to retain professional developmental integrity in Danida. Moreover, the business-to-business programme was a modest part of the Danish assistance portfolio (and as a global programme above the country envelope). The intention of embedding development strategy in a wider policy context reflected in the 2013 Country Policy Paper also holds significant promise of improving policy coherence for development in diverse areas such as migration, international taxation, climate change and global public goods.

¹³ However, the TA to the education sector was arguably more donor driven and less effective. See Annex 5: section on detailed facts and findings on primary education.

¹⁴ Danida: *Development Priorities 2016*, Copenhagen 2015

¹⁵ See Danida: Bangladesh Country Policy Paper 2013-2017. The paper also includes purely commercial and global objectives of the relations (outside the scope of this evaluation), but does also argue for leveraging development cooperation for Danish commercial interests.

¹⁶ See Danida: Evaluation of the Business-to-Business Programme, 2014. Bangladesh was a case study in the evaluation, where it was concluded that ‘the actual development outcomes from the B2B portfolio are meagre’, continuing that the programme was not suited for ‘the purpose of achieving high developmental impact, and the choice of sectors has restricted impacts in relation to for instance poverty and gender’. Moreover, decades of international experiences have suggested that various forms of tied aid seriously undermine effectiveness and are also a suboptimal way of export promotion, with the only beneficial aspect being the ability to maintain a high aid percentage while simultaneously supporting domestic industry. See e.g. the seminal OECD/DAC study: *The Tying of Aid*, Paris 1990 and OECD: ‘Untying Aid: Is It Working’ Paris, 2009

JC1.2 Degree of alignment of EPs' strategies with relevant government's national policies for poverty reduction and other domestic initiatives

At overall objective level there has been a high degree of alignment with both government's policies as well as the priorities of the private sector and CSOs.

For the EU, the 2007-2013 CSP was strongly grounded in the government's own development strategy. In the two key social sectors, health and education, the EU aligned to government's programmes, using SWAP like approaches. Over the evaluation period, the EU began to have concerns about the PRSP's appropriateness due to its lack of priority, weakness of indicators, lack of sector coherence.¹⁷ But the EU has generally been committed to align as much as feasible, and has also been aiming to align its next MIP cycle to the 7th five-year plan.¹⁸ The future strategic direction, mainly designed in HQ, which put significant emphasis on using member states as implementing partners, is viewed as a potential threat to alignment with the government and NSAs objectives. Re-orienting assistance to 'domestic' EU MS development agencies would imply (i) not capitalising on valuable partnerships built throughout the years with the UN specialised agencies as well as relevant government ministries; and (ii) not respecting the government stated preference to continue its cooperation with many of the existing partners.¹⁹

Denmark committed in 2005 to align its development assistance to the government, both at objective and financial channelling levels. In all three core sectors, project documents took their cue from corresponding sector policies and shaped the development objectives around those. The 2013 strategy is arguably still broadly aligned with that of the government regarding poverty reduction and improved governance (democratic and technocratic), which were also key objectives in 2005. However, the new strategy also has as an overall objective to assist Danish companies in increasing exports and outsourcing to Bangladesh. It is not evident that this added objective is aligned to that of the government or the private sector for that matter. There has been (and is) also increased use of results-focused contracts between the embassies and HQs, which may have led to less aligned and less strategic development assistance. This focus has intensified the need to produce quantifiable results and has tended to distort preferences towards short-term investments in outputs which can be measured instead of an investment which may have more significant, longer-term but less quantifiable benefits. The road sector has been (and is) a case in point with increased emphasis on kilometres constructed and less on improving Bangladesh's ability to prioritise, manage and maintain its critical rural infrastructure.

Sweden also aimed to align closely with government strategies, not least in education and health, albeit with TA provision partly non-aligned. However, it arguably had an unfavourable view of the government's overall strategy (the then PRSP) as being able to guide alignment efforts, arguing that the PRSP lacked detailed planning and budgetary frameworks. Sweden also considered the widespread corruption as a deterrent for aligning to country systems on financial management of the assistance. Similarly to Denmark,

¹⁷ EARM 2009

¹⁸ See e.g. EARM 2012.

¹⁹ See e.g. EU: Draft Implementation Plan 2015-2020 and MN 005

Sweden repeatedly expected various PFM reforms to pave the way for more aligned approaches, but limited results hindered this outcome from materialising. The 2014-2018 strategy is largely devoid of alignment analysis and operational direction but reiterated Sweden's ambition 'to develop and apply innovative forms of cooperation and financing, including results-based aid.'²⁰ Finally, and similarly to Denmark, Sida is also under pressure to deliver tangible results to its domestic constituency, not least in the health sector, which can produce impressive figures relatively quickly. Thus there are pressures for e.g. financing NGOs or private contractors to deliver health services (such as vaccinations) directly to beneficiaries, instead of working on improving the domestic system's ability to manage and improve the overall health system. However, Sweden has been able to manage such pressures intelligently by still having a systemic and long-term vision that also promotes alignment and allows Sweden to continue to be strategically relevant.

Government's efforts in driving the alignment agenda have been limited and lack of strong leadership has stymied progress. Generally, the government has not been proactive in promoting the alignment agenda in e.g. the Local Consultative Group mechanisms and there has also been weak prioritisation in core strategies (e.g. PRSP) and limited interest in having a policy dialogue with EPs. The government was also reluctant to promote alignment if it encompassed policy dialogue on how to reach the shared objectives, as many ministries had limited interest in pursuing such a dialogue.

While there were substantial resources invested in promoting alignment in the first part of the evaluation period, most DPs have subsequently had less interest in pushing the alignment agenda, with increased aid fragmentation and a more competitive aid landscape becoming dominant. The emergence of new development partners (e.g. China and India) has also challenged the effective implementation of the alignment agenda and outside the technocratic circles in the Ministry of Finance (e.g. ERD), the understanding of the need for alignment has remained limited. This is partly related to the incentives for maintaining project approaches within ministries, as a means to control the flow of resources.

2.2 EQ2: Coherence, coordination and complementarity

EQ2: To what extent have EPs' strategies been coherent, coordinated with and complementary to each other and other development partners' strategies?

The early part of the evaluation period was characterised by limited donor coordination, partly due to limited interest from the government in taking the lead. The government and DPs increased efforts to take the aid effectiveness agenda forward, which culminated in the signature of the Joint Cooperation Strategy in 2010 and in the restructuring of the Local Consultative Group mechanisms. However, these coordination structures have not been decision-making fora. The importance of the harmonisation agenda subsequently declined, except in the education and health sectors.

Over the evaluation period, EPs (together with other DPs) pursued joined approaches, most of the time under the umbrella of the UN or WB, which enhanced donor

²⁰ Government of Sweden: 'Results strategy for Bangladesh 2014–2020' 2014

coordination and harmonisation. Whilst EPs (and more generally DPs) have typically been willing to exchange information and reduce aid fragmentation, little progress has been made as far as division of labour is concerned. DPs' own interests remained strong and over the period the government has not shown increased interest in coordinating donors.

At EU+ level, coordination efforts led EU MS to take common positions and views on overall Bangladeshi challenges. In addition, EPs' strategies have on the whole shown strong responsiveness to key Bangladeshi challenges. In 2013, coordination efforts were reinvigorated with the EU+ Joint Programming process, which led EU partners to jointly identify key challenges, select key sectors and define common messages at sector level. Finally, the EU's global trade, human rights and development policies have been implemented in a coherent manner in Bangladesh.

Rationale and coverage of the EQ:

The aid landscape of Bangladesh has been characterised by numerous development partners, with the four major ones - the Asian Development Bank, DFID, JICA and the World Bank- representing more than 60% of total programmable aid disbursements over the 2007-2013 period (which amounted to USD 16,082m²¹). EPs' financial support has remained relatively minor, with the EU accounting for 4% of all donor aid, Denmark 2.2% and Sweden 1.4%. Besides, Bangladesh is not an aid dependent country with total aid flows representing on average 1.3% of GDP (of which grants totalled on average 0.5% of GDP) over the period.²²

This question assesses the degree of coordination and complementarity reached between EPs and with other DPs. It also examines policy coherence, both between EPs and within the EU as an entity, with a specific focus on EU trade and development policies.

JC2.1 Effects of the efforts devoted by each EP to ensure effective coordination and complementarity with each other and other DPs

In the early evaluation period, donor support was mostly fragmented, with duplication of efforts and high transaction costs for both the government and Development Partners (DPs). In various sectors, many DPs were operating separately with a wide variety of funding mechanisms, resulting in programme activities not being well coordinated. ADB, DFID, Japan and the WB –joined later on by other donors at sector level- launched a Joint Strategic Framework (JSF) in 2005 to facilitate closer harmonisation and programme coherence. But the JSF was not institutionalised at that time. In particular, there were no clearly identified next steps and no shared monitoring framework.

The government and donors then progressively intensified their work on strengthening aid effectiveness, which culminated in the signature in 2010 of the

²¹ Amounts in 2012 USD constant prices

²² Source: IMF, *Article IV*, 2010, 2011 and 2013

Joint Cooperation Strategy (**JCS**) and in the reinvigoration of the **Local Consultative Group mechanisms**. On the basis of the JSF experience, a number of DPs have sought to formalise a common approach and framework jointly with the government. A Statement of Intent to Develop a JCS in support of the national poverty strategy was signed in 2008. In June 2010, the GoB and eighteen DPs (including all EPs) signed a JCS, covering the period 2010-2015, hereby marking a turning point for aid alignment and harmonisation in Bangladesh. Within the framework of the JCS, collective dialogue had been foreseen with the LCG structure, which included an annual high level Bangladesh Development Forum, GoB-DP LCG Plenary meetings and around 20 LCG Working Groups (LCG WGs) in various sectors and priority areas. In addition to dialogue, a JCS Action Plan 2012-2014 identified specific milestones and action points to monitor progress over time. Moreover, a joint Development Results Framework, integrated to the Government's 6th 5-year plan, was adopted. However, this framework was neither tied to aid nor updated over the evaluation period.

The LCG mechanisms have facilitated information sharing but have not been a decision-making forum, partly due to patchy government engagement. The LCG structure has constituted a forum for sharing views and analysis as well as to move the agenda in a more coordinated way. There has been effective collaboration between EPs and UN/WB at the LCG DP Plenary and working group levels. However, the LCG WGs have not been the fora where major decisions were taken. Their functioning has had several deficiencies: the activity level of the WGs has been very uneven across sectors and varied over time; discussions within those groups mostly consisted in the exchange of information, therefore limiting the scope for meaningful policy dialogue; GoB commitment has been uneven across the WGs; the WGs lacked high-level GoB participation and the participation from non-traditional donors (e.g. India and China). WGs have most of the time been co-chaired by the government and one of the DPs (e.g. active EU role in co-chairing the Education and PSD WGs in 2012, and the Aid effectiveness WG in 2014); monitoring of progress against the objectives of the PRSP did not take place.

The importance of the harmonisation agenda has declined since 2010, with the notable exceptions of the education and health sectors. Since the signature of the JCS, which represented a peak in coordination and alignment efforts, there have generally been progressively fewer commitments to joined approaches, and competition between DPs has progressively shaped the donor landscape. In the education and health sectors, harmonisation and donor coordination have progressed well over the period with the DPs engaging in sector programmes (see EQ9). The review of the selected interventions shows little evidence of increased coordination between EPs and more generally with other DPs (apart from PEDP 3 in primary education).

Throughout the period, the government has generally not been coordinating donors and policy dialogue has been limited. In a context of a non-aid dependent country, aid effectiveness has not been an agenda driving the government, with DPs' 'interference' in the government's policy-making not being welcomed. Representatives from the various development agencies underlined that the government has not pushed efforts in prioritising national needs and in coordinating development assistance. The government

has also lacked aid management capacities needed to interact effectively with the large number of DPs active in the country.

EPs worked closely with the UN and the WB over the period. Regular consultations took place to discuss common approaches, and harmonise development objectives as well as sector priorities. EPs also pursued joint programmes, which enhanced donor coordination and harmonisation. For instance, the EU and Danida channelled a significant part of their support (i) to democratic governance through the UN and (ii) to climate change through the WB. Some caveats were reported as far as aid management and efficiency are concerned (see EQ9).

Division of labour has not progressed due to limited willingness. DPs committed to harmonising aid delivery (Accra Agenda for Action, Busan Partnership) and EU MS signed the EU Code of Conduct on Division of Labour (2007), which recommended focusing on three sectors maximum. However, these requirements have had limited effects on division of labour so far. EPs committed in their strategies to sector concentration and to select their focal areas according to comparative advantages, but they remained active in more than three sectors. In its CSP 2007-2013, the EU indeed reduced its focal sectors to three, but these sectors remained very wide, thereby encompassing several sectors such as “human and social development” including both education and health. In addition, the EU remained *de facto* active in a wide range of sectors with its thematic budget lines. Besides, some major players (e.g. DFID) have not been willing to reduce their activities to three sectors as they are of the opinion that they have a legitimate claim (and pressure from HQ) to be active in a wide range of sectors. Overall, EU MSs have been reluctant to move the division of labour agenda forward when this was perceived as conflicting with their national interests. Moreover, while EPs (and more generally DPs) have typically been willing to exchange information between them and not to duplicate, there was no clear and agreed view between partners on each DPs comparative advantage. However, interviews held and documents reviewed show a long-standing experience and recognised expertise of Denmark in agriculture, of Denmark and Sweden in gender, and of the EU in trade and democratic governance. In the latter, DPs recognised that the EU added value, with the EU pushing and taking a harder line than the bilateral donors (e.g. on elections) and playing a leading role on key issues (e.g. leading a coordinated DPs/CSOs position for revising the draft Foreign Donation Act in 2014). In addition, substantial progress has been made in identifying more formally EU MS’ comparative advantages as of 2013 with EU+ joint programming (see below JC2.2).

JC2.2 Degree of coherence of the response provided by EPs to key developmental and political challenges

While being designed separately by each EP, the focus of the response of EPs’ strategies closely matched each other. This has not translated into systematic efforts to promote a joint and coherent response in the design and implementation of programmes. At strategy level, EPs committed to work towards a coordinated EU approach in order to maximise the influence and the outcomes of the EU’s efforts in Bangladesh. EPs designed their own strategies. They pursued the same overall objective, that of poverty reduction, through pro-poor economic growth and strengthened

democratic development for Denmark and the EU, and through the fulfilment of rights to education, health and a healthy environment for Sweden. EPs selected similar broad focal areas, i.e. human and social development, and governance and human rights.²³ These choices showed strong responsiveness to key Bangladeshi challenges and have *de facto* constituted a coherent whole. In designing and implementing programmes, even though EPs exchanged information, they have not aimed at providing a joint and coherent response at sector level.

At EU+ level, coordination efforts at strategy level led EU partners to take common views and positions on political and development issues, but with caveats. Regular formal dialogue took place within the framework of the monthly EU+ Development Counsellor meetings (comprising EU, Denmark, France, Germany, The Netherlands, Sweden, the United Kingdom, plus Switzerland and Norway since 2009) to exchange views. The EU+ group has issued several joint responses at ambassador level on development related issues, such as the Poverty Reduction Strategy, changes to the Procurement Act, and the Bangladesh Development Forum, and taken joint positions on elections and on aid effectiveness related matters vis-à-vis the government and other DPs. However, DFID, which has been a major player in Bangladesh, was not systematically harmonised/aligned with EU positions. In several instances, DFID decided to speak on its own and in some instances communicated the EU line on behalf of all EU partners.

Initial EU joint programming efforts (since 2013) strengthened the framework for EU coordination and led to a stronger EU position within the donor community. Even though EU MSs have already designed their individual strategies for the next period (2014-2020), the EU+ group engaged efforts to progressively move towards joint programming in the future. In February 2013, the EU+ group agreed to engage in preparing a joint programming to make better use of the EU+ cumulative resources and thereby raise the visibility, coherence and impact of EU aid. Joint studies launched the same year (Country Gender Profile, Political Economy Analysis, Country Environmental Profile and Civil Society Mapping) enabled the EU+ group to agree in May 2014 on a “Shared vision”²⁴ for their future cooperation with the country, as a first step towards joint programming, in line with the Busan commitment of reducing aid fragmentation. In April 2014, the EU+ group decided to focus on quality dialogue at sector level and coordinated common views and positions²⁵ in preparation of the 7th Five Year Plan discussions. The Draft Interim Joint Programming document (December 2014) presents the sectors selected and the EU facilitators identified to coordinate EU common positions and messages²⁶. In April 2015, these efforts had not yet translated into a concrete division of labour between

²³ In the human and social development area, both the EU and Sweden have been active in primary education and health while Denmark retained water and sanitation. In the governance and human rights area, all three EPs worked on human rights; Denmark and the EU focused on public finance management issues; and Sweden and the EU worked on political processes. All three EPs selected environment, climate change and disaster management as non-focal area.

²⁴ *EU+ shared vision of development challenges, opportunities and priorities in Bangladesh*, 2014

²⁵ Head of Missions endorsed sector priorities and messages in December 2014.

²⁶ Denmark for agriculture, EU for Human Rights, civil society, nutrition, environment and climate change, resilience, France/UK for urban development, Germany for energy, the Netherlands for water, UK for PFM and poverty, Sweden for gender, Switzerland for skills development.

EU partners. But they fed into the LCG mechanisms. The EU+ group presented a coherent EU response (as agreed among EU Development Counsellors) in the LCG DP group, hereby offering EU partners a stronger position within the donor community. Some EU MSs indicated that it had been useful to speak as a united EU grouping to be able to take key positions vis-à-vis other important DPs (e.g. WB).

JC2.3 Degree of coherence between EU global policies (incl. trade) and EU development policy in Bangladesh

The EU has monitored the potential implications of EU global policies on its development assistance. The EU was aware of and examined the potential impact of EU trade, environment and climate change, and migration policies on the EU development policy in Bangladesh.²⁷ The interaction of the different EU policies has especially been monitored by EU MSs represented in Dhaka and the EUD, notably within the framework of the EU Development Counsellors meeting.

EU global policies on trade, human rights and development were generally coherent in their operationalisation in Bangladesh. Concerning trade, the EU aimed at increasing and securing access of Bangladeshi products to the European market. Through the Generalised System of Preferences (GSP), Bangladesh receives duty-free and quota-free access to the EU market under the ‘Everything But Arms’ scheme. The EU has been the major export market of Bangladesh over the period (see EQ5).²⁸ Export earnings have been mostly derived from clothing. With the serious accidents that occurred in 2013 in garment factories in Bangladesh, the EU encouraged the government to commit to improving labour and safety conditions of workers of the textile industry through the signature of the EU-Bangladesh Global Sustainability Compact,²⁹ while the EU in turn maintained an open trade regime. The compact lists commitments to act upon aspects such as the labour law to strengthen workers’ rights, additional inspection to assess working conditions, and building and fire safety. However, some stakeholders pointed out that in light of its substantial trade with Bangladesh, the EU could have obtained more binding GoB commitments on workers’ rights. In addition, there were regular exchanges between the EUD trade section and the EU staff dealing with trade assistance programmes so as to ensure better consistency of the EU portfolio.

Concerning human rights, all EU Heads of Mission present in Dhaka agreed on a first (confidential) EU Human Rights Country Strategy for Bangladesh in 2011, which gave EU MSs a mandatory obligation to work together on human rights issues. As a result, the EU aid portfolio has been fully aligned to the Human Rights Country Strategy. But this strategy is rather listing a number of priorities than prioritising specific issues. In addition, there has

²⁷ See Annex 5 of the Mid Term Review of the EU CSP 2007-2013, which presents an assessment of policy coherence for development.

²⁸ Source: European Commission, *CSP 2007-2013*, 2007 and European Commission, DG Trade, *Trade with Bangladesh*, 2015 (on the basis of Eurostat IMF data)

²⁹ *Compact for Continuous Improvements in Labour Rights and Factory Safety in the Ready-Made Garment and Knitwear Industry in Bangladesh* signed by the European Commission, the Government of Bangladesh and ILO on 8 July 2013

been a close link between the EUD sections working on political aspects and on development cooperation.

2.3 EQ9: Aid modalities and capacities

EQ9: To what extent have the EPs' different aid modalities and their capacities facilitated reaching the intended objectives?

To fulfil their aid effectiveness commitments, EPs aimed to harmonise and align assistance as much as possible with domestic procedures and systems. However, the specific situation of Bangladesh – with high level of corruption, institutional capacity constraints and a 'project' mentality - led EPs to adopt aid modalities with significant control measures. This included programmes in joint management with international organisations (IOs) acting as a safeguard, projects in direct management, and projects in indirect management through NGOs and the government with fiduciary safeguards. The shortage of technical staff at EPs representations - particularly acute within the EUD towards the end of the evaluation period - together with the sector specific expertise and long-standing experience of IOs also led EPs to channel a substantial share of funds through them. IOs (in particular the UN and the WB) offered significant benefits in terms of pooling resources, thus limiting DPs fragmentation but channelling has also been a source of tension between DPs, mostly on trust fund governance and management, as well as administrator vis-à-vis partner relationship. The SWAPs implemented in the education and health sectors also enhanced harmonisation between DPs. But overall alignment with national systems and procedures remained limited, with fiduciary risks being a main inhibitor.

The depth of government-EPs policy dialogue remained limited. While the EU move towards sector budget support can be considered as appropriate within the PEDP 3 context, SBS has not promoted strategic policy dialogue at the ministerial level (within the MoPME) or with the Ministry of Finance.

Rationale and coverage of the EQ:

This question aims to assess the rationale and implications of the EPs choices regarding aid modalities and the degree to which EPs and government capacities were appropriate to manage the portfolio of projects/programmes.

JC9.1 Extent to which aid modality choices have been explicitly based on an analysis of their expected sustained impact on poverty reduction

The challenging context in Bangladesh led EPs to adopt aid modalities with significant control measures. EPs had channelled a substantial share of their assistance through IOs, with these acting as a safeguard. The country has been characterised by a high level of corruption and severe capacity constraints throughout the period. Partly due to the government being reluctant to DPs' scrutiny, the project-type of approach remained the government's preferred aid modality. Within this context, EPs have most of the time used projects and programmes, in joint management with an IO as implementing partner or in direct management (the EP being responsible for budget

implementation tasks). These two management modes offered EPs the necessary safeguards on the disbursement process. They represented 80% of the EU portfolio over the period 2012-2014, with one third of the portfolio being channelled through the United Nations (UN). Similarly, around 70% of Swedish funds were channelled through IOs during the period.³⁰ Denmark also made substantial use of the UN. For EU programmes using indirect management with the government (around 10% of the portfolio in 2013-2014), the degree of decentralisation remained minimal: the EUD was de facto endorsing the contracts and managing the funds. For Danish programmes with decentralised management, long-term TA was appointed also with a view to ensuring fiduciary safeguards.

In this context, alignment with country systems remained limited. External assistance management in Bangladesh has relied on parallel systems of planning, accounting and auditing for donor funds, separate from the national budget. All EPs' project funds (except Swedish and EU funds to PEDP 3) have been channelled through designated accounts and not through the Treasury. To fulfil aid effectiveness commitments, EPs have had the intention to increase the use of government systems. This did not materialise to the extent initially envisaged partly due to the slowness of the government's process for project formulation and approval but more importantly due to EPs' lack of trust in government systems, with several cases of mismanagement and misuse of funds in programmes having been reported over the period.

EPs devoted efforts to adapt the choice of their aid modalities to the national context.

- **In human rights and democratic governance, private sector development and non-formal primary education, preference was given to projects since the move towards a SWAP was deemed premature.** When selecting aid modalities, EPs have generally not assessed the potential effects of aid modalities on poverty reduction. However, the EU and Denmark in particular have carried out, at identification and formulation stages, brief analyses of the institutional and national policy frameworks to inform their aid modality choices. Whilst they initially intended to increase the use of SWAP approaches led by the government,³¹ the result of their analyses often caused them to adopt a project approach instead because national reform plans were not sufficiently developed and/or institutional capacities were considered to be too weak.³²
- **The EU move towards sector budget support was underpinned by analyses and proved appropriate in the context of the support to primary education (PEDP 3).** The Primary Education Development Program 3 (PEDP 3) multi-donor

³⁰ Source: MN 008

³¹ The EU envisaged SWAPs in focal areas and Denmark and Sweden in a selection of sectors, in agriculture and water and sanitation for the former, and in education and health for the latter.

³² For instance, for 'Supporting the Hardest to Reach Through Basic Education' (SHARE), the EU pointed out issues linked to governance, accountability, ownership, staffing and lack of an overarching policy framework, and decided to select a project approach using NGOs. Similarly, for 'Agricultural Sector Programme Support phase 2' (ASPS 2), Denmark decided to embark on a project with provision of specific international TA instead of a SWAP due to insufficient development of the policy framework for the agricultural sector and financial management issues.

programme has been implemented through a SWAP approach, based on the so-called ‘treasury model’, which was a targeted budget support with stringent fiduciary safeguards.³³ Several elements led DPs to move towards this earmarked budget support: (i) financial management in education was considered relatively strong; (ii) the government demonstrated a growing leadership and ownership under PEDP 2; and (iii) high transaction costs were associated with a Trust Fund. Within this context of DPs moving towards the treasury model, the aid modality choice of the EU (extensively discussed with the partner and underpinned by analyses discussing possible financing options during the formulation stage of PEDP 3) can be considered appropriate. While anchored to the SWAP, it is worth noting that the EU SBS has slightly differed from the treasury model: (i) its funds were not tied to a list of eligible expenditures; (ii) the EU added two specific outcome-level indicators to the joint list of DLIs; and (iii) the MoF had to report on the two general eligibility conditions related to sound macroeconomics and public finance management. EU MS concerns on the country’s high fiduciary risks - at the heart of Sweden’s and Denmark’s common position on not using budget support - do remain valid, but find less relevance in the specific context of PEDP 3 with the PFM safeguards put in place for this programme. However, the design of PEDP 3 insufficiently took into account the government’s limited capacities and the adjustments required by the introduction of a new mode of intervention and partnership.

The choice of aid modalities has generally been driven by EPs, with varying levels of consultation with the partners depending on the development engagements. In the field of human rights and democratic governance and primary education (PEDP 3), discussions on aid modalities took place during the formulation stage. As regards budget support, EU services were substantially involved in the design. However, due to the high staff turn-over within the Bangladeshi civil service, the officials who took part in the design phase and understood the logic of the SBS were no longer in charge in 2015. Besides, the fact that the EU SBS and the treasury model were not completely aligned created confusion among counterparts in the government. In contrast, the design phase of private sector development programmes has not involved substantial consultation with the partners on aid modalities.

JC9.2 Extent to which choice and mix of aid modalities and channels have allowed for engagements between EPs and the diverse stakeholders including NSAs

In response to the country context, EPs tended to engage more with IOs and NSAs than the government for aid delivery. They used pooled funding mechanisms with other DPs (e.g. in primary education with PEDP 3, in climate change and disaster management with BCCRF and CDMP), and direct partnership with local government institutions, civil society and NGOs (e.g. support to gender and human rights and democratic governance).

³³ DPs disbursements are made against a specific list of eligible expenditures. In practice, out of government budget expenditures, this list only excludes pensions, advances and discrete projects but the programme remains underpinned by an earmarking logic. Besides, even though DPs channel their funds through the treasury, several exceptions to the Government Procurement Guidelines (2008) have been decided upon to ensure compliance with World Bank and ADB procurement rules.

The EU expanded its collaboration with NSAs throughout the period, with total grant contracts increasing between 2012 and 2014 from €165m to €201m (i.e. 34.7% of the total cooperation programme). EPs also delivered a small share of their assistance directly through government institutions (e.g. EU support to private sector development with INSPIRED) and conducted policy and political dialogue with the government. In that respect, the EU has been the EP the most willing to work with central government structures.

Sector-wide approaches implemented in the education and health sectors enhanced harmonisation between DPs, with a caveat for EU SBS. In the education and health sectors, the large number of DPs heightened the need for donor coordination and alignment to country systems. DPs pushed for a programme approach, initially refused by the government that perceived the SWAP as a loss of power. National ownership and leadership then progressively evolved. As a result, DPs' support in these sectors gained in harmonisation and showed a steady increase in the use of government systems. For PEDP 3, disbursement mechanisms under the treasury model - the joint list of DLIs and the joint agreement about their fulfilment - have represented a step forward compared to PEDP 2 in terms of harmonisation. In that broad context, the EU SBS and its specific implementation modalities have been considered by the government - MoF and MoPME - additional burdens and in breach of DPs' commitment to harmonisation (see also EQ3).

Channelling through IOs enabled EPs to be present in and to provide appropriate support to key sectors. It limited the fragmentation of DPs' support but has also been a source of tension between DPs, which undermined the efficiency of the support. In a context where EPs had to sharpen the focus of their portfolio to a limited number of sectors and had scarce technical human resources, EPs have been channelling a substantial share of their assistance through IOs (UN/WB/ADB), selected according to their technical comparative advantage and added value in specific sectors (e.g. WB for climate change and public financial management; UNDP for human rights and democratic governance³⁴). Using pooled funding enabled EPs to be present in and to provide appropriate support to these sectors, together with other DPs. It therefore reduced the fragmentation of DPs' support. However, there were disagreements between EPs/WB/UN on: trust fund governance and management³⁵; administrator vis-a-vis partner relationship on information provision and monitoring; and positions on political issues (e.g. elections). This was particularly the case for Bangladesh Climate Change Resilience Fund (BCCRF) and Strengthening Public Expenditure Management Program (SPEMP) (WB), CHT Development Facility (UNDP, with a tendency to prioritise short-term outputs rather than results), Activating village courts (UNDP), and Comprehensive Disaster Management Programme (CDMP, UNDP). These discrepancies have undermined the efficiency of the support delivered by these trust funds causing, for example, slow implementation rates of the programmes and delayed decision-making processes.

³⁴ UNDP has been a trusted partner of the government, especially in the area of justice, human rights and human security. It has the mandate to intervene in the CHT area, it has a history of advocating establishment of a human rights commission in Bangladesh and it has provided support to the Bangladesh Election Commission since 1997.

³⁵ Management from Washington delayed implementation and decision making processes and lowered government ownership.

NSAs have been important partners for EPs in all sectors reviewed, but their sustainability is questionable. The support of all EPs to advocacy NGOs in the area of democratic governance has enabled them to have a voice in an area where the space for dialogue was restricted. Moreover, a range of NGOs has taken an active part in the implementation of climate change interventions and in farmers' organisations, often in the form of community based organisations (CBOs) providing both services and capacity development. In primary education, NGOs have been able to teach marginalised groups that the government struggled to reach. However, the sustainability of most NGOs is questionable and their cooperation with the government on core social service provision remains limited. While the NGOs engaging in democratic governance will continue to rely on non-government funding, EPs have generally not devised credible exit strategies for service delivery NGOs and CBOs, hereby not fundamentally addressing the systemic issues, in the process also undermining long-term aid effectiveness.

The depth of EPs policy dialogue with the government has remained limited and the EU's SBS has not improved this, despite its intentions. Being in the driving seat of its policies, the government had limited engagement on policy dialogue with DPs. Policy dialogue has mostly been led by other DPs (WB, ADB, DfID and UN), which have been well staffed, both in number and in terms of technical expertise. The EU SBS has not promoted a regular and strategic policy dialogue at the ministerial level within MoPME and with the Ministry of Finance: there has been an annual dialogue on sector performance within the framework of PEDP3; the two (results-based) EU indicators have not allowed for a deepening of the policy dialogue (see EQ3). Concerning policy dialogue on PFM reforms, EPs (and more generally DPs) faced difficulties to move the PFM reform process forward during the period. A step forward has however been noted in 2015, with the government conducting a PEFA assessment and the subsequent updating of the PFM reform strategy. However, full implementation of the updated PFM strategy is still to be delivered upon, which of course is the crucial element.

JC9.3 Extent to which the capacities of both EPs and the government have been sufficient to manage the aid modalities and interventions, including in terms of responsiveness to a changing context

EPs' human resource capacities remained too stretched to adequately manage the aid portfolios, augmenting the inclination to rely on IOs. In the early period, there was an overall adequate skills mix at EPs representations. However, EPs technical capacities have been limited in numbers throughout the period. This contributed to increased use of IOs as implementing partners for aid delivery. Human resource constraints also conditioned the place of EPs within the donor community and limited their influence at sector level.

The human resources of the EU Delegation were particularly overstretched towards the end of the period. Indeed, they felt significant pressure, with allocated staff of the EUD Operations section being significantly downsized between 2013 and 2014. This was the result of an overall EU trend to reduce staff. In addition, the average vacancy rate for officials increased between 2011 and 2014 with some critical posts (e.g. Head of Cooperation) not being filled for several months in 2014. The strain on the absorption capacity of the EUD has been further aggravated by increased commitment and

disbursement pressure throughout the period.³⁶ Moreover, significant tensions have occurred, especially since 2011, between HQ/EUD on programming and choices of aid modalities with the EUD/HQ having different perceptions and the EUD having limited influence over what was perceived as a HQ-led decision process. This led to sudden changes in the programme directions and aid modalities in 2015, previously negotiated by the EUD with the partners.

The low absorption capacity of government institutions throughout the period has been a major cause of delay in implementing almost all programmes. Absorption capacity issues have been linked to weak institutional capacity, aid governance problems and a lack of political will for reforms. Indeed, EPs efforts to improve the government's capacity to manage aid have been undermined by the frequent transfer of government officials over the lifecycle of a project, which is due to both systemic factors and political reasons. In addition, corruption represented an obstacle for the smooth implementation of EPs programmes in all sectors.

Risks have often been well identified, but mitigation measures remained insufficient. EPs have generally well documented risks in their strategy documents and in the identification/formulation project documents. Major identified risks include political risks, capacity risks, fiduciary risks, and continued government/partner commitment. However, in the education and climate change sectors, capacity risks have often been underestimated. Mitigation measures have generally not been sufficiently thought through at identification/formulation stage.

EPs had to adapt to the worsening of the political situation towards the end of the period. Indeed, the political and security situation in 2013 had negative consequences on programme implementation and monitoring. Projects incurred delays, partners could not access target beneficiaries and had to adopt contingency plans to adapt to the situation. In addition, extension periods have been granted for many EU programmes.

Sweden and Denmark's aid modalities often proved to be more flexible than EU ones. For instance, in its support to primary education, Sweden supported both Results Based Management TA and PEDP 3: the mix was effective and characterised by an important degree of flexibility, since the TA objectives were adjusted to the shifting modes of intervention from PEDP 2 to PEDP 3. EU interviewees pointed out the lack of flexibility of EU aid modalities (including the Instrument for Stability) to respond to sudden changes/incidents in the human rights and democratic governance field. In private sector development, Denmark could be more flexible than the EU since it had direct control over recruitment and management of technical assistance.

³⁶ EU annual allocations to Bangladesh have significantly increased since 2011: €51m/year for the MIP 2007-2010; €66m/year for the MIP 2011-2013; and €98.5m/year for the MIP 2014-2020 (or €690m for the full period 2014-2020)

3. Assessment of EPs' support in major areas of engagement

This section presents the sector-level findings that emerged from this evaluation, in the form of answers to evaluation questions. They focus on the effectiveness of EPs support in the area of: (i) primary education (EQs3 and 4); private sector development (EQ5); human rights and democratic governance (EQ6); climate change and disaster management (EQ7); and gender (EQ8).

3.1 EQ3: EPs' support to primary education (Step 1)

EQ3: To what extent and under which circumstances have interventions by development partners (notably EPs) contributed to aid effectiveness and to enhancing the policies, spending actions and service delivery of the government in the field of formal and non-formal primary education?

In contrast to PEDP 2, PEDP 3 and the treasury model have represented progress in terms of coordination, harmonisation and alignment to government's systems. However, PEDP 3 has remained a hybrid modality, anchored to a project approach and overly determined by DPs' disbursement imperatives. In that context, the principal objectives of a Swap could not be entirely fulfilled.³⁷ Still, the nature of the policy dialogue moved away from discussions on inputs and DPs have, over time, demonstrated their flexibility to take account of government's implementation challenges. But the dialogue remained excessively shaped by DPs' micromanagement and control of compliance.

Despite genuine efforts to improve its management, technical assistance continued to be mainly geared towards the fulfilment of disbursement conditions.

The policy dialogue and capacity development efforts were primarily targeted on the Directorate of Primary Education (DPE) whereas DPs insufficiently engaged with the ministerial level, the Ministry of Education, the Ministry of Finance, civil society organisations involved in education and teachers' unions.

³⁷ According to the OECD-DAC, a Swap is a 'way of working', that can be supported by a variety of aid instruments. Its main objectives are 'i) broaden partner countries' ownership of decisions about sectoral policy, strategy and spending; ii) increase the coherence between sectoral policy, spending and results through greater transparency, wider dialogue and a comprehensive view of the sector; iii) strengthen national capacity at all stages of sector planning and iv) manage and reduce the transaction costs associated with aid and increase its effectiveness.' In contrast to a traditional project approach, its main features are 'a country holistic view on the entire sector, a partnership with mutual trust and shared accountability, external partners' co-ordination and collective dialogue, increased use of local procedures, long-term capacity/system development in sector and process-oriented approach through learning by doing.' (OECD, 2009, p.36).

Moreover, while a Swap is meant to encourage a holistic approach to the sector, DPs paid limited attention to sector dynamics and did not develop any strategy to address the sector fragmentation, in a context where key strategic issues (the extension of primary education to grade 8, the development of vocational training, the sustainability of non-formal education and the deepening of decentralisation/deconcentration) require strategic planning and coordination across sub-sectors. PEDP 3 led to the strengthening of sector-level PFM but the complexity of the procurement regime (a mix of WB, ADB and government procedures) constituted a major challenge for government officials and slowed down the implementation. Besides, DPs' limited attention to sector finance - at odds with the Swap principles but consistent with the prevailing project approach - appears all the more problematic as the country has been facing major supply challenges.

PEDP 3's disbursement mechanism played a critical leverage role in promoting key quality-oriented reforms. Specifically, through the negotiation of DLIs, DPs put an emphasis on the role of teachers as drivers of learning improvements, within a multifaceted understanding of the teaching profession that encompasses their recruitment, initial training and motivation. However, only limited attention was given to teachers' supervision. Moreover, learning conditions did not improve significantly over the evaluation period, hereby undermining the possibility of enhancing learning outcomes. Within this broad framework, the EU choice for budget support was relevant but the full potential benefits of the instrument could not be realised. So far, the EU and Sweden's relatively minor financial weight, the complexity of the programme, human resource constraints and the lack of coordination among EU member states led them to overly rely on the World Bank's and ADB's prevailing approach.

The potential for improving aid effectiveness therefore remains significant. The initial discussions over the post-PEDP 3 programming have given DPs, and specifically the EU, the opportunity to reflect upon strategic ways to address these concerns and improve aid effectiveness in the future.

Rationale and coverage of the EQ:

This question examines both the direct and induced outputs of DPs' interventions in primary education during the period under review. Sector budget support - and to a lesser extent, basket funds - are aimed at improving aid effectiveness (i.e. more coordinated, more harmonised, more aligned aid and with lower transactions costs) and increasing the fiscal space for the concerned sector. Aid effectiveness is also meant to serve the enhancement of education strategies, policies and governance as well as budget programming and execution geared towards a better coverage and quality of education services. The question assesses the extent to which DPs' interventions - PEDP 2 and 3 and complementary interventions - have contributed to these expected improvements. PEDP 2 (2003-2011) was supported by 11 DPs: CIDA, DFID, the EU, SIDA, Norway and the Netherlands contributed to a trust fund (TF) managed by ADB; AusAid co-financed through UNICEF; and JICA and the World Bank financed individually. The PEDP 2 total amount was USD1.84 billion, including government's contribution (USD1.6 billion). PEDP 3 (2012-2017) has been supported by 9 DPs - ADB, AusAid, CIDA, DFID, the EU, JICA, SIDA, UNICEF and the World Bank - through the "treasury model". DPs' funds have been directly channelled to the treasury and implemented through government

systems and procedures, with some additional fiduciary safeguards. The EU contribution, via a sector budget support, has slightly diverged from the general scheme. PEDP 3 total planned cost amounted to USD8.4 billion, including the government's contribution (USD 7.3 billion). The analysis, whilst taking account of all DPs' interventions under the TF/Swap, attempts to isolate the effects of EU/SE supports (PEDP 2 and 3, SHARE for the EU and RBM technical assistance for Sweden) on identified improvements. It covers Step 1 of the OECD-DAC 3-step methodological approach to evaluate budget support operations.

JC3.1 Effects of DPs interventions in education on aid effectiveness in primary education (more predictable, coordinated, harmonised and aligned aid and lower transaction costs)

The degree of aid effectiveness improved over the evaluation period with foreign aid to primary education becoming more coordinated, harmonised and aligned. From PEDP 1 (1997-2003) to PEDP 3 (2012-17), the changing of aid modalities (projects, basket funds and treasury model) has been a challenge for government officials but today stakeholders (government, DPs and CSOs) agree that it has been the right trajectory. Specifically, with PEDP 3, foreign aid to primary education has become increasingly coordinated and harmonised as well as aligned with government's procedures and systems. While PEDP 2 had been designed by 27 international consultants mobilised by the ADB, PEDP 3 formulation has been more home-grown, through a participatory and inclusive process. The World Bank and ADB made significant efforts to harmonise their procedures: i.e. the development of a standard bidding document and a common procedure in case of flawed procurement. Tensions that existed during PEDP 2 due to ADB's leading role were eased. DPs' disbursement mechanisms have been partly aligned with government programme documents and systems. They have been based on evidence of PEDP 3 expenditures through financial statements produced by the MoF's integrated budgeting and accounting system (IBAS) and on 9 Disbursement Linked Indicators (DLIs) selected from the 27 Key Performance Indicators (KPIs) included in the PEDP 3 document.

The 'treasury model' kept many features of a project approach and could be characterised as a targeted budget support with stringent fiduciary safeguards. This middle ground position facilitated the acceptance of most DPs to use the government treasury system. Whilst the EU promoted, during the design phase, a focus on outcomes, the World Bank and the ADB traditional approach that link disbursements to reforms and outputs was eventually favoured. Besides, several caveats have limited alignment: i) at strategic level, not all policy orientations included in the *National Education Policy* are addressed by the Primary Education Sector Programme PEDP 3 (for instance, the planned expansion of primary education from grade 5 to grade 8); ii) disbursements have been made against a list of eligible expenditures, iii) use of parallel procurement systems (World Bank for goods and works; ADB for services), iv) a list of 11 specific reports to be produced and v) quarterly and annual fiduciary reviews taking place since most DPs were not ready to use treasury systems without fiduciary risk safeguards, this middle-ground position was perceived by stakeholders as a productive compromise. Given the context, the treasury model was an appropriate choice in terms of aid modality. However, if DPs have spoken to the government with "one voice", the latter has overly

been determined by the two leading agencies, ADB and the World Bank: thanks to their privileged access to government officials, their financial weight, their substantial human resources and their historical leading role in the sector, they tended to dominate the dialogue and set the agenda. The harmonisation has mostly happened between the two development banks: their favoured project approach has largely shaped the nature of the SWAP implemented in practice.

Joint institutions for policy dialogue and performance monitoring have been put in place and the nature of the dialogue has changed with a greater focus on policy reforms. Under PEDP 2, a number of good aid practices were adopted, such as joint reporting systems, joint missions, and annual sector performance reviews. PEDP 3 has contributed to reinforcing the mechanisms for joint policy dialogue and performance monitoring and to decreasing the number of parallel missions. The key instrument for sector coordination has been the Joint Financing Agreement (JFA), signed by the government and DPs, including the EU and Sweden. The arrangements set out in the document include (i) common systems and procedures for information sharing, decision making, monitoring and reporting; (ii) joint government and DPs consultation procedures and annual joint review processes; (iii) common model for flow of funds and disbursement arrangements. Sector performances have been jointly assessed twice a year, through a Joint Consultation Meeting held in November, and a Joint Annual Review Mission (JARM) in May. Means of verification include an Annual Sector Performance Report (ASPR) produced every year by the DPE. PEDP 3 joint working groups (quality; disparity; administration, monitoring and evaluation; and finance and procurement) have served as on-going coordination mechanisms on major management decisions. From PEDP 2 to PEDP 3, the nature of the dialogue has changed with a greater focus on policy reforms. The DLIs helped to shift the discussions away from negotiations over the details of each contract as under PEDP 2 towards greater engagement on strategic issues.

The policy dialogue under PEDP 3 has still been associated with significant transaction costs; it has remained overly shaped by DPs disbursement imperatives and excessively focused on the DPE. The dialogue has mainly focused on the 9 DLIs and neglected other key performance indicators, which have not been addressed in working groups. Besides, the tedious process of collecting evidence of DLI's fulfilment has not been associated with low transaction costs and has resulted in a confrontational rather than a collaborative relationship between the government and DPs, at least in the initial stage. The choice of verification protocols for some DLIs has insufficiently taken into account their practical implications for the administration (for instance, the proof of transparency in the recruitment of teachers or the verification of SLIP transfers to schools based on bank statements). During JARM and in working groups, discussions have been excessively geared towards a control of compliance, crowding-out strategic educational discussions. However, since the beginning of the programme, DPs have shown a certain degree of flexibility and managed to adjust the protocols of DLI verification to take account of government implementing challenges. DPs' 'micromanagement' also enabled them to develop their knowledge about government constraints and systems, which constitutes a precondition for meaningful policy dialogue. Finally, the policy dialogue and capacity development efforts excessively focused on the 'implementer' (DPE). There has been no regular dialogue with the MoF, the ministerial level (MoPME) or the MoE, except through formal occasions such as joint annual review missions and mid-term reviews. PEDP 3

consortium working groups overrode the Education Local Consultative Group: non-functional in practice, the latter could have been the appropriate body to promote intra-sectoral coordination and to structure a higher-level policy dialogue, including with the MoF and civil society.

Despite genuine efforts to improve the management of TA, it has remained highly problematic, donor-driven and gap-filling oriented. PEDP 3 arrangements for TA management were designed to overcome the problems faced during PEDP 2 with ineffective and overly donor-driven TA. Under PEDP 3, the DPE drafted a TA rolling plan, based on a systematic assessment of TA needs, and this plan has been regularly updated. The number of TA pools has decreased. Terms of reference have been discussed within working groups. However, the management of TA has remained problematic. They were still very much donor-driven and their interventions were rather geared towards compliance of DLIs than transfer of know-how. Consultants have achieved most requirements and produced most reports. TA has been overly shaped by a ‘gap-filling’ approach, rather on a short-term basis than on a long-term capacity development orientation. The high degree of staff turn-over within the administration has also contributed to the lack of sustainable transfer of know-how from TA. However, the prevailing project management mode under PEDP 3 also played a critical role in preventing TA from playing a genuine institutional capacity development role. As an emblematic example, the national student learning assessments have been mainly produced by experts based in Australia and Washington, with very little involvement of staff from the M&E and MID divisions under DPE or local academic institutions. Overall, there has been little capacity transferred to the divisions.

In a context dominated by the World Bank and ADB, EPs’ ability to significantly influence aid dynamics has been limited by their relatively minor financial weight, human resource constraints and insufficient efforts to build common positions among EU member states. Sector budget support was a relevant choice for the EU. However, the full potential benefits of this modality could not be realised. Its two additional outcome indicators did not enable moving the dialogue towards a more outcome-oriented approach; the reporting requirements on its two eligibility criteria were considered an additional burden by the government and the fact that the PFM conditionality was tied to SPEMP - in addition to broader PFM progress - did not promote any substantial dialogue with MoF; the suspension of disbursements in 2014 did not give leverage to the EU on PFM issues and undermined its credibility towards the government.³⁸ The EPs made valuable and complementary contributions to the policy dialogue (e.g. Sweden pioneered result-based management in the sector and consistently promoted a dialogue around issues regarding institutional change in the DPE). However, the EPs’ relatively minor financial weight, the complexity of the programme, human resource constraints and EPs’ insufficient efforts to build common positions among EU member states led them to rely excessively on the ADB and World Bank’s projectised approach.

³⁸ Most officials interviewed had a negative perception of the EU, as an agency, labelled as ‘the most rigid, the most conservative partner’ (MN 204), which ‘makes PEDP 3 suffer’ (MN 202), and the EU suspension of disbursement has been perceived as an irrational decision, including by other prominent donors (MN 202, 204, 220 and 222).

JC3.2 Effects of DPs' interventions in education on fiscal space for primary education

Due to steady economic growth, public spending on education and primary education has increased, especially since FY 2011-12 in nominal terms but the national budget effort declined in relative terms and remained among the lowest in the world. From 2008-09 to 2013-14, the allocation to the MoPME almost doubled in nominal terms. However, the budget effort toward the MoPME declined from 6.1% of total government expenditure in FY 2008-09 to 4.8% in FY2011-12. Despite a rise in the next two fiscal years, its FY 2013-14 level (5.4% of the budget) was still below its 2008-09 level. Over the same period, the national financial effort to education remained stable below 2% of GDP and the share of education in the budget declined from 14.3% in FY2009-10 to 11.3% in FY 2013-14. These figures are well below the EFA benchmark of 6% and 20% respectively and low by regional comparison. Besides, the budget has been subject to increasing pressure mainly due to the nationalisation of registered non-government schools, which required absorbing about 114,000 additional teachers on the civil service pay roll from FY13/14. Resource allocations are largely insufficient for the country's stated goal of significantly improving quality and equity in primary and secondary education.

PEDP 3 faced implementation delays. PEDP 3, which is allocated under the MoPME development budget, has been executed by the DPE and other executing agencies.³⁹ In addition to this programme, the DPE development budget includes "discrete projects," for a total amount equivalent to that of PEDP 3. These encompass the government-funded stipend and infrastructure programmes and the EU and WFP school feeding initiatives. In terms of execution, since 2010/11, MoPME has achieved positive results with an execution rate consistently above 90% (based on the revised budget). The mid-term review (2013-2014) however underlines the slow disbursement of PEDP 3 budget, especially for key quality and disparity related reforms. Only about 35% of funds planned to be disbursed by year 3 (FY 13/14) had been spent, which led to the extension of the implementation period by one year and to budget reallocation in favour of the infrastructure component.

DPs complemented the government's financial effort in primary education but the complex procurement regime hampered the execution of the programme. Over the evaluation period, DPs contributed to the absolute increase in the financial envelope dedicated to primary education, however on a relatively small scale: they contributed 15% of PEDP 2 total costs and about 12% of PEDP 3 total costs. The complex procurement regime derived from JFA special procurement provisions, associated with limited initial capacity in complying with these procurement requirements, constituted a major implementation constraint that led to delays. Limits on the availability of advances constituted another constraint, which has been addressed to some extent by the MoF after DPs and DPE jointly raised the issue. Finally, the suspension of PEDP 3 infrastructure component due to DPs' disagreement with the government list of most needed locations also led to delays in implementation.

³⁹ The Local Government Engineering Department (for the infrastructure component), the National Academy for Primary Education (NAPE) and the National Curriculum and Textbook Board.

Despite the EU's attempt, DPs showed limited interest in sub-sector/sector finance and in the financial implications of the lack of predictability of their disbursements.

The design of PEDP 3 did not pay enough attention to sector finance as a whole, focusing on the PEDP 3 budget, which is only one component of the MoPME budget. The World Bank conducted a public expenditure review in education in 2010, which covered the entire sector, with a focus on primary and junior secondary education. However, its main recommendations – ‘improve coordination between the two ministries of education’, ‘gradually increase the overall funding level in education’ and ‘strengthen budget management’ - did not inform the PEDP 3 design and implementation. There has been very little analysis of sector budget trends or of criteria for allocations of funds to lower levels (DEO, UEO and schools). The financial implications of major political decisions (nationalisation of RNGPS, construction of pre-primary classrooms and primary education extended to grade 8) have not been sufficiently integrated in the policy dialogue, beyond discussions during the Mid-Term Review. Besides, the implication of the high degree of unpredictability of DPs' disbursement (timing and amount) has been of limited concern to them. The EU attempted to promote a greater focus on the sector's finance through the push for a “finance DLI” (“subsector financing [that] cannot be less than 1.03% of GDP in every period”). However, this indicator did not achieve its intended role due to a rigid approach of other DPs' assessment of DLI compliance and the leading agencies' lack of interest in the issue.

JC3.3 Effects of DPs' interventions in primary education on improvements in the design, execution and monitoring of education policies and budgets as well as in the governance of the sector

The sector strategic framework has been strengthened through a broad participatory process but sector fragmentation has remained highly problematic and DPs did not develop any strategy to address it. A national education strategy and a sub-sector operational plan were developed through a broad consultation. But PEDP 3 has been out of sync with the national strategy, i.e. it has not integrated the expansion of primary education to grade 8 and its financial plan has been inconsistent with the NEP financial framework. The fragmentation of the sector (two ministries and several types of providers) was initially identified as a critical challenge. Some progress has been made with the integration of pre-primary education and the nationalisation of registered non-government schools (RNGS). To date, DPs have however paid little attention to critical challenges related to education sub-sector interdependence. In mid-2015 several DPs envisaged shifting from primary to secondary education, including the ADB and the EU. This move may respond to funding challenges of underfunded secondary education but, if the prevailing narrow focus continues to prevail, it will not address the sector fragmentation reinforced by DP's silo vision of education. In addition, DPs' interventions hardly encouraged a better integration of non-formal education, one of PEDP 3 stated strategic objectives. While NGOs involved in the delivery of non-formal education have been, for the last twenty years, entirely DP-funded, aid agencies have never initiated any coordination mechanisms or joint strategic reflection about their support in this fragmented area. Despite its intentions, the EU's SHARE programme did not contribute to a better synergy between formal and non-formal education mainly due to the lack of government's involvement in its design. Towards the end of the evaluation period the EU

recognised the need for better coordination between support for the delivery of non-formal education and policy dialogue under PEDP3.

Limited progress has been made towards greater decentralisation and school autonomy due to government's lack of political will, reinforced by DPs' narrow focus on School Learning Improvement Plans (SLIPs). The deepening of decentralisation has been a strategic orientation of PEDP 2 and 3. Government's lack of interest certainly explains the limited progress in setting up a genuine regulatory framework to allow the devolution of competences and funding in primary education. However, due to the nature of the policy dialogue, excessively focused on the fulfilment of DLIs, discussions about decentralisation were narrowly focused on the question of disbursement of SLIPs grants to schools. DPs did not encourage discussions on the broader financial framework for schools and lower government levels.

PEDP 3 and the treasury model drove improvements in PFM at sector level, though DPs approach has especially focused on mitigating fiduciary risks. Sector level PFM improvements have been at the core of the PEDP 3. Improvements have been made: PEDP 3 has used IBAS to produce financial reports, the quality of which has gradually improved; it has been a pioneer of PFM reforms by integrating both revenue and development budgets; auditing capacity at MoPME has been strengthened in coordination with SPEMP; and timing of MoF budget releases to the DPE and field officers has also improved significantly. The treasury model has allowed for the identification of problems (e.g. cash constraints for advances) and the improvement of the systems: for instance, there has been a better follow up on SLIPs disbursements based on government systems; a 'live data base' is being set up to prioritise infrastructure investments. It has also encouraged a nascent dialogue between MoPME, MoF and the Comptroller and Auditor General. However, the PFM and fiduciary arrangements under PEDP3 have rather been geared towards DPs' internal needs to mitigate fiduciary risks than inspired by a holistic strategy to improve the expenditure cycle in the MoPME. PFM capacity development has rather been focused on the DPE (and, to a lesser extent, on the other PEDP 3 implementing agencies) than on the ministry itself. Finally, in the context of limited progress in MoF-led PFM reforms, PEDP 3 DPs (under the World Bank and ADB leadership) tended to revert to ad-hoc, parallel PFM systems.

Planning, monitoring and reporting capacities have been strengthened but data coverage, management and use has remained problematic. In comparison with PEDP 2, PEDP 3 has put an increased emphasis on how inputs are used at school level to improve learning outcomes. DPs – especially Sweden's RBM TA - played an instrumental role in promoting RBM within MoPME and developing and strengthening various planning, monitoring and reporting tools: the Annual Operational Plan, the annual sector performance report, the annual primary schools census, the national student assessment and the infrastructure 'live data base'. Data coverage, quality, and use have however remained problematic: for instance, non-formal education delivered by NGOs was not integrated; there was no system of sample-based quality check of census data; key data sets were unavailable for analysis and answering RBM questions. Finally, the actual internalisation of RBM has remained questionable given the heavy involvement of foreign TAs in analysing data and producing reports.

Quality-oriented reforms have been achieved, with DPs' DLIs playing a critical leverage role. Significant progress has been made, including the timely distribution of

textbooks; the revision of examinations to make them more competence-based and the finalisation of the pre-primary education curriculum, the teacher's guide and manuals. Specifically, the policy dialogue put an emphasis on the role of teachers as drivers of the improvement in learning achievements, through a multifaceted understanding of the teaching profession that encompasses their recruitment, initial training and motivation. DPs were instrumental in promoting merit-based teacher recruitment, the raise in the minimum qualification for recruitment of female teachers to Higher Secondary Certificate level and the development of a Diploma in Primary Education (dip-in-ed). Despite the failed attempt to create a 'primary education cadre' within the civil service, DPs have continued to promote the setting up of a formal 'career path' that could be conducive to teachers' long-term professional motivation and reward of performance. However, the effective implementation of the dip-in-ed new curriculum appears questionable in a context where major changes in capacity and practices in primary training institutes have not occurred. Besides, Each Child Learns,⁴⁰ labelled a "flagship" pilot for transforming classroom practices, has been stalling due to insufficient support and commitment from the central level. Only limited attention was given to teachers' supervision by local level administrators, with the view to providing professional support and to tackling unprofessional behaviour such as absenteeism and private tutoring. Finally, evidence regarding effective use of textbooks in the classroom is lacking and establishing the quality, relevance and practical value of the teacher's guide and manuals through trial and development with involvement of classroom teachers has been neglected.

Over the last two decades, the country has made tremendous progress in terms of access of girls to primary education. However, patriarchal norms have remained barriers to safety and security of girls on the way to school, but also in terms of girls' participation in vocational education and retention of girls, especially at secondary level (early marriage). The designs of PEDP 2 and 3 have been gender sensitive with key monitoring indicators disaggregated along gender lines. The PEDP 3 JFA also foresees the elaboration and regular review of a gender/inclusive education plan. However, the drafting of the plan was only completed in 2015. This delay illustrates that, in practice, gender and inclusive education has not attracted political attention, a lack of interest partly due to the widely-shared conception of gender issues as focused on girls' enrolment.

CSOs have been involved in the provision of formal and non-formal education on a wide scale but their actual influence over policy making and monitoring has remained limited. While involved in the PEDP 3 design, CSOs did not play any role during implementation. DPs, including the EU and Sweden, have consistently pushed for a better inclusion of CSOs within the policy dialogue structure. However, their efforts were hampered by the traditional distrust between the government and CSOs. Besides, DPs have not developed any coordinated approach to their support to advocacy CSOs and have not engaged with teachers' unions. Even though politicised, the latter are key stakeholders

⁴⁰ "Each Child Learns" is a UNICEF-led initiative, implemented within the PEDP 3 broader framework, which aims to address the quality of teaching and learning issues in the classroom. Through training of teachers, the model challenges the traditional teaching method based on rote learning and focused on higher achieving children.

in achieving an actual transformation of teaching practices and the adoption of an effective teachers' code of conduct.

JC 3.4 Effects of DPs' interventions in primary education on availability of quality and gender sensitive primary education services across the country

The availability of education services (infrastructures and teachers) improved but children's learning conditions have not been enhanced. Between 2008 and 2014, the number of primary schools in the country increased by 30%. The number of government primary schools remained almost stable but, as of April 2014, about 50,000 new classrooms had been built under PEDP 2 and 3. Despite this effort, in 2013, only 23% of primary schools met the student per classroom standard ratio of 40 and the vast majority (80%) of government primary schools (GPSs) were run through a double-shift system, which implied far fewer contact hours than the standard defined. Only 43% of primary classrooms were considered in 'good condition' and 64% had separate functioning toilets for girls, indicating persistent gender challenges.⁴¹ Despite the recruitment of some 45,000 additional GPS teachers between 2004 and 2011, there was still an acute shortage of primary teachers. In 2013, only 53% of primary schools met the standard student-teacher ratio of 46. The proportion of teachers (in GPS and RNGPS) who meet the minimum qualification - being trained to at least C-in-Ed level - has not improved since 2008 (around 80%). However, the availability of textbooks has significantly improved. In 2014, 95% of the government primary schools offered pre-primary education (PPE). Yet this figure hides a less positive situation in terms of class size and availability of a dedicated and properly equipped space and of dedicated and properly trained teachers for PPE.

DPs financial support and policy dialogue contributed to the increased availability of schooling infrastructure across the country in a context of enrolment expansion but their mode of intervention partly led to limited improvement in learning conditions. DPs' financial support complemented the government's budgetary efforts to build new classrooms and new latrines. DPs were also instrumental in promoting the inclusion of pre-primary within PEDP 3 and played a critical role, through the choice of DLI, in the timely distribution of textbooks in schools. However, at the end of the evaluation period, the country was still facing major supply challenges: poor conditions of classrooms; acute shortage of primary teachers; insufficient provision of textbooks. In this context, DPs' limited attention to sector finances and criteria of resource allocation to lower levels has been problematic. Moreover, PEDP 2 and 3 complex procurement regimes and the lengthy negotiations over criteria to ensure need-based infrastructure investments had a direct impact on the slow progress in the availability of new classrooms. The limited improvement in the quality of schooling infrastructure also questions the relevance of DPs' RBM approach and of its related TA. The monitoring of the Primary School Quality Level indicators - a key innovation introduced under PEDP 2 to track minimum standards in primary schools - did not drive any major quality transformation or any significant progress towards more gender sensitive schooling facilities⁴².

⁴¹ To increase the proportion of schools with separate functioning toilets for girls constituted a PEDP3 operational priority to address concerns over insufficient gender-sensitivity of school facilities.

⁴² These 18 indicators include the question of functioning toilets for girls.

3.2 EQ4: Results in primary education (Step 2)

EQ4: Has access to better quality primary education for all Bangladeshi boys and girls improved? What have been the main determining factors of observed evolutions?

Over the evaluation period, access to formal primary schools significantly improved. The country also achieved significant progress in terms of retention within primary schools as testified by the significant decrease in the drop-out rate and the major increase in the completion rate. However, the number of out-of-school children and the drop-out rate have remained high and characterised by geographical and socio-economic disparities. Girls enjoyed better access to primary schools than boys and their dropout rate declined faster than that for boys, resulting in the widening of the gender gap, but this has received limited attention from DPs. Finally, while universal junior secondary education has been internationally recognised as the best strategy to achieve foundational skills for a productive labour force, the gross enrolment ratio at secondary level remained stable between 2009 and 2013.

Both the growth in the supply of education services and initiatives to reduce the cost of schooling have encouraged positive trends in terms of access and retention within primary education. However, even if the fiscal space for education and primary education significantly expanded over the evaluation period, resources have been largely insufficient for the country's stated goals of achieving universal access and significantly improving quality and equity in primary and secondary education. Indeed, the persisting shortage of infrastructure and of teachers and the inadequate learning conditions have contributed to the prevailing high number of out-of-school children and the dropout rate at primary level. There was no significant change in overall student achievements between 2011 and 2013 and learning achievements were notably worse in isolated areas and in high-poverty districts. Learning outcomes have been highly correlated with children's poverty and parents' level of education. They have also been influenced by inadequate learning conditions (overcrowded classrooms) and by factors that revolve around school and classroom interactions. Prevailing teaching practices have been characterised by rote learning and excessively oriented to high stake examination. Supervision of schools also remained limited and insufficiently geared towards the provision of professional guidance to improve teaching-learning processes in classrooms. Teachers' absenteeism and lack of punctuality, which are often signs of low job satisfaction and low morale, have also influenced the number of contact hours in a country where the official number of schooling days per year is already low.

Rationale and coverage of the EQ

This questions aims to assess the main primary education dynamics in terms of access, quality and equity (gender, wealth and territorial) over the evaluation period. It also intends to identify critical factors that have shaped performance. It links these achievements with particular policies implemented by the government and supported by DPs. It also casts light both on demand-side and external factors. It should be noted that quality education

remains an elusive concept from an analytical perspective. The present analysis draws on annual learning assessments, despite their limitations, to document issues of quality. It covers Step 2 of the OECD-DAC 3-step methodological approach to evaluate budget support operations.

JC4.1 Evolution of participation in primary education, formal and informal, for boys and girls and across the country

Over the evaluation period, access to formal primary schools significantly improved, especially for girls. However, the number of out-of-school children remains very high, with important geographical disparities. Bangladesh recorded a sharp increase in the total enrolment in formal primary education between 2010 and 2012, before stabilising in 2013. This trend translated into a steady growth in the net enrolment ratio. The lack of robust data hampers a good understanding of non-formal education dynamics but the number of children enrolled in non-formal learning centres is estimated at 1.8 million, mainly from the poorest families. Total enrolment in pre-primary shot up by 73% from 2010 to 2011 and the percentage of grade-1 students in primary schools who attended pre-primary education increased from 38% in 2011 to 67% in 2013. These positive achievements in terms of access to primary education were not mirrored at secondary level: between 2009 and 2013, the secondary education GER (grade 6 to 10) remained stable (53-54%). Besides, between 2009 and 2014 there was no reduction in the gap between districts and the primary NER even decreased in some districts (e.g. Cox's Bazar, Sunamgonj and Sylhet). Moreover, the number of out-of-school children remains very high (estimated to 16% of the 6-14 age group), with significant geographical disparities. Across the seven divisions, the proportion of out-of-school children varies from 19.7% in Khulna to 26.6% in Sylhet. Due to a lack of educational services, the education participation in urban slums is low.

Bangladesh achieved high level of access to primary education for girls, with boys now having less access than girls. In 2013, the NER for boys was 96.2% and 98.4% for girls. A slightly higher proportion of primary-aged boys (24%) were excluded from school compared with girls (22%). However, in the more remote rural areas girls have still had significant problems in attending school regularly. The gender disparity in favour of girls is even more pronounced at secondary level: in 2013, the secondary education GER (entire cycle, grade 6 to 10) was 58% for girls and 50% for boys.

JC4.2 Evolution of retention within primary education increased and learning outcomes improved for all children across the country

Bangladesh achieved significant progress in terms of retention within primary schools but the drop-out rate has remained high and characterised by geographical and socio-economic disparities. The cycle dropout rate fell markedly from 50% in 2008 to 21.4% in 2013. The completion rate also showed a steady growth from about 50% in 2006 to 60% in 2010 and 78.6% in 2013. However, the dropout rate remains very high, around 20%. The gap between districts only slightly narrowed between 2009 and 2014 and substantial regional disparity persists. In 2014, three districts still recorded a drop-out rate close to 40% (Gaibandha, Kishorganj and Netrokona). As shown by the econometric

analysis, in 2013, Upazilas characterised by significantly higher average dropout rates and lower average completion rates were also characterised by large discrepancies between girls' and boys' performances at the grade 5 examination. However, at national level, the girls' dropout rate declined faster than the boys', resulting in a widening gender gap in favour of girls. Finally, the 20% poorest children were 12% more likely to be out of school, compared to the richest 20%.

There was no significant change in overall student achievements between 2011 and 2013 and learning achievements were notably worse in isolated areas and in high-poverty districts. The 2011 National Student Assessment established a baseline of performance of Grade 3 and Grade 5 students on a set of curriculum learning outcomes in Bangla and Mathematics. In both subjects, the majority of grade 5 students have not been working at their expected grade level. Gender differences in learning scores were small and not statistically significant. However, students in GPSs outperformed their peers in RNGPSs by a substantial margin; there is also a large variance in competencies among students of the same grade, across geographical divisions. Students' achievements in primary schools were notably worse in isolated areas and in high-poverty districts.

Disparity in educational performances across upazilas did not decrease. Based on the upazila composite performance index (gender participation, survival rate, learning outcome), which has been developed to monitor geographical educational disparities, the gap between the top and bottom 10% of Upazilas remained unchanged between 2010 and 2014.

JC4.3 Explanatory factors to observed evolutions

Both the growth in the supply of education services and initiatives to reduce the cost of schooling to households explain the positive trends in terms of access and retention within the system. The greater availability of classrooms in the country, achieved thanks to government budgetary efforts supplemented by DPs' support under PEDP 2 and 3, had a direct impact on positive enrolment dynamics. The econometric analysis indeed showed that the best performing upazilas in terms of completion rates were the ones that benefitted from significantly better infrastructures, had more schools working in single shifts and a slightly higher percentage of teachers with a C-degree. Programmes to reduce the cost of schooling for families have also driven the growth in enrolment and positively influenced the attendance, drop-out and completion rate trends. Over the evaluation period, these programmes have included: the cash-based primary education stipend project, introduced in 2002-03 and entirely funded by the government; school feeding initiatives (two discrete projects managed by the EU and the WFP); and the provision of free textbooks, which has been supported within PEDP 2 and 3. The increase in the completion rate has also been influenced by the introduction, in 2009, within PEDP 2, of the grade 5 terminal examination, as more pupils outside of GPS/ Newly Nationalised Primary Schools sat the exam. The introduction of pre-primary classes in primary schools - a key result area under PEDP 3 - critically drove the enrolment increase at that level.

The persisting shortage of infrastructure and teachers and the inadequate learning conditions have contributed to persisting access and retention challenges. The shortage of infrastructure certainly contributed to the continuing high number of out-of-school children, while the poor quality of the learning environment certainly fed the drop-out rate. In that context, NGO-run non-formal learning centres, which mainly cater for hard-to-reach children and those from lower socio-economic backgrounds, have played a critical gap-filling role. In the context of a persisting high drop-out rate, the relevance and value for money of the stipend programme, the single largest expenditure in the government budget, have been insufficiently analysed and discussed. Direct quality enhancing inputs, such as better supervision of teachers, and the elimination of out-of-pocket expenses for parents, such as exam fees and private tutoring, could have been better incentives and more cost-effective for students to come and stay in school.

Learning achievements have been correlated with children's poverty, the availability of books, teachers' qualifications and subject-based training. The gap in achievements has been wider between schools than within schools. The World Bank 2013 *education sector review* report conducted a detailed analysis of the National Student Assessment 2011 data to identify key factors driving students' learning outcomes. According to the study, a wider gap in achievements existed between schools than within schools. In addition, poverty has been correlated with low student performance. Parental education (especially the mother's) also influenced student learning. Test scores have generally been higher for children who had books and read at home. With regard to teacher's formal educational certification, the students of teachers who possess only a Secondary School Certificate underperformed. This result does not hold for teachers with qualifications beyond a High Secondary Certificate. With regard to teacher training, there is a positive correlation only with subject-based training. Children's low "time on task" has affected student's achievement: there is a strong correlation between the number of days of student absence and their poor performance. The econometric analysis conducted for this evaluation confirmed the weak relation between in-service training and performance of the system in terms of retention. It also corroborates the finding on the positive influence of teachers' initial training above secondary school certificate. It also showed that the lack of educational services influenced girls' performances: in the upazilas characterised by a higher percentage of schools with high pupil/classroom and pupil/teacher ratios, girls underperformed, in comparison with boys, at the grade 5 examination.

Factors that are less amenable to quantification also affected learning achievements. They revolve around classroom/school interactions. Prevailing teaching practices remained characterised by rote learning and excessively oriented to high stake examination. Teaching conditions (overcrowded classrooms) and inadequate professional support prevented the actual adoption of children-centred pedagogical methodology by teachers. Providing greater individual attention to children falling behind has not yet been a key feature of teaching practice. Supervision of schools remained limited, especially in remote areas, mostly due to overburdened assistant upazila education officers. Besides, supervision, when it occurred, was insufficiently geared towards the provision of professional guidance to improve teaching-learning processes in classrooms. Teachers' absenteeism and lack of punctuality also reduced contact hours. Private tuition

by GPS teachers, which is officially forbidden, has informally become almost mandatory for students in achieving good grades, *de facto* penalising the poor.

3.3 Combining EQ3&EQ4: Contribution of EPs' support to primary education results (Step 3)

DPs, including EPs, contributed to the country's achievements in terms of access and retention and were instrumental in achieving critical quality-oriented reforms that may positively influence learning outcomes. However, their mode of intervention has not been entirely conducive to catalysing positive dynamics in the sector. The complexity of the procurement regime they decided upon and the inadequate balance they struck between disbursement imperatives, transparency requirements, long-term system development and government ownership contributed to the slow delivery of new schooling infrastructure and undermined their ability to influence policymaking and resource allocation effectively. Despite their focus on the teaching profession, they have neglected the issue of teachers' supervision and professional support to achieve better learning outcomes. The treasury model has suffered from a usual feature of the SWAP approach - a focus on central level processes and systems and a relative neglect of local level dynamics that partly contributes to a slow translation of quality-oriented reforms into effective changes in classrooms.

EPs' support to NGO-provided non-formal education (NFE) played a critical gap-filling role in allowing enrolment of poor children. However, their neglect of the question of sustainability of these initiatives questions the potential long-term impact on poverty and inequality reduction. Besides, within the policy dialogue, EPs did not encourage the dissemination of NFE good teaching and learning practices into formal education.

The lack of interest in sector finance and in the criteria of resource allocation to lower levels, combined with DPs' (including EPs') silo vision of the education sector, did not encourage a comprehensive view of the long-term structural challenges of the sector.

EPs contributed to the country's achievements in terms of access and retention and were instrumental in achieving critical quality-oriented reforms that may eventually improve learning outcomes. Their financial support complemented the government effort to expand the supply of classrooms and therefore promote access and retention. Moreover, EPs' support to NGO-provided non-formal education played a critical gap-filling role in encouraging poor children's enrolment. They have been instrumental in promoting key quality-oriented reforms including the timely delivery of textbooks, the creation of a Diploma in Education and the promotion of pre-primary education. They have also put a strong emphasis on teachers, as key drivers of quality education. Even though learning achievements have not yet improved, these structural reforms create conditions for medium to long-term improvements in learning outcomes.

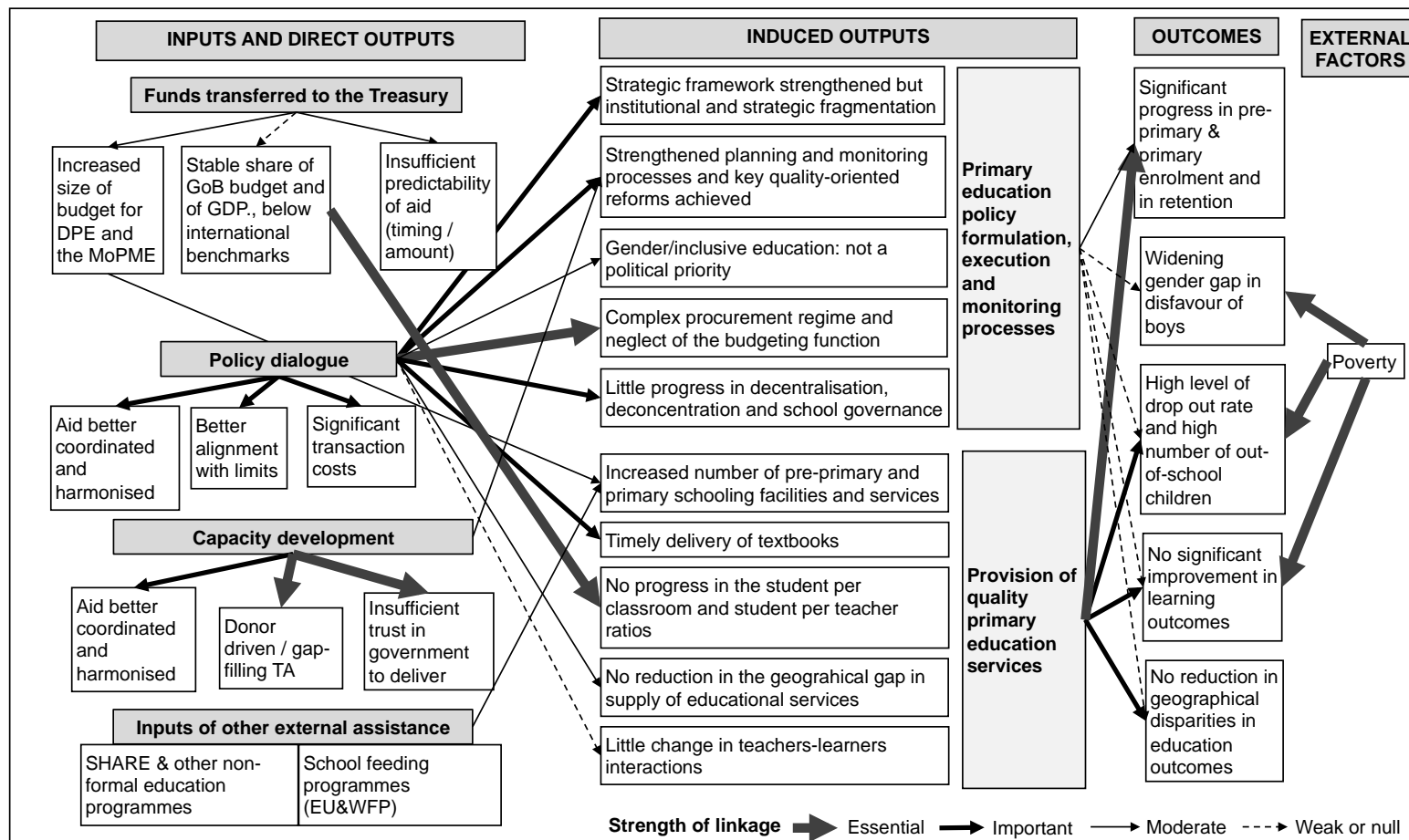
However, the mode of intervention has not been entirely conducive to promoting positive dynamics in the sector in terms of access, retention and gender equality. The complexity of the procurement regime DPs decided upon and the inadequate balance they struck between disbursement imperatives, transparency requirements and long-term

system development/government ownership contributed to the slow delivery of new infrastructures and undermined their ability to effectively influence policymaking and resource allocation. For instance, DPs' choice to strictly tie the development of mechanisms to circumvent favouritism in the choice of school locations and the actual implementation of the infrastructure programme contributed to reinforcing the acute shortage of facilities. DPs' neglect of the question of sustainability of non-formal learning centres once their projects end undermines their long-term impact on poverty and inequality reduction. Finally, a narrow conceptualisation of gender issues (that is focused on girls' enrolment) and a neglect of secondary education where girls' education challenges are the most acute have not contributed to giving gender issues a prominent place in strategic discussions.

The mode of intervention has not been entirely conducive to promoting positive dynamics in terms of learning outcomes. The treasury model has suffered from a usual feature of the SWAp approach - a focus on central level processes and systems and a relative neglect of local level dynamics. Due to its novelty, the PEDP 3 financial management model has become DPs' primary preoccupation and has been very demanding for the government counterparts. This had the effect of crowding out, to a certain degree, a substantive dialogue on policy, strategy and operational concerns of primary education development. The focus on DLI compliance prevented a discussion about the obstacles that may hamper the actual transformation of quality-oriented reforms into effective changes in the classrooms. This focus also prevented a broad understanding of decentralisation, deconcentration and school governance that would go beyond the narrow emphasis on the disbursement of SLIPs grants to schools. Besides, while the teaching profession has been DPs' key focus to improve quality, DPs have paid limited attention to the issue of teachers' supervision to encourage better quality teaching and professional behaviour in schools. DPs have also insufficiently drawn lessons from NFE good teaching practices (i.e. close supervision of teachers, a higher number of contact hours or a multi-grade system) with the view to informing the policy dialogue on formal primary education. The focus on the teaching profession has not been accompanied by any engagement with teachers' unions, which, despite their politicisation, represent critical stakeholders to achieve actual transformation of teaching practices. While the relation between learning achievements and book reading has been pointed out, DP interventions have been narrowly focused on textbook delivery. More generally, DPs' limited attention to sector finance and their silo vision of the education sector were not conducive to developing a comprehensive engagement with Bangladesh's education sector with the view to tackling its structural challenges.

A simplified diagrammatic overview of our Step Three analysis is presented in the figure below.

Figure 6 - Overview of the treasury model impacts and transmission mechanisms in Bangladesh



3.4 EQ5: Private sector development

EQ5: To what extent have EPs' interventions contributed to private sector development, including in rural areas, hereby promoting increased employment and inclusive growth?

Denmark and the EU have adopted rather different approaches to promote PSD, with different entry points: one more at the micro level, the other primarily at policy/regulatory level. The EU has been more consistently focused on improving the framework condition for private sector development, at times aiming for a transformative impact. At the trade policy level, the opening of the EU market, even at times of public pressure for imposing sanctions on Bangladesh, has contributed to strong export led growth in both industry and agro-businesses.⁴³ This has created employment and increased incomes for millions of poor people, many of which have been women. At the intervention level, the EU's development assistance successfully complemented the trade policy by making a substantial contribution to improving Bangladeshi standards and compliance to international norms and certification schemes. This has, and will increasingly continue to, improve businesses' ability to penetrate new and higher added-value markets. However, this achievement has taken a decade of engagement with not only the relevant (and numerous) government ministries and agencies, but also with the private sector which had a clear, if also collective, interest in driving through the reforms needed and developing the required technical capacities. However, while successfully forming and catalyzing alliances with the private sector, the EU has arguably focused insufficiently on socio-economic and environmental impacts, which were not primary concerns of the private sector. As regards framework conditions for SMEs, the EU has, so far, had significantly less success as there was limited demand from GoB for both the reforms themselves and the TA. Moreover, flawed project design with unclear divisions of responsibilities lead to delays and disappointments. Inconsistent quality of the TA further aggravated the situation of delays and lack of progress. The EU's procedures (under the framework contract) have clearly not been conducive to consistently identifying quality TA, whereas GoB should arguably have been more persistent in not accepting such TA.

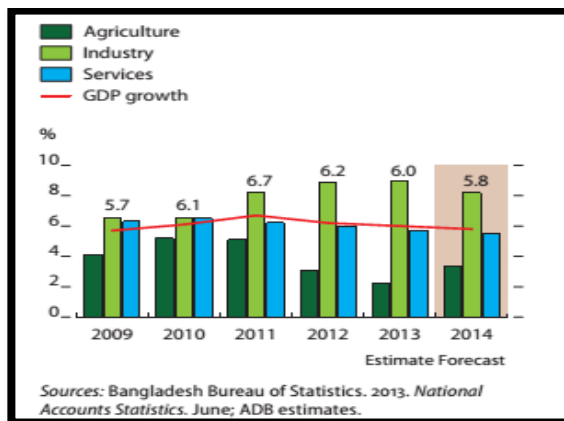
Denmark has helped millions of poor farmers and rural micro-businesses to improve their incomes and incrementally also improved the extension system. It started out with relatively minor incremental interventions, but keeping the more transformative vision as a long-term objective. This has eventually paid off, but only through a reiterative process and long-term focus, starting with solving local, manageable problems that have been debated, defined and refined by local people in ongoing processes. This has legitimised at all levels (political, managerial and social) the interventions, building ownership and momentum throughout the process to be 'domestically owned' in reality (not just on paper). However, Denmark should arguably have invested more resources in securing the working conditions of the poor and vulnerable women they engaged to construct rural infrastructure. Finally, Denmark has also supported Bangladeshi businesses by partnering them with Danish businesses, with the dual objective of both promoting private sector led economic growth and promoting Danish businesses in Bangladesh. However the outcomes in terms of poverty reduction have been limited and not cost effective.

⁴³ USA did impose some sanctions in the wake of the Rana Plaza tragedy.

Rationale and coverage

The private sector in Bangladesh has been growing rapidly and created jobs over the evaluation period, even if it has faced challenges of political instability, strikes and poor infrastructure in terms of energy and transport. It accounts for 93% of GDP, 81% of total investment, 94% of consumption expenditure, and 80% of domestic credit.⁴⁴ Private sector development has been the main engine of economic growth and employment generation, with only 5% of the labour force employed in the public sector.⁴⁵ The garment industry has experienced tremendous growth and progress in promoting female employment, but has had serious challenges in terms of employment standards and workers' safety. While agriculture's share of GDP has declined to around 15% today (and that of related rural based businesses) it is still the main provider of employment and incomes to the poor. This question aims to assess the degree to which direct interventions aimed at private sector development have been relevant and effective for inclusive growth and ultimately poverty reduction.

Figure 7 - Growth drivers in the Bangladeshi economy



All three EPs considered private sector development as a key driver of

sustainable poverty reduction, but especially the EU tended to have weak analysis of actual causal ways in which this would materialise.⁴⁶ Whereas Sweden has phased out its support to the productive sectors, the two others have remained engaged. The EU has initially concentrated on improving the private sector's ability to take advantage of trading opportunities and hence provided substantial trade related assistance (TRA). In this period the *Better Work and Standards programme*

(BEST) was designed: it aimed to improve competitiveness and encourage export growth and diversification through increased productivity, and compliance with international standards. After the mid-term review of the CSP in 2010, the EU began to focus on supporting enterprise development as a means of reducing both poverty and inequality in a more direct and targeted way. Key interventions to emerge out of this reorientation included the *Integrated Support to Poverty and Inequality Reduction through Enterprise Development* (INSPIRED). Denmark has primarily supported private sector development through its *agricultural sector programme support* (ASPSII), which aimed at improving the living conditions of the poorest small farmers and landless families, through better extension services, livestock and infrastructure. While this was an agricultural programme with strong poverty focus, it was also a private sector development intervention in the sense that agriculture was supported as primarily a business sector.

⁴⁴ ADB: *Private sector assessment*, 2011

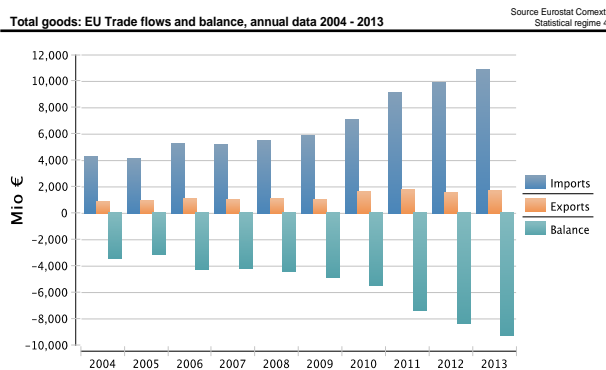
⁴⁵ BBS: Labour Force Survey 2010, Dhaka 2011. For more background data please consult Annex 5, section on private sector development.

⁴⁶ This is based on reading the ProDocs/TAPs, inception and progress reports.

JC5.1 Effects of EPs' support to promote inclusive private sector growth at enterprise/farm level

At trade policy level, the EU's commitment to maintaining and deepening market access for Bangladeshi exporters has contributed to the robust and inclusive growth in exports. The 2001 comprehensive co-operation agreement between the EU and Bangladesh considerably broadened the scope for co-operation, extending it to *inter alia* trade, which has since grown substantially (see figure 7), with the EU now being the main trading partner for Bangladesh

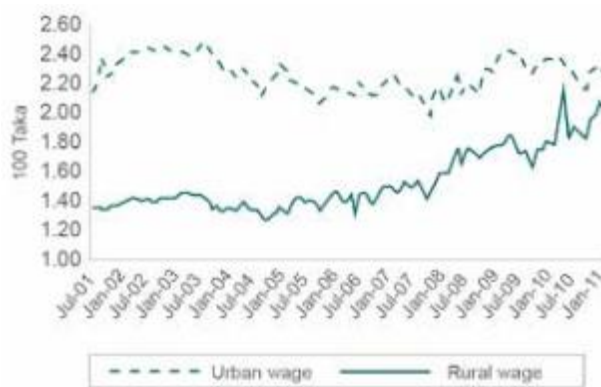
Figure 8 - EU-Bangladesh trade



Exports from Bangladesh to the EU are dominated by clothing (90%) whereas EU exports to Bangladesh are dominated by machinery and transport equipment. Bangladesh has benefitted from the Everything But Arms (EBA) trade arrangement under the EU's Generalised Scheme of Preferences (GSP) granting duty-free and quota-free imports from Bangladesh. Partly as a result, the

EU runs a substantial -and growing- trade deficit with Bangladesh, Bangladeshi exports to the EU having more than doubled during the evaluation period. This has contributed to the creation of more than 4 million jobs just in the RMG sector, the majority of which have been occupied by women and have been a key driver of poverty reduction.⁴⁷

Figure 9 - Rural and Urban wages (ODI, 2014)



Especially Danida has worked at micro level in addressing key constraints mostly successfully. Danida phased out most support to central level institutions in the agricultural sector during the evaluation period, focusing almost exclusively on farm/agri-business level. Impressive results have been achieved through promotion of the farmer field school (FFS) concept. Approximately three million poor people (representing more than 500,000 households) in rural

Bangladesh have benefitted directly from new knowledge and techniques related to agricultural production and nutrition provided through FFS. For crop farmers, 87% of the trained farmers increased their crop (rice) yield, and their incomes also improved compared

⁴⁷ See BGMEA: *Trade Statistics*, 2015 and Hossain, N: 'Exports, Equity, and Empowerment: The Effects Of Readymade Garments Manufacturing Employment On Gender Equality In Bangladesh' World Bank 2012

to a control group of non-beneficiaries. The FFS also assisted in production diversification, which is likely to have improved productivity. The productivity increases have been sustainable, as farmers have continued to utilise the higher productive methods. In addition, these outcomes have been achieved relatively efficiently and effectively.⁴⁸ This has also contributed to closing the gap between rural and urban wages as seen in the above figure.

An interesting aspect was the way Danida and extension staff developed the farm fields' schools concept. This involved substantial local engagements, discussions and negotiations, during which a trial and error approach informed ongoing implementation processes. While the technical inputs often came from Danida it was increasingly Bangladeshi government counterparts implementing the farmer field school concept. All this ensured a high degree of relevance to the local challenges facing the beneficiaries, and local government increasingly became involved, with progressively less TA, which, combined with the impressive results, increased ownership.

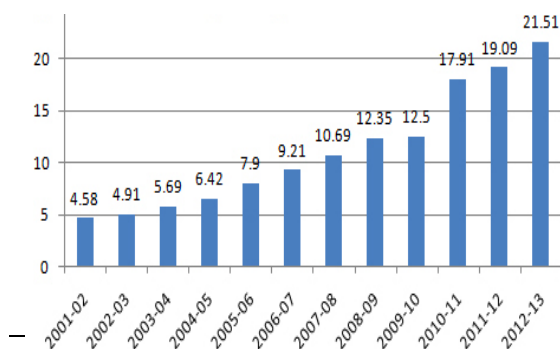
Moreover, rural roads were constructed in the process, giving poor, marginalised women income opportunities and employment, amounting to more than 3 million labour days, as well as reducing an infrastructural bottleneck. However, there have been sustainability concerns around the institutions that are supposed to drive the activities forward, post-project. Many of the farmers' organisations created by Danida have struggled to remain active and maintenance of the rural roads is also sporadic (but improving) whereas the continued employment of poor women is conditioned on future Danida support. More importantly, the core FFS concept has been being increasingly funded by the government as it has realised the benefits that FFS delivers: obviously this has been increasing the sustainability substantially. This is an achievement that has taken more than a decade to materialise and possibly one of the main bottom-up policy achievements of Danida in Bangladesh.

The Danida supported business-to-business programme had the objective of fostering long-term, sustainable and commercially viable partnerships between Bangladeshi and Danish companies, with the aim of strengthening local business development. This was thus both a focus on micro-level support and also a case of aid being tied to Danish companies. An external evaluation of the programme concluded that while some technology transfer had taken place, it had mostly failed to deliver on its core objective of establishing long-term, sustainable and commercially viable partnerships between the

companies with low sustainability and very limited impact in terms of employment generation.⁴⁹ The programme has subsequently been suspended by Danida.

EU support has mostly been at the policy level, and outcomes have been mixed with inconsistent poverty focus and monitoring. It contributed to the increased competitiveness of

Figure 10 - Exports of RMG in USD billions



⁴⁸ Danida: *Evaluation of Farmers' Field School Approach in ASPSP*, June, 2011

⁴⁹ Danida: *Evaluation of Danida Business-to-Business Programme 2006-2011*

the RMG sector and shrimp industry but has hitherto been unsuccessful on SME policy development. Important contributions have been made, mostly through the BEST project, which has supported both the ready-made garment (RMG) industry and the fishery sector as well as the overall quality infrastructure in Bangladesh. In the RMG sector, support has been granted to trade associations with the overall objective of strengthening competitiveness by linking EU and Bangladeshi training and educational institutions, contributing in skills development and improving social compliances. Clearly the sector has seen impressive growth despite facing strong competition at the end of the preferential trade benefits under the multi-fibre agreement in 2006 as can be seen in the above figure.

While impossible to quantify, the EU's BEST project has made a noticeable contribution to the increased competitiveness of the sector, as well as support to improving added value from packing to being able to enter into higher price points in the fashion industry with enhanced social compliance at the factory level. The BEST project managed to ensure the lifting of the mandatory testing requirement on shrimp exports to the EU, easing trade, the shaping of the regulatory regime, and benefitting both the enterprises and up to 3.5 million people working in the shrimp industry or dependent on the incomes thereof. In contrast, EU support to SMEs and related strategic frameworks has produced inconsistent and mostly disappointing results. The INSPIRED programme has, as of April 2015, not delivered on its potential to assist business intermediary organisations in providing services at SME level, or on improving the national SME strategy, but has successfully contributed to enhancing access to finance for SMEs. The project has been marred by poor quality supply driven technical assistance, inconsistent design, and interface challenges with the government. Combined, this has conspired to reduce outreach and impact.

The inclusiveness of the support varied between the EU and Danida, mainly due to different intervention entry points. Danida deliberately targeted the rural poor and has consequently been better able to quantify direct improvement in their living standards. Among the FFS participants, incomes and employment increased significantly more than among non-participants. However it was not possible to meaningfully form infrastructure rehabilitation sub-contracted companies based on the women engaged in the rural roads component as intended.⁵⁰ The incomes gained did enable part of the women to start other businesses, mostly in farming or agri-business. EU's support to the RMG sector also improved social compliance, providing better working conditions for the poor workers. However, the primary focus of BEST has been to increase competitiveness with the implicit assumption that this would eventually trickle down to the poor in the form of increased incomes and employment. Limited efforts have been made to verify this with inadequate M&E systems not least in the shrimp sector. Here the support may have displaced poor rice farmers, thus having a potential regressive effect, and environmental issues were also inadequately monitored. All in all, limited efforts were made to analyse such impacts.

Both bottom up and central level interventions have required patience, quality support and building alliances of promoters. Both the EU and Danida have engaged for more than a decade, attempting to address the binding constraints facing businesses and farmers. Success has only been achieved after an iterative process of learning by doing and mobilising supporters. Moreover, the quality of and demand for the assistance provided, especially the TA, was of crucial importance for progress.

⁵⁰ See e.g. Danida: Rural Roads and Market Access Component, October 2006

JC5.2 Effects of EPs' support on improving the supportive, regulatory and legal framework for inclusive private sector growth especially in rural areas

The EU has had the most direct and consistent focus on this area. It aimed to create an enabling environment, including lowering entry barriers to the private sector. Especially the INSPIRED programme has focused on SMEs and *if* an improved strategic and regulatory framework is produced, passed by relevant authorities and implemented, *then* it will probably assist entry for new companies. However there have been serious and widespread concerns about the quality of the EU TA support to the SME strategy formulation process. This has arguably also compromised the quality of the deliverables, including the draft SME strategy. The results so far have thus not been encouraging and are likely to remain below the initial expectations. Only the INSPIRED component on access to financial services has been on track to assist banks in improving their capacity to serve the SME sector, which will ease their entry and eventual expansion. BEST has worked extensively on the regulatory and legal framework in the fisheries sector and on the overall quality infrastructure within the country as well as in the area of social compliance. However, the EU's work on improving standards has had less direct focus on pro-poor development. The accreditation and certification will, in the short-term, mostly benefit larger and well-established companies, although many of these do employ poor people. Over time costs may come down, which will also benefit SMEs. All these companies should find it easier to export, expand and trade, which should in turn provide more employment opportunities.

The EU has contributed to significantly improving the shrimp trading framework by lifting the 20% mandatory testing requirement as a result of improved domestic standards. To achieve this outcome, the EU (through the BEST programme) has intelligently partnered with the private sector (e.g. the Bangladesh Frozen Foods Exporters Association), which had a clear collective interest in driving through these reforms. One of the most important export industries hence put pressure on the government; this contributed to ownership. This also in turn placed Bangladesh in a favourable position vis-à-vis other competitors. However, this may have accelerated a process of substituting (poor) labour working in paddy fields with capital.⁵¹ Viewed in isolation from the overall dynamics of the economy, this has probably not contributed to immediate pro-poor private sector development, as poor labour has been marginalised. However, it has more broadly contributed to a structural transformation of agriculture (including aquaculture) with higher productivity, capital requirements and less use of manual labour. In the long-term, such a structural transformation is inevitable for delivering on the ambition to become a middle-income country.

⁵¹ Hatcheries, shrimp farms and processing plants are more capital (and less labour) intensive than rice production and processing.

But the EU has had less success in improving the SME framework. The INSPIRED programme also aimed to develop sectoral and inter-ministerial national strategy and an action plan for SME development which addresses all aspects of SME support including improving the business environment (strategic and legal-regulatory framework) that should come in line with accepted international best practice. However, the project has suffered from severe delays due to inappropriate EU TA (according to ROM, 2013 as well as EUD and MoI), flawed and ambiguous design as well as interface challenges with MoI, the host ministry. The EU's procedures under the framework contract have clearly not been conducive in consistently identifying quality TA, nor in allowing the EU to take appropriate remedial action.

Denmark largely abandoned central level engagement, focusing on a bottom-up demonstration approach. Initial support to the central level failed to get traction on promoting policy and regulatory reforms. While there have been minor Danida-supported improvements in, for example, the seed policy, the most effective influence has been the on-the-ground work on FFS, where the impressive results have catalysed the government to revise the national FFS curriculum as well as increase budget allocations.

However, the main indicators for framework conditions have not improved. While EPs have attempted to improve the conditions for inclusive private sector development through various projects (e.g. INSPIRED, BEST and early phases of ASPSII) the main indicators suggest that especially corruption remains a serious problem. Thus the World Bank's Enterprise Survey reports that whereas in 2007 around a third of businesses claimed that a bribe was necessary to get a government contract, the number has increased to a half in 2013. A staggering 77% of the interviewed enterprises stated that a 'gift' was needed to obtain an import licence, against 'only' 51% in 2007. Unsurprisingly, Bangladesh has been placed as number 173 out of 189 economies in the 2015 ranking of the Doing Business index, a slight deterioration from previous years and a drastic one from 2007 when it held the 88th position out of 175 countries.

JC5.3 Effects of EPs' support on the promotion of decent work opportunities

EU support has had the most explicit focus on the promotion of decent work, with progress in the RMG sector. The BEST programme had, as mentioned above, a strong design focus on social compliance in the RMG sector and largely delivered on the objectives, consistently monitoring progress and adjusting implementation.

The EU has also used its dominant trade position as a lever to improve the working conditions in the RMG sector through the Sustainability Compact. The clout that the EU has as the main trading partner has assisted in incentivising both the government and the industry in committing to improving workers' safety in the RMG sector, in the wake of the Rana Plaza tragedy. Instead of imposing trade sanctions that would also hurt the poor, the EU has wisely engaged the key stakeholders in a binding process with the objective of ensuring that such a tragedy could not be repeated in the future. As a result the Bangladesh

Labour Act has been amended, freedom of association has been strengthened, factory inspections are more frequent and thorough, and 32 unsafe factories have been closed.⁵² Given the importance of the sector to the economy of Bangladesh, this type of support is likely to have more impact than a project-type of approach since industry, government and labour unions are closely engaged and committed to the process. However, there is still an unfinished agenda of *implementing* the regulations of the amended Labour Act that will allow it to become fully effective.

However, outside the RMG sector the project had arguably less focus on the decent work agenda, which was also a design feature: the focus was clearly on improving compliance to standards and strengthening national quality infrastructure. Thus while successful in improving access to the EU market for shrimp exporters, there was only limited attention to the working conditions of especially women engaged in the shrimp farms; an area with many well-known health issues affecting especially women.⁵³

Figure 11 - Danida contracted women constructing rural roads



Danida has had less focus on decent work in its support to local construction societies than in agriculture.

In the agricultural sector, Danida has been promoting the concept of integrated pest management and balanced use of chemical fertilizers through agricultural projects since early 1990, with good results. However, in the case of the women recruited to construct rural roads, there has arguably been insufficient attention to working conditions by subjecting women to carrying heavy

workloads of clay for long hours. Moreover, the women have also been required to sleep on-site in tents to prevent theft of construction materials, equipment and tools, which raises many personal security concerns, with the current security agreements with the UP chairman being viewed as inadequate by both the women and the evaluation team. There is clearly room for improvement in this respect.⁵⁴

⁵² EU: Bangladesh Sustainability Compact, Technical Status Report, 24 April 2015

⁵³ The BEST did have a focus on social compliance in the fishery sector, but mainly in the form of training of trainers and production of manuals. It is unlikely that this has transformed working conditions.

⁵⁴ The working conditions of the women was criticised as early as 2008 (see LGED: PCR: Rural Roads, 2013), at which time the project inserted specific project contract clauses in tender documents for LCS contracts that were geared to improving working conditions. However, it would appear that there is a need to revisit this issue again, as evidenced both through interviews, photographic and video evidence (see <https://goo.gl/photos/d1Tu8gUqvdzCEvMZ9>). Bangladesh Institute of Labour Studies, an authoritative source on OHS, has also called for an examination of the conditions.

3.5 EQ6: Human rights and democratic governance

EQ6: To what extent have EPs' interventions contributed to fostering respect for human rights and democratic governance?

EPs' development interventions appropriately aimed at strengthening the capacity of both the duty bearer (GoB) and the capacity of rights holders (via NGOs). The government's human rights and democratic governance (HR&D) performance during the evaluation period was, however, mixed and this impacted on the EP's capacity development efforts.

NGOs remained dependent on foreign funding. This entails the risks of the strategy were that government policies and institutions that perform sub international standards are legitimised by EP support, and that NGO's are perceived of locally as instruments of EP foreign policy. These risks required careful management.

The EP's support of (semi-governmental) guardian institutions and the judiciary did not enable these institutions to act independently and in full compliance with international standards. The EP's hands-off long-term core support for HR&D advocacy NGOs was effective in maintaining the political space for dialogue on HR&D issues within Bangladeshi society, and resulted in a degree of protection for those under threat.

EPs' HR&D development interventions in practice primarily dealt with HR&D issues that were non-confrontational vis-à-vis the government, i.e. issues on which the government was willing to move (or contemplated moving) into the direction of what is required by international standards. This happened not by design, but as a result of government interference. Examples of non-confrontational issues include technical capacity development of HR&D guardian institutions, combating violence against women, children's rights, most economic and social rights etc. Such development interventions were relevant to vulnerable or exposed groups, and were sometimes effective in offering better protection to some. Even non-confrontational issues remained controversial within society at large (e.g. domestic violence, women's rights in general and child marriage), and progress was consequently bound to be slow.

EPs' political interventions remained crucial in order to address the full scale of (confrontational) human rights and democratisation issues. These political interventions had a mixed impact on the behaviour of the government.

In conclusion, the focus of the EP's development interventions was appropriate. The results produced were generally beneficial to the main target groups: those most vulnerable and exposed. Nevertheless, the impact on domestic policies as a whole remained limited: policies were not produced through a fully democratic process, neither were they primarily aimed at achieving human dignity for all through human rights protection.

Rationale and coverage of the EQ:

During the evaluation period, the Constitution of Bangladesh was amended, amidst controversy between the two major political parties - the Awami League (AL) and the Bangladesh National Party (BNP) - on the representation of the society as either primarily

Islamist or pluralist, and on safeguarding the non-partisan character of the electoral system. Upon acceding to power in December 2008, the current AL government, through the adoption of the Fifteenth Amendment (2011) restored secularism as one of the fundamental principles of State policy - but retained Islam as the state religion. The Fifteenth Amendment also abolished the concept of a non-party caretaker government responsible for organising the elections. Since June 2011, the opposition has challenged the legitimacy of the electoral system and of the government that the system has produced. This has led to an increase in the number of strikes and in political violence resulting in human rights violations. The political climate remains volatile. The Chittagong Hill Tracts (CHT) area remained in a transitional stage over the evaluation period due to the delayed implementation of the Peace Accord.

The EPs all gave priority to human rights and democratisation, at strategy and intervention levels, through a right-based approach, perceived by many interviewees as an added value compared to the approach of other DPs in Bangladesh. The EU mostly focused, through its development interventions, on support to village courts, the establishment of an electoral roll with photographs, the strengthening of election management, and local development in the Chittagong Hill Tracts (CHT), also in the context of post-conflict reconstruction and reconciliation efforts. With the European Instrument for Democracy and Human rights (EIDHR) and the thematic programme on civil society and local authorities, the EU supported a wide array of other HR&D interventions, mostly focusing on the rights of vulnerable and exposed groups. In addition, the Sustainability Compact was an ad hoc response to the Rana Plaza tragedy, linking trade and human (including labour) rights concerns. An EU Bangladesh human rights strategy was adopted, but remains confidential. It is therefore not possible to test the relevance of development interventions against the strategy. The portfolio of Denmark and Sweden's development interventions consisted of a similar mix of capacity-development interventions aimed both at (semi-) governmental institutions such as the Election Commission and the National Human Rights Commission as well as civil society organisations. The EPs focused part of their support on the CHT area, which presents unique HR&D challenges since the governance structure of the region was not only incomplete, but also subject to contestation by the former parties to the conflict.

The supported administrative bodies and the judiciary were systematically subjected to political influence. HR&D advocacy NGOs also suffered from undue government interference. As a result of these political constraints (rather than by design), EPs' HR&D development interventions have primarily dealt with HR&D issues that were non-confrontational vis-à-vis the GoB. The implication of the (imposed) bias on HR&D development interventions was that the full range of (confrontational) human rights and democratisation issues (e.g. disproportionate use of force, custodial torture, disappearances, political killings, the death penalty, free and fair elections, repressive measures against the opposition, corruption) had to be addressed through political actions. There has been a welcome increase in the number of public statements on HR&D in the post-2001 period, but the impact of these statements on government policy has varied.

JC 6.1 Contribution of EPs' support to empowering and enabling civil society organisations to defend human rights

EPs successfully provided core funding to NGOs, enabling them to defend human rights and claim democratic governance. EPs appropriately insisted that the organisations focused on vulnerable or exposed groups, but otherwise correctly respected the organisations' priority-setting. Given the security risks of challenging the government on confrontational HR&D issues, the impact of HR&D advocacy NGOs on these issues however remained limited.

HR&D advocacy NGOs remaining entirely dependent on foreign funding (including from the EPs) for their core operations. NGOs have been able to operate due to EPs' (and other development partners') support. Continued funding was crucial for the mere maintenance of the capacity within the society of independent monitoring of human rights and democratisation issues, and for a civil society-government dialogue on these issues to take place. HR&D advocacy NGOs are well managed and organised, but their dependency on foreign aid remains a concern from a sustainability and legitimacy perspective. Apart from the core funding offered to a number of HR&D NGO's, EPs also provided some project-specific funding; the EU's bi-annual call under the EIDHR instrument is the most notable example. Although EIDHR amounts are relatively small from a EU perspective, they were significant for local actors – and, thus became a substantial part of an NGO's annual budget. Not all local civil society organisations were able to formulate EIDHR project proposals though; the process was deemed burdensome (particularly for smaller proposals that are more suited to local civil society) - and as a result a significant amount of the funding was allocated to international NGOs.

In a climate of increased tension between the GoB and H&RD NGOs, EPs' support has not resulted in an improvement in the NGO-GoB dialogue on confrontational HR&D issues. The relationship between the Government and HR&D advocacy organisations has been strained particularly after the adoption of the Fifteenth Amendment (2011). An EU study⁵⁵ (2014) noted there was 'a shrinking space for engaging in policy dialogue and governance and a risk of politicisation and political instrumentalisation of civil society organisations' and that 'maintaining a comfortable relationship with public authorities is perceived as having an increased importance in recent years'. Hence, NGOs that do not share the Awami League's commitment to secularism as a fundamental constitutional principle have come under particular stress. Furthermore, HR&D advocacy organisations *of any colour* needed to tread lightly when addressing human rights issues that directly confronted the government such as violations by law enforcement personnel, custodial torture, politically motivated killings and disappearances, certain instances of corruption etc. In the current political climate, coalitions between NGOs were necessary to address sensitive issues. The EPs encouraged networking, albeit on an ad hoc basis. Instances of such horizontal coalition-building have occurred, but were not always straightforward as many of the HR&D advocacy NGOs are built around strong

⁵⁵ Constantini & Uddin, *EU Civil Society Mapping Final Report*, 18 March 2014

personalities. On less confrontational issues, cooperation between the government and NGOs was possible.

JC 6.2 Contribution of EPs' support to enabling the government to better discharge its obligations as duty bearer with regard to human rights and social justice

The focus of EPs' support, on GoB institutions that had some level of autonomy, was relevant. EPs sensibly chose to focus their capacity development efforts on governmental institutions that had some level of autonomy from the executive, potentially enabling them to act as guardian institutions in the HR&D sector. The choice was a sensible one, given the executive's mixed record on HR&D issues.

Guardian institutions however remained subject to the government's interference and lacked the necessary means to operate effectively. Government interference adversely affected the independence of guardian institutions and the impact of their interventions on those most under threat or excluded. In contrast to the NGOs discussed above, the guardian institutions were not fully dependent on EPs' (and other DPs') funding. Whilst these institutions should receive, according to international standards, adequate funding by the state through a procedure that guarantees their independence from the government in power (and, arguably for that matter, from any other actor), interviews held show that both the National Human Rights Commission (NHRC) and the Election Commission had insufficient funds to cover the organisations' needs and/or lacked adequate professional expertise. Representatives from the NHRC stressed that EP support was crucial in enabling the NHRC to take action on confrontational human rights issues. This shows the strength of the GoB's hold on the NHRC. However, action on confrontational issues should not depend on whether DPs provide funding or not.

In using the UNDP as an implementing partner, EPs contributed to the strengthening of capacity of guardian institutions but lacked room to manoeuvre in order to address sensitive issues. The NHRC benefited from a UNDP capacity development project, supported by Denmark and Sweden, which has been largely successful in achieving its defined aims. Nevertheless, the NHRC has not succeeded as yet in fully meeting the international standard for national human rights institutions, both in terms of its independence and functioning. The International Coordinating Committee for National Human Rights Institutions expressed concerns about government influence in the selection procedure, independence of staff and inadequacy of resources. With the UNDP acting as an implementing agency, the EPs were however a step removed from the NHRC. UNDP defined its role as a provider of technical assistance and thus preferred to avoid 'sensitive' issues such as the thoroughness and selectivity of NHRC investigations, or its effectiveness in providing remedies to victims.

The government, supported by EPs, has cooperated well with UN human rights mechanisms. At the 2013 Universal Periodic Review (UPR) process, the vast majority of recommendations were welcomed by the government – except for recommendations on ratifying ILO Convention No.169 on Indigenous and Tribal Peoples, on abolishing the death penalty and on decriminalizing homosexuality (see A/HRC/24/12/Add.1, at 3, 5,

and 6). In supporting the NHRC, the EPs enabled it to submit an alternative report to the UPR, to organise a mock UPR session, and to prepare shadow reports on the prohibition of torture and the right to food. Sweden encouraged an NGO alternative report to CEDAW. The EPs used the UPR outcome and the human rights clause in the EC-Bangladesh Cooperation Agreement in the political dialogue with the GoB to encourage the government to comply with its international human rights obligations.

The EPs made a contribution to a number of positive developments that occurred in the area of domestic legislation. The EPs impacted indirectly through supporting the work on legislative reform of the NHRC (e.g. on the Child Rights' Act or the Rights of Persons with Disabilities' Act) and of NGOs (e.g. ASK's role in advocating for legislation and procedures with regard to domestic violence against women) or directly by approaching parliament (e.g. on the amendment of the domestic violence act), relevant ministries (e.g. on the revision of the child marriage act) or the Cabinet (e.g. on the revision of the foreign donations legislation). EPs have been listened to in legislative debates, but legislative sovereignty rests with the government, and outcomes remained unpredictable.

EPs' interventions did not attempt to contribute to a major overhaul of the judiciary, and none occurred. Instead, EP development interventions with regard to the formal judiciary were fragmented, mostly in response to proposals (e.g. under the EIDHR) from international and local NGOs. Interviewees and reports agreed that the judiciary as a whole continued to suffer from political and executive interference, corruption, low capacity and quality, and lack of oversight. Nevertheless, EPs supported HR&D NGOs were able to achieve some success in enforcing rights through litigation, both in individual and public interest cases. The EU decided to provide substantial funding to the UNDP/Ministry of Local Government "Activating Village Courts" project in 2010; the second phase of implementation will start in January 2016 with an increased EU commitment of funds. A 2014 independent study⁵⁶ confirmed that village courts can act as a useful bridge between Bangladesh informal and formal justice institutions in an attempt to provide justice to the rural communities. At the communities, the level of satisfaction with solutions reached by the village courts remained mixed.

JC 6.3 Contribution of EPs' support to reducing violence and discrimination against vulnerable or exposed groups, including minorities, women and children, particularly those living in poverty

EPs' support appropriately aimed to tackle vulnerable or exposed groups, but with limited reach. EPs appropriately focused their development interventions on vulnerable or exposed groups, both directly and indirectly (through capacity development support measures) on domestic legislation efforts aimed at strengthening the position of vulnerable and exposed groups. Nevertheless, at the aggregate level, there was little indication that vulnerable or exposed groups became less vulnerable to human rights violations during the evaluation period. Annual reports of international human rights organisations did not

⁵⁶ Brac Institute of Governance and Development, *Baseline Perception Study of Access to Justice for the Marginalized and Excluded through Community Legal Services*, September 2014

signal such an improvement, nor did any of the interviewees indicate a positive trend. Human rights awareness among vulnerable or exposed people remained low. EP country offices rarely reached out directly to vulnerable and exposed groups. Interventions took place through implementing agencies (international organisations, NGOs). Results remained dependent on the performance of these agencies, which EPs monitored, but also relied on.

The direct engagement of the EPs in HR&D issues among vulnerable and exposed people was very limited. The EPs were seldom present in the field. Although there is an EP (HQ) strategic commitment to produce differentiated HR&D country strategies that are informed by local country offices, little space is created for local HR&D responsible to learn from vulnerable or exposed groups about their priority HR&D concerns. This, combined with limited staff resources, has been a challenge when relying on NGOs and UN organisations as implementing organisations.

Chittagong Hill Tracts

EPs' supported UNDP projects did not impact significantly on the HR&D situation in the Chittagong Hill Tracts. In light of UNDP's mandate in the region, it was relevant for EPs to use the UNDP to deliver support in the region. In the CHT region, UNDP is not only, as elsewhere in Bangladesh, assisting governmental institutions, but trying to achieve a balance of power between the government and the former armed opposition. UNDP's approach relied on non-political technical assistance. But the post-conflict institutional set-up has remained incomplete and deeply contested. Tribal peoples have remained deeply distrustful of the central government. The HR&D situation has been further impacted upon by an influx of Bengali settlers as a result of a deliberate policy to change the demographic structure of the region. These HR&D challenges, which are unique to the region, have put UNDP's approach under great stress. In particular, it has not adequately responded to the high exposure of vulnerable or exposed groups to violence, discrimination and poverty in the region. In using UNDP, the EPs have had to rely on UNDP's approach and could not impact appropriately on the development of a distinct HR&D approach in the CHT.

Furthermore, EPs' supported UNDP engagements in the CHT have underestimated the importance of HR&D issues. The UNDP 'Supporting Local Development in the CHT' project (2011 to 2014) supported by the EU failed to include a 'component on rule of law including a transitional justice mechanism'⁵⁷ that would have usefully complemented the existing Peace Accord advocacy. In addition, the 2012 ROM analysis concurred that the duration of 'this large scale and ambitious intervention was too short with a view to the long-term nature of the peace-building process.' The EU delegation in Dhaka favoured the idea of a second phase for the project with a stronger emphasis on HR&D, but failed to convince HQ. In the meantime Denmark and Sweden funded another currently on-going UNDP CHT project 'Conflict Prevention, Recovery and Peace-building in Chittagong Hill

⁵⁷ IBF International Consulting, *E Evaluation of Promotion of Development and Confidence Building in the Chittagong Hill Tracts Development Facilities (CHTDF) – Volume I*, March 2014.

Tracts of Bangladesh (2014-2015)' that aimed in part at contributing to an improvement of the law and order situation in the country, for which documented results were not available as yet at the time of this evaluation. The HR&D situation in CHT nevertheless remained volatile.

JC 6.4 Contribution of EPs' support to strengthening the country's ability to conduct free and fair elections

While EPs' support focused on technical assistance to the Election Commission was relevant, it did not result in free and fair elections in 2014 and 2015, and prospects on free and fair elections in the near future remain bleak due to lack of political will. EPs' development interventions even raised the spectre of EPs' support providing legitimacy to a flawed political process.

The 2007-2010 Preparation of Electoral Roll with Photographs (PERP) UNDP project, funded by all three EPs, achieved its objectives of creating a credible electoral roll, and as a spin-off, a national identity card for all. This was a substantial operation that was brought to a successful end. Clearly, the establishment of a credible election roll fulfilled a pre-condition for the holding of any election. But even a successful PERP project offered no guarantee for free and fair elections. The 2008 elections were deemed to be relatively free and fair, and led to a peaceful transition of power in Bangladesh. In the pre-election period to the 2014 elections, negotiations between AL and BNP leadership however failed to produce an agreement to hold inclusive and participatory elections. The 2014 elections were not deemed inclusive, nor were they declared free and fair.

The EU-funded UNDP-implemented on-going five-year Strengthening Election Management in Bangladesh (SEMB) project also achieved some results in building the technical capacity of the Electoral Commission. The Election Commission's (mis-)handling of the 2014 elections understandably caused the EU to reduce its support for the project. In April 2015, views differed on whether EU support to the Election Commission should be extended in the current political context. Both UNDP and Election Commission staff argued that support should continue as the aim of the UNDP project was to strengthen the technical capacity of the Election Commission, and there was further need to do so. The EU and UNDP argued that they could not change the political landscape, and it was unrealistic for DPs to expect the project to create an enabling environment that would allow the Election Commission to function independently and transparently. For UNDP, the continuation of technical assistance to the electoral process contributes to maintaining a strong presence in the country; a clear priority of the agency which also has a less confrontational stance.

It is hard to escape the conclusion that the Election Commission is currently both unable and unwilling to act as the guarantor of free and fair elections. According to Article 118(4) of the Constitution, the Election Commission should "be independent in the exercise of its functions and subject only to this Constitution and any other law". However, members were appointed by the President; and the government controlled both the appointment of secretariat staff, and the Election Commission's financial resources. Investigations into irregularities have not been vigorous, and both civil society and the general public

perceived the Election Commission as partisan and subject to government interference. Public confidence in the institution, particularly among supporters of the opposition, remained low.

3.6 EQ7: Climate change and disaster management

EQ7: To what extent have EPs assisted Bangladesh in adapting to climate change and improving disaster management?

Both the government and EPs have aspired to strengthen the integration of climate change adaptation (CCA) and disaster risk reduction (DRR) as crosscutting concepts, which are addressed in a comprehensive manner across sectors. The policy framework for such an integrated approach has been formulated. EPs have made a significant contribution to this, especially through the Comprehensive Disaster Management Programme (CDMP). The contribution to the policy framework mainly came from the implementation of programme activities focused on supporting policy development rather than from policy dialogue, the latter only to a limited extent led to concrete results. EPs have contributed to enhancing the knowledge base through studies. The national capacity has been augmented through training of a range of stakeholders, technical support, piloting of new approaches, technical equipment, and inclusion of DRR in all levels of formal education. This led to various tangible results in terms of enhanced resilience, an important example being the improved flood warning system, which has reduced the vulnerability of millions of people.

Nonetheless, there were constraints, which hampered the implementation of preventive and comprehensive DRR. The mandates of sector ministries and departments were not always conducive for crosscutting approaches, but this issue was beyond the control of CDMP and EPs. Moreover, while the capacity at local level was increased in some areas, capacity constraints at the local level are still pervasive. The government's implementation focus tended to be on disaster response rather than its prevention and on infrastructure, such as storm shelter and embankments, rather than non-structural DRR actions, for example, addressing the underlying causes of vulnerability. The implementation of EPs' programmes has been influenced by these factors, for example, with the Bangladesh Climate Change Resilience Fund (BCCRF) and the Local Disaster Risk Reduction Fund (LDRRF, under CDMP) mainly having focused on investment in infrastructure. CDMP actions on the ground were scattered and did not demonstrate the value of an "all-hazards" DRR approach, which in a comprehensive manner addresses underlying causes of vulnerability to both fast-onset (e.g. cyclones) and slow-onset disasters (e.g. drought). Nonetheless, some innovative approaches to community and household level DRR and CCA were promoted, e.g. in relation to farming. The implementation constraints were to a large extent related to design weaknesses, with BCCRF's implementation set-up being parallel to government systems, thus giving limited scope for ensuring local ownership and increasing government's capacity. Moreover CDMP's modalities did not ensure a strategic implementation of a comprehensive integrated DRR approach at the local level.

Sustainability has been a major concern; the timeframe of several interventions was insufficient to fully consolidate the results achieved. Moreover, project dependency and an absence of exit strategies were equally important sustainability challenges.

While EPs' strategies prioritised the mainstreaming of CCA and DRR in their support to other sectors, this only happened to a certain extent, mainly in relation to agriculture.

Rationale and coverage of the EQ

This question evaluates whether EPs' support to disaster preparedness and climate change adaptation achieved the intended outcomes, and thus assesses the extent to which: 1) EPs' support influenced policy processes, 2) EPs integrated climate change and disaster management in their sector programmes, and 3) EPs' support enhanced resilience. The EPs' main actions were the Bangladesh Climate Change Resilience Fund (BCCRF, supported by all EPs) and the CDMP, (supported by EU & SE). In addition, the EU funded Sundarbans Environmental and Livelihoods Security (SEALS) had a significant element of DRR and CCA. The EU and to a lesser extent Sida and Danida also funded other, smaller, projects. The EPs also in their strategies indicated a commitment to promoting mainstreaming in their support for other sectors, particularly in relation to the agriculture sector.

JC7.1 Contribution of EPs' support to ensuring that CC and disaster concerns are addressed in policies and interventions across sectors

EPs' support significantly influenced the government's policy framework and development planning vis-à-vis DRR. Both the government and EPs acknowledge that climate change and disasters are development issues, which can significantly impact on the country's economic development. They have thus aimed to strengthen the integration of CCA and preventive DRR as crosscutting concepts, acknowledging the need for multi-sectoral responses. This requires both structural (infrastructure) and non-structural measures in order to significantly reduce the vulnerability of Bangladeshis to disasters and to the long-term effects of climate change. EPs' support, through CDMP (and PECM⁵⁸), significantly influenced GOB's disaster management policy framework and strengthened the inclusion of DRR. CDMP (and PECM) implemented activities assisting the government with the development and revision of policies and strategies to integrate a preventive DRR and CCA approach in both disaster management as well as the general national development planning framework. Similarly, CDMP provided support and advice for the integration of DRR in sector policies/plans for some sectors (especially agriculture and gender). There is now a conducive policy and planning framework in Bangladesh for CCA and preventive DRR that is also addressing non-structural issues.

EPs' support also contributed to an increased understanding of preventive DRR and CCA as a crosscutting issue. But the implementation of DRR and CCA across sectors remained a challenge due to capacity constraints and sectoral mandates of

⁵⁸ The Poverty, Environment and Climate Mainstreaming project, part of the global UNDP-UNEP Poverty-Environment Initiative funded at the HQ level by EU, Sida and up till 2012 Danida. (PEI)

line ministries. EPs' support contributed to increased national awareness, focus and understanding of preventive DRR as a crosscutting issue (mainly under CDMP), through capacity development and awareness raising activities. It also contributed, albeit more unevenly, to local government and community awareness through capacity development and support for local disaster management committees (in particular through SEALS and Climate Field Schools under CDMP). However, constraints persisted, which have hampered the implementation of the DRR policy aspirations. For example, sectoral mandates were not always conducive for crosscutting and integrated approaches, and MoEF and MoDMR did not have sufficient capacity and authority to coordinate ministries across sectors. Moreover, there were (and remain) capacity constraints, especially at the local levels, where there has been a tendency to focus on response rather than prevention and on infrastructure construction rather than non-structural DRR actions, despite the fact that the infrastructure is more expensive to construct and especially maintain. In response to this, capacity has been enhanced at the local level with EPs' support, albeit more so in some locations than in others. However, while EPs' programmes have attempted to address the capacity issues at the local levels, their implementation has at the same time been influenced by the above-mentioned preference for structural measures, for example, with BCCRF and LDRRF mainly focusing on investment in infrastructure (e.g. shelters and embankments); whereas in the case of LDRRF it was the intention in the CDMP design that it should finance both structural and non-structural measures. Nonetheless, innovative approaches to community and household level preventive DRR and CCA have been promoted, especially in relation to farming, through demonstration and training on viable approaches and resilient practices: Improved farming practices were promoted through Climate/Farmer Field Schools; household preparedness was enhanced, for example, by promoting the keeping of emergency supplies and storing drinking water; and the capacity of union and ward disaster management committees and communities was enhanced on response actions during emergencies. Moreover, local level Disaster Management Committees have been strengthened in project areas and communities have been made aware of available measures to reduce vulnerability and how to react before and during a disaster, not least under SEALS.

Whilst mainstreaming CCA and DRR cross-sector support was a strategic priority of the EPs, actual mainstreaming in EPs' programmes was inconsistent. The most prominent examples of mainstreaming in EPs' sector support during the period under evaluation are a) Danida's agricultural sector support, especially through Farmer Field Schools and climate resilient rural infrastructure, and b) EU's support for SEALS, which had DRR and CCA as prominent features in an integrated sustainable livelihoods approach. Mainstreaming was limited in the support for the governance, education and health sectors. Nonetheless, CDMP and PECM specifically targeted mainstreaming from the perspective of integrating DRR and CCA in the way government works and made significant contributions to mainstreaming and consequently developed good mainstreaming capacity. However, there were no deliberate attempts to use the expertise of these programmes to support/enhance the mainstreaming in EPs' support in other sectors. An opportunity was therefore missed in this regard.

The EPs have given substantially more emphasis to mainstreaming in their programming for the next period. The EU is moving away from specific support for CC and DRR and is focussing on its integration in other sectors. Danida has moved somewhat in the opposite direction, and CC is now a separate focal area, although this is largely an expansion of the mainstreaming work under the support for the agriculture sector. Sida now focuses on mainstreaming in the health and education sectors, for example, with the intention to support adaptation in the health sector.

JC7.2 Extent to which policy dialogue enabled EPs to engage in climate change in a relevant manner and enhance achievement of the EU's environmental and climate change policy

EPs used their programmes as a useful entry point for policy dialogue, but the tangible effects were limited. Overall, stakeholders met agree that the LCG's Disaster and Emergency Relief and the Climate Change and Environment working groups were not forums for substantial discussions on policy and strategic issues; they were rather formal structures, where information was shared. The WGs tended to be driven by DPs more than by the government. The latter was generally open to policy dialogue with DPs, but it required a tangible engagement to be able to engage in a substantial dialogue. As a result, government-EP policy dialogue and DPs' coordination mainly took place in the context of programmes, especially in relation to BCCRF, but also in connection with CDMP. Dialogue in connection with BCCRF enabled EPs to influence the government's strategic decision regarding the selection of the National Designated Authority for the new global Green Climate Fund; the government followed the advice of appointing ERD instead of the MoEF as originally intended. No other clear examples of policy dialogue results were found.

EPs' influence on policies was achieved mainly through programme activities that supported the government in policy processes, rather than through dialogue. CDMP activities in particular had a substantial influence on policies and associated plans. The influence of programme activities on policy is described under JC7.1 above.

JC7.3 Effects of EPs' support on the enhancement of the country's preparedness for natural disasters and adaptation to climate change

EPs' support contributed to the promotion of improved new and innovative approaches to address DRR and CCA, but not to the extent expected due to design shortcomings. Some important innovative approaches and non-structural DRR measures were promoted. Key examples include the improved early warning systems (e.g. mobile warning) introduced by CDMP, the introduction of Climate Field Schools (CDMP), Community Risk Assessments (CDMP, SEALS), and household level DRR measures promoted by SEALS.

However, while the actions implemented were in general relevant for building resilience, they were not always innovative or representative of a strategic approach to DRR and CCA. Firstly, there was often an implementation tendency to focus on infrastructure rather than on systemic interventions. Most of the BCCRF and LDRRF/CDMP sub-projects

thus focused on solutions, which were already well-known to Bangladesh (e.g. shelters, silos, embankments). Secondly, some of the funded actions were funding the upscaling of on-going work within the core mandate of the implementing entity, such as reforestation by the Forest Department (BCCRF funded) or the promotion of savings groups and income generating activities (by NGOs). However, while these actions were generally relevant for enhancing resilience, they were not always implemented with a clear CAA or DRR angle (on how the activities relate to adaptation, mitigation and reduced vulnerability). As a result, they were not always building community awareness about these concepts, which could enhance their capacity to further adapt in the future as climate change becomes more severe and the associated risk of disasters increases. Moreover, a common criticism of CDMP by several stakeholders⁵⁹ was that the LDRRF was implemented in a scattered manner over too large a geographical area and did not implement a comprehensive “all-hazards” DRR approach. Hence, some activities were not necessarily those that would give the highest CC and DM benefits. In addition, BCCRF and CDMP had weaknesses in the modalities and set-up envisaged at design stage.

- BCCRF’s implementation set-up was parallel to the government systems, which gave limited scope for ownership and capacity development – and no scope for synergies and reinforcing BCCTF (the government’s own mechanism for implementing the BCCSAP). BCCRF had the potential to enhance Bangladesh’s readiness for funding from the new global Green Climate (GCF) fund, but it did not contribute to this as it did not build government capacity or put in place/reinforce government structures to handle such funding.
- CDMP did not have the modalities in place to ensure a sufficiently sharp geographic focus and a strategic implementation (and demonstration of the value) of a comprehensive and integrated DRR approach. Moreover, the design and procurement for LDRRF sub-projects was handled centrally by CDMP and did not sufficiently involve local stakeholders. While both BCCRF and SEALS appear to have been effective in targeting women and vulnerable groups, the targeting under CDMP does not appear to have been as good.

Both programmes had a somewhat limited involvement of the Ministries of Finance and Planning; for CDMP this limited the ability to engage with some sector ministries, and for BCCRF this reduced the ability to build a robust national capacity to manage BCCRF and later GCF funds.

EPs’ support enhanced the institutional capacity and human resource base in Bangladesh to engage in DRR and CAA, especially at the national level. CDMP contributed to improving the institutional set-up for DRR by a) advocating the establishment of Disaster Management and Relief Division (DMRD) and subsequently MoDMR, and b) ensuring the buy-in in the DRR agenda of a range of ministries, departments and agencies. Moreover, EPs programmes contributed to enhancing the

⁵⁹ Sources: Abhijit Bhattacharjee, Khurshid Alam, Christine Apikul, Nizamuddin Al-Hussainy, Caxton Eti, Comprehensive *Disaster Management Programme (2010-2014), Mid-Term Review*, 2012, pg. 41 and MN 304, MN 306, MN 317, MN 318

knowledge base, for example, through studies carried out under BCCRF and CDMP, which can help both government and DPs to make informed decisions and programming. For example, the BCCRF study on climate change and health is informing Sida's on-going programming for the health sector (as of May 2015). The national capacity was also enhanced through CDMP's training of a range of stakeholders. This was complemented by technical and methodological support, piloting of new approaches, technical equipment for forecasts and warnings, and work on the inclusion of DRR in all levels of education (thereby also ensuring the future capacity/resource base). Moreover, EPs' programmes enhanced local capacities in targeted project areas, although the local capacity development was uneven. Examples of local capacity development include: a) provision of training and equipment for 23,000 urban volunteers (CDMP), b) training of local level Disaster Management Committees (CDMP, SEALS), and c) DRR capacity building and livelihoods support for communities (CDMP, SEALS, BCCRF).

EPs' support significantly contributed to reducing vulnerability, especially in relation to floods and cyclones. The various actions under the EPs' programmes contributed to enhancing resilience, such as: a) improving flood warning systems, b) enhancing disaster response capacity, c) increasing the access to shelter and the coverage of flood protection infrastructure, d) enhancing community and household awareness of DRR options, and e) promoting more resilient livelihoods practices (e.g. agriculture). This support led to tangible results. Due to better warning systems 88 million people have since 2013 had five days to evacuate from floods (compared to three days previously). In addition, two million people have since 2013 had access to flash flood warnings up to 48 hours in advance; these people can therefore save 70% of their assets (compared to 50% previously). Thirdly, 36-75 million people have since 2013 had access to mobile warnings. Three million people are less vulnerable to cyclones due to the EP supported expansion of GOB's Cyclone Preparedness Programme.⁶⁰ Moreover, an estimated three million people are less vulnerable as a result of LDRRF investments.⁶¹ Livelihoods activities and community/household level DRR support has reduced the vulnerability of approximately 1.5 million people: CDMP reached 1.1 million people,⁶² SEALS reached 45,000 beneficiaries,⁶³ and BCCRF reached around 300,000 households.⁶⁴

The sustainability of the results achieved at the local level has not fully been ensured. Stakeholders and beneficiaries met widely perceive the timeframe of especially BCCRF and SEALS as insufficient to consolidate the results achieved. Considering the level of ambition and the national and local capacities, this concern is in the view of the evaluation team valid. However, an equally important issue related to sustainability was that

⁶⁰ *A Value for Money Report for CDMP II*, 2015, pg 4

⁶¹ *A Value for Money Report for CDMP II*, 2015, pg 4

⁶² Ministry of Disaster Management and Relief, *Annual Progress Report 2013, Comprehensive Disaster Management Programme (2010-2014)*, 2013, pg 15

⁶³ Floris Deodatus, Gautam Shuvra Biswas, M.A. Sekendar, *Sundarbans Environmental And Livelihoods Security (SEALS) Project DCI-ASIE/2009/20133, Mid-Term Review*, 2013, pg 14

⁶⁴ Own estimate for BCCRF based on the following figures for the Emergency Cyclone Recovery and Restoration Project: 230,000 households engaged in crop production; 38,000 in livestock production, and 37,000 in fisheries.

stakeholders generally displayed a project dependency, hoping a new project would emerge (whether funded by government or DPs), and there was also a general absence of concrete exit strategies. In relation to LDRRF sub-projects, CDMP did not ensure binding commitments from communities for basic maintenance, which has become a concern since the financial capacity of local governments to handle maintenance is limited.

3.7 EQ8: Gender equality

EQ8: To what extent have EPs contributed to improving gender equality and the empowerment of women?

The EPs' country strategies include robust reflection of gender equality and women's empowerment (GEWE), but this was not translated into systematic mainstreaming in project planning, implementation and evaluation. Consequently, gender mainstreaming in the EPs' portfolio was not adequate. EPs have not invested sufficiently in internal staff capacity on GEWE, nor made effective use of the OECD-DAC gender marker system.

Evidence suggests there were no significant GEWE issues on which the EU had taken the lead at policy or implementation levels, partly due to a lack of senior manager leadership and capacity. EPs were successful in supporting the capacity of NGO counterparts on GEWE, with a number of good practice examples, but gender mainstreaming in government was not a major EP focus.

EPs' strategies focused on women rather than gender equality, with limited attention to changing the systemic causes of gender inequality or the role of men. EPs were not major contributors to implementation of GEWE policy, and evidence suggested that EPs did not prioritise political dialogue or involvement in coordinated political dialogue in relation to GEWE, neither under EU leadership nor otherwise.

A number of individual EP projects contributed to promoting GEWE, but overall EPs' support has not been systematic, and in some cases there were challenges concerning sustainability. Positive results were achieved for women's livelihoods, partly through selection of good implementing partners, but there were mixed results in addressing the systemic causes of gender inequality.

Rationale and coverage of the EQ:

Gender equality in Bangladesh improved during the evaluation period in some areas, in particular health and education. Women's rights are improving where NGOs and women have been active at grass-roots levels. Many development challenges remain: violence against women and girls, and maternal mortality remains disturbingly high. Whilst there are positive changes in social attitudes, gender gaps linked to social discrimination persist.⁶⁵

⁶⁵ EU Bangladesh Report 2012 p.19, 56
http://ec.europa.eu/delegations/bangladesh/documents/about_us/blue_book_en.pdf

The evaluation used the EU 2010-15 Plan of Action (GAP),⁶⁶ which takes a three-pronged approach focusing on political and policy dialogue, gender mainstreaming, and specific actions to promote GEWE, to structure this evaluation question, along with EP's global and national GEWE policies, and key government planning documents. The portfolio evaluated included in-depth analysis of four projects, and a review of 25 project planning documents and 13 evaluation reports covering an additional 27 projects.

JC8.1: Degree of mainstreaming of gender issues in the EPs' programmes

The EPs' country strategies included robust reflection of GEWE. All EPs committed to mainstreaming gender in their programming through country level strategies, and gender mainstreaming is also one of the EU GAP three prongs.⁶⁷ All the strategies had a strong focus on women's rights, and provided clear direction concerning gender mainstreaming.

Project planning documents and evaluations were inadequate concerning their GEWE content. There was variation between the EPs, with Sida and Danida strategies and project documents achieving a more effective level of mainstreaming than the EU's, but no EP achieved systematic mainstreaming. The review of project documents found:

- 80% of project documents did not include an adequate contextual gender analysis.
- A lack of gender-sensitive result statements and corresponding indicators, demonstrating that GEWE was an add-on rather than being integrated into project planning.
- GEWE was reflected more strongly in education, agriculture and food security programming than in climate change, good governance and the private sector.
- The emphasis on women's rights in EPs' strategies was not reflected in 80% of project documents.
- No project documents included LGBT issues.
- Almost all project documents represented women as a vulnerable group and/or victims, rather than as development participants/actors.
- 46% of evaluations included only limited or no information on GEWE, implying that the projects evaluated had a limited focus on GEWE.

EPs have not invested in internal staff capacity on GEWE, nor made effective use of the OECD-DAC gender marker system. EPs' gender policies⁶⁸ included commitments to building staff capacities on GEWE, particularly of Gender Focal Points (GFP), and tracking GEWE related financial allocations against the OECD-DAC gender marker.⁶⁹ An EU GEWE training course was held in 2014 with patchy attendance of some 15 out of 70 staff, the first training course since 2006. In Sida the last formal GEWE

⁶⁶ EU Plan of Action on Gender Equality and Women's Empowerment in Development, 2010-2015, 2010

⁶⁷ Sida Strategy for Development Cooperation with Bangladesh (2008-2012), 2008; Danida Strategy for Development Cooperation 2005-2009, 2005; EU Bangladesh-European Community Country Strategy Paper for the period 2007-2013, nd.

⁶⁸ EU Plan of Action op cit; Sida, Promoting Gender Equality in Development Cooperation, 2005-2010, 2005; Sida, On Equal Footing, Policy for Gender Equality and the Rights and Role of Women in Sweden's International Development Cooperation 2010-2015, 2010; Danida, Gender Equality in Danish Development Cooperation, Strategy, 2004.

⁶⁹ <http://www.oecd.org/investment/stats/37461060.pdf>

training was in 2008, although global gender network meetings are held regularly for knowledge exchange. Danida provided regular GEWE training for sector-level staff. Sida currently has a full time GFP for a two-year period, while in the EU and Danida GFPs took on this role in addition to full time responsibilities, and spent less than 10 per cent of their time on GFP work. EPs' reporting against the OECD-DAC gender marker provides evidence of more effective gender mainstreaming in Sida, with substantial gaps in EU project planning. However, the reporting exercise lacked analytical depth, being perceived as a mainly formalistic requirement. Data from use of the gender marker did not appear to be used internally by the EPs for strategic planning.

In theory, the three-pronged approach promulgated by the EU GAP is a sensible strategy and follows international good practice, and has been re-endorsed by the EU Council in May 2015.⁷⁰ However, unless there is adequate capacity, resources, leadership and political will then the three-pronged approach is unlikely to be adequately implemented, as demonstrated in this evaluation and the EU global gender equality evaluation.⁷¹

JC8.2 Effects of EPs' gender programming on the Government of Bangladesh and other partner capacity

EPs were responsive to the government's commitments and national strategies. All EPs' strategy documents refer to the need for alignment with gender elements of the government main policies and strategies (e.g. PRSP and Five Year Plans). This resulted in programming directly tied to government priorities, for example, in education and food security.

Overall the EU was not perceived as leading on GEWE, either through the Local Consultative Group or in other fora. The EU GAP commits the EU to strengthening its lead role in promoting GEWE, including through appointing a lead donor – a role taken on by Sida. Evidence suggested there were no significant GEWE issues on which the EU had taken the lead during the evaluation period. This was partly due to lack of senior manager leadership and capacity. Reporting on the GAP was inadequate, with only the EU, the Netherlands, Sweden and Denmark reporting on a limited number of GAP indicators. EU Member States did not consider GAP reporting a useful process.

EPs were successful in some cases in supporting the capacity of counterparts on GEWE. Sida and Danida funding to Ain O Salish Kendra (ASK), a prominent Bangladeshi human rights NGO, has facilitated staff training, networking, and maintenance of a human rights database. Danida supported the Ministry of Women and Children Affairs (MoWCA) over 15 years, with an additional five years of funding planned, in running innovative One Stop Crisis Centres (OCC). Such long-term support is exemplary, and since 2000 Danida funding has dropped from some 85 per cent to 15 per cent of the OCC budget, with the government now providing 80 per cent of the OCC budget. Danida also provided effective capacity support to the Department of Agriculture Extension (DAE) under the Agriculture

⁷⁰ Council of the European Union, *Council Conclusions on Gender in Development*, 9242/15, 2015.

⁷¹ EU, *Evaluation of EU support to Gender Equality and Women's Empowerment*, 2015.

Sector Programme Support project, in particular at the local level, having a senior international technical advisor located in DAE supported on-going capacity development. In the EU supported Food and Livelihood Security project beneficiary capacity was noticeably developed, but the capacity of the Department of Women Affairs and project implementing partners in relation to project implementation was not significantly developed.⁷²

Gender mainstreaming throughout the government was not a major focus for EPs. MoWCA worked through GFPs in ministries, but these GFPs were not in decision-making positions. Consequently they have been constrained in promoting mainstreaming effectively, and there has been no road map for mainstreaming across the government.⁷³ MoWCA has had a relatively low level of capacity, however at the strategic level providing support to MoWCA is viewed as problematic by some donors, as it is perceived that the government itself is not prioritising GEWE.

JC8.3 Extent to which EPs' support addressed systemic causes of gender inequality

All EPs' country level strategies included a women's rights focus, but did not explicitly discuss the systemic causes of gender equality in any depth. Subsequently, programming tended to take a livelihood/needs based rather than a rights based approach.

All the key government policies related to GEWE suffered from policy evaporation, and at the strategic level EPs have not been major contributors to implementation of GEWE policy.⁷⁴ EPs did not provide financial support for implementation of the national Women's Development Policy; the UN Special Rapporteur on Violence Against Women noted zero expenditure on this policy by the Ministry for 2011-2014.⁷⁵

There was no evidence that EPs had undertaken effective policy dialogue. The GAP includes three policy dialogue indicators:

1. Update Heads of Mission on gender issues – this was done; however, evidence suggests that Heads of Mission did not systematically use this information;
2. Encourage the establishment of a gender coordination mechanism - a gender coordination mechanism was in place but the EU did not play a lead role in it, and was not effective in coordinating EU Member States on GEWE; and
3. Ensure that strategic planning documents are gender mainstreamed.

⁷² EU, *Technical Assistance to the Department of Women Affairs for the Food and Livelihood Security project, Special Study, Final Report*, 2014.

⁷³ EU, *Gender Country Profile, Final Report*, 2014, contains a detailed analysis of MoWCA; Citizens Initiative on CEDAW-Bangladesh, *Alternative Report to the UN-CEDAW Committee*, 2010.

⁷⁴ EU, *Gender Country Profile, Final Report*, 2014; Citizens Initiative on CEDAW-Bangladesh, *Alternative Report to the UN-CEDAW Committee*, 2010.

⁷⁵ Human Rights Council, *Report of the Special Rapporteur on violence against women, its causes and consequences, addendum on Bangladesh*, 2014.

The EU GAP also emphasises the need for mainstreaming gender in national and EU planning documents and programming more generally; as noted, while strategy level documents did mainstream gender, this did not translate into systematic GEWE programming.

There was no evidence the EPs have prioritised political dialogue, or been involved in coordinated political dialogue, either under EU leadership or otherwise. The GAP refers to the need for political dialogue: “In the framework of political dialogue, the EU should discuss with partner countries or regional organisations how they are implementing international legal obligations on women's rights and should discuss possible ways and means to support efforts in this regard.” A recent case was the government’s plan to reduce the age of marriage from 18 to 16 for females, which is counter to the Convention on the Rights of the Child which Bangladesh has ratified, and would reinforce one of the persistent causes of gender inequality; EPs were not involved in political dialogue on this important issue. EPs have taken individual rather than systematic initiatives, for example, Heads of Mission participated in the #HeforShe campaign which aims to involve men in promoting GEWE, in events for International Women’s Day, and mentioned GEWE in speeches. Sida has supported political dialogue indirectly through its partnership with ASK, one of a number of organisations that produced the CEDAW shadow report.⁷⁶

JC8.4 Contribution of EPs’ support on gender equality and the empowerment of women

EPs’ and particularly the EU’s programming tended to focus on income generation and livelihoods for women, in which there were some successes. For example, EU support to livelihoods was effective through the Rural Employment Opportunities for Public Assets (REOPA) project, which provided employment to destitute women on road maintenance, with savings invested in income generating activities (IGA). The EU supported Technical and Vocational Education and Training (TVET) Reform project was proactive in developing a policy on promoting GEWE in the TVET sector, and several institutions have been encouraging females to participate in non-traditional courses. And the EU supported Food and Livelihood Security Project (FLS), implemented by the Department of Women Affairs, and targeted specifically at women, resulted in an increase in food production and purchasing power for 80,000 rural and ultra-poor and female-headed households.⁷⁷

EPs’ support also displayed generic issues vis-à-vis GEWE, in particular: coverage and beneficiary selection; lack of sex-disaggregated data; and limited attention to the role of men in promoting gender equality. For example, in relation to coverage, in the EU supported Comprehensive Disaster Management Programme, gender was not

⁷⁶ Citizens Initiative on CEDAW-Bangladesh, *Alternative Report to the UN-CEDAW Committee*, 2010.

⁷⁷ EU, *Rural Employment Opportunities for Public Assets (REOPA), Ex-Post Evaluation*, 2013; ILO, *Technical and vocational Education and Training (TVET), Final Independent Evaluation*, 2014; EU, *Technical Assistance to the Department of Women Affairs for the Food and Livelihood Security project, Special Study, Final Report*, 2014.

taken into account during beneficiary selection, and beneficiaries were mostly men, reinforcing gender norms. The Danida and Sida supported OCC model was an effective one for those few actually accessing services, and these clients expressed a high degree of satisfaction with the services provided. However, coverage was extremely limited in relation to the extent of the problem; 19,286 clients were covered by all OCCs between August 2001 and April 2014, while many millions of Bangladeshi women are subject to violence.⁷⁸

EPs' programming overall did not pay adequate attention to the systemic causes of gender inequality and women's rights, although individual EP's projects, which specifically focused on women's rights, have resulted in longer-term changes in gender norms and relations. The REOPA project and the EU supported Local Governance Support project led to some increased mobility, participation in decision-making and control over resources for women. The Promotion of Development and Confidence Building in the Chittagong Hill Tracts improved the position of women to some extent, but participation by women in decision-making was still very limited.⁷⁹ Equally neither the FLS project nor Danida support to the DAE significantly increased women's knowledge of their rights or mobility, although they did contribute to women's economic empowerment.⁸⁰ These findings illustrate the constraints of addressing the systemic causes of gender inequality and women's rights through a livelihoods/needs based approach. ASK's was the only programme in the portfolio that took an explicitly rights based approach, successfully promoting women's rights and contributing very positively to changing gender norms and relations.⁸¹

⁷⁸ IMED op cit.

⁷⁹ EU, *Evaluation of Promotion of Development and Confidence Building in the Chittagong Hill Tracts Development Facilities*, 2014.

⁸⁰ EU, *Technical Assistance to the Department of Women Affairs for the Food and Livelihood Security project, Special Study, Final Report*, 2014; Danida, *Evaluation of the Farmer Field School Approach in the Agriculture Sector Programme Support Phase II, Bangladesh*, 2014.

⁸¹ Ain o Salish Kendra, *Mid-term Review Report: "Strengthening Activism Towards Human Rights Culture in Bangladesh"*, 2014.

4. Overall assessment and conclusions

4.1 Promoting inclusive growth in a challenging context

All three evaluation partners have contributed to the impressive gains made in creating a more inclusive, prosperous and gender equal society. While the key drivers have primarily been domestic, Denmark, the EU and Sweden have supported millions of women, men and children to escape poverty, relying on both incremental improvements to the livelihoods of the poor as well as supporting more transformative changes. In the social sectors especially, the EU and Sweden have improved more equal access to both education and health services with a particular focus on women. This has contributed to increasing the number of children enrolled in schools, with girls being now more likely to enrol than boys. The EU and Sweden have also been supporting better and more harmonised aid delivery mechanisms in these sectors, reducing fragmentation and creating the *potential* for more substantial engagement in core technical issues related to improvements in classroom practices. In the productive sectors, the EU and Denmark have contributed to rising incomes of millions of poor farmers, workers and businesses. Denmark has focused mostly at individual farmers' level, successfully introducing more productive technologies and methods through an incremental and contextualised trial and error method. The EU has appropriately focussed more at policy and regulatory level reforms that have helped Bangladesh to take advantage of the global trading opportunities.

In addition, the maintenance of a broadly open EU trade regime has allowed for rapidly increasing exports, encouraging a process of labour intensive industrialisation that has also marked the unprecedented entry of millions of women into the labour force, challenging gender stereotypes and increasing the autonomy of women. Bangladesh's industrialisation has arguably been the most structurally transformative change spreading to sectors beyond simple garment production. The government is now ambitiously aiming to graduate the country to middle income status by 2021.

Nevertheless, many challenges remain outstanding, even after decades of support from DPs (including EPs). The substantial and consistent focus on governance and human rights by all EPs have not translated into tangible improvements at the aggregate level, with weaknesses in the fiduciary environment and human rights violations still being widespread. The key drivers and inhibitors for improving the overall quality of governance have been domestic, with DPs (including EPs) facing major difficulties to promote changes. The governance paradox of worsening governance indicators simultaneously with strong inclusive growth calls for a rethink in terms of the importance of governance (broadly conceptualised) in promoting development outcomes.⁸² If anything, the Bangladeshi experience demonstrates that causality is weak in the short to medium term and may also run both ways.

⁸² This narrative is somewhat ahistorical and with weak empirical base. See e.g. Booth et. Al. *Developmental Regimes in Africa*, ODI, 2015

Obviously all three EPs also promoted human rights and governance as an end in itself and not exclusively as a means to accelerate inclusive growth. This support has enabled NGOs to both provide assistance to victims of human rights violations as well as to give voice to groups that aim to maintain the space for political dialogue on critical rights issues. At the aggregate level, there has been limited progress and some major setbacks in, for example, reforming public financial management systems and the judiciary.

EPs have nevertheless been able to engage constructively with key government institutions in the process, hereby also improving the quality of governance. Characteristically, such interventions focused on relatively solvable problems where both domestic partners and EPs had identified the issues and there was clear demand from part of the domestic stakeholders. Often this did not entail focusing on international best practices, but rather on finding home-grown solutions to the challenges. Thus in areas such as standardisation, accreditation and village courts, EPs have worked with domestic allies to design solutions that had strong support among proponents and were grounded in the local realities. They also worked with (or at times around) the contextual constraints rather than confronting these constraints with demands for reaching, for example, a Scandinavian level of judicial effectiveness at village level. However, progress has never been linearly following the log-frames plans, but often deviated and mostly also exceeded the timeframes, producing slightly different outcomes than the ones initially expected. Incremental changes over longer time periods have often ensured increased government ownership. Similarly, the power of demonstration has often been more convincing than policy dialogue on more grandiose plans and policy reforms, based on so-called best practices. These experiences also demonstrate that developmental reforms have been possible, even in an adverse governance context.

4.2 Conclusions

The ten conclusions reached by this evaluation have been regrouped by theme, as follows: 1) relevance of the cooperation strategy, coordination and aid modalities and 2) sector level outcomes and sustainability.

Relevance of the cooperation strategies, coordination and aid modalities

Conclusion 1 – EPs strategies formed a mostly coherent and appropriate response to key Bangladeshi challenges. The EU and Denmark had more direct emphasis on providing services to the poor and creating an enabling framework for accelerated poverty reduction. The EU had particular - and effective - focus on improving trade and development policy coherence, which translated into significant engagements within, for example, trade that enabled Bangladesh to increase exports to the EU. Embedding development assistance in a wider policy context entailed both risks (e.g. more tied aid) and opportunities (e.g. achieving policy coherence for development)

Based on: EQs 1, 2, 5 and 9

Leading to recommendation: R1, R2, R3, R4

All three strategies have been designed separately with limited (but over time increasing) efforts to have joint analysis and programmes. The focus of the response of EPs strategies closely matched each other. While EPs have not systematically tried to promote a joint and coherent response at sector level, EPs have in several instances supported the same projects (for example through UN or WB). In these cases they have mostly pursued similar strategies and emphasis. The strategies have been based on a pragmatic combination of perceived comparative advantage, past experience and the demands from local partners, the latter ensuring appropriate contextualisation and higher relevance. In the case of the EU, such contextualisation has been compromised towards the end of the evaluation period by overly HQ involvement in defining strategic priorities and choosing aid modalities and partners (EQs1, 2, 9).

All three EPs' strategies were relevant for poverty reduction. The strategies all had poverty reduction as the overall objective, with Sweden emphasising the use of a right based approach with particular focus on women and children. The EU and Denmark had more direct emphasis on providing services to the poor and creating an enabling framework for accelerated poverty reduction. The EU had particular - and effective - focus on improving trade and development policy coherence, which translated into significant engagements within, for example, trade that enabled Bangladesh to increase exports to the EU. Sweden has arguably had the strongest emphasis on gender, whereas the EU has been more widely engaged also in the social sectors. Denmark was relatively strong on delivering services directly to the poor. All this has clearly produced outcomes that were relevant for poverty reduction, but often with challenges.

Many development partners, EPs included, have attempted to embed their development strategy in a wider policy context, including as a part of a 'whole of government approach'. This has substantial potential to improve policy coherence in diverse areas such as migration, climate change, tax havens and the provision of global public goods. The evaluation found good evidence of this potential being realised in e.g. the BEST programme where EU coherently combined trade policy opportunities with development assistance. However, the risks are also evident in that domestic priorities (e.g. export and promotion or commercial interest) can (and at times have) undermine development effectiveness.⁸³

A core ingredient in successfully translating the strategies into development interventions has been the robust analysis of the causal mechanisms for translating inputs and activities into poverty reduction related results. Typically such analyses also enabled better monitoring and evaluation of the outcomes from a poverty perspective factoring into distributional dynamics. Especially interventions in rural development and social sectors have had such credible theory of changes, less so in private sector development (e.g. SME development and business to business engagements) (EQ1).

⁸³ The Danish business to business programme is one example and the new Danish government has emphasised that Danish companies should benefit even more for development assistance further adding pressure which could compromise aid effectiveness, as have been seen in other countries.

The strategies have been operationalised through mostly appropriate and contextualised aid modalities, in which the fiduciary risks and government preferences for projects have been primary drivers (EQ9).

All EPs put strong emphasis on good governance. While this choice was relevant, EPs had overly optimistic assumptions (not least on PFM) on the degree to which they (in partnership with other DPs) could improve the quality of governance at aggregate level and arguably overly pessimistic assumptions on the primacy of good governance in driving sustainable poverty reduction. The strategic focus on good governance has thus often not been sufficiently granular and sector specific (e.g. in education) but there have been many operational instances where EPs have been able to promote better governance incrementally in the interventions, whereas more ambitious and broader attempts (e.g. in PFM) have had more mixed success (EQ1).

Conclusion 2 – Engagements were most relevant where EPs had a long-term strategic perspective based on realistic assessment of existing capacities, reform willingness and real demand for reforms. Such reforms often materialised incrementally, non-linearly and through trial and error, where learning and politically smart iteration has been key.

Based on: EQs 1, 3, 5, 6, 7 and 8

Leading to recommendations: R1, R2, R3

The Bangladeshi context has been challenging but also offered many entry points for promoting inclusive growth. As stated above, attempting to impose comprehensive ‘best practices’ approaches whether in PFM, agriculture or SME policy development has produced limited outcomes, especially where ownership has been weak and domestic demand from the private sector and other stakeholders was insufficient to drive the process forward.

Having a long-term strategic perspective where the overall direction was shared with the domestic partners proved necessary as did the ability to not only accept setbacks, but also to learn and flexibly adapt to the learnings from the setbacks. This allowed for improvements in diverse areas such as farmers’ productivity, trading standards, educational access and improving the capacity of the government to assist victims of violence against women (EQs 1, 3, 5, 8).

This approach has been on-going for more than a decade in the country. It could be characterised, to varying degrees, to what is often termed as ‘politically smart’, locally led approaches. EPs had to adapt the way they worked in order to support iterative problem-solving and brokering of interests by local actors, often both inside and outside the government. This has facilitated stepwise learning, relationships building and discovering common interests that were key to success. This has allowed EPs (often through their implementing agents) and their partners to understand the complex development challenges (including governance related ones) they faced, which in turn allowed them to identify and negotiate ways forward, and find solutions that were both technically sound (if not optimal from a ‘best practice’ perspective) and politically feasible.

In these engagements, EPs have seized opportunities for incremental progress when they emerged. These often came from experimentation and could be used as stepping-stones for gaining momentum for potentially more transformative changes. These processes have mostly been domestically led, and attempts to have TA driving the process have failed. However, demand-driven TA that offered technical expertise complementing existing capacities proved relevant. Related, staff continuity has also proved conducive for success as has a high degree of flexibility in funding (e.g. ASPS 2). Over-specifying inputs and outputs tended to increase spending pressures and degenerate the relationship into an aid-centric one (e.g. INSPIRED).

IOs have offered opportunities for delivering such expertise which in turn has been instrumental in achieving significant policy reforms such as the food policy reform (with FAO), skills development policy (with ILO), and the National Quality Policy through BEST.

Moreover, ownership was also a crucial ingredient in promoting relevant and effective partnerships. In successful interventions, ownership was firmly anchored with the specific partner institutions that were driving the process. Similarly, formalised platforms for policy dialogue rarely shaped policy direction and reforms. The learning and testing from concrete engagements had most traction.

EPs' capacity to engage in sustained dialogues varied across sectors, but constraints have increased, with staff often being responsible for several sectors and interventions. This has affected the ability to engage in-depth and be politically savvy with partners. However, EPs have increasingly relied on other DPs for dialogue and engagement in specific sectors (e.g. climate change and disaster management, see EQ7), a process that is likely to continue.

When working with actors outside the government, the private sector has proven a strong partner in driving through reforms, although it obviously also has its own interests, which were not always fully consistent with the EU's developmental objectives (EQ5).

<p>Conclusion 3 – EPs' alignment to national policies and country systems as well as division of labour between DPs have been undermined by the challenging Bangladeshi context.</p>

<p><i>Based on: EQ1, 2, 9</i></p>	<p><i>Leading to recommendations: R1, R4, R5</i></p>
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EPs' strategies have all been firmly grounded in the government's own development strategies. However, these strategies tended to lack prioritisation as well as detailed planning and budgetary frameworks to constitute clear guiding strategy documents for EPs to align to. Furthermore, while the government and DPs (including EPs) invested substantial resources in promoting alignment in the first part of the evaluation period, most DPs have subsequently had less interest in pushing the alignment agenda, with increased aid fragmentation and a more competitive aid landscape becoming dominant. In addition, the government has not been particularly pro-active in implementing and following-up the

alignment agenda, especially when this encompassed more general policy dialogue detached from concrete projects and programmes (EQ1, 2).

Moreover, the high incidence of corruption has been a continuing problem in Bangladesh. This background led EPs to choose aid modalities with strict control measures. EPs channelled a substantial share of their assistance through international organisations, with these acting as a safeguard. In addition, they used projects and programmes in direct management. On the government side, the project-type of approach remained the preferred aid modality. Unsurprisingly, external assistance management in Bangladesh has relied on parallel systems of planning, accounting and auditing for donor funds, separate from the national budget. Alignment with country systems therefore remained limited (EQ9).

Government and DPs' work on strengthening aid effectiveness culminated in 2010 with the signature of the Joint Cooperation Strategy and the reinvigoration of the Local Consultative Groups mechanisms. These efforts led to increased information sharing but limited progress has been made as far as division of labour is concerned. With a government not taking leadership in coordinating donors, combined with the increased prominence of donors' national interests, and an aid landscape becoming increasingly fragmented with the emergence of new donors (e.g. India and China), these efforts declined in the second part of the evaluation period, with the notable exceptions of the education and health sectors. Meanwhile, initial EU joint programming efforts (since 2013) have re-vitalised the framework for EU coordination and proven more promising (EQ2).

Conclusion 4 – The significant channelling of aid through international organisations has generally been an appropriate and effective response to the context, with caveats in the democratic governance area. Technical and management disagreements between EPs and international organisations undermined its efficiency.

Based on: EQ 1, 2, 5, 6, 9

Leading to recommendation: R4

A combination of factors encouraged EPs to channel a significant part of their funds through international organisations: the high fiduciary risks prevailing in the country, the scarcity of the human resources at EPs representations to manage directly a portfolio of projects/programmes, the requirement to limit the number of focal areas to three, and the recognised experience and expertise of international organisations in specific areas (e.g. World Bank in PFM; UNDP in democratic governance; UNIDO in trade) (EQ1, 5 and 9).

The decision to channel funds through IOs was the result of a well-considered choice from the EPs and it led to positive developments. It gave EPs the opportunity to be present in key sectors and to leverage their partnership with other DPs. It also enabled them to rely on well-positioned partners who have technical comparative advantage and added value in specific sectors to implement the interventions. Through the pooling of funds into major joint-donor approaches, channelling enhanced harmonisation and coordination between DPs (including EPs) (EQ1 and 2).

Channelling nevertheless undermined the relevance of EPs' support to the post-conflict reconciliation process of the Chittagong Hill Tracts area. With the UNDP's mandate to intervene in the CHT area, it was appropriate for EPs to use the UNDP to deliver support in this region. But in using UNDP, the EPs have had to rely on its approach, which was not the most appropriate response to the high exposure of vulnerable or exposed groups to violence, discrimination and poverty in the region. They could not implement a human rights based approach to the extent initially envisaged. Similarly in the support to the Election Commission, the technocratic approach of UNDP risked undermining the reputational standing of the EU, by potentially adding legitimacy to a flawed electoral process (EQ6).

More generally, channelling and its partnership implications has been an object of disagreements between EPs and IOs. There have been significant divergences of views on the governance and management of trust funds, the depth and access to financial and technical reporting -with IOs rather being considered as a contractor than a partner- and lower visibility of EPs. These discrepancies have undermined the efficiency of the support delivered (EQ9).

Conclusion 5 – The EU decision to use SBS in primary education as of 2012 was relevant. However, specific features of the EU SBS and the suspension of the disbursements in 2014 weakened its effectiveness.

Based on: EQ3, 9

Leading to recommendation: R6

DPs (including EPs) have judged the fiduciary risks of transferring aid through the Government's systems to be too substantial throughout the evaluation period to use general budget support. Over the evaluation period, DPs (including the EU and Sweden) progressively moved towards supporting the primary education sub-sector through sector budget support (SBS). As a first attempt to mitigate the aid fragmentation of the sub-sector, eleven donors contributed to PEDP 2 (2004-2011) through a single Trust Fund led by ADB. But funds were still channelled and managed through a managing and financing structure that was parallel to government systems. With PEDP 3 (2012-17), DPs (including the EU and Sweden) financed a multi-donor programme implemented through a SWAP approach and based on the 'treasury model', with donor funds being directly channelled to a Consolidated Account at the Treasury. Despite its alignment with government's policies and systems, the 'treasury model', which keeps many features of a project approach, has in fact been a targeted SBS with stringent fiduciary safeguards (EQ3).

Several elements led DPs to move towards such earmarked SBS: (i) financial management in education was considered relatively strong; (ii) the government demonstrated a growing leadership and ownership under PEDP 2; and (iii) high transaction costs were associated with the Trust Fund. This middle ground position of the treasury model (e.g. SBS with stringent fiduciary safeguards) facilitated the acceptance of most DPs to use the government treasury system in spite of Bangladesh's high fiduciary risks. Within this context of DPs moving towards the treasury model, the choice of the EU to move towards sector budget support was relevant. While anchored to the SWAP, it is worth noting that the EU SBS has

slightly differed from the treasury model: (i) its funds were not tied to a list of eligible expenditures; (ii) the EU added two specific outcome-level indicators to the joint list of DLIs; and (iii) the MoF had to report on the two general eligibility conditions related to sound macroeconomics and public finance management. In addition, the PFM ‘conditionality’ has been tied to the performance of a specific multi-donor and World Bank-led project (SPEMP) as well as to general progress in the government’s PFM reforms while other contributing donors have primarily focused on sector PFM (EQ3, 9).

Specific features of the EU SBS have been problematic and weakened its effectiveness. With the two additional outcome DLIs, the EU has not succeeded in making the policy dialogue moving towards a more outcome-oriented focus. But the EU was a minor contributor compared to the WB and the ADB. The reporting requirements on the two EU SBS eligibility criteria were considered additional burdens by the government. The fact that the PFM conditionality was tied to SPEMP in addition to broader PFM developments did not promote any substantial dialogue with the MoF. Finally, the decision to suspend support was problematic from several points of view. It was primarily taken on the grounds of the limited progress of SPEMP and insufficiently took account of the status of sector PFM. It was taken unilaterally by the EU headquarters in 2014, without appropriate coordination with other EU member states or the EU Delegation. It also undermined the EU’s efforts to build a good country-level understanding of the SBS instrument. Moreover, with other DPs disbursing the same year, it also jeopardised the EU’s credibility (EQ3, 9).

Sector level outcomes and sustainability of EPs’ support

Conclusion 6 – DPs’ support to primary education contributed to improving access and retention in the country and to promoting quality-oriented policy reforms. DPs’ approach has however not been consistently conducive to promoting positive dynamics in the sector nor to improving practices in classrooms.

Based on: EQ3, 4

Leading to recommendations: R6 and 7

DPs contributed to the country’s achievements in terms of access and retention. Their financial support complemented the government’s effort to expand the supply of classrooms and therefore promote access and retention. Their support to NGO-provided non-formal education played a critical gap-filling role in encouraging poor children’s enrolment. They have been instrumental in promoting key quality-oriented reforms, including the introduction of the Diploma in Education and the timely delivery of textbooks, which may eventually positively influence learning outcomes.

However, DPs’ mode of intervention has not been entirely conducive to promoting positive dynamics in the sector. The complexity of the procurement regime they decided upon contributed to the slow delivery of new infrastructures and their RBM approach did not manage to drive better quality infrastructure. Throughout the period, DPs funded non-formal education provision without working towards strengthening government institutional, policy and financial capacities to sustain this provision. This undermines the potential long-term impact on poverty reduction.

The treasury model has suffered from a usual feature of the Swap approach - a focus on central level processes and systems and a relative neglect of local level dynamics – which have not been conducive to an actual translation of quality-oriented reforms into effective changes in classrooms. DPs struck an inadequate balance between disbursement imperatives, transparency requirements and long-term system development and government ownership. This has undermined capacity development and crowded out substantial discussion about structural issues, including obstacles that may hamper the actual transformation of quality-oriented reforms into effective changes in the classrooms.

Generally, DPs' limited attention to sector finance and their silo vision of the primary education sub-sector were not conducive to a holistic comprehension of Bangladesh's overall education sector with the view to tackling its structural challenges.

Finally, the prevailing conceptualisation, among DPs and government officials, of gender issues focused on girls' enrolment and a neglect of secondary education where girls' education challenges are the most acute - has not contributed to giving gender issues a prominent place in strategic discussions.

<p>Conclusion 7 – The private sector has been a main driver of poverty reduction; EPs have mostly successfully supported it in rural areas and in increasing its ability to trade, but less successfully in promoting SME policy development outside agriculture.</p>
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<p><i>Based on: EQs 1, 5</i></p>	<p><i>Leading to recommendation: R8</i></p>
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The impressive reductions in poverty have been possible through a combination of factors, but key has been the private sectors' impressive resilience, drive, ingenuity and entrepreneurship. Private sector-led growth has accelerated since the middle of the 1980s, transforming Bangladesh from one of the poorest countries in the world into a nation on the verge of achieving middle-income status. The private sector accounts for 93% of GDP and labour intensive growth in sectors such as garments, manufacturing, shipbuilding, IT services, agriculture and food processing, has lifted millions of poor out of poverty, as they have gained better remunerated employment and increased their productivity (EQ5).

Denmark and the EU have contributed to private sector lead growth within two key areas, trade and agricultural productivity. The EU often successfully focused at policy level with long-term assistance to upgrade quality infrastructure and standards compliance. This has enabled Bangladesh to take advantage of the EU market. The Sustainability Compact has also contributed to maintaining access to the EU market at time when there was substantial public pressure to sanction Bangladeshi exports (which the USA succumbed to). Instead the Compact committed the EU to positively stay engaged.

While the EU has supported the transformation of the economy, there have been too few efforts aimed at analysing the underlying socio-economic and environmental consequences, which could have informed future engagements to better address any un-intended consequences or compensated losers. Denmark has assisted in increasing incomes among poor farmers, with mostly well-designed and flexible interventions, that also included

robust systems for evidencing impact. The Danish supported interventions have improved the income of millions of farmers. However, working at local level and at times providing services directly to beneficiaries has posed sustainability challenges, although government has, as evidence of substantial impact emerged, also adjusted the framework conditions to mainstream innovations in, for example, extension, albeit mostly incrementally, and with considerable issues of maintenance of, for example, rural infrastructure still outstanding (EQs 1 and 5).

The main shortcomings of the EPs have been in the EU's SME policy support and in the Danida supported business-to-business programme. These were using blueprint approaches, formulated largely by the EPs and had, in the EU case, supply driven TA as key characteristics. Moreover, there was limited demand for both the SME reforms themselves and the associated EU TA. Flawed design and low quality TA further aggravated the situation and the EU's procedures (under the framework contract) have clearly not been conducive to consistently identify quality TA. Danida's business to business clearly demonstrated the difficulties of combining own commercial interests with development ones and resulted in costly yet often underperforming partnerships between Danish and Bangladeshi companies, with limited job creation (EQs 1 and 5).⁸⁴

Compared to Denmark, the EU has been seen by the government as a larger, more legitimate and relevant partner in trade related policy dialogue and has worked at central policy level, dialoguing with relevant stakeholders both inside and outside government. Clearly the EU had the ambition, technical expertise (though partly sources from UNIDO), legitimacy and clout to engage in such policy dialogue. This is also seen in the Sustainability Compact where the EU's trade importance has also been used for promoting more inclusive and safer private sector development. Denmark has arguably directly engaged a larger number of poor and assisted in lifting their incomes, while simultaneously reducing its ambitions in terms of central level policy engagement, instead effectively relying on the power of demonstration and subsequent persuasion (EQ5).

<p>Conclusion 8 – EPs' support to human rights and democratic governance was appropriate but has not impacted significantly on the overall situation of vulnerable and exposed groups nor on the government's ability to conduct free and fair elections.</p>
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<p><i>Based on: EQ6</i></p>	<p><i>Leading to recommendation: R8</i></p>
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The EPs gave priority to human rights and democratisation through a right-based approach. EPs' support to HR&D rightly focused on the vulnerable and exposed groups and has been beneficial to the target groups. At the aggregate level, results, which mainly depend on internal actors and take a long-time to materialise, have remained limited.

⁸⁴ For example, out of 34 B2B evaluated projects, 24 were having no development impact, 8 had a marginal impact and 1 had some impact. However, the evaluation also states 'There may be some contributions towards the overall objective of the programme to poverty reduction (...) but this is still circumstantial'.

EPs’ support focused on the empowerment of NGOs, on the judiciary, the reduction of human rights violations and on electoral processes, with the following major results per area.

EPs’ core funding to NGOs enabled them to be able to defend human rights and claim democratic governance. However, the sustainability of the support remained limited, with NGOs remaining fully dependent on foreign funding. Moreover, in a climate of increased tension between the government and HR&D NGOs, EPs support has not resulted in an improvement in the NGO-Government dialogue on sensitive HR&D issues that is crucial in order to achieve sustainable progress on these issues.

Guardian institutions supported by EPs (such as the National Human Rights Commission) have remained subject to government’s interference and lacked the necessary means to operate effectively. Still EPs succeeded in contributing to a number of positive developments that brought domestic legislation closer to international human rights standards. (e.g. on the Child Rights’ Act, legislation on domestic violence, labour rights). EPs’ interventions in the formal judicial sector have been piecemeal and did not attempt to contribute to a major overhaul of the judiciary.

EPs’ support, which focused on the reduction of the discrimination against vulnerable and exposed groups, has had limited reach. At the aggregate level, there is little indication that vulnerable or exposed groups became less vulnerable to human rights violations during the evaluation period. Furthermore, EPs supported UNDP projects did not impact significantly on the HR&D situation in the Chittagong Hill Tracts.

EPs’ development interventions delivered useful technical assistance to the Election Commission. They were insufficient to impact in a sustainable way on the country’s incentives to conduct free and fair elections. At the very end of the evaluation period, the Election Commission was both unable and unwilling to act as the guarantor of free and fair elections and continued support (through UNDP) increasingly entailed reputational risk.

Finally, EPs engaged with the government both publicly and confidentially on HR&D issues with mixed success. The protection of labour rights improved but concerns remained; calls for non-violent free and fair elections remained unheeded; political pressure did not suffice to prevent all executions.

<p>Conclusion 9 – EPs have made important contributions to both the policy framework for climate change adaptation and disaster risk reduction as well as to actual reductions in Bangladesh’s vulnerability. However, compartmentalised sector-specific mandates and an overemphasis on infrastructural responses at times hampered more preventive and comprehensive responses.</p>	
<p><i>Based on: EQ 7</i></p>	<p><i>Leading to recommendation: R9</i></p>

EPs did contribute to the continuous improvements in Bangladesh’s ability to manage disasters. This included enhanced resilience of vulnerable communities, better early warning systems and improved infrastructure. But, there have been (and still are)

sustainability concerns both regarding community resilience and the maintenance of infrastructure.

EPs' support also generated a substantial amount of new knowledge and information, through studies and assessments on emerging issues, and high quality knowledge products were produced. Moreover, technical capacity was enhanced, for example, with the introduction of improved remote-sensing based early warnings, that underpinned the gains in this area as stated above.

Mainstreaming of CCA and DRR in the support for different sectors has been a priority for the three EPs but, with the exception of agriculture, limited efforts unsurprisingly produced limited results.

In the more targeted support, rushed design and implementation schedules, parallel and projectised delivery systems and a government preference for structural responses have undermined more systemic improvements, and also limited the capacity development of core institutions that should drive the process forward and manage the future.

The Ministry of Environment and Fisheries as well the Ministry of Disaster Management and Relief had limited clout in ensuring coordination and integration of CC&DM across sectors. Nonetheless, EPs have supported the Planning Commission in integrating CC&DM in the Development Project Proforma procedures, thereby providing a step in the direction of mainstreaming into the planning, budgeting and implementation across sectors. EPs' support through CDMP also successfully influenced the Agricultural Master Plan, and ensured that four ministries have developed DRR action plans.

Conclusion 10 – EPs' interventions were successful in supporting the livelihoods of poor and ultra-poor women and in some cases this had led to an increase in their confidence. However, EPs have not systematically mainstreamed gender in policy dialogues and interventions, and the focus has been on women rather than gender equality, reducing the analytical and implementation attention to systemic causes of gender inequality.

Based on: EQs 8, 4, 5, 6 and 7

Leading to recommendation: R10

EPs have supported Bangladesh in making substantial progress in promoting gender equality. With EPs support, gender parity in school enrolment has been a tremendous accomplishment. However, many gender related challenges remain and EPs have generally not been able to systematically and consistently address these challenges.

In the political space there has been significant focus on getting legislation into place, for example, the National Women's Policy and legislation against domestic violence. The EPs have successfully provided long-term support to NGO partners to enable this. However, EPs bilateral policy dialogue with the government was not robust enough, in particular on implementation of legislation, with too limited gender mainstreaming in the policy dialogue. The EU did not fully play the leadership role envisaged in the EU GAP and has not adequately prioritised coordination on gender, in large part due to weak internal

capacity and low priority.

The failure to consistently address root causes of gender equality in the engagements is partly related to inadequate effort and capacity to mainstream gender. While the quality of gender mainstreaming varied between the three EPs, it was too often weak. Sweden and Denmark performed somewhat better than the EU but the key drivers for gender mainstreaming, including leadership and accountability, resources and capacity, were not sufficiently prioritised. There was no systematic capacity development on gender in any EP, with reliance on gender focal points rather than building relevant capacity for all staff. Strategic planning was subsequently inadequate, for example, in relation to development of gender-sensitive result statements and indicators that could provide implementers with guidance and direction. Gender analysis in project formulation was not adequate in particular in non-traditional gender areas such as disaster risk reduction and the trade and private sector development support, the latter especially concerning the EU. Also while EPs had a strong focus on gender mainstreaming in the design of education support, there has been less emphasis in implementation on issues beyond equal enrolment, where systemic challenges remain (such as the hold of patriarchal and misogynist attitudes, safety and security of girls, child marriage and weak law enforcement).

The gender focussed specific interventions had positive effects on women's livelihoods and also supported victims of gender based violence. In the agricultural sector, significant achievements were made in promoting the income of women and providing employment. However, these engagements tended not to focus on *preventing* violence against women, through, for example, engaging both men and women in changing gender dynamics and addressing root causes.

5. Recommendations

The eleven recommendations suggested are based on the analysis and conclusions presented in the previous chapters and are formulated with the view to improving the EPs' development cooperation with Bangladesh. They are framed within the on-going new EPs' strategies (Denmark's Country Policy 2013-2017, EU's MIP 2014-2020 and Sweden's Results strategy 2014-2020). They are structured around two clusters focusing on improvements (i) in the strategic approach and the aid modality choices, and (ii) in the key sectors supported. They aim at being practical and suggest proposed actions with a view to improving current and future cooperation.

Strategic approach and aid modalities

Recommendation 1. Further seize both incremental and transformative opportunities by using more politically smart iteration as guiding principle.

Based on conclusions 1, 2, 4, 5, 7 and 8

Engaging with the government has produced mixed outcomes for all partners with both successes and failures. Development assistance has represented a minor part of the government's budget and the government's engagement with DPs has often been seen as inadequate in terms of fostering strong and aligned partnerships around the main policies. At the same time, Bangladesh has a strong private sector and world leading NGOs that, at times, have been viewed as plausible alternatives to partnering with the government. Moreover, there has been widespread disillusionment and cynicism among DPs (EPs included) about the feasibility to progress on the quality of governance, which is deemed core to wider improvement in state capacity. However, there is clearly a need for improved public services. This evaluation has evidenced that EPs can play a useful role in this, *without* waiting for the all-encompassing and perpetually postponed governance reform programme that should help solve PFM and wider state capacity issues.

The strategic directions of the partnership will have to change. EPs should not only focus on broader notional forms of 'ownership and alignment' and on all-encompassing plans and national strategies that have not enabled EPs to prioritise their support nor enhanced their understanding of exactly where and why progress is possible. They should be more specific and realistic in the assessment of the level of demand for support. The core building block should be a **shared vision of the goals to be reached** that will allow for flexibility and learning-by-doing during implementation, and on that basis, doing politically smart iteration.

More operationally, EPs should adopt the following two-pronged approach.

EPs should adjust the level of their ambitions to be commensurate with their partners' capacities and timeframes. Promoting more transformative policy and regulatory reforms not only requires mutual commitment but also longer timeframes than the typical project duration allows for. If engaging at policy level, there is a clear need to have the capacity to meaningfully and qualitatively contribute with expertise and useful advice, focusing on issues that are of relevance and priority to the partners. There should also be acceptance of set-backs and adjustments to changing priorities as new openings occur, something that Danida has allowed for in adjusting to a more bottom-up approach. In a highly dynamic context of rapid private sector development and a volatile political situation, EPs should display more flexibility and agility than traditional log-frames, ToCs and pre-determined milestones may allow for. This should also entail acceptance (and embracing) of variation and uncertainty, where context-specific, technically-sound and politically-feasible solutions can have a greater chance of success. This should feed into a dialogue on both policy and operational aspects, which in turn may require EPs to further concentrate resources in the areas of active engagement.

EPs should be more flexible. Clearly all EPs are bound by established rules and regulations with limited flexibility (especially for the EU) in directly managed projects. However, all can adopt more *de facto* focus on the direction of progress and accept that learning by doing and trial and error entails failures and set-backs. The EU has to a certain extent allowed this in the BEST project and PEDP 3, as has Denmark in ASPs 2 and all EPs in their disaster management support.

EPs should be selective in their support. This entails refraining from entering into partnerships when there is no shared vision and limited possibilities of forming credible alliances with domestic stakeholders that can drive progress. In this perspective, the experience in, for example, support to PFM and SME reforms where the drivers for reforms were not there serve as a warning. This approach could also entail more selective focus sector-wise. This would allow for a better utilisation of scarce human resources, and in turn boost capacity for policy and operational dialogue with partners.

- *Proposed actions:* Formulate detailed responses for the areas/sectors where there is demand for EPs' support and shared vision of the objectives pursued. This may require additional strategy-level documentation to, for example, the EU's MIP 2014-2020 and Sweden's strategy 2014-2020 which do not explicitly present a detailed response against a thorough analysis of the context and of past experience.⁸⁵ Allow for a longer time-frame in the selected engagements, with less focus on pre-determined short-term results and spending targets, and more emphasis on dialogue, learning, adaptation and forming alliances.

⁸⁵ Sweden has done contextual analyses as background material but the key point here is that the strategy should explicitly reflect this.

- Intelligently strike a balance between the imperative of being (increasingly quantitatively) accountable to EP's HQs through, for example, under performance/results contracts and the strategy we propose of engaging in flexible adapting and politically smart ways over extended periods. Having realistic assumptions as starting points, combined with results frameworks/performance contracts with HQ that are sufficiently flexible and adaptable, could arguably bridge the gap.

Recommendation 2: EPs should be selective in their support and focus financial and human resources on fewer engagements.

Based on conclusions 1, 2, 4, 5, 7 and 8

Denmark and especially EU have seen diminishing staff resources being required to handle an increasing portfolio. This has obviously put staff under strain and stretched resources. Moreover with Bangladesh being both a commercial and developmental success, development and private resources are growing, demanding sharper focus from EPs on where they can add more value in an increasingly competitive environment.

This requires greater selectivity and pre-engagement analyses on the EPs' side. It includes refraining from entering into partnerships when there is no shared vision and limited possibilities of forming credible alliances with domestic stakeholders that can drive progress. In this perspective, the experience in e.g. support to PFM and SME reforms where the drivers for reforms were not there serve as a warning. It should also entail more selective focus sector-wise. This would allow a better utilisation of scarce human resources, and in turn boost capacity for policy and operational dialogue with partners. EPs should also consider staying engaged in the sectors where they have gained robust contextualised understanding of the sector specificities and where there are potentials for experimentation, iteration, learning and reforms.

Proposed actions:

- Deepen the knowledge of local realities. This could take two forms: (i) augment the understanding of the sector-specific context (including political economy at sector level) through analyses carried out by in-house staff or outsourced; (ii) favour relevant quality and long-term staff/TA that can foster longer-term partnerships. This staff should also increase internal capacities to conduct policy and operational dialogue with the partners so as to address challenges and learn from failures.
- On that basis, have a more selective focus sector-wise. Consider reducing the number of sectors where each EP will be actively engaged, especially in the case of the EU, and instead increase the depth of their involvement in a specific sector, including through policy dialogue;
- For the EU: continue to engage in the trade sector where all DPs and more importantly the government consider the EU has a comparative advantage. If it is not possible to re-integrate trade into the MIP, efforts should be made to ensure adequate focus in the regional indicative programme by making core Trade Related Assistance a priority.

- For Denmark and Sweden: if possible, augment engagements in agriculture and education building on the substantial insights and rapport established.

Recommendation 3. For Denmark and Sweden, explicitly consider possible trade-offs for aid effectiveness when using development cooperation to leverage commercial objectives.

Bases on conclusions 1, 2, 7 and 9

All EPs have legitimate interests that extend beyond poverty reduction, with export promotion being one. With Bangladesh credibly aspiring to become a big middle-income country by 2021, the commercial interests of EPs are increasing. In addition, aid is likely to shrink in importance in terms of share of GDP and the government may decide to follow the example of India by limiting the number of donors from which it wants to receive assistance. Consequently, many DPs in Bangladesh are reconsidering all their engagements (developmental, commercial, political and global) with Bangladesh in light of this context. With more than 40 million extremely poor Bangladeshis, it is still relevant to provide development assistance focused squarely on reducing poverty as effectively and efficiently as possible.

Using development cooperation as a means to promote commercial objectives is an on-going trend and is likely to continue, as evidenced by the actions of development partners, including Denmark and, to a lesser extent, Sweden. But this could compromise the effectiveness of aid and potentially encourage an unhealthy donor competition. The EU has not been subject to the same pressures, arguably because it is more insulated from day-to-day bilateral pressures partly due to its more technocratic nature.

On the other hand DfID, EU and partly also Sweden and Denmark have attempted to develop whole of government strategies that holds significant potential for maximising development outcomes by rethinking their approaches to e.g. tax cooperation, migration and climate change: It will be important to place policy coherence for *development* at the centre stage, which is a significant political challenges.

Consequently, it is recommended that Sweden and Denmark continue to base their development engagements on an analysis of how to maximise development outcomes and not on the degree to which it will benefit commercial and/or political interests among domestic constituencies. Generally, export promotion is best served by not adding development obligations. This recommendation is in line with the OECD-DAC guidelines on unifying aid,⁸⁶ as well as the EU's *de minimis* rules on distortionary state subsidies to private companies.

Proposed actions:

- Separate, as far as possible, development interests from the promotion of exports.

⁸⁶ See OECD DAC: Revised Guidelines on Unifying Aid' Paris, 2014.

- If this is not possible due to political reasons (as has been increasingly the case, not least in Denmark), be more explicit and transparent about the consequences that this is likely to entail.
- Deepen efforts to improve policy coherence for development coherence in the context of e.g. whole of government approaches, emphasising e.g. migration, tax cooperation and climate change.

Recommendation 4. Reinvigorate pragmatic coordination efforts for promoting joint approaches.

Based on conclusions 3 and 4

Division of labour has remained limited, due to patchy government engagement in coordinating donors and limited DPs' willingness to coordinate in an increasingly competitive aid and commercial landscape. Bangladesh being a non aid-dependant country and considering the relatively minor weight of the EPs' financial and human resources invested in Bangladesh, it is in the interest of the EPs to pool their resources with other DPs to make their aid more effective. Joint approaches should therefore be sought for in the areas where the government is willing to advance along this path, as was the case in education, health, and partially also in PFM and climate change. This will enable EPs to maximise their leverage through the number of DPs involved and the funding at stake, and further strengthen coordination between DPs. These coordination efforts could be framed within the EU Joint Programming process, which started in 2013 and offers promising potentials as regards increased coordination and harmonisation at EU level.

Proposed actions:

In line with the initial EU Joint Programming efforts engaged since 2013, it is first recommended to maximise the potential of EU Joint Programming. In this regard, the EU+ group should:

- Enlarge the scope of joint analyses of challenges at stake, especially in areas such as political economy analyses at sector and sub-sector levels (see also R1);
- Develop a common EU strategy to the challenges at stake within the country, with a view to having a more substantiated and joint position within the wider DP community, not only in the human rights and governance area but also in the social and productive sectors:
 - The EU+ group reached an agreement in December 2014 on common messages at sector level, which represents a good starting point. On this basis, EU MS should agree on an EU division of labour according to comparative advantages and consider reducing the number of sectors in which they are active to make better use of scarce human resources (especially for the EUD and EPs with few staff members locally);
 - Attempt to formulate a single EU strategy document presenting the strategy response;
 - Detail envisaged programming for each EU MS / EUD as part of this common strategy, promoting division of labour and better prioritisation of human resources (see below);

In parallel, it is recommended to concentrate coordination efforts in the sectors where the government or DPs are willing to take a more-proactive role. In this regard, development partners should:

- Commonly identify the DP which presents the best comparative advantage in the sector and select it as lead implementing partner;
- In a context of scarce human resources - and of increased size of the portfolio for the EU - favour delegated funding approaches through the best placed DP (either multilateral or bilateral, including MSs) that is recognised as being a well-established and experienced partner in the sector, delivering best value for money and impact;
- When channelling through an IO, treat the IO as a partner and not as contractor to ensure smoother implementation.

Recommendation 5. Select the aid modalities that provide the opportunities for learning, added value, increased harmonisation and alignment, while reflecting the demand from the counterparts.

EPs faced a number of challenges regarding aid modalities, linked in particular to the specific country context high level of corruption, institutional capacity constraints and a 'project' mentality), the insufficient coordination between DPs, and the lack of staff to conduct policy dialogue at the right decision-making level.

The aid modality choice should result from a discussion with the partner on the basis of a detailed review of the potential comparative advantage offered by the various aid modalities. It should be demand-based and enable development partners to strengthen harmonisation and offer entry points for learning. It should take into account the context of the country, and in particular the high fiduciary risks prevailing in Bangladesh, while maintaining a focus on increasing alignment to country systems.

Proposed actions:

- Analyse the demand and preference from the counterpart in terms of aid modality;
- Review the sector context (strategy, institutional setting, donor coordination, etc.) and assess the strengths and weaknesses of the possible financing options so as to agree with the partner on the aid modality offering the best comparative advantage;
- In the choice of aid modalities, seek to promote (i) partnerships with local counterparts; (ii) coordination and harmonisation between DPs; (iii) alignment with country systems according to context and risk willingness; and (iv) learning opportunities for the partners that can allow for iteration and improvements based on findings as they emerge.
- In joint programmes, aim at having one joint results matrix (or a similar instrument to monitor results) and joint disbursement mechanisms;
- Reduce the number of parallel TA schemes and favour a more demand-driven, coordinated delivery of quality TA so as to foster long-term partnerships and capacity development;

- More generally, support public financial management reforms so as to advance the capacity of Bangladesh to channel assistance through country systems.

Recommendation 6. Budget support should be used highly selectively considering the high fiduciary risks.

Based on conclusions 5 and 6

Due to the prevalence of high fiduciary risks in Bangladesh, Sweden's and Denmark's official position has so far been not to provide aid through budget support. In their strategies for the next period, they have not envisaged using this aid modality, though Denmark states in its 2013-2017 strategy that 'introducing budget support in Bangladesh remains a long-term goal'. The EU used SBS to support primary education as of 2012. Discussions were on-going in April 2015 on the modalities to be used for the sectors/areas supported in the EU MIP 2014-2020.

While budget support is the EU's preferred aid modality, the EU only favours the use of budget support when conditions are conducive. In the specific context of Bangladesh where fiduciary risks are high, the EU should not systematically consider extending the use of budget support in all sectors. Some areas of support are less appropriate for budget support, such as food security, which involves multiple actors, including several ministries and the private sector. The EU should use budget support selectively, in particular after a careful assessment of the PFM situation and risks, and of the sector policies. In particular, the EU should:

- Conduct rigorous analyses of the PFM situation. The results of the PEFA assessment and the updated PFM strategy should give solid grounds on major PFM progress and challenges. They should be taken into account when deciding whether Bangladesh is eligible or not for budget support (cf. PFM conditionality of the EU).
- Consider the willingness of the government to move forward with the PFM agenda. In that regard, the government's commitment to implement the updated PFM reform strategy (informed by the PEFA assessment) is an important step forward.

Moreover, the EU should not envisage using budget support if it is acting on its own in the sector/area supported, as the EU's relatively minor financial weight does not offer it leverage on policy reforms.

In primary education, if the treasury model is maintained in the next phase of PEDP (after 2017), the EU should continue with SBS. This aid modality constitutes the best (and only) option for the EU to play a role in the policy dialogue. Even though the fiduciary risk remains a concern, the existing sector safeguards can be considered sufficient. The design and implementation of such an SBS should nevertheless be improved. In particular, the PFM conditionality should not be linked to the performance of any specific donor-funded project supporting PFM. The assessment should take account of sector realities (safeguards) and take account of the joint technical opinion of participating donors. Given its relative small financial weight, the EU should also promote the creation of alliances with other EU member states or like-minded donors in order to counter-balance the current

dominance of the two banks. This will be all the more important since ADB has decided to phase out primary education, hereby leaving the World Bank without a counter-weight.

Recommendations at sector level

Recommendation 7. Broaden the education focus to encompass the whole sector's dynamics. Embrace a more trust-based approach towards government's ability to deliver.

Based on conclusion 1 and 6

Generally, in order to achieve the full potential of a Swap, donors should strike a better balance between the requirements for transparency and accountability, disbursement imperatives and the objective of long-term system development. They should adopt a genuine Swap that would pay attention to the relationship between sub-sectors and design instruments to respond to its challenges – for instance through policy dialogue (a sector wide membership) and budget analyses (public expenditure review). DPs should ensure that a division of labour between DPs or EU MS would not lead to the consolidation of the existing silo vision of the education sector.

More specifically, DPs should focus on the following *proposed actions*:

- Engage in a more trust-based relationship, given that 'learning by doing' and 'errors and trials' processes constitute effective capacity and ownership building mechanisms, as also seen in other sectors (e.g. trade and agriculture). Refrain from developing ad-hoc, parallel PFM systems at DPE level that are geared towards the exclusive management of PEDP 3.
- Make the policy dialogue evolve towards an engagement with the ministerial level including MoPME, MoF and MoE in encouraging the government to take a longer-term strategic view of the education system development with a focus on the key NEP objectives and priorities.
- Pay greater attention to the human resource implications of the treasury model/budget support since the conduct of a meaningful policy dialogue is time-consuming.
- Pay greater attention to intra-sector interdependence, especially between primary and junior secondary education, and to sector fragmentation.
- Develop their knowledge about sector finance and budgeting mechanisms beyond PEDP 3 boundaries and fiduciary risk concerns. This should include a better understanding of the mechanisms of allocation of funds to lower administrative levels (DEO, UEO and schools). PEDP 3 Procurement and Financial Working Group could be encouraged to broaden the scope of its agenda to cover these issues.
- Regarding technical assistance, reflect with the government on the possibility of supporting the establishment of a long-term partnership between the government and Bangladeshi institutions able to provide capacity development support.
- Pay greater attention to the issue of teachers' supervision to encourage better quality teaching and professional behaviour in schools. This also calls for a better

understanding of human and financial resources allocated to lower administration levels.

- Focus on local level dynamics and school governance within a broad understanding of decentralisation/deconcentration that goes beyond the narrow emphasis on the disbursement of SLIPs grant to schools.
- Shift from a narrow focus on textbook delivery to a broader comprehension of the role of a thriving reading culture in promoting better learning achievements.
- Encourage a process of cross-fertilisation between formal and non-formal education. This should include the dissemination into formal education of the good practices experimented by non-formal education programmes (modes of teacher supervision, multi-grade system or focus on children falling behind in class, etc.).
- Ensure better aid effectiveness in the support to NGOs, be they education providers or advocacy institutions. There is a great need for coordination and joint strategic thinking. Moreover, DPs that support non-formal education providers should reflect on the conditions to ensure the long-term sustainability of NGO-run education provision, a reflection that needs to be situated within a broader discussion about the fiscal space for (primary) education. DPs should develop relations with teachers' unions as key stakeholders in the transformation of teaching practices.

Recommendation 8. Integrate socio-economic analyses and monitoring in private sector support not least when partnering directly with the private sector.

Based on conclusions 1, 7 and 9

Denmark has to a large extent been working directly with the poor and their micro enterprises. This has enabled robust monitoring of poverty outcomes at beneficiary level, including the socio-economic dynamics introduced, although sustainability issues remained in infrastructure, due to a lack of close alignment with domestic local systems. The EU on the other hand has worked at the policy and regulatory level where it has promoted significant improvement enabling Bangladeshi companies (including rural companies) to increase exports to the EU and other destinations. In this process, the EU has skilfully engaged powerful interests to back the reforms promoted. However, the private sector obviously has its own incentives and these should be factored into the design and implementation phases, to avoid compromising, for example, workers' rights/safety, environmental concerns and also to ensure inclusive growth that generates employment. In some cases this has indeed been done, but not consistently.

Proposed actions:

- Continue to seek alliances with the private sector (as done in BEST with the shrimp industry), but analyse likely socio-economic, employment and environmental impacts in private sector interventions where relevant.

- Ensure that the design of M&E systems capture these impacts in real time allowing for fast adaptation and reorientation if needed. Learn from the rapidly developing field of real-time evaluations (RTEs).⁸⁷ Encourage great domestic engagement in and ownership of such M&E systems.
- While there are many benefits to working directly with private sector at local level, more efforts should be made to ensure sustainability and decent work, especially in rural infrastructure, where Denmark has been active.

Recommendation 9. Defend the rights of vulnerable and exposed groups by more forcefully combining development interventions and political action.

Based on conclusions 1, 2, 4, 8

Through the implementation of country-based human rights approaches that are at the heart of EPs' approach to HR&D, EPs should effectively be able to address the needs of the rights holders that are most under threat by adverse trends in HR&D, i.e. the vulnerable and exposed. Prioritising the vulnerable and exposed in HR&D interventions at country level inevitably requires that EPs give significant weight to evidence-based assessments made within the country, and in particular to assessments produced by their own in-country presence, i.e. delegation and embassy staff. In-country staff should have the capacity to monitor and assess the HR&D situation and to guide the direction of the HR&D country strategy. Given the government's interference with development interventions, political action is necessary to cover the full range of HR&D concerns.

Proposed actions:

- Ensure adequate capacity of EPs in-country staff to engage in evidence-based assessments of the local HR&D situation, and in particular of its impact on vulnerable or exposed groups;
- Prioritise human rights awareness of vulnerable and exposed groups in order to enable them to formulate their own human rights claims and strategies;
- Encourage alliance-building between the government and civil society organisations on improved human rights protection for vulnerable and exposed groups;
- Maintain hands-off core support for HR&D advocacy NGOs and encourage cooperation among NGOs on confrontational HR&D issues;
- Maintain support to government institutions removed from the central executive power that may act as HR&D guardians, but include performance indicators with regard to their independence and the relevance of their activities to vulnerable and exposed groups;
- Systematically address confrontational HR&D issues through political interventions;
- Evaluate the Sustainability Compact model developed in the wake of the Rana Plaza building collapse to assess possible wider applicability.
- Invest in a distinct EPs' HR&D approach for the Chittagong Hill Tracts that will respond to the specific characteristics of the post-conflict institutional set-up (e.g. H&R transitional justice approach).

⁸⁷ RTEs are formative evaluations of intermediary results. They can free up operational bottlenecks and provide real-time learning. An RTE is intended to be a support measure for *learning in action*. RTEs are also improvement-oriented dynamic tools used to adjust and improve planning and performance. They can contribute to reinforcing accountability to beneficiaries, implementing partners and financiers, and can bridge the gap between monitoring and ex-post evaluation.

Recommendation 10. Accelerate efforts aimed at mainstreaming climate change and disaster preparedness approaches, realising the need for long-term perspectives.

Based on conclusions 1 and 9

Mainstreaming of CCA and DRR in the support for different sectors has been a priority for the three EPs. While results have been mostly disappointing, the EPs have gained valuable insights through some of their long-term engagements (e.g. CDMP and PECM) and developed approaches, experiences and partnerships, which could benefit the future mainstreaming into the EPs' bilateral sector support programmes. Sector support programmes can on the other hand enhance the scope and impact of CDMP and PECM by providing a vehicle for further up-scaling the DRR and CCA agenda. This can for example be done through joint activities to build mainstreaming capacity with central and local government in the sectors supported and demonstrating mainstreaming options, where past engagements can be leveraged for technical inputs on mainstreaming to the implementing partners of sector support.

However, a key learning both from CCA engagements and others is that progress and capacities are likely to be developed incrementally, through a process of learning by doing, especially when promoting new concepts and approaches. Thus for more transformative and sustainable mainstreaming outcomes to emerge, long-term perspectives, continuity and focus on having domestic, permanent organisations driving the progress will be key. Previous engagements were often rushed, with limited reliance on and capacity development of the core institutions.

Proposed actions:

- Utilise the Ministry of Finance for fund management and overall coordination, under the overall guidance of the Inter-ministerial Climate Change Committee.
- Strengthen MoEF and MODMR's capacities for providing technical inputs.
- While there are many benefits to working directly with private sector at local level, more efforts should be made to ensure sustainability and decent work, especially in rural infrastructure, where Denmark has been active.
- Ensure that future programme support and policy dialogue related to DM and CC have a strong focus on the main constraints, especially at the local level:
 - Comprehensive DRR approaches
 - Preventive measures
 - Non-structural DRR
 - Defining and measuring outcome/impact targets and indicators
 - Local government involvement, ownership and capacity
 - Community awareness and ingraining knowledge
 - Community participation, contributions and written agreement of their duty to undertake simple maintenance

Recommendation 11. Strengthen internal staff capacity on gender issues and ensure systematic gender mainstreaming in all interventions.

Based on conclusions 1, 10

All three EPs have ambitious gender strategies, with mainstreaming and promoting women's rights being core elements. However this was not pursued consistently, but rather in an ad-hoc fashion with gender issues too often reduced to a focus on women's livelihoods, although with some variation between EPs, with Sida and Danida being somewhat more successful than the EU. This is partly because EPs have not invested adequately in internal staff capacity on GEWE. This resulted in EPs' project design and implementation often being gender-blind, with limited focus on changing the systemic causes of gender inequality, and representing women as victims or vulnerable rather than active participants in development. Moreover, EPs have not prioritised political dialogue or been involved in coordinated political dialogue in relation to GEWE, either under EU leadership or otherwise. Thus the findings of the global *Evaluation of EU support to Gender Equality and Women's Empowerment* (2015) resonate with the Bangladesh experiences.

Proposed actions:

- The EU Delegation and Member States should implement the recommendations of the 2014 *Gender Country Profile* concerning the need to set up a knowledge hub.
- EPs should invest in strengthening staff capacity so that they can adequately meet their mandates on GEWE.
- EP project documents should systematically include GEWE issues.
- In its monitoring and evaluations, EPs should assess more fully GEWE issues and in particular qualitative changes in gender relations.
- Support to programming working against Violence against Women should increase attention to prevention.
- Targeted actions should focus in more depth on working with men as well as women.