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**THIS ACTION IS FUNDED BY THE EUROPEAN UNION**

**ANNEX III**

of the Commission Implementing Decision on the financing of the individual measure in favour of Bangladesh for 2024

**Action Document for Support Measures – Cooperation Facility for Bangladesh - Twinning: Strategic Partnership of Bangladesh’s Supreme Audit Institution (SAI) with EU SAI(s)**

**SUPPORT MEASURE**

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and action plan in the sense of Article 24 of NDICI-Global Europe Regulation.

**1 SYNOPSIS**

**1.1 Action Summary Table**

<b>1. Title CRIS/OPSYS business reference Basic Act</b>	Support Measures – Cooperation Facility for Bangladesh – Twinning: Strategic Partnership of Bangladesh’s Supreme Audit Institution (SAI) with EU SAI(s) OPSYS number: ACT-62628 Financed under the Neighbourhood, Development and International Cooperation Instrument ( <u>NDICI-Global Europe</u> )
<b>2. Team Europe Initiative</b>	<input checked="" type="checkbox"/> Not applicable <input type="checkbox"/> Supporting (inter alia) TEI.
<b>3. Zone benefiting from the action</b>	The action shall be carried out in Bangladesh
<b>4. Programming document</b>	Multi-annual Indicative Programme for Bangladesh 2021-2027
<b>5. Link with relevant MIPs objectives / expected results</b>	This action is linked to the Support measures and Cooperation facility objectives of the concerned MIP. Priority area 2.3 <i>Inclusive Governance</i> Specific objective 3 <i>Public service delivery and financial/fiscal management are improved through digital governance</i>
<b>PRIORITY AREAS AND SECTOR INFORMATION</b>	
<b>6. Priority Area, sectors</b>	151 Government and Civil Society
<b>7. Sustainable Development Goals (SDGs)</b>	Main SDG: 16 Peace, Justice and Strong Institutions, in particular 16.5 <i>Substantially reduce corruption and bribery in all its forms</i> , 16.6 <i>Develop effective, accountable and transparent institutions at all levels</i> , 16.7 <i>Ensure responsive, inclusive, participatory and representative decision-making at all levels</i> and 16.8 <i>Broaden and strengthen the participation of developing countries in the institutions of global governance</i> Other significant SDGs: 5 Gender equality

	8 Decent work and economic growth 10 Reduced inequalities 17 Strengthen the means of implementation and revitalize the global partnership for sustainable development			
<b>8 a) DAC code</b>	15110 Public sector policy and administrative management – 8% 15111 Public Finance Management (PFM) – 8% 15113 Anti-corruption organisations and institutions – 9% 15118 National audit – 75%			
<b>8 b) Main Delivery Channel</b>	11001 Central Government			
<b>9. Targets</b>	<input type="checkbox"/> Migration <input type="checkbox"/> Climate <input checked="" type="checkbox"/> Inequality <input type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
<b>10. Markers (from DAC form)</b>	<b>General policy objective @</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>11. Internal markers and Tags</b>	<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>
Digitalisation @		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

		YES	NO	
	digital connectivity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	digital governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	digital entrepreneurship	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	digital skills/literacy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	digital services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Connectivity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		YES	NO	
	transport	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	people2people	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	energy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	digital connectivity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Migration @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>BUDGET INFORMATION</b>				
<b>12. Amounts concerned</b>	Budget line: 14.020131 (NDICI South and East Asia) Total estimated cost: EUR 2 000 000 Total amount of EU budget contribution EUR 2 000 000			
<b>MANAGEMENT AND IMPLEMENTATION</b>				
<b>13. Type of financing</b>	<b>Direct management</b> through: - Grants			
<b>14. Type of measure</b>	<input checked="" type="checkbox"/> Cooperation facility <input type="checkbox"/> Measures in favour of Civil Society			

## 1.2 Summary of the Action

This Action aims to fund a Cooperation Facility for Bangladesh for the period 2025-2027, providing the European Commission with the possibility to finance small-scale activities that are needed for the achievement of the objectives of the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe), as articulated in the country's MIP priority areas.

The EU aims to support accountability and digitalization in Bangladesh, a country facing challenges with integrity, by partnering the Supreme Audit Institution (SAI) i.e. the Office of the Comptroller and Auditor-General (OCAG) in Bangladesh with the SAI(s) of one or more EU Member States. This collaboration seeks to bolster OCAG's governance and technical capabilities in Financial Auditing, Performance Auditing, and the relatively new area of Information Technology (IT) Auditing. The initiative complements ongoing support for OCAG in financial, performance, and compliance audits, as well as the ongoing EU Budget Support programmes in education and social protection of each more than EUR 200 million. Given the increasing demand for IT infrastructure and IT-assisted audit products in Bangladesh's modernizing government, this effort aims to equip and support OCAG to effectively implement reforms and improve service delivery. Overall, it aims at enhancing accountability of public expenditure in all sectors of the economy for better governance and awareness for collecting more taxes and spending public funds better with the ultimate aim to diminish the large disparity in income. At the same time, this action should reduce the risk of fraud and corruption, and elevate the public awareness regarding climate change, the environment, human rights, gender balance and income inequality in audit practices. The latter, through defining actions in the Steering

Committee meetings that are conducive for the environment, enforce human rights, enhance gender equality and advocate against extreme income inequality. OCAG's public reports will reflect these in a recurrent section. Gender responsive public financial management, also known as gender responsive budgeting (GRB), could be tackled as an approach that explicitly considers the impact of fiscal policy, PFM, and public administration on gender equality, girls' and women's development, and specific groups of people (for example, people with disabilities, minorities). This is one of the objectives selected by the EU Delegation to Bangladesh, as stated in the GAP III Country Level Implementation Plan.<sup>1</sup>

## 2 RATIONALE

### 2.1 Context

OCAG is the SAI of Bangladesh and is responsible for auditing the annual financial statements of Government, Local Government and Statutory Bodies. OCAG comprises seventeen Audit Directorates that undertake the actual audit work; one, the Financial Management Academy (FIMA) is concerned with training. Approximately 4,000 officers and staff are working in the OCAG of which 13% are women. OCAG is a member of the International Organisation of Supreme Audit Institutions (INTOSAI) and the regional Asian Organisation of Supreme Audit Institutions (ASOSAI).

Under the ongoing EU-financed Public Finance Management (PFM) Technical Assistance (TA) programme (CRIS Contract 417-214), OCAG has shown great need and ambition to improve its internal processes. On a study visit to Malaysia, a country more advanced in Supreme Auditing than Bangladesh and willing to share its experiences, it has exchanged information regarding IT audits and subsequently created an IT Audit Unit in OCAG. The EU has also financed accredited audit courses (CIPFA) and specialised IT audit courses (CISA). As the programme is expiring, OCAG is willing and ready to engage in this strategic partnership with one or a consortium of SAI(s) in the European Union. The EU is a well-respected and long-standing partner and there are currently no other development partners supporting OCAG, while OCAG is the prominent national institution for enhancing public finance accountability. Via the Programme Implementation Team meetings, and other channels, OCAG has consistently been communicating with the EU Delegation to Bangladesh, throughout the whole project. OCAG maintains effective communication channels with Parliament and other government institutions, including the Ministry of Finance. In addition, OCAG has enhanced its auditing processes with the aid of the in-house developed Audit Management and Monitoring System (AMMS). In order to strengthen OCAG's internal practices and external oversight further, OCAG needs a strategic partner. In line with the objective of the Cooperation Facility stated in the Multi-Annual Indicative Programme 2021-2027, the proposed Action intends to support a strategic partnership between the Supreme Audit Institutions of Bangladesh and one or more EU Member States. As Public Financial Management (PFM) is a cross-cutting topic, support to PFM has the potential to support all MIP Priorities but given the focus on the achievement of SDG 16 (Promote peaceful and inclusive societies for sustainable development) and in particular 16.6 which aims at developing effective, accountable and transparent institutions at all levels, it can be best situated under MIP priority area 3 'Inclusive Governance'.

The Action is also aligned with the Government of Bangladesh's 8th Five-Year Plan (2020-2025). The 8th Five-Year Plan is a comprehensive document whose main priorities are the development of necessary infrastructure, reducing poverty and inequality, supporting the graduation from Least Developed Country (LDC) status by 2026 and achieving the SDG targets. The potential of the digital transformation will be tapped into, especially to improve public service delivery as well as financial and fiscal management, building on the longstanding support of the EU to the implementation of the PFM Reform Strategy.

The GoB considers PFM reforms essential for achieving Vision 2041 and the Eighth Five-Year Plan's objectives, which include becoming an Upper Middle-Income Country, meeting SDGs and eliminating extreme poverty by Fiscal Year 2031. The PFM Reform Strategy was approved in 2016, outlining key reform goals and priority actions. In 2018, the GoB created the first PFM Action Plan (2018-2023) to implement these reforms, with responsibilities for 14 key

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<sup>1</sup> The GAP III Country Level Implementation Plan is accessible through: [https://capacity4dev.europa.eu/library/clip-bangladesh\\_en?listing=group\\_library&refgid=119528](https://capacity4dev.europa.eu/library/clip-bangladesh_en?listing=group_library&refgid=119528)

components. The Public Expenditure and Financial Accountability (PEFA) assessment, published in 2023 but covering 2021 and earlier, led to revisions of the PFM Action Plan 2024-2028.<sup>2</sup>

Additionally, OCAG has established a Strategic Plan for 2021-25, featuring performance indicators and milestones. This Action aligns with OCAG's Strategic Plan, aiming to enhance SAI credibility, resource allocation, policy decisions, and overall public financial management. It supports GoB's long-term goals expressed in Vision 2041, the Eighth Five-Year Plan, and PFM sector policy objectives. After 2025, a follow-up Strategic Plan is foreseen, after an assessment. The latest OCAG Quality Control System report, based on the principles and requirements of International Standards of Supreme Audit Institutions (ISSAI) 140, dates from October 2021. This has a provision for an independent review once every five years, subject to resources.<sup>3</sup>

This Action represents a crucial aspect of the EU's policy dialogue with the Government on budget transparency and fight against corruption, directly reinforcing ongoing EU support in education, social protection, and PFM sectors. By positioning the EU as a main partner, it aims to assist Bangladesh in tackling urgent development challenges and laying the groundwork for its LDC graduation.

The Action will contribute to EU's Action Plan on Gender Equality and Women's Empowerment in External Relations 2020–2025 (GAP III), especially to its Thematic Area of Engagement “Addressing the challenges and harnessing the opportunities offered by the green transition and the digital transformation”.

From mid-July 2024, Bangladesh experienced political instability and unrest triggered by student protests against a government job quota system. The EU expressed its concerns over violence and loss of life in the context of these protests and called for a peaceful solution, respect for human rights and a thorough investigation. Prime Minister Sheikh Hasina resigned on 5 August. On 8 August, President Shahabuddin swore in an interim government which is tasked with steering the country through a transition that prepares the ground for democratic elections and ensures accountability for the deaths and violence that have occurred. The interim government is led by Nobel Peace Prize laureate Muhammad Yunus who has the title of Chief Adviser. On 8 August the High Representative issued a statement saying that the “EU looks forward to engaging with the new administration and to supporting this critical transition which should be part of a peaceful and inclusive process underpinned by good governance, democratic values and respect for human rights.” The EU has closely followed the situation and the actions of the authorities in the context of this crisis and will continue to do so.

## 2.2 Problem Analysis

Short problem analysis:

Successful development depends in large part on the efficiency, integrity and effectiveness with which a state raises, manages and expends public resources. OCAG still has considerable progress to make and receives limited support from the Government of Bangladesh, despite the importance of its mandate for good governance and enhanced revenue mobilisation. Most notably, follow-up after audit reports is limited to non-existent. Providing OCAG with a partnership with an EU Member State will bolster its position.

Considering its developmental status (anticipating promotion from LDC status in 2026), Bangladesh faces challenges with a low tax-to-GDP ratio, currently significantly below 10%. This situation is compounded by high human needs and a notable level of corruption. Transparency International ranks Bangladesh's Corruption Perceptions Index (CPI) at 24 out of 100, where 100 represents the best and 0 the worst.

Accountability concerning public finances still falls short of international standards. While external auditing encompasses all GoB entities, its primary focus is on ensuring compliance. However, reports on the central government's budgetary financial statements are submitted over nine months after the period ends, contributing to a significant backlog of audit reports (refer to the *Public Expenditure and Financial Accounting Assessment 2021*). In 2021, the indicators PI-30 "External audit" scored only a D+ while PI-31 "Legislative scrutiny of audit reports"

<sup>2</sup> For the PEFA (2023), see <https://www.pefa.org/node/5087>

<sup>3</sup> See paragraph 8:05 on page 12 in <https://cag.org.bd/storage/app/uploads/public/639/568/020/6395680203c2c840005205.pdf>

scored a B. Furthermore, OCAg lags behind in auditing pace compared to IT developments in-country, such as the integrated Budget and Accounting System (iBAS++) and e-procurement.

Applied systematically, gender responsive budgeting can contribute to increasing participation by providing gender-responsive participation mechanisms in budget processes. This, in turn, increases transparency.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

The main stakeholders targeted by this Action are officials of the OCAg and those in the sectors in which the audits will take place (such as education, social protection, and public administration), as well as Bangladesh citizens since this will lead to greater accountability of public finances.

Public administrators, Members of Parliament and Civil Society Organisations (CSOs), press and media outlets will be involved as non-specialised audience.

### 3 DESCRIPTION OF THE ACTION

#### 3.1 Objectives and Expected Outputs

The Overall Objective of this action is to contribute to the development of an effective, efficient and accountable Supreme Audit Institution in Bangladesh at all levels.

The Specific Objectives of this action:

1. *To enhance the accountability in management of public resources, according to international standards (including related gender equality, human rights and inclusion standards).*
2. *To enhance the digital skills in OCAg and the skills to perform IT audits (with a special focus on the skills of women employees and employees with disabilities).*
3. *To enhance the financial, IT and performance audits.*
4. *To promote where possible the cross-cutting objectives regarding (i) environment and climate change, (ii) human rights approach, (iii) enhance gender equality and (iv) income inequality.*

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives are

- 1.1 *contributing to Specific Objective 1: PEFA indicator PI-30.1 “External audit – Audit coverage and standards” should improve from C in PEFA 2021 to B in the next PEFA and PI-30.2 “External audit – Submission of audit reports to the legislature” from D to B.*
- 2.1 *contributing to Specific Objective 2: To have more employees IT-equipped i.e. using the right software and deliver higher quality work (with a focus on women employees and employees with disabilities), less paper-files and paper copy costs.*
- 3.1 *contributing to Specific Objective 3: To have more financial, IT and performance auditors.*
- 4.1 *contributing to Specific Objective 4: In every OCAg SC meeting there will be an agenda point on the cross-cutting issues (i) environment and climate change, (ii) human rights approach, (iii) gender equality and (iv) income inequality in Bangladesh, and a discussion will follow if and how they have been or will be addressed. Moreover, OCAg’s reports will recurrently contain a section that describes and promotes*

*actions that have been or will be conducive for the environment, which enforce human rights, which enhance gender equality and that advocate against extreme income inequality.*

## 3.2 Indicative Activities

Activities related to Output 1.1:

*Online or onsite meetings, information, awareness-raising, training, preparation and exchange of lessons learnt and best practices, publication activities and any other administrative or technical assistance expenditure necessary for the programming and management of actions.*

Activities related to Output 2.1:

*Online or onsite meetings regarding IT systems with the EU SAI(s), studies, model audit.*

Activities related to Output 3.1:

*Online or onsite meetings regarding financial and performance audits, studies, model audit.*

Activities related to Output 4.1:

*(In-house) Awareness-raising campaign or trainings, preparation and exchange of lessons learnt and best practices with the EU SAI(s), recurrent agenda point on the Steering Committee meetings regarding (i) environment and climate change, (ii) human rights approach, (iii) gender equality and (iv) income inequality in Bangladesh and recurrent reporting in a section of the public audit reports. See output 4.1.*

## 3.3 Mainstreaming

### **Environmental Protection & Climate Change**

Bangladesh is among the most vulnerable countries to climate change and climate-induced disasters. The devastation of disasters tends to impact all sectors of the economy and hamper the provision of key services. This action will enhance the attention for environmental protection and the need for measures to adapt and mitigate the impact of climate change. This action will also cover audits of environmental or climate-related projects and climate responsiveness across all economic sectors as part of performance audits or any other audits.

### **Gender balance and empowerment of women and girls**

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that gender equality and empowerment of women is a significant objective within the action. The core elements for a G1 action are described as following:

1. Conducting a specific, comprehensive gender analysis of the project and using it for designing the action.
2. Presence of at least one explicit gender equality objective backed by at least one gender-specific indicator.
3. Indicators and data disaggregation
4. Commitment to monitor and report on the gender equality results.

OCAG will aim at balancing gender balance across any internal and external activity, to the extent possible. Approximately, 4 000 offers and staff are working in the OCAG of which only 13% are women.

### **Human Rights**

All OCAG activities under this action will be values driven, integrating the key principles (participation, non-discrimination, accountability and transparency) of the human rights approach. The Action will ensure the implementation of the HRBA principles: Respect for all rights, non-discrimination, transparency, participation and accountability. The activities will be tailored to 'leave no one behind'. The Action will ensure that groups with specific needs (women, persons with disabilities, youth, among other groups) will take an active part and participate in decision-making processes. To this end, a consultation processes to right-holders about their needs and aspirations will be carried out along the different stages of the project's cycle. The consultations will promote and ensure the

participation and voice of women, including more underserved groups such as persons with disabilities. An accountability mechanism will be in place for people and communities who believe that they have been, or are likely to be, harmed by the Action, and access to information will be ensured.

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### **Disability**

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. Where possible, the Action will include activities related to gathering data on needs of persons with disabilities and help to mainstream inclusiveness and special needs across all activities, appropriate infrastructure and materials.

This implies that the OCAg actions are considered relevant for the inclusion of persons with disabilities.

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### **Reduction of inequalities**

In Bangladesh, income inequality is growing since consumer price inflation has been high while wages have not increased much, so there is loss of purchasing power that hurts the poor most. The Household Income Survey of the Bangladesh Bureau of Statistics shows that 18.7% of the population lived below the upper poverty line according to the Cost of Basic Needs method in 2022, where rural poverty was significantly higher (at 20.5%) than rural poverty (14.7%). The rate of people living below the lower poverty line was 5.6% (rural 6.5% and urban 3.8%). The Multidimensional Poverty Index of 2019 (UNICEF and Oxford University) shows that 36% of the population is poor regarding education, health, living standard. The Gini coefficient was 0.499 in 2022 (rural 0.446 and urban 0.539, where 0 is perfectly equal and 1 is maximal inequality). In comparison with 2016, it has slightly improved. OCAg will address this relatively new topic to them, by discussing and defining actions in Steering Committee meetings and in their reporting.

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### **Democracy**

All OCAg activities under this action will be values-driven, integrating the key principles (participation, non-discrimination, accountability and transparency) of the EU's mission to Bangladesh, where promoting democracy is highly relevant in the context of Bangladesh.

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### **Conflict sensitivity, peace and resilience**

The activities will be conflict sensitive and peaceful.

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### **Disaster Risk Reduction**

The major share of the activities will take place in the Offices of OCAg and in the EU SAI(s). This will not contribute negatively to environmental or other type of disasters.

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### **Other considerations if relevant**

N/A

## 3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures

Political	Risk 1: Government of Bangladesh (GoB)'s commitment to PFM reforms	Low	Low	Due to political changes, GoB's commitment to PFM reforms may change. However, in the 2 <sup>nd</sup> PFM Action Plan 2024-28, which is the implementation roadmap for the PFM Strategy, external oversight/audit is considered a priority area.
Operational	Risk 2: Operational leadership for PFM reform	Medium	Medium	Under component 14 of the PFM Action Plan (2024-28), a Programme Implementation Team (PIT) at OCAG is established to ensure operational leadership for PFM Reforms.
Operational	Risk 3: Dependence on external experts	High	Medium	Ongoing professional development courses such as the Chartered Institute of Public Finance and Accountability (CIPFA) and Certified Information Systems Auditor (CISA) for OCAG officials will help to develop professional accountants and will gradually reduce the dependency on external experts.
Operational	Risk 4: Weak institutional capacity	Medium should be high	Medium	Ongoing professional and capacity development activities will help to improve the institutional capacity which will lead to sustainable PFM reforms.
Operational	Risk 5: Data protection and access to sensitive and personal data	High	High	OCAG and the EU Delegation will have to be vigilant regarding digitalisation. Digitalisation, while a fundamental tool in promoting good governance and accountability, also carries the potential for promoting social control and using data for political purposes. Exchange of OCAG data with governmental institutions of external parties will need to follow strict procedures. This will be defined when crafting the programme.
Macroeconomic/Financial	Risk 6: The Ministry of Finance may limit OCAG's Budget if the macroeconomic situation worsens, which would hamper OCAG in its endeavours	Medium	High	The EU, along with other development partners such as the International Monetary Fund (with which the Government has an ongoing programme until mid-2026) will monitor this closely.
Institutional capacity	Limited commitment to gender equality and women's empowerment, Human Rights Based Approach (HRBA) and People with Disabilities (PwD) by the targeted	High	High	The project will provide sufficient means to work with institutions and non-state actors on the importance of mainstreaming Gender Equality, HRBA and rights of PwD.

	institutions and non-state actors.			
Social	Difficulties to engage women and people from underserved groups (such as people with disabilities)	High	High	

#### Lessons Learnt:

The ongoing PFM Technical Assistance programme has shown that OCAAG tends to be an ambitious institution. Although OCAAG has a Strategic Plan, achieving the set targets has been challenging due to constraints such as the Government Budget and limited donor funding (currently only from the EU).

The 'Results-Oriented Monitoring Report' of November 17, 2023, concluded, among other things, that OCAAG has pursued an overly ambitious pace of reforms considering the enabling environment. However, it also notes that the level of achieved results has been high.

### 3.5 The Intervention Logic

The underlying intervention logic for this action is to support the EU-Bangladesh partnership. It will enable the EU to build support for priorities under the country MIP and key global and regional strategies.

This Action will help OCAAG to understand and learn from best practises in other countries (EU Member States), which will improve the institutional capacity of the Office, help staff (with a special focus on women employees and employees with disabilities) to improve the systems and procedures in use, and to ensure better service delivery. Consequentially, this will improve Public Financial Management (PFM) in Bangladesh generally, and accountability and performance in the allocation and utilisation of public resources specifically. It will also ensure the quality and timeliness of the external audit of the GoB, which will lead to easier fulfilment of the transparency and oversight eligibility condition in the ongoing EU Budget Support programmes for education and social protection.

This Action will complement the ongoing EU PFM TA to Support the Implementation of the PFM Reform Strategic Plan in Bangladesh in the areas of audit planning and methodology; timeliness in delivery and dissemination of audit reports; risk management and quality enhancement of audit processes; and professional development and capacity building (with a special focus on women employees and employees with disabilities).

### 3.6 Logical Framework Matrix

Given the nature of this Action a Logical Framework Matrix is not required at the Action level.

## 4 IMPLEMENTATION ARRANGEMENTS

### 4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a simplified financing agreement with the partner country.

### 4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

#### 4.3 Budget Support: N/A

#### 4.4 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.<sup>4</sup>

##### 4.4.1 Direct Management (Grant)

###### (a) Purpose of the grant

The purpose of the Twinning grant is to improve monitoring and reporting of reforms as to develop capacity in public finance management, in line with the objectives as set in section 3.1. The Twinning grant will cover the entirety of this Action.

###### (b) Type of applicants targeted

Call for Proposals, according to the EU's Twinning programme that will limit the call to Supreme Audit Institutions in the EU Member States.

If the restricted Call for Proposals to EU Member States' SAIs is not successful due to circumstances outside of the Commission's control, Direct Management modality (unrestricted) grant or procurement will be used to contribute to achieving Specific Objectives 1 to 4 of the Action.

#### 4.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

#### 4.6 Indicative Budget

<b>Indicative Budget components</b>	<b>EU contribution (amount in EUR)</b>
<b>Implementation modalities</b> – cf. section 4.4	
<b>Grants</b> (direct management) – cf. section 4.4.1	2 000 000
<b>Evaluation</b> – cf. section 5.2 <b>Audit</b> – cf. section 5.3	May be covered by another Decision
<b>Totals</b>	2 000 000

<sup>4</sup> [www.sanctionsmap.eu](http://www.sanctionsmap.eu). Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

## 4.7 Organisational Set-up and Responsibilities

The SAI(s) of the Member State(s) will provide a Project Leader and a Twinning Adviser. The latter will reside in Bangladesh during the period of implementation in OCAG. He or she will be in charge of the day-to-day implementation and work according to a work plan, to be agreed with OCAG. During the project implementation, this Resident Twinning Adviser regularly updates the work plan to be transmitted to the Project Steering Committee under the authority of the Member State Project Leader. The actions in the work plan that initially will be proposed in the Organisation and Methodology annex at the time of the Call for Proposals, can be revised during the implementation, upon approval in the Steering Committee. Further aspects regarding the organisational and responsibilities set-up will be defined in detail in the restricted Call for Proposals.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission will participate in the above governance structures set up for governing the implementation of the action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

## 5 PERFORMANCE MEASUREMENT

### 5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Progress on gender responsive measures and HRBA should be monitored and reported, thus, the project's monitoring, reporting and evaluation system shall include sex-disaggregated information within the tools used and specific gender equality and HRBA questions in the monitoring protocols. Expertise in gender equality and women's empowerment, human rights and persons with disabilities will be included in the monitoring teams.

The monitoring and reporting will be further detailed in the restricted Call for Proposals.

### 5.2 Evaluation

Having regard to the nature of the action, a mid-term and final evaluation will be carried out for this action or its components via independent consultants.

The mid-term evaluation will be carried out for course correction solving and learning purposes, in particular the ongoing interaction among Bangladesh's and the EU SAI(s) and potential follow-up programs.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular for accomplishing the expected results.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

All evaluations shall assess to what extent the action is taking into account the human rights-based approach as well as how it contributes to gender equality and women's empowerment and disability inclusion. Expertise on human rights, disability and gender equality will be ensured in the evaluation teams.

The financing of the evaluations will be covered by another measure constituting a Financing Decision.

### 5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

## 6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union’s support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.