



CIDA's Country Development Programming Framework for BANGLADESH 2003–2008

Canadian International Development Agency (CIDA)

200 Promenade du Portage Gatineau, Quebec K1A 0G4 Canada

Telephone:

(819) 997-5006 / 1-800-230-6349 (toll-free) For the hearing- and speech-impaired: (819) 953-5023 / 1-800-331-5018 (toll-free)

Fax: (819) 953-6088 Website: www.cida.gc.ca E-mail: info@acdi-cida.gc.ca

June 2006

© Her Majesty the Queen in Right of Canada, 2006

Catalogue No. CD4-36/2006 ISBN 0-662-49273-0

Cover photo: © CIDA/Wendell Phillips

Printed in Canada

CONTENTS

INTRODUCTION	2
WHY BANGLADESH?	4
THE DEVELOPMENT CONTEXT	7
Bangladesh's achievements	7
Challenges	9
• Growth	9
 Governance 	9
Gender equality	10
 Health and education 	11
• Environment	11
CIDA in Bangladesh	12
THE WAY FORWARD	16
Future programming	16
 Improving delivery of health services 	16
 Enhancing the quality of basic education 	17
 Strengthening governance 	17
 Supporting development of the private sector 	18
Program delivery	18
CONCLUSION	91



INTRODUCTION

This document is a formal version of the existing Country Development Programming Framework (CDPF) 2003–2008 for Bangladesh updated, in part, to reflect cohesion with evolving Canadian development cooperation policy as well as Bangladesh's 2005 Poverty Reduction Strategy (PRS).

Bangladesh is one of the poorest and most densely populated countries on earth. Formed in 1971, the new country struggled to build a healthy economy in the face of major obstacles, including a weak education system, a high birth rate, vulnerability to natural disasters such as floods and cyclones, political instability, and corruption.



However, over a generation, the country has decreased its birth rate, improved both its health and education status, and achieved effective self-sufficiency in rice production. Economic growth, stimulated by strong exports and substantial remittances, has helped reduce poverty. Natural gas has emerged as a major natural resource beyond the rich soils and abundant waters of its delta geography. Bangladesh is an active participant in global affairs. It has one of the largest non-governmental organization (NGO) sectors in the world. Its voluntary sector is renowned for its professionalism and innovative programming.

The goal of Canada's 2003–2008 CDPF for Bangladesh is to contribute to poverty reduction and sustainable development through support for three mutually reinforcing objectives: social development (health and education), governance, and the private sector. These objectives closely reflect the development priorities of Bangladesh's PRS and the Millennium Development Goals (MDGs).



CIDA'S COUNTRY DEVELOPMENT PROGRAMMING FRAMEWORK FOR BANGLADESH 3

WHY BANGLADESH?

Canada has identified Bangladesh as one of 25 development partners, a group of countries on which the bulk of Canada's bilateral aid program will be focused. Bangladesh was chosen based on its level of need, its ability to use aid dollars wisely, and Canada's capacity to make a difference. Bangladesh has been one of Canada's largest aid recipients for the last three decades.

Despite its poverty, Bangladesh has achieved substantial progress since its creation as an independent country in 1971, increasing incomes and showing marked improvements in health, education, and food production. Bangladesh has just approved a PRS that builds on these achievements and seeks to strengthen governance and environmental stewardship. The United Nations Development Programme (UNDP) now rates Bangladesh a country of

AT A GLANCE: BANGLADESH

Capital: Dhaka

Total area: 144,000 km² Population: 140 million

Population density: 949 persons/km²

Religion: 88% Muslim

Government: parliamentary democracy Last parliamentary elections: 2001 GDP per capita: US\$440 (2004) GDP growth rate: 5.4% (2005) Debt service: 1.3% of GDP (2003) Population growth rate: 1.5% (2004)

Life expectancy: 62.8 years Adult literacy rate: 41%

Health expenditure as percentage of GDP: 0.8% (2002)

Education expenditures as percentage of GDP: 2.4% (2000–2002)

Military expenditures as percentage of GDP: 1.2% (2003)





medium human development, contrasting with its formal status as one of the least developed countries (LDCs). Bangladesh is also taking its place on the world stage. It is one of the largest contributors of peacekeepers for the United Nations. Its commercial links with Canada are growing, due, in part, to Canada's 2003 initiative to enhance access for LDC exports. A strong and prosperous Bangladesh can make an important contribution to Canada's interests in South Asia.

MILLENNIUM DEVELOPMENT GOALS

The United Nations has established eight Millennium Development Goals, with the aim to achieve them by the target date of 2015:

- 1. Eradicate extreme poverty and hunger.
- 2. Achieve universal primary education.
- 3. Promote gender equality and empower women.
- 4. Reduce child mortality.
- 5. Improve maternal health.
- 6. Combat HIV/AIDS, malaria and other diseases.
- 7. Ensure environmental sustainability.
- 8. Develop a global partnership for development.

AT A GLANCE: COUNTRY DEVELOPMENT PROGRAMMING FRAMEWORK 2003-2008 FOR BANGLADESH

To contribute to poverty reduction and sustainable development in Bangladesh through support for social development, governance, and the private sector.

Objective and Priority Sectors	Expected Results	
Social development: to improve the quality and delivery of services in health and education appropriate to the needs of the poor, in particular women and children, and to increase their access to those services.	 Health strengthened health systems through improved capacity of the government, NGOs and private institutions to deliver services. improved reproductive health, maternal and child health and nutritional status, and increased access to family planning. increased access to quality health services in primary health care for the poor, notably women, children, and other vulnerable groups. Education an improved basic education system through strengthened administrative capacity of the government, public and non-government institutions. increased equitable access to basic education through increased enrolment and improved retention of students, reduced gender gaps between girls and boys. improved quality of basic education (teaching materials, teacher training and classroom learning; facilities.). 	
Governance: to improve policy development and regulatory reform of selected public and private institutions and link governance more directly to poverty reduction.	 Governance strengthened capacity of government institutions to be transparent, accountable, and gender-responsive in policy formulation, implementation, and service delivery, with a particular focus on the poor. strengthened capacity of civil society organizations, media, and private sector groups to effectively engage with government and ensure accountable and responsive delivery of services. strengthened government and civil society capacity to promote and protect human rights and the rule of law, with a particular focus on the rights of women, children, and other vulnerable groups. 	
Private sector development: In the medium term, to address constraints in the development of small and medium-size enterprises (SMEs) by increasing their access to finance and capacity-building services, and improving their regulatory environment.	 Private sector development improved enabling environment in Bangladesh that supports the sustainable and equitable growth of SMEs. improved connection to multilateral, regional, and bilateral markets for SMEs, including those managed by women, through integration into the global trading system. improved employment, income opportunities, sustainable livelihoods, increased number of pro-poor sustainable SMEs, and market share, for women and men, through the promotion of entrepreneurship, access to financing and business development services. 	
Governance, gender equality and environment are to be integrated into all programs and projects.		

THE DEVELOPMENT CONTEXT

With a population of 140 million, Bangladesh is the most populous of the 49 UN LDCs. It is also one of the world's poorest countries. Its per capita income is US\$440, and half of the population still lives below the poverty line. Over the last twelve years, Bangladesh has performed better than most other LDCs in economic and social development. It has achieved macroeconomic stability with a gross domestic product growth rate averaging 5 percent a year. The incidence of poverty has slowly, but steadily, declined. Considerable progress has been made in health, education and social welfare.

Bangladesh is a parliamentary democracy based on universal suffrage, and elections held in 1991,

1996, and 2001 were highly competitive. The country has a vibrant civil society, probably the strongest NGOs in the world, a rapidly growing private sector, and an outspoken and free press. Governance remains mixed with pronounced areas of strength and of significant weaknesses. The overall combination of a strong performance on poverty reduction, an active civil society, and competent economic management forms a solid foundation for the future.

Bangladesh's achievements

Bangladesh has succeeded in achieving solid economic growth and stability over the past decade. A combination of better financial

BANGLADESH'S PLAN TO REDUCE POVERTY

Bangladesh's 2005 Poverty Reduction Strategy, "Unlocking the Potential: National Strategy for Accelerated Poverty Reduction," aims for economic growth that specifically benefits the poor. Grounded in the MDGs, its priorities are:

- 1) employment
- 2) nutrition
- 3) quality education, especially for girls
- 4) local governance
- 5) maternal health
- 6) sanitation and safe water
- 7) criminal justice
- 8) monitoring of results

Among the planned areas of action are supportive economic policies; a focus on rural, agricultural, and microenterprise sectors; improved safety nets such as social assistance for the poor; enhanced human development (health and nutrition, education, water, and sanitation); increased participation of the poor in policies and programs affecting them; reduction of corruption; stronger local governance; improved service delivery in the area of basic needs; and environmental stewardship.



management, declining budget deficits, a supportable debt burden, an open trade regime, and a liberalization of foreign exchange have laid the groundwork for significant poverty reduction. Rapid economic growth has helped Bangladesh to reduce the poverty rate by about one percentage point per year since 1990. Bangladesh is much less dependent on foreign aid, which declined from 7 percent of gross national product in 1990 to 2.7 percent in 2003. The country's 2005 PRS targets economic growth, social development, and improved governance. The PRS's analysis reflects the multidimensional nature of poverty for Bangladesh, and it seeks to build on past gains, stop slippage, and focus efforts on its implementation.

The private sector provides considerable opportunity for broad-based economic growth. Bangladesh has some 27,000 medium-sized enterprises and 150,000 small enterprises, the smallest of which are mainly owned by women.

They provide an important contribution to employment and manufacturing, notably via the dramatic growth of ready-made garment exports (13 percent in 2005). Many individual Bangladeshis, notably migrant workers in the Middle East, have contributed to the equally key growth in remittances, or money sent home, now worth over US\$3 billion per annum.

Bangladesh's productive potential and quality of life continue to increase with advances in health and education. In addition to the sharp reduction in the population growth rate, the decline in infant and child mortality rates is among the fastest in the developing world. Literacy rates have risen steadily since 1981. Bangladesh has made significant progress in primary education: girls have essentially caught up with boys at the primary school level, and Bangladesh is expected to meet the MDG of universal primary education by 2015.

Challenges

Despite this progress, Bangladesh still faces major challenges in reaching its main development goals.

Growth: Bangladesh will need to improve its competitiveness if it is to fulfill its potential for economic growth. Overall, the country is still viewed as having important flaws in its investment climate. Microbusinesses and small businesses are increasing in number, but they continue to face many barriers, including weaknesses in the legal and regulatory regime, lack of access to credit and to information and

communications technologies, and weak management. The garment industry has played an important role in economic growth and employment, especially for women. However, with the end of the Multifiber Agreement in January 2005, this sector faces new challenges, notably, fierce competition from China and India. As the industrial sector seeks greater diversity and further integrates into the world economy, it will need increased skills, technological innovation, and better physical infrastructure.

Governance: Bangladesh is a parliamentary democracy but its parliament has been largely dysfunctional. Law and order has been



deteriorating while street agitation and bomb attacks have increased in frequency in recent years. Deterioration of law and order is linked with hyper-competitive politics, growing corruption, organized crime, political and religious violence, and deficiencies within the judicial service. Bangladesh needs more independence and transparency in the legislative, executive, and judicial branches of government in order to guarantee political, as well as economic, freedom and human rights, in particular for women, the poor, and the most vulnerable. There is little dispute that enhanced governance, with special attention to corruption, is critical to higher growth and an effective poverty reduction strategy.

Gender equality: Despite recent progress in access to credit, education, and political representation, gender equality is still a significant development challenge in Bangladesh. There are major gaps between women and men in health status, education, literacy, income, and political participation. Women are discriminated against in law and custom, and prevailing attitudes continue to affect institutional practices, family relations, and community life. Women's rights, particularly in marriage, divorce, custody, and inheritance are not equal to men's. Further, many women are unaware of existing rights, and therefore cannot exercise them. Physical and sexual violence, early marriage, disputes over dowry, and acid throwing are common experiences for many women.

A Bangladeshi woman's life prospects

in 1971:

- no access to primary education;
- worked unpaid within an enclosed family compound; did not have a bank account; and
- · did not vote or run for office.

in 2006:

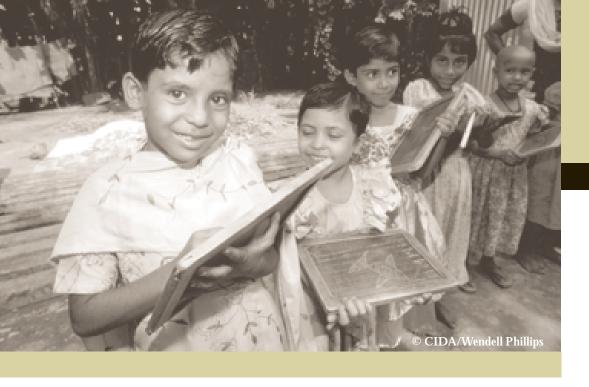
- equal numbers of girls and boys in primary school, many girls go on to secondary education;
- extensive access to microcredit and own saving accounts; may run her own small business or work in garment factory; and
- active voter, many elected locally, some in parliament.





Health and education: Bangladesh has made strong progress in many social and health indicators but a number of challenges remain. Maternal mortality rates remain very high. The death rate among girls under the age of 5 is about one third higher than that for boys. Half of all children are underweight, and malnutrition is more severe among girls, a trend that is increasing. The literacy rate remains at roughly 41 percent among adults (women and people living in rural areas have the lowest level of literacy). In basic education, there has been progress in enrolment, with girls achieving parity, but dropout rates for boys and girls are still high at over 40 percent. There are improved partnerships between the government and NGOs in primary education, but quality is still a serious concern: studies show that almost one third of students leave primary school without acquiring basic competencies.

Environment: Bangladesh is a low-lying country that is exposed to the sea and vulnerable to cyclones and floods. It has always faced major environmental challenges. Global climate change will increase the number of areas susceptible to flooding and cause more frequent droughts, among other growing environmental threats. Weather monitoring and early warning systems have been strengthened. The spread of a defensive infrastructure such as coastal and river embankments has also helped to mitigate the impact of natural disasters. Notwithstanding these successes, poor communities are frequently the primary victims of natural disasters. A stillgrowing population is putting pressure on water, land, and forests and is increasing pollution. High levels of arsenic in ground water remain a major challenge to public health.



CIDA in Bangladesh

Canada was one of the top four bilateral donors in Bangladesh in 2004. Through CIDA, Canada has worked with Bangladesh as a major development partner since 1971, spending some \$2.4 billion in government-to-government assistance as of March 2005. Development-cooperation efforts following independence involved reconstruction and then moved into agriculture, management of water resources, and development of the rural economy. In 1999, CIDA reoriented its programming to its current focus on basic human needs and governance: the CDPF 2003–2008 focuses on social development (health and education), governance, and private sector development.

CIDA provides major support to Bangladesh through multilateral organizations such as the World Bank, Asian Development Bank, World Food Programme, UNICEF, and UN Population Fund for activities in health and nutrition, basic education, child protection, food aid, and income-generating activities. CIDA has also provided assistance through the Canada Climate Change Development Fund, which helped local communities to adapt to the effects of global warming. In addition, CIDA supports the initiatives of Canadian voluntary organizations and local NGOs in areas such as health, education, community development, and private sector development.

HIGHLIGHTS OF CIDA'S PAST AND CURRENT PROGRAM IN BANGLADESH INCLUDE:

- assistance in water management, rural electrification, and agricultural diversification, which has contributed to Bangladesh's transformation from chronic food shortages to near self-sufficiency in rice production;
- support to poverty reduction, which has allowed CIDA, as one of the first donors to support local NGOs, to help lift millions of poor women in rural areas out of poverty through provision of credit and training in entrepreneurship, leadership, and literacy;
- participation with the government in the multidonor health and population program, which has contributed to the reduction of the population growth rate and improved health indicators;
- participation with the largest Bangladeshi NGO, BRAC, in the multidonor, non-formal primary education program, which has brought more than one million rural children, half of them girls, into primary education; and
- participation with the government in the multidonor formal primary education program, which will improve the quality of education for 17.5 million students, boys and girls, at the primary level.



A CONVERGENCE OF DEVELOPMENT STRATEGIES: CANADA IN BANGLADESH

Canadian Development Cooperation Priorities	Bangladesh CDPF	Sample Projects
Governance: democratization, human rights, rule of law, public sector institution building, conflict prevention, peacebuilding, security sector reform	Governance: enhancing the effectiveness of public service delivery in key sectors, notably health and education, via multidonor sector-wide approaches (SWAps), developing capacity of selected public institutions and civil society in legal reform, access to justice, human rights education, women's rights, children's rights, public participation in governance	 All projects, including SWAps/PBAs Legal Reform Fair Elections and Institutional Reform Research and Policy Analysis – Bangladesh Bank Policy Leadership and Advocacy for Gender Equality – Phase II
Health: prevention and control of high-burden, communicable, poverty-linked diseases, strengthening capacity of health systems, improving infant and child health, strengthening sexual and reproductive health and reducing maternal mortality, improving food security	Health: developing the capacity of government and civil society to improve health and nutrition, with a particular focus on women's health, reproductive health, and child nutrition	 Health and Population Sector Reform (SWAp) Community-Based Managed Health Care Institutional Support to the International Centre for Diarrhoeal Disease Research, Bangladesh Environmental Technology Verification – Arsenic
Basic education: improving quality, safety, and relevance of basic education, including lifeskills training, removing barriers that prevent closing the gender gap in education, providing education for prevention of HIV/AIDS, providing education for girls and boys in conflict, post-conflict, and/or emergency situations	Basic education: developing the capacity of government and civil society to increase enrolment and retention of girls and boys in primary education, and improve the quality of primary education	 Education Sector Support Program (PBA) BRAC Education Program (PBA) Teaching Quality Improvement (PBA) Basic Education for Working Children

Canadian Development Cooperation Priorities	Bangladesh CDPF	Sample Projects
Private sector development: creating an enabling environment, promoting entrepreneurship, supporting connection to markets	Private sector development: provide self-employment, skills upgrading, and access to finance and training opportunities for the rural and urban poor	 Palli Daridro Bimochon Foundation (Foundation for the Elimination of Rural Poverty) Challenging the Frontiers of Poverty Reduction (BRAC) Trade-Related Research and Policy Development (Centre for Policy Dialogue)
Environmental sustainability: reducing the impact of climate change, addressing land degradation, assisting freshwater supply and sanitation, addressing environmental impacts of urbanization, promoting global environmental agreements	Environmental sustainability: an important theme that is directly addressed (improved water management, mitigation of arsenic contamination of water supplies) and is also fully integrated into all development activities	 All projects Reducing Vulnerability to Climate Change
Ensuring gender equality: in all of the above by ensuring more equal participation in decision-making, an enhanced ability of women and girls to fully realize their human rights, and greater equality in access to and control over resources and benefits of development	Gender equality: an important theme that is directly addressed (improved health services for women, strengthening of women's service and advocacy organizations, life-skills training for young women) and is also fully integrated into all development activities	All projectsGender Fund

THE WAY FORWARD

Future programming

CIDA's program priorities for Bangladesh in 2003–2008—social development (health and education), governance, and private sector development—are closely aligned with the needs articulated in Bangladesh's own PRS. They also line up squarely behind Canada's international commitments, such as the MDGs for poverty reduction, improved health and education, environmental sustainability, and gender equality. Finally, they are fully in step with Canada's foreign and development cooperation policies: these have identified the following as program priorities for CIDA: promoting good governance, improving health outcomes, strengthening basic education, supporting private sector development,

and advancing environmental sustainability. Gender equality is a crosscutting theme that should shape approaches to programming in all priority sectors.

CIDA's program priorities concentrate on the following:

Improving delivery of health services

A longtime supporter of health care in Bangladesh, CIDA will continue to focus on improving the health of Bangladeshis through strengthening the capacity of the national health system, improving the quality and delivery of essential health care services, and increasing access to those services, especially for women and children. Specifically, CIDA will focus on





reproductive health and family planning, maternal and child health, nutrition, infectious diseases such as tuberculosis and HIV/AIDS, and chronic arsenic poisoning. Operational research in these areas will also be supported. Programming will be aligned with the broader agenda of the government-led Health, Nutrition and Population Sector Program and will support government capacity building as well as community-based programming.

Enhancing the quality of basic education

Improving quality in basic education is critical for the future of Bangladesh. CIDA will continue to support government and civil society initiatives to improve the access, quality, and relevance of basic education in Bangladesh. This will be implemented through multidonor program approaches both for formal and nonformal education. Particular attention will be paid to disadvantaged groups, including the rural

poor, urban working children, and adolescent girls. New initiatives in complementary areas such as basic life skills and early-childhood education might be considered.

Strengthening governance

Good governance is essential to broad-based, equitable, and sustainable development in Bangladesh. It is an overarching theme that cuts across all sectors, much like gender equality. CIDA will support the development of good governance within core public and private sector institutions to help build their technical and management competencies, focusing on enhancing their transparency and accountability. CIDA will support democratization in order to create a more open and participatory framework to facilitate both individual freedoms and private sector development. Areas for programming could include improvement of democratic institutions and practices, more effective and transparent



legal and judicial systems, and the promotion and implementation of human rights and the rule of law, especially those affecting women, children and other vulnerable groups.

Supporting development of the private sector

Unleashing the potential of the private sector in Bangladesh is key to a sustained reduction in poverty. CIDA will support initiatives aimed at creating an enabling environment, and sustainable and equitable growth (for example, through regulatory reform and capacity building in financial and economic management). Other priorities include promoting entrepreneurship of small and medium-size enterprises (SMEs), increasing women's and poor people's connections to markets, and trade-related assistance. CIDA will work with government regulatory bodies, business associations, SMEs, women entrepreneurs, and NGOs.

Program delivery

As it develops and implements its programs, CIDA will also need to strengthen program delivery. Programs will need to reflect the 2005 Paris Declaration on Aid Effectiveness as well as the 2002 CIDA document *A Policy Statement on Strengthening Aid Effectiveness*. Both of these initiatives make aid effectiveness a high priority and call for a more strategic focus of aid resources as well as more efficient management of aid programs and activities.

CIDA engages other government departments to ensure that key Canadian policies, such as those on trade, health, justice, and the environment, support the goals of the aid program. For example, the enhanced market access for Bangladesh provided in January 2003 has benefited its economy, as has the decision to further untie aid (notably, international

competitive bidding on procurement). Justice Canada is implementing Part A of the Legal Reform Project with Bangladesh's Ministry of Law involving upgrading the legal drafting system, the Law Commission, and some aspects of the criminal justice system.

CIDA works very closely in partnership with the Government of Bangladesh and other donors. There is a tradition of an annual high-level coordinating meeting between the Government of Bangladesh and its donor partners. This forum brings together some thirty donor countries and organizations in a policy dialogue on a wide range of important issues.



TOWARD BETTER DONOR COORDINATION

In the Paris Declaration on Aid Effectiveness (2005), the international community committed to a number of actions to improve the effectiveness of aid and to support partner-country efforts to strengthen governance and improve development performance. Large, multidonor initiatives that support ongoing local programs provide the best opportunity to coordinate donor activity, harmonize aid practices, and maximize local ownership of development.

CIDA joins consortia of donors and local partners in a wide range of projects. In Bangladesh, CIDA is increasingly participating in such initiatives in support of national programs in health and population, legal reform, basic education, the environment, and income-generating activities for poor women. In addition, CIDA is participating in initiatives with local non-governmental organizations in poverty reduction, health, basic education, private sector development, and assistance to victims of acid throwing.

The partnerships forged in these multidonor programs require close collaboration to harmonize practices such as the release of aid funds or reporting requirements. Many activities, such as studies, procurement, monitoring and evaluation, are undertaken jointly, cutting costs and freeing up funds for programming needs.

Donors and government meet frequently within a complementary Local Consultative Group. This includes a number of sectoral working groups in areas such as health, education, poverty, energy, HIV/AIDS, agriculture, governance, environment, and gender equality. The goal is to improve efficiency and better coordination, reduce administrative burdens, and minimize risks.

CIDA, along with most other donors, now seeks a more comprehensive and sustainable approach to development based on five key principles: stronger partnerships, local ownership, improved donor coordination, policy coherence, and a results-based approach. CIDA will promote intersectoral linkages, greater coherence, and synergy in CIDA's Bangladesh program. CIDA will endeavour, whenever appropriate, to work in an integrated mode, through sector-wide approaches (SWAps) and program-based approaches (PBAs), with the government, civil society, other bilateral donors, and multilateral organizations. As part of this shift toward increased policy dialogue and harmonization, CIDA will support a few large initiatives offering national impact and long-term sustainability.

CONCLUSION

Although a low-income country with many development challenges, Bangladesh is setting a strong example in the region and with its LDC peers of being on a steady, moderately paced path of reform that addresses social and economic issues in a democratic and increasingly participatory framework. Continued social development, good governance, greater transparency, and private-sector-led growth, as proposed in this framework, will not only benefit women and children, the poor, and most vulnerable groups, these will also contribute to increased regional stability and promote values important to Canadians, such as peace and security, prosperity and employment, social justice, and equity.

