



Australian Government

Department of Foreign Affairs and Trade



# AID PROGRAM PERFORMANCE REPORT 2016-17

BANGLADESH

September 2017



## KEY MESSAGES

This report summarises the performance of Australia's aid program in Bangladesh from July 2016 to June 2017 against the Bangladesh Aid Investment Plan 2015-16 to 2018-19 (AIP). Australian aid in Bangladesh reflects the priorities of the Governments of Australia and Bangladesh, investing in human development, skills and productivity, and women's economic empowerment. Progress is measured using a Performance Assessment Framework (PAF), incorporating performance indicators for the two strategic objectives of the program: *improving education access, equity, efficiency and learning outcomes* and *building resilience by reducing vulnerability and improving inclusion in the growing economy*.

During the reporting period, the assumptions underpinning the AIP remained valid, with sustained economic growth and relative political stability supporting progress on poverty reduction and development indicators. This upward development trajectory is increasingly subject to pressure from security and governance challenges, income inequality, the impacts of climate change, new laws regulating civil society activity and domestic political developments.

Australia's aid program in Bangladesh is delivered through a consolidated set of strategic partnerships. Australia's partnerships with the Government of Bangladesh, World Food Programme (WFP) and the UK Department for International Development (DFID) operate in sectors where results can be achieved at scale and where aid resources can be effectively deployed. Australia's partnership with the BRAC NGO capitalised on their well-established capacity and scale, for example supporting 1,510,128 extreme poor households previously unable to access traditional development interventions such as microfinance. In 2016-17, Australia supported the design of two new phases of investments in primary education and humanitarian support.

The Australia NGO Cooperation Program (ANCP) and Australia Awards remain effective, high profile tools in the relationship with the Bangladesh Government and community. Thirteen Australian NGOs delivered 24 projects across multiple sectors through ANCP, directly benefitting 700,000 poor women, men and children<sup>1</sup>. Australia Awards, suspended during the last reporting period, resumed in 2016-17, delivering 64 post-graduate scholarships and 7 short courses, strategically supporting Australia's broader bilateral interests, including in countering violent extremism and promoting economic diplomacy.

Australia's investments in Bangladesh performed strongly against gender indicators, exceeding Australia's strategic target for gender equality<sup>2</sup>. There was good progress against AIP objectives, with 14 out of 15 PAF annual progress targets (PAF targets) and 6 out of 7 Performance Benchmarks (PB) being met. Key achievements in 2016-17 include:

- supporting the Bangladesh Government's primary education program to improve the quality of education through distribution of textbooks, increased competency based questions in testing, and increased access to quality education in areas where government schools are not operating;
- providing 117,416 schoolchildren in 500 schools with high-energy biscuits in the Cox's Bazar District, which contributed to increased enrolment and attendance in schools<sup>3</sup>;
- helping 86,975 women and their families to graduate from ultra-poverty, through establishing sustainable livelihoods and improving access to mainstream development programs<sup>4</sup>;
- providing vocational skills training to 33,240 disadvantaged youths, including mobile phone servicing, tailoring and business management<sup>5</sup>; and
- supporting the Bangladesh Government to embed a Budget Management Unit within the Ministry of Finance to improve the targeting and management of social protection programs<sup>6</sup>.

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<sup>1</sup> 2017-17 Annual Development Plan Project SharePoint Overview; <http://collaboration.titan.satin.io/CivilSociety/Pages/ANCP.aspx>.

<sup>2</sup> A rating of satisfactory or above in gender equality for 80 per cent of Australian investments; Making Performance Count: enhancing the accountability and effectiveness of Australian aid.

<sup>3</sup> Annual Narrative Report (2016), WFP's Enhancing Food Security and Nutrition (EFSN) Programme, Cox's Bazar district, Bangladesh.

<sup>4</sup> SPA Results for 2016 (Thematic); BRAC Program MIS Data.

<sup>5</sup> BRAC PAF update report July 2017; BRAC Program MIS Data.

<sup>6</sup> SGSP Annual Review 2016; <https://devtracker.dfid.gov.uk/projects/GB-1-202972/documents>.



## CONTEXT

The assumptions underpinning the Aid Investment Plan remained valid in 2016-17, with economic growth and relative political stability supporting progress towards poverty reduction and improvements in development indicators. However, challenges to growth, widening income inequality, and a changing security environment is placing pressure on development gains.

Despite these pressures, in 2016 the national poverty rate dropped to 23.2 per cent from 31.5 per cent (in 2010)<sup>7</sup>. Bangladesh also moved up three places in the Human Development Index in 2016 to rank 139 globally (out of 188 countries) due to improvements in life expectancy and per capita income<sup>8</sup>.

Bangladesh's economic performance remained strong in 2016-17, underpinned by macroeconomic stability, and strong domestic demand, with continued growth in Gross Domestic Product (7.24 per cent), services (growth of 6.5 per cent) and industry (growth of 10.5 per cent)<sup>9</sup>. This puts Bangladesh among the top economic performers in South Asia during the reporting period.

However, challenges emerged and continued during 2016-17. Falling remittances<sup>10</sup>; a decline in export growth and private sector investment; impacts of climate change; poor infrastructure; and inadequate energy supply all impacted on growth<sup>11</sup>. A gender gap in labour participation rate remains, with only 35.6 per cent of women active in the formal economy, compared to 81.9 per cent for men as of 2015-16<sup>12</sup>. Changes to the Child Marriage Restraint Act in 2016, permitting girls under 18 years to marry in 'special cases,' may exacerbate women's limited economic participation.

Income inequality has persisted, even though poverty rates have dropped<sup>13</sup>. Continued low levels of public spending on health, education and social protection and ongoing governance challenges are some of the major factors behind the widening income inequality<sup>14</sup>. Bangladesh was ranked 145<sup>th</sup> out of the 176 countries on Transparency International 2016 Corruption Perceptions Index, reaffirming that corruption continues to have an impact on development and economic outcomes<sup>15</sup>.

The operational environment for aid delivery in Bangladesh remained complex, particularly following the 1-2 July 2016 terrorist attack on the Holey Artisan Bakery in Dhaka. It exacerbated security concerns, with implementing partners restricting international staff movements in turn affecting monitoring efforts and implementation timelines. Partners also experienced challenges recruiting international expertise required to support aid implementation.

The operational context was further complicated by the influx of over 74,000 Rohingya refugees into Cox's Bazar District in late 2016, requiring additional response measures, including by Australia's strategic partner, World Food Programme (WFP).

### Australia's Aid Program in Bangladesh

Australia supports Bangladesh's progress towards middle-income status. Through our aid investments we are seeking to increase human capacity in support of continued economic growth. The underlying logic behind Australia's aid investments is around building the productive capacity of Bangladesh's workforce and supporting the poor to participate in and contribute to the growing economy.

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<sup>7</sup> Quarterly Estimates (October 2016); Bangladesh Bureau of Statistics.

<sup>8</sup> UNDP Human Development Report 2016; <http://hdr.undp.org/en/countries/profiles/BGD>.

<sup>9</sup> Bangladesh Bureau of Statistics 2016-17; [http://bbs.portal.gov.bd/sites/default/files/files/bbs.portal.gov.bd/page/057b0f3b\\_a9e8\\_4fde\\_b3a6\\_6daec3853586/GDP\\_2016\\_17\\_Approved.pdf](http://bbs.portal.gov.bd/sites/default/files/files/bbs.portal.gov.bd/page/057b0f3b_a9e8_4fde_b3a6_6daec3853586/GDP_2016_17_Approved.pdf).

<sup>10</sup> Remittance fell by 14.4 per cent in 2016-17 (from 15 billion, 2015-16 to 12.77 billion); Bangladesh Bureau of Statistics, 2016-17.

<sup>11</sup> Bangladesh Bureau of Statistics (2016-17).

<sup>12</sup> Quarterly Labour Force Survey 2015-16; Bangladesh Bureau of Statistics.

<sup>13</sup> Between 2010-2015, the Gini-Coefficient increased from 0.545 to 0.579; <http://hdr.undp.org/en/indicators/137506>

<sup>14</sup> Inequality: A wake-up call for Bangladesh, By Rahman Jahangir, published on 27 January 2017 on Financial Express; <http://www.thefinancialexpress-bd.com/2017/01/27/60297/Inequality:-A-wake-up-call-for-Bangladesh>.

<sup>15</sup> [https://www.transparency.org/news/feature/corruption\\_perceptions\\_index\\_2016](https://www.transparency.org/news/feature/corruption_perceptions_index_2016).



Australia's aid program supported strategic partners to promote economic growth, to address inequality and deliver essential services for the ultra-poor. Australia's partners deliver outcomes in key sectors, including primary education, skills development, social protection and women's empowerment.

Australian Official Development Assistance (ODA) to Bangladesh in 2016-17 was \$57.7 million and bilateral aid was approximately \$42.4 million. The total all donor ODA to GDP ratio in Bangladesh remained at approximately two percent<sup>16</sup>.

Australia's aid program is aligned with the 2030 Agenda on Sustainable Development, particularly the Sustainable Development Goals (SDGs). The Government of Bangladesh has demonstrated commitment to this Agenda, including through active participation in the 2017 voluntary national review. Of the seventeen SDGs, eight<sup>17</sup> were incorporated into the Bangladesh Government's national development planning document, the Seventh Five Year Plan. Australia's aid program in Bangladesh aligns with six of these development goals, namely SDG 1, 2, 4, 8, 10 and 13.

## EXPENDITURE

Table 1 lists the Bangladesh 2016-17 Financial Year bilateral expenditure for each aid objective, for regional and global programs, and by other Government Departments.

**Table 1 Total ODA Expenditure in FY 2016-17**

Objective	A\$million	% of total ODA
<i>Bilateral</i>		
Objective 1: Improving education access, equity, efficiency and learning outcomes	19.3	33.4
Objective 2: Building resilience by reducing vulnerability and improving inclusion in the growing economy	18.3	31.7
Other: Australia Awards, , Gender Equality Fund, The Asia Foundation, and Post Management	4.8	8.3
<b>Sub-Total Bilateral</b>	<b>42.4</b>	<b>73.4</b>
Regional and Global	13.8	23.9
Other Government Departments	1.5	2.7
<b>Total ODA Expenditure</b>	<b>57.7</b>	<b>100.00</b>

<sup>16</sup> Strengthening Finance for the 7<sup>th</sup> Five Year Plan and SDGs in Bangladesh: Findings from an Independent Development Finance Assessment (2016).


<sup>17</sup>The eight SDGs prioritised in the Government of Bangladesh's Seventh Five Year Plan are: Goal 1- No Poverty; Goal 2-Zero Hunger; Goal 3-Good Health and Well-being; Goal 4- Quality Education; Goal 8-Decent Work and Economic Growth; Goal10-Reduced Inequalities; Goal 13-Climate Action and ; Goal 16-Peace, Justice and Strong Institutions


## PROGRESS TOWARDS AIP OBJECTIVES


This report assesses progress and results against the two strategic objectives in the Bangladesh Aid Investment Plan (AIP) 2015-16 to 2018-19. Ratings are based on assessment against the AIP's Performance Assessment Framework, the Performance Benchmarks and investment quality reporting.

**Table 1 Rating of the Program's Progress towards Australia's Aid Objectives**

Objective	Previous Rating	Current Rating
Objective 1: Improving education access, equity, efficiency and learning outcomes	Green	Green
Objective 2: Building resilience by reducing vulnerability and improving inclusion in the growing economic	Green	Green

 **Green.** Progress is as expected at this stage of implementation and it is likely that the objective will be achieved. Standard program management practices are sufficient.

 **Amber.** Progress is somewhat less than expected at this stage of implementation and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.

 **Red.** Progress is significantly less than expected at this stage of implementation and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

### OBJECTIVE 1: Improving education access, equity, efficiency and learning outcomes




#### Rating - Green

There are strong results against the Performance Assessment Framework (PAF) for Australia's Aid Investment Plan 2015-2019. All four Performance Benchmarks (PB) and eight PAF targets were met in 2016-17. See **Annex B** and **Annex E** for details.

#### **Outcome 1: More girls and boys attain improved literacy, numeracy and the core competencies identified at each level of primary education.**

Australia invested in the Bangladesh Government's own Third Primary Education Development Program (PEDP3), a \$10 billion dollar sector wide initiative in government pre-primary and primary education reform for 20 million children through 122,176 primary schools<sup>18</sup>. Australia is one of nine donors and in 2016-17 contributed \$7,044,721 million to PEDP3 including to technical assistance through UNICEF and the World Bank. Australia's contribution is strategic and focused in niche areas - quality, inclusiveness, and public financial management. Joining other donors in a sector wide approach enables Australia to achieve outcomes at scale.

<sup>18</sup> The Bangladesh Primary Education Annual Sector Performance Report 2017; Monitoring and Evaluation Division, Directorate of Primary Education



During the reporting period, Australia contributed as follows:

- Quality primary textbooks were provided to 99.9 per cent of schools on time (in line with the PAF target)<sup>19</sup>. Compared to 2014, textbook quality improved, with fewer errors, simplified format and language and better print quality.
- The 2015 Grade 5 completion exam structured such that 50 percent of questions were competency-based as opposed to rote learning and recall (in line PB and PAF targets<sup>20</sup>).
- Expanded the Each Child Learns program, a pilot which introduces new learning methods, from 1440 to 1500 schools, contributing to improved learning outcomes<sup>21</sup>.

Over the total investment period (2011-2017), Australian support has contributed to improvements in the completion exam results, a key indicator of education quality, with the pass rate increasing from 92.3 per cent in 2010 to 95.66 per cent in 2016<sup>22</sup>. The primary education completion rate increased from 60 per cent in 2010 to 80 percent in 2016<sup>23</sup>. The proportion of teachers meeting minimum professional qualifications increased from 83 percent in 2010 to 94.3 percent in 2016<sup>24</sup>. These achievements have not yet resulted in significant changes to literacy and numeracy standards<sup>25</sup>, but given the nature of these changes this not surprising as its too early to see improvements in student learning. Australia will continue to work with the Bangladesh Government to improve outcomes in the next phase of PEDP.

## **Outcome 2: Poor children, particularly girls, benefit from non-formal education**

Australia invests in BRAC's quality education programs for the poor and marginalized, particularly girls, unable to access government schools. BRAC's innovative programs support children who have never been to school, including boat schools for children in seasonally flooded areas, a pilot program for children who are street workers and a bridge program for children who dropped out of school between grades 2 and 4.

During the reporting period, Australia supported 631,222 children (significantly exceeding the PB<sup>26</sup> and PAF target of 470,075) to complete BRAC's primary and pre-primary schooling, of which 355,378 (56.3 per cent) were girls and 13,902 were children with disabilities<sup>27</sup>. BRAC's Children with Special Needs Unit continued to strengthen disability inclusiveness in BRAC's education programming<sup>28</sup>.

## **Outcome 3: Partnership between Government and development partners improves effectiveness, equitable and accountable service delivery of primary education outcomes**

PEDP3's performance-linked funding model provided opportunities for policy dialogue on government education reform focused on improving education access, quality and governance. During the reporting period, 50 per cent<sup>29</sup> of Australia's funding was tied to the achievement of Government reform efforts (a PB and PAF target) through agreed Disbursement Linked Indicators (DLIs). Of the 54 DLIs, 48 DLIs were met during the reporting period. Given the government's ambitious education reform agenda, this level of progress was within expectations.

However, there are challenges, including in teacher recruitment, infrastructure and second chance education, contributing to shortages in quality teachers, poor school infrastructure and delays in implementing second

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<sup>19</sup> The Bangladesh Primary Education Annual Sector Performance Report 2017; Monitoring and Evaluation Division, Directorate of Primary Education, Ministry of Primary and Mass Education.

<sup>20</sup> Both the PB and PAF target were revised. The Bangladesh APPR 2015-16 reported a target of 65 per cent, which is a reporting error. The correct target is 50 per cent. This revised figure aligns with the targets set out in the *PEDP3 Results Framework* between the Government of Bangladesh and Australia (and 9 other donors), agreed to in December 2014.

<sup>21</sup> Evidence through Each Child Learns (ECL) Longitudinal Study. Phase 1 indicated students from ECL schools performed slightly higher than those from non-ECL schools.

<sup>22</sup> The Bangladesh Primary Education Annual Sector Performance Report (2017); Monitoring and Evaluation Division, Directorate of Primary Education, Ministry of Primary and Mass Education.

<sup>23</sup> The Bangladesh Primary Education Annual Sector Performance Report (2017); Monitoring and Evaluation Division, Directorate of Primary Education, Ministry of Primary and Mass Education.

<sup>24</sup> The Bangladesh Primary Education Annual Sector Performance Report (2017); Monitoring and Evaluation Division, Directorate of Primary Education, Ministry of Primary and Mass Education.

<sup>25</sup> National Student Assessment 2015 for grade 3 and grade 5, released in 2016.

<sup>26</sup> The Performance Benchmark reported in the Bangladesh Aid Program Performance Report 2015-16 was updated from 293,200 to 470,075 to align with the AIP Performance Assessment Framework target.

<sup>27</sup> SPA Results for 2016 (Thematic); BRAC Program MIS Data

<sup>28</sup> BRAC website; <http://www.brac.net/disability-inclusion>.

<sup>29</sup> The remaining 50 per cent of funding subject to meeting annual audit requirements.

chance education. As a result, Australian funding was withheld in 2016-17 and we continued to advocate in these areas and offered technical assistance to support implementation, where feasible.

During the reporting period, Australian funding, policy dialogue and technical assistance contributed to progress in:

- Completing the Annual School Census, which provides critical data for government's Annual Sector Performance Report.
- Rollout of the Diploma in Primary Education in Primary Training institutions, contributing to improvements in teacher standards and classroom learning<sup>30</sup>.
- Improvements in the government's financial reporting<sup>31</sup> and evidence-based policy-making, including the quality of PEDP3's planning and budgeting process<sup>32</sup>.
- Developing the Framework Document for Disaster Risk Reduction and Education in Emergencies, which was a positive step in ensuring preparedness and response to the impacts of climate change and disasters in the primary education sector.

Additionally, through PEDP3's Disparity Working Group, Australia helped retain a policy focus on gender. In 2016-17, Australian-funded technical assistance contributed to the inclusion of gender content in teacher training materials and a household education survey focusing on gender. The study, which is yet to be finalised, will be a key analytical document guiding policy dialogue.

During the reporting period, there was good collaboration between Australian partners (BRAC and the Bangladesh Government) on piloting second chance education models. Led by the PEDP3's implementing partner, the Ministry of Primary and Mass Education (MoPE), funding was provided to a consortium of NGOs including BRAC and ANCP partner Save the Children to pilot the delivery of primary education for 100,000 out of school-children. The pilot, developed with Australian funded technical expertise, drew on BRAC's informal education delivery models. BRAC and MoPE worked closely together through the NGO consortium in implementing this pilot.

## OBJECTIVE 2: Building economic resilience by reducing vulnerability and improving inclusion in the growing economy



### Rating - Green


Australia's investment has built the resilience of the poor, particularly marginalised women and girls by helping to strengthen the Bangladesh Government's social protection system, building resilience to the impacts of climate change and disasters and improving access to livelihoods, nutrition and skills.

During the reporting period, Australia's implementing partners performed effectively against six out of seven Performance Assessment Framework (PAF) targets and one of two Performance Benchmarks (PB). One PB/PAF target was only partially achieved due to a shortfall in new program entrants to a new phase of BRAC's Targeting the Ultra Poor (TUP) program in 2016-17.

<sup>30</sup> UNICEF Annual Report 2016. Australia provided Technical Assistance to UNICEF for PEDP3 implementation till June 2017.

<sup>31</sup> World Bank Externally Funded Output (EFO) Completion Report 2016. Australia provided Technical Assistance to World Bank for PEDP3 implementation up until April 2017.

<sup>32</sup> Australia's funding to the Annual Sector Performance Report contributed to providing robust sectoral data.



## **Outcome 1: Government of Bangladesh implemented its National Social Security Strategy informed by best international practices**

Australia through the Strengthening Government Social Protection System (SGSP) program invests in the implementation of the Government's National Social Security Strategy (NSSS) via a delegated cooperation arrangement with DFID. SGSP supports the government's sectoral reform program to improve the impact and sustainability of public expenditure on social protection. In 2016-17, the investment's progress was satisfactory and all relevant PAF targets were met. See **Annex E**.

The first two years of the SGSP were hampered by delays in securing government approval for donor projects. However, the adoption of the NSSS in early 2016 paved the way for strong performance in 2016-17<sup>33</sup>. During the reporting period, the Bangladesh Government's commitment and ownership strengthened with significant steps taken to consolidate leadership and accountability for the NSSS through five core implementing ministries. Of note is the Bangladesh Government's institutionalisation of the SGSP-established Social Protection Unit within the Ministry of Finance, ensuring its future viability. Australian funding directly contributed to the operationalisation and capacity building of this Unit. Our funding also supported foundational work to establish a Management Information System for all government social protection programs and diagnostic studies and research to improve the targeting and management of these programs.

An embedded Social Protection Unit should assist equitable distribution of resources, facilitate oversight of multiple programs, establish links with other services and sectors and increase efficiency of delivery by avoiding duplication and enabling economies of scale through integrating data across programs. This is a significant development as the Unit influences the lives of many millions of poor men and women in Bangladesh through its engagement in the government's budget process and leadership in social protection initiatives.

## **Outcome 2: NGOs and other partners provide the poorest women and women-led households with increased incomes and nutrition, greater assets and capacity to participate in the economy**

Australia's partnerships with BRAC and WFP helped women and their families to find pathways out of extreme poverty, and supported improvements in the nutritional status of pregnant and lactating women and children in vulnerable communities, including Rohingya people, in Cox's Bazar District. Our WFP assistance to communities in Cox's Bazar District is consistent with the Government's National Strategy on Myanmar Refugees and Undocumented Myanmar Nationals in Bangladesh. Australia provided an additional \$3.9 million in 2016-17 to support WFP's work to meet the basic nutrition needs of new Rohingya arrivals from Myanmar.

During the reporting period Australia contributed to:

- Providing 9,481 women and their households (against a target of 9,600) in Cox's Bazar District with cash transfers to support livelihood activities, leading to improvements in women's confidence, mobility, and household decision-making capabilities, particularly around household finances<sup>34</sup>.
- Increasing women's leadership by targeting female household members to be primary holders of the electronic food vouchers. As cardholders, women had greater choice and control over their family's food needs<sup>35</sup>.
- Addressing efforts to lower the rates of stunting children by two per cent (a PAF target) in Cox's Bazar District from 42.47 per cent to 40.7 per cent, including through nutritional supplementation and related programs<sup>36</sup>.

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<sup>33</sup> 2016 SGSP Annual Review – Summary Sheet, the review was led by DFAT's Social Protection Hub..

<sup>34</sup> Annual Narrative Report (2016), WFP's Enhancing Food Security and Nutrition (EFSN) Programme, Cox's Bazar district, Bangladesh.

<sup>35</sup> Standard Project Report (2016), Assistance to Refugees from Myanmar; World Food Programme in Bangladesh.

<sup>36</sup> ACF SMART survey (February 2017).



- Providing 117,416 school children in 500 schools with high-energy biscuits, including education on nutrition, helping to contribute to increased enrolment and attendance in schools<sup>37</sup>. Enrolments increased by three per cent in 2016 and retention rates were up by two per cent from 2015 levels<sup>38</sup>.

Australia's partnership with BRAC continued to deliver strong results in women's economic empowerment for the poorest and most marginalised in Bangladesh. BRAC's programs supported 86,975 women and their families to graduate from ultra-poverty<sup>39</sup>, to establish sustainable livelihoods and to access mainstream development programs, slightly exceeding the PAF/PB target of 81,539.

The certainty provided by Australia's funding enables BRAC to continue to innovate within the Ultra Poor Program (TUP). A new phase commenced in 2016, responding to changing indicators for extreme poverty within Bangladesh's changing and growing economy. Better targeted social transfers (including cash transfers, provision of a productive asset, livelihoods training and health services) were introduced as part of this new phase. The commencement of the new TUP phase and methodological challenges in selecting the most impoverished women resulted in a ten per cent shortfall in participants during the reporting period. As a result, BRAC only partially achieved the PAF target for the provision of social transfers in TUP - 79,480 ultra-poor women were provided with an integrated package of support against a PAF target of 93,000<sup>40</sup>. It is expected that the targets will be reached in 2017-18.

### **Outcome 3: Disadvantaged youth have access to skills and jobs**

Australia's investment supported BRAC to deliver skills training to disadvantaged youths, with a focus on women, people with disability and other marginalised groups. In 2016-17 through BRAC's Skills Development Program, approximately 33,240 youths (against a PAF target of 30,000) received targeted vocational training, including in mobile phone servicing and tailoring. Of the total, 31,578 youths either received job placements or started their own business following their training<sup>41</sup>.

In 2016-17 BRAC scaled up its successful skills development pilot and established the Skills Development Program (SDP), with a strengthened focus on the cross cutting themes of decent work, social inclusion and technology. SDP provides on the job skills training through apprenticeships in the formal and informal sectors. The program links participants with potential employers. For those interested in self-employment, BRAC offers guidance and technical assistance. SDP identifies occupations and skills training in partnership with market actors, considering the demands of an increasingly service-oriented economy. SDP also worked closely with BRAC's TUP in order to ensure that the most vulnerable adolescents are targeted.

## **CROSS-CUTTING, REGIONAL, GLOBAL AND OTHER GOVERNMENT DEPARTMENTS**

In addition to bilateral aid investments, Australia delivered global and regional initiatives in Bangladesh, including Australia Awards, the Direct Aid Program and the Australian NGO Cooperation Program.

### **Australia Awards**

Australia Awards support Australia's development agenda in Bangladesh by investing in human capacity development in response to emerging issues. In 2016-17, 64 Bangladeshi students (34 women) received graduate scholarships to study in a range of fields including engineering, development, public health, transport and public policy. The PB/PAF target to ensure gender equity was met, with around 53 per cent of scholarships awarded to women.


<sup>37</sup> Annual Narrative Report (2016), WFP's Enhancing Food Security and Nutrition (EFSN) Programme, Cox's Bazar district, Bangladesh.

<sup>38</sup> Annual Narrative Report (2016), WFP's Enhancing Food Security and Nutrition (EFSN) Programme, Cox's Bazar district, Bangladesh.

<sup>39</sup> SPA Results for 2016 (Thematic); BRAC Program MIS Data

<sup>40</sup> Annual Report (2016), BRAC CFPR-TUP.

<sup>41</sup> SPA Results for 2016 (Thematic); BRAC Program MIS Data



Short Courses and Informal Learning Opportunities (ILOs) are an expanding feature of the Australia Awards program in Bangladesh. In 2016-17, 67 participants attended seven ILOs and six Short Courses, including on regional energy security, international trade and countering terrorism financing.

Australia Awards Alumni play an important role in facilitating on-going institutional links. Of note is a \$7 million Memorandum of Understanding initiated by an Australia Awards Alumnus and signed between the Western Sydney University and the Bangladeshi Ministry of Law to train 540 judges in Australia. The training is fully-funded by the Government of Bangladesh.

Twenty-three Australia Awards fellowships (\$0.58 million) were offered to mid and senior level professionals in areas such as law and justice, food security and gender equality. For example, Australian institutions, including Macquarie University provided short term study opportunity for 15 officials (including 7 women) from the Bangladesh Police Staff College on countering violent extremism.

### **Australian NGO Cooperation Program**

In 2016-17, 13 Australian NGOs received funding (totaling \$5.1 million) through the Australian NGO Cooperation Program (ANCP) to deliver 24 projects across multiple sectors, including in climate change, disaster risk reduction, women's economic empowerment, and inclusive education. During the reporting period, approximately 700,000 poor women, men and children directly benefited from Australian funding.

For example, Plan International (PI) Australia has helped improve education access to children with disability through piloting inclusive education models in 50 primary schools, including in the Chittagong Hill Tracts where there are large indigenous communities. In 2017, a PI Australia supported school was named the 'Best Primary School of the Year' by the Bangladesh Government<sup>42</sup>.

During the reporting period, ANCP partners engaged with the Australian High Commission in Bangladesh on the introduction of the Foreign Donations (Voluntary Activities) Regulation Act. The Act aims to regulate NGO advocacy and activity. Under this Act, governmental approval is required for foreign funded projects. With the rules governing its implementation still being drafted, ANCP partners and the Australian High Commission are engaging relevant government authorities to ensure that the needs of Australian funded NGOs are recognised in implementation.

### **Direct Aid Program**

In 2016-17, 12 projects received small grants (totaling \$433,264) to support activities in education, health, disability, women's economic empowerment and water and sanitation. For example, The Society for People's Action in Change and Equity received \$42,000 to improve the livelihoods of poor women and children in Khulna, through skills training, asset transfers and establishment of market linkages. Of the 12 Direct Aid Program (DAP) funded projects, almost half of the activities either targeted women's economic empowerment or addressed gender issues, complementing key bilateral aid investments in Bangladesh. During the reporting period, an external auditor was appointed to strengthen DAP's financial monitoring.


### **Other Regional and Global Programs**

Australia's investments implemented through global and regional initiatives have increased, with more than 16 separate initiatives delivered in Bangladesh during the reporting period.

The key investments are the South Asia Regional Trade Facilitation Program and the Sustainable Development Investment Portfolio, supporting trade facilitation, infrastructure connectivity and integrated management of water, energy and food in India, Bangladesh, Nepal and Bhutan. More than fifteen projects were implemented through these investments, which will be reported separately in the South Asia Regional APPR.

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<sup>42</sup> Announced in 2016 by the Department of Primary Education, Ministry of Primary and Mass Education.



Australia through the Government Partnership for Development, which ended during the reporting period, supported Bangladesh's energy and power sectors to improve sector management through programs at the Royal Melbourne Institute of Technology and Monash University. Under this program 75 mid and senior officials and policy makers from the Ministry of Power and Energy, including a State Minister, participated in workshops and undertook site visits to power and energy sector infrastructure in Australia.

Other global initiatives in Bangladesh during the reporting period, funded through various mechanisms include: Business Partnership Platform, Bloomberg Data for Health, Girl Effect, Gender Equality Fund, Civil Society Water Fund, Sanitation and Hygiene Fund, SPRING, the Green Climate Fund and the Global Agriculture and Food Security Program.

## MUTUAL OBLIGATIONS

The Bangladesh Aid Investment Plan 2015-2019 aligns with the Government of Bangladesh's rolling five year development plan, the Seventh Five Year Plan (2016-20). A donor/Government Statement of Commitment on development cooperation was also signed in 2013 to ensure an alignment of donor programs to government development strategies.

Australia's funding to PEDP3 is based on mutually agreed Disbursement Linked Indicators (DLIs), which are tied to the achievement of Bangladesh Government's key sector reforms. Consistent with performance-based aid, funding was withheld in areas where DLIs were unmet<sup>43</sup>. Australia continued to advocate for progress in the unmet DLIs.

The Government of Bangladesh has demonstrated commitment to the implementation of the National Social Security Strategy (NSSS), which Australia funds via the Strengthening Government Social Protection System (SGSP) initiative. It has taken significant steps to ensure support for the NSSS in five core implementing ministries. The government has met its obligation to operationalise the SGSP established Social Protection Unit. The Unit is now staffed and embedded within the Ministry of Finance, ensuring future government budget support and sustainability of Australian investment outcomes.

Australia's support to WFP to assist communities, including Rohingya refugees in Cox's Bazar District, is consistent with the Government's National Strategy on Myanmar Refugees and Undocumented Myanmar Nationals in Bangladesh. The partnership with WFP has not only helped Australia deliver essential services to vulnerable communities in a complex humanitarian context, but also represented value for money<sup>44</sup>.

Australia through the local consultative forums, continued dialogue with the Bangladesh Government and other donors on SDG progress and policy developments that impacted on development interests in Bangladesh, such as the Foreign Donation Act, Child Marriage Restraint Act of 2016 and the National Policy on Development Cooperation<sup>45</sup>. While donor success in influencing policy has been modest, the Bangladesh Government has shown responsiveness to joint donor advocacy, including the tightening of provisions under which child marriage is allowed.

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<sup>43</sup> Record of Conversation (May 2017); PEDP3 Joint Consultative Meeting.

<sup>44</sup> The Independent Comprehensive Due Diligence Assessment of WFP Bangladesh (December 2016) found that WFP had significantly increased its focus on value-for money.

<sup>45</sup> The National Policy on Development Cooperation, drafted by the Government of Bangladesh in 2016 aims to provide a coherent policy framework for the mobilisation and effective utilisation of foreign development assistance. It is currently being finalised.



## PROGRAM QUALITY AND PARTNER PERFORMANCE

### Overview

During the reporting period, Australia's bilateral investments were rated either good or adequate against the Aid Quality Checks effectiveness and efficiency criteria. Aid Quality Checks, evaluation activities and management responses from the 2015-16 APPR were successful in generating performance information and contributing to program effectiveness in the reporting period. See Annex C for evaluation details.

The bilateral aid program to Bangladesh is delivered through strategic partnerships. Three partnership contracts were extended during the reporting period. PEDP3 received a no-cost extension to June 2018. Given the government's ambitious PEDP3 reform agenda, this delay was considered acceptable although Australia will continue to advocate for action in areas where government performance has lagged.

Australia's investment in Cox's Bazar through WFP was scheduled to end during the reporting period, but was extended to November 2017 when an additional contribution of AUD\$3.9 million was made to respond to urgent humanitarian needs, arising from the influx of 74,000 Rohingya refugees in late 2016.

During the reporting period, we did not enter into any new bilateral partnerships and reduced the number of investments from 11 to 8 investments (and met the PB and PAF target). However, the number of regional and global initiatives being implemented in Bangladesh had increased.

### Aid Quality Checks (AQC)

In 2016-17, Aid Quality Checks (AQC) for five investments were conducted, including a Final AQC for the WFP investment. A summary of AQC ratings is at Annex D. Overall, performance was above average with all investments receiving a rating of satisfactory (4 or above) across all AQC assessment criteria.

In general, the performance of portfolio investments varied only marginally from 2015-16. The exceptions were the Government of Bangladesh led Third Primary Education Development Program (PEDP3), the DFID implemented social protection investments - Strengthening Government Social Protection System (SGSP) initiative and the Chars Livelihood Program (CLP2) that ended in the previous reporting period (June 2016).

PEDP3's effectiveness and efficiency ratings dropped from 'good' to 'adequate' in 2016-17 due to delays in achieving agreed program outcomes arising from the security environment that slowed the recruitment of international expertise, which led to implementation delays.

The Social Protection programs saw improvements in effectiveness and efficiency ratings, from 'adequate' to 'good', overcoming delays in one activity (SGSP) and achieving strong results with the second activity (CLP2), which lifted 85 per cent of its 78,000 participant households out of extreme poverty<sup>46</sup>.

Overall portfolio performance on gender equality was strong, and met Australia's aid program strategic target for gender equality – i.e. 80 per cent of investments achieving a rating of satisfactory or above.

During the reporting period, all investments reported on efforts to mainstream disability inclusiveness. For example, WFP conducted a disability survey and collaborated with technical partner (Handicap International) to produce an implementation plan that helped improve efforts to target support to those with disability<sup>47</sup>. Australian funded technical assistance to PEDP3 supported the incorporation of disability inclusive education materials in teacher training manuals<sup>48</sup>. In addition, we advocated for a greater focus on disability inclusiveness in BRAC programs, particularly in primary education and early childhood education.

All five investments reported actions to mainstream climate and disaster risks during implementation.

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<sup>46</sup> CLP2 Final Evaluation Report (2016); <https://devtracker.dfid.gov.uk/projects/GB-1-114175/documents/>.

<sup>47</sup> Annual Narrative Report (2016), WFP's Enhancing Food Security and Nutrition (EFSN) Programme, Cox's Bazar district, Bangladesh.

<sup>48</sup> UNICEF Annual Report (2016). Australia provided Technical Assistance to UNICEF for PEDP3 implementation up until June 2017.





## Performance of key delivery partners

Australia's aid is delivered through strategic partnerships with the Government of Bangladesh, BRAC and WFP, and via a delegated cooperation arrangement with DFID. This reflects the ongoing commitment to consolidation and a conscious decision to select complementary partnerships capable of delivering results at scale in a complicated aid context.

In 2016-17, Partner Performance Assessments were conducted for BRAC and WFP. Results show Australia's partners are effective and that DFAT is achieving value for money<sup>49</sup> in these partnerships.

### *Government of Bangladesh*

The Government has maintained its commitment to the primary education and social protection sectors where Australia is supporting Government reform agendas.

Public education expenditure as a percentage of GDP increased to 2.5 percent in 2016-17 (from 1.8 percent in 2015-16). Australia's niche support to the Government of Bangladesh's Third Primary Education Development Program via a Sector Wide Approach allows us to leverage broader education outcomes with a modest investment (\$49 million over 5 years; \$7,044,721 million in 2016-17) to achieve outcomes at scale, and to achieve sustainable outcomes through government systems. The investment will finish in the next reporting period with a new phase currently under design by the Government.

During the reporting period, government expenditure on social protection increased from \$41.99 billion (2015-16) to \$50.34 (2016-17)<sup>50</sup>. Social protection reform continues to be a high priority, with leadership provided by Cabinet and two central Ministries – Planning and Finance. Australia's small but catalytic investment supports strengthening government systems towards inclusive economic growth in Bangladesh.

### *BRAC NGO*

Australia's Strategic Partnership Arrangement (SPA) with BRAC continues to leverage BRAC's high quality, large scale programs in areas of priority for Australia, including in primary education, skills development, and women's economic empowerment. BRAC is strongly aligned with the priorities of the Australian aid program, particularly with the aim to help poor and marginalised people into productive activity and to equip the poor through better education to play a part in society and to contribute to the economy. BRAC provides direct benefits to the poor to find pathways out of poverty and towards participation in the growing economy, and complements Australia's work supporting the large scale but slower change achievable through the reform of government systems.

BRAC has embarked on an ambitious organisational reform agenda, responding to changes in Bangladesh driven by the country's economic context. Central to this change is an ambition for increased financial sustainability and BRAC is trialing a number of new business models to achieve this. Australian support for BRAC's reform as a strong local development actor both strengthened local systems in Bangladesh and enabled Australia to participate in and contribute to emerging global discussions on the role of NGOs in a changing development landscape. The BRAC Executive Director's visit to Australia in October 2016, helped raise the profile of BRAC's innovative approach to sustainability and social enterprise.

In this first year of the second phase of the partnership with BRAC, collaboration focused on strengthening frameworks for demonstrating results.

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<sup>49</sup> Independent Comprehensive Due Diligence Assessment of WFP (December 2016), undertaken by DFAT.

<sup>50</sup> [https://mof.gov.bd/en/budget/16\\_17/safety\\_net/Safety%20net\\_English\\_16-17.pdf](https://mof.gov.bd/en/budget/16_17/safety_net/Safety%20net_English_16-17.pdf).



### *World Food Programme (WFP)*

WFP maintained its strong track record of delivering humanitarian assistance in the complex environment of Cox's Bazar. During the reporting period, WFP successfully met all targets despite several significant operational challenges, including the influx of over 74,000 new Rohingya arrivals from Myanmar. WFP also adeptly responded to the changed security context. WFP continued its project implementation and monitoring uninterrupted through the deployment of police escorts, third party and remote monitoring and working with the United Nations Department of Safety and Security to support staff field visits.<sup>51</sup>

The electronic food distribution system, fully implemented in 2016-17, has proven to be a success. A 2016 Joint Assessment Mission by WFP and the Office of the United Nations High Commissioner for Refugees (UNHCR) found the change in the general food ration modality from the in-kind assistance to the electronic voucher system significantly improved the food assistance system. The new system provided flexibility and a choice of commodities. It was successful in supporting the local market and increasing the availability of local produce. It had also contributed to improving the position of women in the households by making them the primary card-holders<sup>52</sup>.

Noting WFP's strong performance, the next phase will provide flexible core funding to WFP's Country Strategic Plan (CSP) 2017-2020. Three out of the four CSP objectives align closely with Australia's AIP.

### *DFID (UK)*

Australia and the UK have a strong complementarity of development interests in Bangladesh, including prioritising gender equality and women's empowerment in their programs. Australia partners with DFID in the BRAC SPA, has a delegated cooperation agreement for SGSP, and is a co-participant in support for primary education and humanitarian action in Cox's Bazar. DFID's management of the SGSP has been effective with the investment making strong progress on implementation during the reporting period.

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<sup>51</sup> Standard Project Report (2016), Assistance to Refugees from Myanmar; World Food Programme in Bangladesh.


<sup>52</sup> Standard Project Report (2016), Assistance to Refugees from Myanmar; World Food Programme in Bangladesh.

## RISKS

**TABLE 3: MANAGEMENT OF KEY RISKS TO ACHIEVING OBJECTIVES**

Key risks	What actions were taken to manage the risks over the past year?	What further actions will be taken to manage the risks in the coming year?	For emerging/ ongoing risks provide a Risk Rating (low, medium, high, very high)	Are these same risks in Post's Risk Register (Yes/No)*
Deteriorating security environment, an increase in violent extremism and political unrest challenges partners' ability to deliver and their effective monitoring.	Close contact maintained with development partners and Government on impacts of security on partnerships. Encourage partners to utilise third party monitoring where appropriate.	Adjust expectations according to political and security context and re-align partnerships as required. Maintain mix of support through government and non-government partners.	High	Yes
Increasing regulation of operational space for civil society, affecting activities of Australian NGO and partners.	Joint advocacy with like-minded donors on the Foreign Donations (Voluntary Activities) Regulation Act. Monitoring the impact of the Act on NGO partners.	Advocacy with government and NGOs to ensure the implementation of the Act takes account of the needs of Australian funded NGOs.	Medium	Yes
Corruption and fiduciary risks.	Maintain close liaison with partners to monitor. Support sound implementation of the DFAT Fraud Control and Anti-Corruption Strategy for Bangladesh (June 2015).	Continue report to the Fraud Control Section in DFAT. Engage a Public Financial Management Advisor to provide specialist advice on GoB investments – PEDP3 and Social Protection.	High	Yes
Stakeholder management of key delivery partners is weak and does result in partnership approaches that guarantee outcomes.	The program invested in partner relationships and clearly articulated Australia's expectations for strategic partnership. Strategic decisions were made on resource allocation to ensure adequate support for the 3 key partners	Continue to influence partners' strategic directions through the access partnerships provide to partners' decision-making mechanisms.  Partnership training will be provided to DFAT and partner key staff to strengthen shared partnership objectives, and understanding of DFAT's expectations of performance within the partnership modality.	Medium	No

The operational environment remained fragile and the associated risk remained medium to high throughout 2016-17. Australia managed risks by: maintaining a program-level risk register; strengthening contextual understanding including through media monitoring, communication with like-minded missions, participation at Local Consultative Groups, and contracting public financial management expertise to audit and monitor government systems; and formalising senior stakeholder discussions such as the annual BRAC Health Check.



With corruption continuing to remain a serious problem in Bangladesh, DFAT made a significant contribution to the development of a Fraud and Risk Register among BRAC SPA partners allowing a common approach to managing and reporting on risk and fraud. A monthly fraud register is maintained with BRAC and reported to DFAT's Fraud Control Section along with all other program-level fraud monitored at post in line with the Aid Program's Fraud Control and Anti-Corruption Strategy for Bangladesh developed in June 2015.

## MANAGEMENT ACTIONS

The 2015-16 APPR management responses were all met. A summary of progress on management actions is included in the table in **Annex A**.

Management responses for the Bangladesh aid program for 2016-17 are as follows:

- Determine Australia's involvement in the next phase of the Bangladesh Government's Primary Education and Social Protection programs by supporting and engaging in partner design processes
  - Utilise Australian commissioned studies on lessons learned from teaching and learning quality interventions in PEDP3 to support the Government of Bangladesh to include effective quality reform initiatives in the PEDP4 design.
- Monitor and assess the Post resource implications of increased DFAT global and regional investments in Bangladesh and, through DFAT's Senior Management in Canberra, advocate for greater visibility of these investments and a streamlined approach to implementation, including through clearly identified roles and responsibilities.
- Continue to build on our understanding of the political, economic, environmental and security context in Bangladesh in order to inform our expectations of partner performance and decisions on new investments
  - Maintain relevant networks with donors, government and local partners to share information, including on security developments and on political economy analysis.
  - Consult with aid partners on changes in the context and their impact on the delivery of Australian aid investments.
- Review the PAF by March 2018 to confirm it aligns with Australia's strategic priorities and incorporates
  - The impact of new phases of strategic partnerships in primary education, social protection and humanitarian support.
  - The new BRAC Results Framework, including changed indicators for BRAC's Targeting the Ultra Poor program.
  - Increased Australian regional programming in Bangladesh and opportunities to accommodate and capitalise on these regional investments.
  - Ongoing, strengthened and overt focus on gender results.
  - Measures of disability inclusive development.



## ANNEX A- PROGRESS IN ADDRESSING MANAGEMENT RESPONSES

### Describe progress made against management responses in 2015-16 report

Management responses identified in 2015-16 APPR	Rating	Progress made in 2016-17
<p>Ensure aid programming integrates an understanding of the political economy and security environment in Bangladesh</p> <ul style="list-style-type: none"> <li>o Collaborate with other diplomatic missions and donors in Bangladesh to share information and inform analysis on the delivery of aid in a changing environment</li> <li>o Consult with aid partners to assess the impact of the current security situation on the delivery of Australian aid investments.</li> </ul>	Achieved	Australia collaborated with local partners and donors, including through the Local Consultative Groups, to share security and political assessments. DFAT commissioned a 2-year survey with The Asia Foundation on community attitudes towards democracy and related public institutions. Partners explored alternative monitoring arrangements, such as WFP implementation of including third party monitoring in areas restricted to international staff movement.
<p>Better communicate and contextualise Australia's aid investments</p> <ul style="list-style-type: none"> <li>o Draft a social media plan to assist in building the profile and good reputation of Australian development in Bangladesh</li> <li>o Increase and improve the impact of advocacy with the Ministry of Foreign Affairs, Home Ministry and Ministry of Finance-Economic Relations Division.</li> </ul>	Achieved	<p>A social media plan was implemented. The Australian High Commission Facebook page regularly featured stories, highlighting Post activities, and achievements of aid investments.</p> <p>In 2016-17 86 Government of Bangladesh officials (from the Ministry of Foreign Affairs, Home Ministry and Ministry of Finance) attended long-term and short course scholarships to Australia.</p> <p>The Aid Program continues to maintain financial visibility of ODA by quarterly updating the Government online portal, Aid Information Management System (AIMS) used to track aid flow into the country.</p>
<p>Contribute to partner-led designs for next phase aid investments to ensure pipeline</p>	Achieved	DFAT commissioned a Due Diligence Assessment of WFP, to inform the new strategic partnership. DFAT commissioned several technical reports on second chance education, gender, technical assistance, literacy and numeracy and financial modelling, to influence PEDP's next phase.
<p>Strengthen and capitalise on strategic partnerships, particularly with BRAC</p> <ul style="list-style-type: none"> <li>o Deepen the awareness and engagement on the BRAC SPA within DFAT</li> <li>o Ensure adequate levels of staffing are allocated to achieve the expectations for the SPA's next phase; and</li> </ul>	Achieved	BRAC Executive Director's visit to Australia in October 2016 raised the profile and understanding of BRAC in DFAT and among a wider audience, including Australian NGOs and academic institutions. Roundtable discussions focused on BRAC's innovation and sustainability agenda. Staffing levels are adequate.
<p>Build on the program's gender equality and women's empowerment work by developing a Gender Action Plan to support progress towards the Division's objectives on gender equity.</p>	Achieved	A Gender Action Plan was developed, and most action items implemented during the reporting period.

#### Note:

- Achieved. Significant progress has been made in addressing the issue
- Partly achieved. Some progress has been made in addressing the issue, but the issue has not been resolved
- Not achieved. Progress in addressing the issue has been significantly below expectations

## ANNEX B- PROGRESS TOWARDS PERFORMANCE BENCHMARKS IN 2016-17

Aid objective	Performance Benchmark	Rating	Progress in 2016-17
Improving education access, equity, efficiency and learning outcomes	The quality of end of primary cycle examination is improved <sup>1</sup> Target: 50%	Achieved	Australia funds the Bangladesh primary education program to increase the proportion of competency-based questions in Grade 5 exams, shifting questions based on rote learning and memory to competency based approaches. In 2016-17, 50 per cent (the target) of the Grade 5 exam consisted of competency based questions.
	BRAC meets targets for numbers of children completing a course of primary or pre-primary education Target: 470,075	Achieved	Australia provides non-earmarked funding to BRAC complementing the investment in the Government's primary education program. In 2016-17, 631,222 children completed pre-primary and primary education, exceeding the benchmark of 470,075. (This program target was adjusted from 293,200).
	50% of donor fund disbursement for PEDP3 linked to results achieved, with the remaining 50% subject to meeting annual audit requirements	Achieved	The Government's primary education program is funded on a performance basis. 50 percent of funds disbursed were directly linked to results achieved. Six out of nine DLIs linked to the achievement of reform initiatives were met during the reporting period. To date 48 of 54 DLIs have been achieved. This progress is assessed as acceptable.
	At least 50% of scholarships in each intake awarded to women	Achieved	Of the 66 long-term scholarships, approximately 51 per cent (34) were awarded to women in 2016-17.
Building economic resilience by reducing vulnerability and improving inclusion in the growing economy	The number of women and their households graduating from our partners' livelihood programs Target: 81,539	Achieved	In 2016-17, 86,975 households graduated from extreme poverty, significantly exceeding the target of 81,539 through BRAC's Targeting the Ultra Poor Program (TUP). (This target was increased from 12,565 to 81,539 during the reporting period to align with BRAC program targets).
	Number of women and their households able to access social transfers Target: 102,600	Partially Achieved	88,961 women headed households were supported to access social transfers through BRAC and WFP, not reaching the target of 102,600 households. This was due to a shortfall in entrants to a new phase of BRAC's TUP program, with the commencement of a new phase and challenges with selection methodologies. These challenges with bedding down a new approach are acceptable and are not anticipated to impact in the next reporting period. (This program target was adjusted in the reporting period to align with BRAC program targets.)

<sup>1</sup> The Performance Benchmark was revised in 2016-17. The Bangladesh APPR 2015-16 reported a target of 65 per cent, which is a reporting error. The correct target is 50 per cent. This revised figure aligns with the targets set out in the PEDP3 Results Framework between the Bangladesh and Australia (and 9 other donors), agreed to in December 2014.

Aid objective	Performance Benchmark	Rating	Progress in 2016-17
	Reducing the number of investments to deliver targeted, efficient aid program <i>Target: &lt;9</i>	Achieved	While the Bangladesh program maintained its consolidation agenda during the reporting period, reducing the number of investments in AidWorks from 11 to 8, this was largely administrative and there was on-going pressure to expand both sector and program focus.

**Note:**

- **Achieved.** Significant progress has been made and the performance benchmark was achieved
- **Partly achieved.** Some progress has been made towards achieving the performance benchmark, but progress was less than anticipated.
- **Not achieved.** Progress towards the performance benchmark has been significantly below expectations

## Performance Benchmarks for remainder of Aid Investment Plan

The Performance Assessment Framework (PAF) for the remainder of the Aid investment plan to be reviewed in 2017/2018

Aid objective	Performance Benchmark	2017-18	2018-19	2019-20
<i>Improve education access and learning outcomes</i>	The quality of end of primary cycle examination is improved	65%	<i>TBA</i>	<i>TBA</i>
	BRAC meets targets for numbers of children completing a course of primary or pre-primary education, of which 65% are girls.	<i>TBA</i> <sup>1</sup>	<i>TBA</i>	<i>TBA</i>
	50% of donor fund disbursement for PEDP3 linked to results achieved, with the remaining 50% subject to meeting annual audit requirements.	<i>TBA</i> <sup>2</sup>		
	At least 50% of scholarships in each intake awarded to women	50%	<i>TBA</i>	<i>TBA</i>
Build resilience by reducing vulnerability and improving inclusion in the growing economy AIP Strategic Objective	The number of women and their households graduating from our partners' livelihood programs	<i>TBA</i>	<i>TBA</i>	<i>TBA</i>
	Number of women and their households able to access social transfers	<i>TBA</i>	<i>TBA</i>	<i>TBA</i>
Program Management	Reducing the number of investments to deliver a targeted, efficient aid program	<9	<i>TBA</i>	<i>TBA</i>

<sup>1</sup> TBA after PAF review in 2017-18 as per Management Response. New PAF to be finalised by March 2018.

<sup>2</sup> With a no-cost extension approved in April 2017, pprogram is scheduled to end in June 2018



## ANNEX C- EVALUATION PLANNING

### List of evaluations completed in the reporting period

Investment number and name (if applicable)	Name of evaluation	Date completed	Date Evaluation report Uploaded into AidWorks	Date Management response uploaded into AidWorks	Published on website
INJ957 Support to PEDP3	Teaching and Learning Quality in Primary Education: Assessment, Status and Recommendations for the future	30 November 2016	2 February 2017	N/A	Published
		13 November 2016	2 February 2017	N/A	Published
INL234 Social Protection and Extreme Poverty Reduction	SGSP Annual Review 2016				

### List of program prioritised evaluations planned for the next 12 months

Evaluation title	Investment number and name (if applicable)	Date – planned commencement (month/year)	Date – planned completion (month/year)	Purpose of evaluation	Evaluation type
Independent Evaluation of WFP Investment for Cox's Bazar	INK969 Support to Vulnerable Communities in Cox's Bazar	November 2017	February 2018	The evaluation will inform new programming, demonstrate results/outcomes and examine value for money.	DFAT led

## ANNEX D- AID QUALITY CHECK RATINGS

AQC investment performance over the previous 12 months.

Investment name	Approved budget and duration	year on year	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality	Risks and Safeguards
The Strategic Partnership Arrangement with BRAC	\$275m	2017 AQC	5	5	6	4	5	5	
	2011-2020	2016 AQC	5	5	6	5	5	5	5
Primary Education Development Program III	\$49m	2017 AQC	6	4	4	5	5	4	
	2011-2017	2016 AQC	6	5	5	5	5	4	4
Australian Development Scholarships	\$17.8m	2017 AQC	5	5	4	5	5	5	
	2015-2020	2016 AQC	5	4	4	5	5	5	5
Social Protection and Extreme Poverty Reduction	\$9.1m	2017 AQC	5	5	5	4	5	4	
	2014-2017	2016 AQC	5	4	4	4	4	4	4

## FAQC RATINGS

Final AQC's assess performance over the lifetime of the investment (ratings are not compared to previous years).

Investment name	Approved budget and duration	Overall rating	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality	Risks and Safeguards
Support to Vulnerable Communities in Cox's Bazar	\$16.5m (FAQC reported on \$14.6m) 2013-17	5	6	5	5	5	4	5	

## ANNEX E - PERFORMANCE ASSESSMENT FRAMEWORK

*\*The Performance Assessment Framework (PAF) for the remainder of the Aid investment plan to be reviewed in 2017/2018*

Australia's Aid Objective One: Improving education access, equity, efficiency and learning outcomes							
				Annual Progress Targets/Milestones			
Plan outcome	Plan outcome indicators	Intermediate outcome	Intermediate outcome indicators	2015-16	2016-17	2017-18	Data source & baseline
1. More girls and boys attain improved literacy, numeracy and the core competencies identified at each level of primary education.	Progressive national student assessments show improved performance	The quality of teaching materials is improved	Primary school text books better reflect the Government of Bangladesh (GoB) education curriculum	<p><i>Text book revision grade 4-5 by July 2015. Religious studies and Teachers editions revision to be completed by 2016.</i></p> <p>The review of textbooks for all major subjects of all five grades completed and the revision is under process for all other subjects for completion in the coming year.</p>	<p><i>Target: Report on use (quality) of revised text books</i></p> <p>Primary text books were distributed to all schools as scheduled on 1 January 2017. A World Bank led report, funded by Australia, confirmed that textbook quality had improved with fewer spelling errors and structure streamlined, better formatting and simplified language.</p>	Review of learning materials informs PEDP4 planning	NCTB/DFID reports
		Primary school learning outcomes improved through use of active rather than rote pedagogy	Proportion of each child learns strategy rolled out to 29 Primary Teaching Institutions and lessons learned incorporated into GoB Planning	<p><i>Each Child Learns operating 1500 schools</i></p> <p>ECL strengthening initiated implemented in 50 schools</p> <p>The Each Child Learns (ECL) initiative, is a whole school approach employing child centred &amp; active learning methods, expanded from 980 to 1240 schools &amp; preparations were made for introducing the ECL strengthening model to 50 schools next year.</p>	<p><i>Target: Completion and review of Each Child Learns pilot program</i></p> <p>The ECL pilot was completed during the reporting period, covering 1500 schools as planned. The planned review, a longitudinal study was conducted by UNICEF with Australian funding. It confirmed improved learning outcomes.</p>	Review findings on Each Child Learns integrated into PEDP4	GoB, UNICEF ECL TA reports and MTR Quality analysis
		Quality of end of primary cycle examination is improved	Increased proportion of competency based questions in Grade 5 exams (as opposed to test items that test memory/recall only).	50% 50%	Target: 50% 50 %	65% (Program scheduled to end June 2018 <sup>56</sup> )	PEDP3 Results Matrix, Government of Bangladesh



2. Poor children particularly girls benefit from non-formal education	BRAC meets targets of numbers of children completing a course of primary or pre-primary education, of which 65% are girls	BRAC education program effective for remainder of SPA (Phase 1)	BRAC BEP targets for 2014 and 2015	438,000 470,075 children completed BRAC primary and pre-primary school	Target: 470,075 <sup>57</sup> 631,222 children completed BRAC primary and pre-primary school	TBA	BRAC reporting
		BRAC education program adapts to Bangladesh's changing needs. BRAC complements government program.	Agreed policies and targets for SPA 2. Advocacy with government for change to assessment system.	BRAC education design reflects changing needs	Target: BRAC policy dialogue with Government to share lessons learned.  BRAC is one of four NGOs selected by the GoB as implementing partners in the pilot on Second Chance Education. The pilot covers 100,000 out of school children.	<sup>58</sup> TBA	BRAC reporting
3. Partnership between Government and Development Partners improves effectiveness, equitable and accountable service delivery of primary education outcomes	Key policy and management priorities promoted through policy based dialogue	Disbursement Linked Indicators (DLIs) maintained as the basis for dialogue.	50% of donor fund disbursement for Primary Education development Partnership 3 is directly linked to results achieved with the remaining 50% subject to meeting annual audit requirements	50%	Target: 50%  50%	(Program scheduled to end June 2018 <sup>59</sup> )	Government of Bangladesh
	Government policies and practice for gender equity in primary education demonstrate analysis and commitment beyond parity	Improved and extended data and analysis available to education officials at UP level	Government generating gender sensitive analysis of primary education system and applying this to implementation of PEDP	Review of PEDP3 textbook revisions (grades 1 and 5) and the Diploma of Education curriculum and teacher guide materials from a gender perspective. Review Gender and inclusive education plan and agree on at least one qualitative study on gender issues in primary education to inform PEDP4 design.  The study on gender issues has not yet commenced.	Target: Qualitative study conducted to deepen understanding gender issues in primary education as part of PEDP4 design process.  DFAT commissioned a household education survey with a focus on gender. The analysis will inform options for advocacy on gender. The survey to be finalised in June 2017.	PEDP4 integrates lessons learned from quantitative and qualitative monitoring and evaluation on gender issues in primary education	Government of Bangladesh

<sup>56</sup> Revised after a no-cost extension in April 2017

<sup>57</sup> This program target was adjusted from 293,200 to align with BRAC program targets.

<sup>58</sup> TBA after PAF review in 2017-18 as per Management Response

<sup>59</sup> Revised after a no-cost extension in April 2017.

<i>Budget and expenditure decisions are based on analysis of data</i>	Data collected through school census and presented in Annual Sector Performance report with credible analysis which informs operational plans	Annual planning is based upon credible evidence and analysis from the Annual School Census, data from which is presented in the Annual Sector Performance Report (ASPR), as well as decisions made in the PEDP3 Mid-Term Review	<p><i>ASPR findings and review of annual progress integrated into Annual Operation Plans; IFRs, AFR and audit conducted and quality improved ASPR findings and annual progress integrated into AOP; IFRs, AFR and audit conducted and quality improved; Review of safeguards processes and audit functions informs PEDP4 design.</i></p> <p>ASPR findings &amp; review of annual progress integrated into Annual Operations Plan in the last FY. The functioning of the mitigation controls has generally been reasonable in that financial reports have been provided by the GoB to DPs, a number of qtrly and annual fiduciary reviews and external audits have been undertaken annually by the GoB's supreme audit institution. There have been some delays in the preparation of documents, especially financial reports (due to capacity challenges within the GoB) &amp; fiduciary reviews (due to a lack of planning (quarterly reviews) &amp; delayed preparation of ToRs (annual reviews) by DPs). However, a more diligent focus on timeliness by a GoB-DP working group has helped to expedite the preparatory processes to some extent.</p>	<p><i>Target: ASPR findings and annual progress integrated into AOP; IFRs, AFR and audit conducted and quality improved; Review of safeguards processes and audit functions informs PEDP4 design</i></p> <p>ASPR findings &amp; review of annual progress were integrated into the Annual Operations Plan 2016/17.</p> <p>The functioning of safeguards (mitigation controls) has been reasonable with financial reports provided by the GoB to Development Partners (DPs), a number of quarterly and annual fiduciary reviews and external audits undertaken by the GoB's Supreme Audit Institution. There have been some delays in the preparation of documents, especially financial reports (due to capacity challenges within the GoB) and fiduciary reviews (due to a lack of planning (quarterly reviews) &amp; delayed preparation of Terms of References (annual reviews) by DPs. However, a more diligent focus on timeliness by a GoB-DP working group has helped to expedite the preparatory processes to some extent.</p> <p>The Public Financial Management Assessment to inform PEDP4 was initiated.</p>	Review of annual review and planning process informs PEDP4 design	Source: JCM and JARM reports (included primarily to track progress of PEDP3 not Australian engagement)
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Australia's aid objective two:

*Building economic resilience by reducing vulnerability and improving inclusion in the growing economy*

				<i>Annual Progress Targets/Milestones</i>			
Plan outcome	Plan outcome indicators	Intermediate outcome	Intermediate outcome indicators	2015-16	2016-17	2017-18	Data source and baseline
<b>1. Government of Bangladesh implements its National Social Security Strategy informed by best international practices</b>	<i>National Social Security Strategy (NSSS) formulated and implemented;</i>	Better cross-government coordination on policies, budgets and plans for a more effective and efficient social security system	Existence of budgets and costed plans; consistent application across government	<p><i>Program Steering Committee with Ministry of Finance (MoF) and other relevant ministries established and functional;</i></p> <p>Both Program Steering Committee and Project Implementation Committee established and functional.</p> <p><i>NSSS translated into the 7th Five Year Plan</i></p> <p>NSSS has strong political buy in and endorsed by the 7th Five Year plan (2016-2020).</p>	<p><i>Target: Data from Government of Bangladesh (GoB) sources analysed and recommendations made for systematic improvement;</i></p> <p>Implementation of Research Framework underway. Research recommendations (for example on coverage, targeting, and budget implications) are informing the development of program reform plans which are to be completed in the next reporting period. Research activities include - analysis of 29 GoB social protection programs; diagnostic studies of 7 programs – 4 completed and 2 underway; and studies on issues that cut across schemes – e.g. payment systems.</p> <p><i>Target: Increased budget - as a percentage of GDP and fewer safety net programs</i></p> <p>Budget increased from 2.08 per cent of GDP (2015-16) to 2.09 per cent in 2016-17. Budget expenditure increased from AUD 41.99 billion in 2015-16 to 50.34 billion in 2016-17.</p>	Efficient utilisation of resources through consolidated and effectively managed social protection programs with greater coverage and better targeting	Government of Bangladesh and DFID Reporting
	<i>Directions of NSSS reflected in national development plans; and</i>	Social Protection Unit established and operational at the Ministry of Finance	Unit policy outputs and instances of influence on policy	<p><i>Social Protection Unit established in Ministry of Finance;</i></p> <p>Social Protection Unit established; Executive director and 1 Deputy Director appointed; 3 Deputy Positions are still remaining.</p>	<p><i>Target: Management Information System (MIS) established as a central hub and linked with other MISs within main implementing line ministries</i></p> <p>Good progress was made to establish a central MIS hub during the reporting</p>	Enhanced security, regularity, timeliness and reliability of transfers,	Government of Bangladesh and DFID Reporting

				<p><i>Tendering completed for procurement of expertise to design a MIS based in the Social Protection unit</i></p> <p>MIS methodology report approved, MIS specialist consulted with MoF, MoSW &amp; MoWCA &amp; developed an implementation plan.</p>	<p>period. A needs assessment, project plan, and systems specifications for the MIS were completed. A MIS prototype was developed and piloted in the Directorate of Womens' Affair. On pilot completion, the MIS will be rolled out across other Ministries.</p>	<p>enabled by better management information and electronic delivery systems.</p>	
	<p><i>Number of separate safety net programs; targeting error data</i></p>	<p>Strengthened capacity within the government of Bangladesh</p>	<p>Increased capacity for data gathering and analysis for making evidence-based policy decisions</p>	<p><i>The Institutional Capacity Assessment of SPU and six line ministries taken place and capacity building plan developed</i></p> <p>The capacity building strategy approved.</p> <p>Two National Social Protection Public Financial Management Courses held for Senior Officials of Finance Division and Six Line Ministries and their Directorates</p> <p>8 Senior Officials from Finance Division visited India to understand Pensions for Poor.</p>	<p><i>Target: Relevant trainings and study tours organised for SPU and line ministries</i></p> <p>Over 200 officials attended six courses on public financial management, including in Thailand.</p> <p>The SPBMU Project Director attended the World Bank course on Social Safety Nets in Washington.</p> <p>18 officials benefited from study tours organised in Kenya and Indonesia.</p>	<p>Design and implementation capacity at a national level and delivery capacity at local level built.</p>	<p>Government of Bangladesh and DFID Reporting</p>
<p><b>2.NGOs and other partners provide the poorest women and women-led households with increased incomes and nutrition, greater assets and capacity to participate in the economy</b></p>	<p><i>Numbers graduating from NGO livelihoods programs and qualitative assessments of life changes</i></p>	<p>BRAC CFPR, WFP and CLP livelihoods programs achieve expected outputs on women's economic empowerment for remainder of current programs</p>	<p>Number of women and their households able to access social transfer</p> <p>Number of women and their households graduating from partners' livelihoods programs</p>	<p>108,520</p> <p>85,264 (CLP+CFPR)</p> <p>105,409</p> <p>114,506 (CFPR+CLP)</p>	<p><i>Target:102,600<sup>60</sup></i></p> <p>79,480 (TUP); 9,481 (WFP, small cash grants and subsistence allowance);</p> <p>CLP ceased June 2016</p> <p>Target: 81,539</p> <p>86,975 (TUP); CLP ceased June 2016</p>	<p>TBA</p>	<p>BRAC,WFP baseline report and annual reporting</p>

<sup>60</sup> Program targets 102,600 and 81,539 adjusted in 2016-17 to align with BRAC program targets.

		Malnourished women and children treated by WFP in Cox's Bazar District improved their nutritional status	Wasting outcome improved (1% reduction per year)	11.57% (WFP baseline report Dec'15)	Target: 10.57% 14.6% (wasting increased significantly due to an influx of over 74,000 refugees in October – November 2016).	TBA	WFP Annual reporting; Baseline report 2015 ; Nutrition outcome survey 2017
			Stunting outcome improved (2% reduction per year)	44.47% (WFP baseline report Dec'15)	Target: 42.47% 42.1%	40.1%	
<b>3. Disadvantaged youth have access to skills and jobs</b>	<i>500,000 youth receive skills training and are able to secure decent employment in the domestic and foreign markets.</i>	Customize Skills Training programs targeting adolescents and youth, based on age and education level	Number of beneficiaries in STAR, ADP and Gonokendro in BEP	TBA after completion of BRAC Skills Strategy	Target: 1.5 million Total beneficiaries from ADP and Gonokendro: 1,551,219 (in 2016) Target: 30,000 33,240 people received skills training.	TBA	BRAC SPA reporting
		Support GoB in strengthening skills development initiatives & leverage BRAC's program resources, networks & expertise.	Number of PACE Schools	TBA after completion of BRAC Skills Strategy	Target: 1,400 1,400 PACE schools	TBA	BRAC SPA reporting



Australia's aid objective		Program management			
		Annual Progress Targets/Milestones			
Plan outcome	Plan outcome indicators	2015-16	2016-17	2017-18	Data source and baseline
<b>1.A consolidated, efficient and effective program</b>	<i>Main partnerships reduced to 4</i>	GoB, BRAC, DFID and WFP (4) with smaller or supporting investments with TAF, Scope, UNICEF and WB	Maintained four (4) key partnerships with the Government of Bangladesh (GoB), BRAC, DFID and WFP with smaller or supporting investments with TAF.	4	AidWorks
	<i>Reduction from 17 to 9 investments in AidWorks by financial year 2016-17</i>	11 Active investments, covering 5 areas of investment (primary education, strategic partnership with BRAC, WFP operations in Cox's Bazar, social protection with DFID & Australia Awards)	Reduced the number of active investments from 11 to 8.	<9	AidWorks
	<i>All partnerships meet partnership objectives and are assessed as adding value to DFAT funding</i>	<p>Selection of partnerships is strategic</p> <p>BRAC and PEDP3 -partnerships help to leverage our modest funding for larger gains in priority areas</p> <p>WFP – provides useful assistance in area of need and facilitates broader dialogue for GoA</p> <p>SP – well targeted design but progress has been slow</p> <p>Scope – modality allowed us to continue offering opportunities despite heavy budget cut</p>	<p>BRAC and PEDP3 -partnerships continue to help leverage Australia's modest funding for larger gains in priority areas.</p> <p>WFP –delivers essential humanitarian services in a complex context and facilitates broader dialogue for GoA</p> <p>DFID (SP) – has helped progress GoB's social protection reform agenda.</p>		MTR and PPAs

	<i>All investments rated 4 or above for effectiveness</i>	All investments were rated 4 or above for effectiveness	All investments were rated 4 or above for effectiveness		AQCs
	<i>APPR reports assess progress against objectives as green or give reasoned case for lower mark</i>	N/A	N/A		APPR
	<i>Staff have the right skills, knowledge and support to deliver the agreed AIP</i>	<p>All staff up to date on Fraud and Anti-Corruption policies;</p> <p>Relevant staff attend Australia Awards Regional Workshops;</p> <p>Relevant staff attend Gender Focal point workshop or participate in gender reviews;</p> <p>Education, PFM, and M&amp;E consultants provide capacity building for relevant staff; relevant specialist expertise contracted to provide technical support as needed.</p> <p>-South-South Knowledge Exchange Forum on Linking Social Protection to Employment Opportunities</p> <p>-Disability, fraud training</p> <p>-Talk on Climate Change &amp; TAF Survey 'Bangladesh's Democracy: According to its People'</p>	<p>Relevant staff attend the following training/workshop:</p> <p>Australia Awards Regional Workshop;</p> <p>Office of Trade Negotiations Trade Policy Course;</p> <p>Humanitarian Emergency Response;</p> <p>Regional Aid Management Training: Design and M&amp;E</p> <p>South-south Knowledge Collaboration: Designing and Implementing Social Protection Programs for Employment;</p> <p>Strategic Partnership Health Check Workshop;</p> <p>ANCP Partners Consultation Workshop;</p> <p>AidWorks Training;</p> <p>Personal Safety and Confrontation Management Training;</p> <p>Work Health and Safety E-learning;</p> <p>Delegations E-learning;</p> <p>Talk on The Asia Foundation survey 'Bangladesh Democracy Survey' and Bangladesh's Electoral System.</p>	APPR management consequences sets out required staff capacities and staff up to date on relevant trainings/workshops	