

Mid-Term Review: BRAC Strategic Partnership Arrangement Phase 3 (Bangladesh)

MANAGEMENT RESPONSE

Investment Summary

Initiative Name	BRAC Strategic Partnership Arrangement Phase 3 (Bangladesh)
AidWorks initiative number	INN621
Commencement date	1 January 2020
Completion date	31 December 2026
Total Australian \$	85,000,000
Delivery organisation(s)	BRAC
Implementing partner(s)	BRAC
Country/Region	Bangladesh
Primary sector	Multi-sectoral – primary education, skills development, social protection, women’s economic empowerment, disability inclusion

Initiative objective/s The Strategic Partnership Arrangement (SPA) Phase 3 is a trilateral arrangement between Australia, Canada and BRAC and covering the period 2021-2026. Australia has committed AUD\$85 million to the partnership and Canada has provided CAD45 million.

Under the SPA Phase 3, Australia and Canada provide core funding to BRAC to support the implementation of its Strategic Plan (2021-2026). The plan encompasses BRAC's development programs and its ambitious institutional strengthening agenda to transform its business model in the context of Bangladesh's transition to middle-income country status. Increasing program relevance and financial sustainability in Bangladesh's changing poverty landscape are core goals of BRAC's strategic plan.

The objectives of the SPA as agreed in the SPA Terms of Engagement are:

- 1) To ensure economic recovery and social cohesion of marginalised communities post COVID-19 pandemic in order to retain the development gains achieved to date. To support accelerated human development with the renewed focus back on meeting Sustainable Development Goals (SDG) with targeted and clustered programming, system strengthening and new model development.
- 2) To improve BRAC's organisational relevance, effectiveness, efficiency and sustainability via the achievement of the institutional strengthening objectives outlined in the BRAC Strategy 2021-2025 by means of:
 - improving organisational culture and practices with rigorous safeguarding systems,
 - effectively targeting and including people with disabilities,
 - using streamlined data and evidence to make decisions, learn lessons and report,
 - creating space for women staff to have more equitable opportunities for participation and advancement and a violence and harassment free environment.
- 3) To demonstrate the 'value for money' and added value of the strategic partnership modality in achieving programmatic results, as well as facilitating experimentation and innovation.
- 4) To develop common approaches to influence government, non-government and private sector actors, both within and outside Bangladesh, by jointly advocating for the application of proven techniques and strategies for the elimination of poverty and promotion of inclusive economic development.

Mid Term Review Objective:

The purpose of the Midterm Review (MTR) was to assess how the SPA is tracking against its objectives, with a view to identifying both achievements and challenges, highlighting lessons learned and providing recommendations for improvement over the remainder of the program. The review focused on all objectives, covering BRAC's performance of BRAC Bangladesh in delivering services against its own Strategic Plan, achievements and lessons against the objectives of the Partnership Agreement, and role of BRAC in the political economy of Bangladesh, in the context of a changing aid policy and international landscape.

The MTR was intended to be a learning process for all three partners – Australia, Canada and BRAC – and DFAT led the review on behalf of all partners.

Mid Term Review Completion Date: 31 July 2025

Mid Term Review Team:

Paul Nichols – Independent Consultant, Partnership and Monitoring and Evaluation Specialist

DFAT's response to the Mid Term Review report

DFAT welcomes the final report and considers the review to be of high quality. It fully addressed the core questions set out in the Terms of Reference and the Evaluation Plan and it met DFAT's monitoring and evaluation standards. DFAT was particularly pleased with the level of engagement the MTR managed to undertake with all key SPA stakeholders. This has delivered rigorous findings and recommendations that are based on extensive consultation at strategic and operational levels across the three partners, including members of the two partnership governance bodies, the Steering Committee and Working Group.

The MTR provides practical recommendations, including: Continuing to another phase of the Strategic Partnerships with BRAC; extending the scope and function of the Strategic Partnership and suggestions on how partners can maximise the assets and capabilities they bring to the relationship.

DFAT has accepted all the recommendations from the MTR report. Consistent with the partnership commitment to joint evaluation and learning, all SPA partners reflected on the MTR findings, lessons learned and recommendations. This management response is prepared by DFAT, and reflects decisions on recommendations made by the SPA Steering Committee. The management response also records progress to date by SPA partners in implementing agreed actions, with the majority already completed. The Steering Committee will continue to monitor progress against recommendations, supported by DFAT Dhaka post.

Key findings of the Mid Term Review report

- BRAC continues to deliver outstanding development results, enabling millions of people to be lifted out of poverty, providing life-saving assistance in times of crisis, reaching the most marginalised communities with essential services, and building skills and business opportunities to improve livelihoods and create self-reliance.
- The Strategic Partnership has been a catalyst and enabler for significant internal institutional change and performance improvement in BRAC. The flexible financing, as well as policy engagement and dialogue, has strengthened BRACs focus on key areas of priority to Australia and Canada, shared by BRAC, and had a broader landscape effect on other organisations and institutions in Bangladesh. The SPA has driven and incentivised innovation and adaptation throughout BRACs services and activities, becoming a central aspect of internal culture and operations which is the most important factor in its development effectiveness.
- BRAC has been continuously improving and strengthening its MEAL system and produces high quality, accurate and valid results reporting. In recent years, there has been a strong emphasis on learning, with a Community of Practice and senior management mechanisms for valuing failure and adaptation, which is world leading practice.

- BRAC is recognised as a leader in mainstreaming gender equality into the program cycle and having a significant focus on women's participation and empowerment. The majority of BRAC's participants are women across all services and micro-finance programs. Women's leadership at senior levels of BRAC continues to be focus for the people and culture team.
- The SPA has catalysed a major uplift in BRACs policy and practices on safeguarding, resulting in an organisation wide change to staff awareness and compliance with international standards and good practice. Beyond this, BRACs approach to 'safe working' and 'social compliance' has been adopted more broadly across the sector, and BRAC provides skills training and advisory services to the private sector in safe workplace policy and practice.
- The Partnership has evolved to meet the changing needs of partners and is, appropriately, largely relationship based. The basic structures and mechanisms of the partnership (Working Group, Technical Working Groups, Steering Committee) function effectively, but the 'real work' of the partners in policy dialogue, decision making, and priority setting happens through effective relationships and ongoing communications.
- BRAC functions as a 'fifth pillar' of society in Bangladesh that mediates between the government (executive and legislature), public service, civil society, and the private sector contributing to social cohesion and stability. It has reach across all 61 Districts of the country, has long-established trust with communities and the confidence of domestic and international actors. Over the past ten years it has elevated its apolitical and neutral stance to advocate and influence for policy and practice reform and affected change in the market and the policy landscape. It operates at scale and with competence, in critical policy areas of interest to bilateral and multilateral partners beyond the traditional development sectors of poverty alleviation, health, education, skills and employment.

Response to recommendations

RECOMMENDATION	RELATED FINDINGS/ KEY LESSONS	RESPONSE (AGREE/PARTIALLY AGREE/DISAGREE)	TIMEFRAME
<p><u>Recommendation 1:</u> Continue next phase of Strategic Partnerships with BRAC</p> <p>Australia, Canada and other Development Partners should continue and extend their strategic relationship with BRAC as an important actor in Bangladesh's political economy that contributes to social cohesion and stability.</p>	<p>Future Strategic Partnerships should include non-financial and financial relationships, recognising the importance of policy engagement and relationships between Partners and BRAC as an actor in Bangladesh's social, economic and political governance.</p> <p>There are significant benefits in addition to poverty alleviation and development results for bilateral partners in an ongoing relationship with BRAC including:</p> <ul style="list-style-type: none"> ● Building political understanding and linkages with key actors in Bangladesh ● pre-positioning for responding to shocks (such as COVID, floods, disaster, people migration). ● strengthening the basis for good governance and demand from citizens and civil society in Bangladesh, critical for long term democracy ● positioning strong institutions in Bangladesh as a buffer to external influences and actors ● creating opportunities for commercial linkages and investment ● preparing Bangladesh for graduation to Middle Income Country status and stronger ally in regional affairs. 	<p>Agreed</p>	<p>SPA Phase 3 will be ceased in September 2026. Australia along with Canada is considering phase 4 and currently undergoing a design process</p>

RECOMMENDATION	RELATED FINDINGS/ KEY LESSONS	RESPONSE (AGREE/PARTIALLY AGREE/DISAGREE)	TIMEFRAME
<p><u>Recommendation 2:</u> Extend the scope and change the function of the Strategic Partnership</p> <p>BRAC should re-configure their Partnership modality to focus on the strategic relationship and policy engagement with a broader group of external actors, beyond the financial relationship which can be managed at an operational level for the financial contributors.</p>	<p>These potential partners may include multilateral development banks and international organisations, as well as other likeminded countries. This would enable dialogue and relationship with a broader range of financial and non-financial contributors to extend global influence and reach, and to build coalitions and commitment to a reform and governance agenda in Bangladesh. BRAC already engages with many of these actors in more or less formal ways. A Strategic Dialogue or Strategic Partnership with a larger group would formalise the spirit and intent of these relationships, within which a sub-group of financial contributing partners could work operationally.</p>	<p>Agreed</p>	<p>This recommendation will be addressed in designing the next phase of the SPA</p>
<p><u>Recommendation 3:</u> Governance, management and operational features are fit-for-purpose</p> <p>The operational mechanisms and structure of the SPA are largely fit for purpose and should continue to be primarily relationship based.</p>	<p>Future financial partnerships could recognise the importance of soft-earmarking donor funds to critical policy priorities, but should retain an element of partner-driven flexible funding that aligns with locally-led development principles and has driven effectiveness in previous phases. The focus of financial support under a Strategic Partnership could include exploring alternative forms of development financing and a pathway to financial independence for development operations.</p>	<p>Agreed</p>	<p>Another recommendation to be addressed in the next phase of the partnership. Discussions on this already started at the Steering Committee level.</p>
<p><u>Recommendation 4:</u> Partners to bring all assets and capabilities to the relationship</p>	<p>To date, the BRAC relationships have been ODA-led and built from a traditional grant and project based relationship to a more strategic partnership. There is an opportunity to advance that relationship to b</p>	<p>Agreed</p>	<p>Recommendation 4 has been thoroughly discussed at the Steering Committee</p>

RECOMMENDATION	RELATED FINDINGS/ KEY LESSONS	RESPONSE (AGREE/PARTIALLY AGREE/DISAGREE)	TIMEFRAME
<p>Development Partners, including Australia, should explore opportunities to leverage their ODA support with non-ODA assets, to partner with BRAC to advance economic, commercial and strategic interests.</p>	<p>more akin to a bilateral whole of Government (team Australia, team Canada) relationship based on all policy, commercial and strategic interests not just development interests. There has been considerable movement in this direction in the relationships over the past five years with Home Affairs and Climate Change departments engaging with BRAC through DFAT, and there is scope for introducing Austrade, Export Finance Australia and others to advance regional economic and trade interests.</p>		<p>level and BRAC have agreed to put an emphasis on this in their next strategic plan (2026-2030)</p>
<p><u>Recommendation 5:</u> Leading the global agenda 'beyond aid'</p> <p>Partners should explore opportunities to work together on the global stage for advancing a multilateral policy agenda for sustainable development that anticipates a post-ODA world.</p>	<p>A future strategic partnership could be structured on the basis of mutual interest, benefit and obligation. BRAC is well-positioned to advance the international narrative 'beyond aid' and Australia and other like-minded can be at the forefront on this new paradigm for international cooperation, with a uniquely placed, trust and competent domestic and international partner. Issues such as alternate development financing (green bonds, ethical investment frameworks, climate financing and alternate multinational taxation regimes) could be examined and explored as pathways towards sustainability.</p>	<p>Agreed</p>	<p>As above</p>