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**DFID's Programme in
Bangladesh**

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Oral and written evidence

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Oral evidence

Taken before the International Development Committee on Tuesday 20 October 2009

Members present

Malcolm Bruce, in the Chair

John Battle
Mr Mark Hendrick
Daniel Kawczynski
Mr Mark Lancaster

Mr Virenda Sharma
Mr Marsha Singh
Andrew Stunell

Witnesses: **Dr Naomi Hossain**, Research Fellow, Institute of Development Studies, and **Professor David Hulme**, Professor of Development Studies, University of Manchester, gave evidence.

Q1 Chairman: Good morning. Thank you very much for coming in to help us with this first evidence session on our inquiry into Bangladesh, which we are heading off to next week. I wonder, for the record, if you could introduce yourselves.

Dr Hossain: Good morning, I am Naomi Hossain; I work at the Institute of Development Studies at the University of Sussex. Previously I was working with the Research and Evaluation Division at BRAC in Dhaka as well as doing work for DFID and other donor agencies in Bangladesh on a freelance basis.

Professor Hulme: I am David Hulme, Director of the Brooks World Poverty Institute at the University of Manchester.

Q2 Chairman: We have a series of questions for Dr Hossain and a series of questions for Professor Hulme, but it does not stop you coming in if you think you have something to add—do not feel you are left out. Perhaps if I could start with you, Dr Hossain. Obviously, we have had democratic elections in Bangladesh in the past year, but you have given quite a lot of comments on the governance in Bangladesh. Would you bring us up to date as to where you think the country is following the elections and what are the main challenges that it is facing, and perhaps help us with the kind of thing we should be looking out for?

Dr Hossain: Sure. I am not sure how much background you have on the government situation in Bangladesh. Would it help if I give you a couple of minutes?

Q3 Chairman: Yes, it would.

Dr Hossain: Up until 2006 we were experiencing a 15-year period of multi-party democratic rule in Bangladesh, as you are probably aware. It was not a very liberal mode of democratic rule—there were lots of problems; there was a part-partisan penetration of state institutions and institutions of accountability, and the rule of law was tricky. So there were lots of problems with the kind of democracy that we had, and we had 15 years of it. During these 15 years the main parties alternated in power; so it was not that one party was in power the whole time. We had five years of the BNP

followed by five years of the Awami League, followed by five years of the BNP. During that time an institution called the Caretaker Government was established—that was in 1996. That was after a somewhat botched attempt to allegedly rig the election in 1996 by the then incoming incumbent. The Caretaker Government is an innovation that uses the senior judiciary for a three-month position to oversee the transition to government, on the assumption that otherwise this will not happen smoothly in a free and fair way. This was constitutionally established in 1996. So that oversaw the 2001 election which had a major change in government, again. In 2006 it became clear that the incumbent government then was likely to want to stay in power and to be attempting to (allegedly) rig the Caretaker Government so that they would oversee an election which they were likely to win. Ultimately, through a long process which nobody really knows the details of, at the end of 2006 a military-supported Caretaker Government was installed but then stayed for two years in power, and attempted a series of governance institutional reforms. This was a non-party government with, I believe, quite a lot of donor support. The UN, at least, is widely believed to have been in support of this government. So these two years were a period of attempts to reform the governance and the political situation—party politics, internal party democracy—efforts to separate the judiciary from the executive. At the end of the two years, there was an election (so this was in December—the election we are talking about) and the Awami League then came to power with a good strong majority. Since then—so it has been about nine or ten months they have been in power—no formal assessment, no kind of regular data collection that I know of has taken place about what has been going on in governance, so far, so I cannot give you a very full and balanced analysis of what has happened so far. However, I have been back twice since then, so I have spent about six weeks in Bangladesh since this government's tenure, and talking to some of the analysts I know, people who have been involved with some of the governance assessment work that goes on regularly in Bangladesh, a couple of things

are noted: one is that it does seem to be business as usual, so politics does appear to have returned to business as usual after this two-year period of attempting to clean up governance and politics; so it is not clear to what extent that has been very effective. It is very clear that the rule of law has deteriorated quite rapidly in the last nine or ten months, and some of the efforts at governance reform do seem to have been stalled or, in some cases, reversed. So this is the situation as people who are on the ground have been telling me.

Chairman: That leads directly to a question that John Battle is going to ask.

Q4 John Battle: In Bangladesh, as part of the government's reforms that DFID here have been involved with I think they put together a paper called *Country Governance Analysis*, and I just want to know what you think DFID could do to improve the accountability of state institutions. There is an attempt to get projects government support but that implies that we get good governance. How effective could DFID be and what should it be doing? What specific institutional reforms do you think donors should be pushing for? Should it be the rule of law; insisting that the judiciary operate properly, or policing? What are the things that DFID should be engaged in and, perhaps, are not?

Dr Hossain: I think, before we get to the specific institutional reforms, there are a couple of things that you may be interested to explore a bit more closely with respect to DFID's work in Bangladesh. In particular, the best rule of thumb, before you go to do anything on governance intervention, or development intervention, is to do no harm. I am not saying DFID did do harm in this case but I think it is worth exploring the extent to which donor support for the Caretaker Government—from the military ranks—non-democratic Caretaker Government over the two-year period, did, in fact, lead to pro-poor outcomes and good governance outcomes. I think that remains to be seen. Sometimes donors do intervene without necessarily understanding the political history, and so on, and I think that is very dangerous. That would be a general point about when to intervene and when to find out, really, how you should be responding. I am not saying there was an easy answer at that time; there was not an easy answer, at that time.

Q5 John Battle: Can I press you to say: would that view—that people are not being helpful about governance—be the view of the government, or the rulers, or would it be the view of the people? So that, if you like, the donors are seen to be in bed with the governing set and against the people. Would they be seen as on the side of the people and popular with the government?

Dr Hossain: I am an academic so I cannot say it is going to be that clear-cut, obviously. I do not really know the answer to that. I think a question it would be interesting and important to explore is the extent to which DFID's support (I think DFID gave the appearance of being supportive, anyway, of the Caretaker Government during its two years)

contributed to a weakening of the democratic process, and so on, or not. Perhaps it was very supportive. I do not know the answer; we do not know. Not much detail is known of what went on behind the scenes at that time; we are fairly certain the UN was supportive of this military-backed Caretaker Government, and with good intentions.

Q6 Mr Sharma: What is the role of the opposition at present?

Dr Hossain: They are very weak and they are very small in numbers; they are very fragmented—the main opposition party, the BNP. A lot of them were in jail and are, again, in jail. The former Prime Minister, Khaleda Zia, is still the leader of the party but they are in quite a lot of disarray. The same could be said to be true of the ruling party, though; they are quite fragmented, at present.

Q7 Mr Sharma: Are they working in the Parliament or the Assembly?

Dr Hossain: Yes. They are very small in numbers this time, so it is not clear to what extent they can have much impact.

Q8 Andrew Stunell: You have obviously got some reservations about whether DFID did it right or not, and in your report you said some quite stringent things about them: "Even committed professional staff" (in DFID this is) "lacked adequate time to engage with the evidence, travel beyond the capital city, or to develop the relationships necessary for a rounded and fully-informed perspective . . ." That is, in terms of reports that we get, quite strongly put. Would you like to, perhaps, elaborate that a little bit and say what you think we might be looking for and what assessment we might make?

Dr Hossain: Actually, for some other purpose I was looking at the 2005 internal DFID evaluation, and there they said very similar things; that it was increasingly difficult for Dhaka-based DFID staff to find out what is going on and to spend time on the ground working out what is going on with poor people. There is a strong emphasis on the sort of upstream policy work, which has continued. I would say, primarily, you have very few numbers of, especially, UK-based staff in the Dhaka office, and that those numbers seem to be dealing with ever larger sums of money. I was living in Bangladesh between 2003 and 2008 and I did interact with quite a lot of different staff professionally and, also, to some extent, socially in that time. My sense was that it was increasingly difficult for them to get a good grasp on what was going on—they just did not have the time. They had all these large sums of money to handle. Not having the people was a real problem for them, and DFID did have, earlier on, in the early-2000s, a very positive reputation in Bangladesh among the other donors and among the NGOs with whom they work of really knowing their territory and really knowing their subject—knowing what is going on on the ground. That reputation has, I think, declined somewhat.

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Professor Hulme: If I can just answer that, I agree with Naomi there; there is a process that has been put in place. DFID staff are being reduced, its spend is being increased, so the spend per staff creates pressure, and governance projects are extremely messy, extremely time-intensive and you do not spend very much money on them. So the way that DFID is being steered overall, as an institution, makes it quite difficult to have staff who know what is happening in the field. One of the things I would encourage you to look at is the turnover rate of DFID staff. My perception is it has gone very high over the last three or four years; when I called into the office I always knew several people, I find nowadays it is a lot of new people. Some staff you can be briefed on but the governance stuff, in particular, you need someone in the field.

Q9 John Battle: As well as, in a sense, the autopsy of where we are up to now, we are going to be there soon and I would be interested to know what focus DFID should have now on institutional reform, given that we have to ask for the resources and the funds to do it properly. What would be your priorities now, with the new government, in terms of institutional reform?

Dr Hossain: I think a lot of work DFID does is on the button, in general. In terms of the sectors they have selected, the public financial management (which is not an area I know a great deal about), that has been a good area and it has had some positive achievements. I think I said in my note to you that I thought human security was an area that desperately needed attention, and I know DFID have been involved with the UNDP police reform programme. Let me just talk to you a little bit about the focus and the kind of approach to that that I think is interesting. DFID's approach to governance is, typically, and for very good reasons, always from the perspective of: "Well, we have these formal institutions of accountability, we have these formal institutions of service delivery, and let's work with those and see how they work." One of the points I tried to make in that note is that when you look at governance you have to take into account that it is an extremely poor country, and there are two reasons why this relationship between governance and poverty are really important. One is—which I think it is always important (I think it really should be the litmus test of good governance in Bangladesh)—how are the poor being affected by governance reforms? The second thing is, actually, you need to think about how governance is affected by poverty. The fact is we are talking about people who are very poor; typically, still 40%, I think, illiterate. People find it very hard to engage with formal procedures of accountability, and so on. So to think of starting your governance reforms at the level of "Well, let's sort out the police" is not necessarily the correct approach. You could approach it very differently, by how are ordinary people already coping? What are poor people already doing to ensure their own human security? I think this would produce an entirely different menu of options for institutional reforms.

Chairman: Just before bringing in Mark, you have both identified the staffing pressures, which is an issue that concerns us, not just for this report but in doing any report. If either of you feel able to give us a slightly more substantial note about the practical implications of those staff shortages in Bangladesh, I think we would appreciate it. If you could give us a fuller note on that, practically about what the effects are, I think we would find it helpful.

Q10 Mr Lancaster: Perhaps we can build on that comment, where, effectively, you are saying that some of the formal accountability processes are quite weak—a weak opposition, for example. However, you also make the point in your note that some of the informal processes are very effective. So could you, perhaps, give us some examples of those informal processes and why they are being so successful?

Dr Hossain: I think the point I was trying to make was not so much that informal accountability pressures are effective but that they are what happens, because formal accountability mechanisms more or less fail. Most of my experience with this is in the area of public service delivery; like David, I work primarily in the kind of poverty governance interface, so I am interested in how poor people access public services. There, all of the formal systems of accountability are, more or less, defunct, and there is almost no question of them working. For example, if your doctor has been rude or is absent, there is almost no way you, as a poor person, can complain about that and get any redress. An example would be that you can, however, get your local patron—your village head-man, or whatever you have—to come along with you and try to exert that level of pressure to get services. We have seen that sort of thing. People use social pressures of all sorts; sometimes the local schoolteacher will be your relative or your neighbour and so you can put pressure on them that way. These sorts of informal pressures are very powerful in a context in which formal mechanisms do not work. It is quite common in Bangladeshi health centres, where patients die, for there to be violent outbreaks of riot or protests, and so on, so that also happens—these sorts of pressures. They are not desirable, but that is not what I am saying; I am saying this is what there is in the absence of effective, formal accountability mechanisms.

Q11 Mr Lancaster: You would not like to see, for example, DFID or other donors supporting these informal processes; you would rather them try and battle their way through in the formal processes?

Dr Hossain: As I said, I think in a context in which the majority of the population are poor and illiterate and probably do not really have much experience of engaging with state institutions, it will be really important for you to understand how they do, in fact, engage—how they do, in fact, attempt to get accountability from public service providers. However, using that, I think, it would be quite a useful way of developing performance

accountability measures. You could use them in quite a technical way to help develop more effective monitoring systems for public service providers. I think without understanding how those things go on, however, you would never design an effective governance reform.

Mr Sharma: I do sympathise.

Q12 Mr Singh: You argue, and so do others, that there is a link between good governance and poverty reduction, yet in Bangladesh there has been some success and some gains in social and human development. How do you account for that in the absence of good governance?

Professor Hulme: If I may start off with that. You have to watch out for this myth of good governance; yourselves accepted that good governance is something which most countries are aspiring to, still, and, in a way, good enough government is what one is trying to get to, at this stage. It is extraordinary in Bangladesh how imperfect the processes of governance are but those processes have been sufficient to allow the private sector to invest and improve its productivity and create jobs and to allow the voluntary sector to function, and to allow parts of, certainly, local government and parts of the civil service to function. In a way it is how to move towards this “good-enough” governance.

Q13 Chairman: That rather reinforces the business view that the less government there is the better. So anarchy is fine for business and investment.

Professor Hulme: Not at all. I am not a macroeconomist but the macroeconomic policies that have been in place in Bangladesh for the last 15 years have allowed the economy to grow, far from what many economists would prescribe as the best set of policies. There has been a degree of stability which has worked there. So, in a way, that element of governance has worked reasonably effectively.

Q14 Mr Singh: To what extent, in terms of social development and infant mortality rates, etc, is that down to good or very good NGOs and their service delivery?

Dr Hossain: Part of the explanation is, certainly, the big NGOs are delivering very effective services, but that is definitely, by no means, the full story. Government service delivery is also important for this—there is no doubt about that. You have put your finger on something really important, which is we do not really understand what happened in that period in the 1990s, up until the early/mid-2000s, when Bangladesh had a lot of great achievements in human and social development, while governance was not improving, including at the sectoral level. It is a really interesting question. I think part of the answer lies in these issues that I was talking about with respect to informal accountability. Stuff goes on on the ground that we do not really have a good handle on because our gaze is always at this level of the formal accountability mechanisms, which are just defunct. So if we lower our gaze a little bit and

look at what is going on at that sort of frontline level, it does help a bit to understand. The World Bank has some explanation for it; they say—what do they call it, when you have institutional cherry-picking—you have a few pockets of excellence, pockets of success. I do not think that is the full story either. There was also a very strong social demand for, for example, women’s education, possibly resulting from, among other things, a demand for garment workers. What that has meant has been that more educated women has, of course, knock-on effects, as we know, for infant mortality and the demand for children’s education, and so on. So there have been a number of factors. Nobody knows the full story.

Professor Hulme: If I could just add, it is as Naomi is saying; being academics we say everything is complicated but these informal processes—it is not that they do not work, but they do not work like the rulebook says they should be working—there are norms in that, and resources are pilfered and not used properly, but there are limits on that, and if people start giving old-aged pensions not to old women but to men who are not of sufficient age then the social sanction comes in, and that will not be allowed and the local government will stop that. People may be able to slip 10% of the food aid programme but if it gets to 20% then, again, some informal processes of governance will kick in; the formal system may not be working but there are boundaries. So it is never anarchy; it is not the way it is supposed to be, but it is not anarchy, and there are social norms which, if people go past them, will kick in. The most concrete example I can think of is an old woman getting a pension where the chairman of the local parish was taking a commission on it. Another member found out and she said: “I’ll tell everybody that you’re stealing from old women”, and so he stopped doing it because he did not want people to know that he was stealing from old women, and so she gets a full pension now. These processes are operating in their own way.

Dr Hossain: I think these are the sorts of things that, with some exploration and some careful work, could be supported more effectively than they currently are.

Professor Hulme: Rather than looking at the rulebook and it not working, if DFID staff could spend time trying to work out could more councillors be concerned about pensions.

Chairman: We may explore that a little bit more in a moment.

Q15 John Battle: I think the next question is the extent to which the basic delivery of services (you hint at it there) are undermined by the government, in a way, by accountability. For example, in which sectors would you say the provision of parallel services by NGOs, who are trying to provide services, actually undermine what the government should be doing, so we do not get this balance at all and the government starts to provide properly, but they are always on the margins trying to check what everybody else is doing? Is that what you are saying is happening? You gave the example of the

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pensions—not to go into that example—but to what extent is that delivery of basic services actually undermined by the efforts of NGOs then?

Dr Hossain: There is, undeniably, that danger. I have not, actually, seen any evidence in Bangladesh that that has happened. I think, especially with the big NGOs and the big programmes of social service delivery—health and education and so on, and microfinance, perhaps, in particular—on the whole, the NGOs appear to me to be supplying services in areas where government is not supplying services, and supplying services that government is not supplying; chiefly, non-formal education in areas that government cannot or will not reach—the groups that government cannot or will not reach—and certain sorts of health services that government cannot. Also, I am thinking, in particular, of BRAC, which is the NGO I know best because I worked for them for five or six years. A lot of the time their health programmes, in particular, were partnerships with government, and so you had quite effective joint working around issues. Also, I think, in some cases, with respect to education, there was some extent to which there was a kind of positive competition which arose around the education of the poor, in particular, where BRAC had reached villages and communities that the government were not reaching. This was something of a spur for government to expand its service delivery, which is primary education, basically. I do not think, in a country like Bangladesh, where there is so much unmet need, that there is much evidence that NGOs have undermined public service delivery.

Q16 John Battle: If I put it another way: I have never been before to Bangladesh but the impression that I have got—not that there is much to go on—is that some of the popular participation in the best sense is some of the best in the world. If people are not getting resources from the centre they have got to survive, so they have built up some form of informal institutions to deliver. I think, as a politician, as it were—and I am going to take the power back off them—they have got the power, they are doing it now, so I would resent them, in a way, doing that. I know that I cannot cut off their livelihood but, at the same time, I find a tension between what was going on on the ground, yet, at the same time, if I was a slightly more progressive politician, I might say that model of doing things might be the right way to do it and it might be a good model to use elsewhere.

Professor Hulme: I do not know about using it elsewhere but the NGOs do work very effectively in Bangladesh, and one needs to work with what works, not look at the models—ideal models—of how government should function. So we need to work with the NGOs and keep them on. I used to worry about them displacing the Bangladeshi state but I do not really do that now because there is so much need. They are an incredible resource; they do create new organisational technologies and new products, like microfinance, like low-cost education. The government is not taking that on now but it could take it on in the future. There are hundreds of

thousands—maybe a million—of pretty good staff working for them; that is a resource which the government and the private sector does draw on, at times; it pulls them in. So, theoretically, there is that undermining but, in practice, I see the NGOs as part of Bangladeshi's evolution that will be positive.

Q17 John Battle: If I put the question the other way: which areas of policy or services should the government focus on because the NGOs are delivering in that other area? Do you know what I mean? Is there one area that government should be focusing on because the NGOs are picking up the policy area?

Professor Hulme: Infrastructure. The NGOs cannot do big infrastructure; it is really important that the government does that well. The other sorts of problems remain: health and education. I think we would look at social protection. While the NGOs are moving into social protection, could they take on social protection on the scale that is required? Infrastructure, health, education and social protection.

Q18 Mr Sharma: Crime, violence and insecurity are the major issues in Bangladesh. What forms of insecurity are experienced by ordinary people and why are women more frequently the victims of crime and violence?

Dr Hossain: It was only very recently, in the last few years, that this has really begun to emerge. Bangladesh is not known as a place where there are high levels of crime and violence, apart from political violence. In fact, it is testament to DFID's ability to pinpoint important issues that they did start to do an analysis of human security first, and to support the work of Safer World. Safer World also produced some human security assessments. I was involved with one of those—we did a very large survey of experiences of crime and insecurity and violence, and it is at quite a low level, was what we found; quite low-level but chronic threats of theft and minor forms of violence, and so on. To be honest, domestic violence is, probably, the single greatest human insecurity threat that people in Bangladesh face. The WHO has also done work on this in Bangladesh—women-based violence from their partners is among the highest rates in the world. It seems like such a very simple conclusion to draw but, actually, I think it is probably the greatest source of insecurity. What is interesting about this, and what is important about this (not easy to capture for policy purposes) is the fact that, to some extent, it is not so much the experience of crime and insecurity as the response to the threat of crime and insecurity, or violence, that seems to be quite important; the way people cope, the way women's mobility is curtailed because people are frightened that they will be abused or, you know, beaten or raped; the way people fail to invest in their businesses and their livelihoods—these sorts of things. I think the evidence is only beginning to emerge that that adverse coping is something that is

difficult to explore but it seems to be the response that is most troubling.

Q19 Mr Sharma: What are the informal mechanisms and institutions which can help protect people from violence and crime? How should donor programmes aimed at justice sector reform take these into account?

Dr Hossain: Again, as I responded to you, I think it is useful in a country like Bangladesh to approach governance from the bottom up, from how people experience these things. A lot of work has already gone on in Bangladesh over the years on the customary dispute resolution—what they call the “Shalish”—the village-based systems for resolving fights and problems. These are typically around land and marital problems—typically, around 80% of them, or something like that. DFID has done quite a lot of work supporting the NGOs who have been working in this area; NGOs have come in to try and make things a bit fairer—things are very traditional and, in some ways, quite biased against women, against poor people and against minorities and so on. So the NGOs have come in in quite a big way. There is another aspect to it which has not been explored much. Again, this work that I was involved with, in looking at crime and insecurity, uncovered what they call Pahara Committees. This is very well known—anyone you speak to will know what a Pahara Committee is; it is just neighbourhood watch, basically—but these seem to be very, very common. We found something like a third of all the respondents in our survey knew of such a thing in their community. When we asked people how they responded to incidents of crime and violence, and so on (I forgot to get the numbers out for you), they were greatly more likely to approach people in their community for help or their neighbourhood watch or their local patron than they were to approach the police for help. These institutions are there, and this is not only in Bangladesh that we are discovering that informal institutions are very powerful; the evidence is emerging that this is the case, I think, with respect to policing.

Q20 Mr Sharma: Is that at the village level?

Dr Hossain: Yes.

Q21 Mr Sharma: Is it a lower democratic process, tribesman, or is it a Godfather in the village?

Dr Hossain: Yes, well, this is where it gets tricky; they are not necessarily very nice institutions.

Q22 Mr Sharma: I thought as much.

Dr Hossain: There is a fine line between a community informal security arrangement and a vigilante group. No, there is not a very fine line, actually—they are almost the same thing. In the urban areas it is what they call the Mastaan, which is a kind of Godfather—or local gangster—but, actually, local leaders. There is a real ambivalence about whether they are really nasty or really nice.

Q23 Mr Sharma: The local leader as well.

Dr Hossain: Yes. So those are the people who are really in charge there. You know lots about this.

Professor Hulme: Certainly the difficult thing in urban areas is you have the mastangs who are probably providing security and managing things and might even get involved, maybe, in domestic violence if it gets too extreme, but in a way they may also be involved in a number of illegal activities, so it is very hard to see how any donor could actually work with them. In an ideal world one would get the mastangs to behave better—do a little bit less corruption and do a little more justice—but, in practice, a donor’s role in that would be pretty difficult to imagine.

Q24 Chairman: You mentioned particular insecurities experienced by women. To what extent are women getting organised? We hear of specific examples of Bangladeshi women who are organising themselves. Is it a significantly growing phenomenon that women are getting organised to stand up for themselves? Are there strong women’s movements?

Dr Hossain: Yes, the women’s movement is quite strong in Bangladesh. I cannot think of anything specifically organised around violence. Of course, there have been movements in support of a women and children’s act in the late 1990s/2000. I do not really work on the women’s movement but they are, yes, quite strong. Specifically organising around domestic violence? Possibly not.

Professor Hulme: It is very complicated. Interfering with domestic violence, as in the UK, is seen as something that people should keep their nose out of. We find that women are, in a way, supporting other women against this, but then the mother-in-law is quite likely to be saying: “My son should beat his wife sometimes”, and women will have different opinions about it and older women will have different opinions.

Dr Hossain: The big problem is dowry; dowry is very closely related to violence against women. The trend of dowry used to be, in Bangladesh, one, it is specifically “bride price” so the payment goes to the bride’s family but in the last 40 or 50 years it has reversed so that you are, essentially, paying for husbands now, and it causes a lot of problems. Dowry is very closely related to the violence. The World Bank did a survey on gender norms—was it last year or the year before?—a very good report on how gender has changed a lot on domestic violence, and I suggest you see that on dowry as well.

Q25 Chairman: Thank you for that. This is more your question, Professor Hulme, but, Dr Hossain, feel free to come in if you have something to add. On the economic issue, one thing that has been impressive, in spite of all this background, is that Bangladesh has sustained quite a long period of economic growth, but poverty is still very significant; there have been some reductions but it is quite significant. How do you explain that combination: the extent to which growth has been sustained but it

has not really translated into significant poverty reduction? Are there any changes taking place underneath?

Professor Hulme: I think you have to recognise that Bangladesh came from a very low base; it had incredibly high levels of poverty—much of that was extreme poverty—and there were extraordinary levels of vulnerability and under-nutrition. So, in a way, progress has been quite remarkable over the last 15 to 20 years—

Q26 Chairman: So you actually say it was a success, it is just that the absolutes are very low.

Professor Hulme: It is a success but it started from a low base, and 5% over 15 years is not enough to eradicate poverty; you need 30 to 40 years at this rate or you need a faster rate of growth, but the achievements have been considerable. Particularly, whilst insecurity and vulnerability may be a bit later, the threat of famine and coping with devastating floods—the capacity to cope with that now—in a way, is great; it is a poverty problem, not a starvation problem, which back in the 1970s and 1980s was the way it was.

Q27 Chairman: Which are the groups that are most vulnerable? Is it geographical or is it sectoral, or what is it?

Professor Hulme: It is really messy and mixed. If you look geographically then the old analysis used to be that the North—and what are called the monga areas—are particularly problematic and the South is doing better. The most recent work suggests, actually, that it is the west of the country—Khulma, Barisal and Rajshahi—where you have got the highest levels of poverty and some of the most extreme poverty. Nowadays people talk about the West-East divide and, again, the sort of detailed work by the World Bank actually started that out, which is available—

Q28 Chairman: What are the reasons for that?

Professor Hulme: The reasons for that are several, partly because there are two big rivers you have to cross to get to the West, and even though we have got the Jamuna Bridge now that still isolates the West from the sort of dynamo of Dhaka and Chittagong, and from the sort of connections with the global economy. The West is disconnected from that. Historically, because of disconnection, it has just got lower levels of infrastructure—roads, electricity, schools, health centres, are all at lower levels. Private investment is not occurring on that side the way it is on the East. Also, for social and historical reasons the Diaspora from Bangladesh does not come from the West, so remittances tend to flow to Dhaka, Chittagong and do not tend to flow to the West, so the West is disconnected. Added to that (and it is a problem for the whole of the country) is the Indian border that is, economically, relatively non-porous. The amount of trade that could occur with India, because the two countries cannot agree on trade arrangements, are limited. So the west of the country has got a difficult border with India and then there is a sort of semi-border because of the rivers and the

history with the east of Bangladesh. Beyond that, you have also got life-cycle factors that are spread around the country; young parents with several children find it hard, particularly if anything goes wrong; older people may be left insecure, and there are high levels of vulnerability to shocks. Sometimes the dramatic natural shocks, the floods, and the cyclones, but, also, particularly, health shocks can often set households back, and if you get a natural shock, a health shock and then something goes wrong with your job, then households can very rapidly fall into poverty, and although the economy might be working well they will be finding it very hard to get out. Most recently there has been a food price spike, which has certainly set back, probably, millions of households in Bangladesh; it is impacting on everybody but food prices have gone up the most at the bottom end of the market, for the coarse grains.

Q29 Chairman: Is that still biting or has that eased off?

Dr Hossain: No, it is come down a lot.

Professor Hulme: It has come down, but it is still 20–30% above what it was 18 months/ two years ago.

Dr Hossain: It is still much higher than it was in 2006, yes.

Professor Hulme: The spike has gone but food prices have risen more than wages.

Dr Hossain: I think it is quite volatile.

Professor Hulme: In rural areas, people who are landless, female-headed households, will generally be much more likely to be poor or extremely poor. In urban areas the labour is female-headed but it is much messier in urban areas. We know a lot less about poverty in urban areas than we do in the rural areas, where things are somewhat easier.

Q30 Mr Singh: Bangladesh has an ambition to become a middle-income country by 2021, but given the global recession and given the impact that that is going to have on remittances and Bangladesh's ability to export, or afford imports, how do you see the economic situation developing in Bangladesh over the next few years?

Professor Hulme: I am not a macroeconomist, I am a self-trained economist who takes a look at Bangladesh, but the difference between economists and fortune tellers over the last 18 months is sometimes not very good. There is actually an American economist who says that economists are an arrogant bunch with very little to be arrogant about. Bangladesh has had a knock because of what has happened to the world. If one makes the assumption that growth will continue in China and will continue in India and that the financial system will somehow be repaired, then I see Bangladesh as steadily growing over the coming years, as long as there is not some sort of governance crisis; as long as it manages to have this “good-enough” governance that allows the private sector and just human agency at the grass roots to operate. I see Goldman Sachs still keep Bangladesh as one of the next 11; they see it as one of the emerging nations of the 2040/2050 period in the future. There are three main issues as to

whether it will make it: one will be on the capacity of its businessmen to move beyond garments, beyond shrimps, beyond the fishery sort of products into electronics and other areas, and whether they have got the ability to do that and whether China will be able to, in a way, dominate the world economy on that. Twenty years ago people did not think that Bangladeshi entrepreneurs had the capacity to do what they have done, so I think that is quite possible. The important thing on the poverty front is whether the growth continues to be relatively egalitarian. I differ; the World Bank says that the growth has been spread across the whole population; I think there has been some increasing equality but it has not been as much, probably, as in India and China, but if the growth could remain reasonably broad based then that would mean it impacts on poverty rather than simply creating a middle-class and elite. The real joker in the pack, I think, is climate change. Bangladesh, probably, is going to experience climate change more severely than any other nation. It depends on which sort of scenario you take with it: we have the Tyndall Centre at Manchester who tell us that 2% is guaranteed, which means, certainly, that 20–30 million Bangladeshis will have to move, but as the Tyndall Centre says: “3 or 4% is what we will be moderating to”, but other climatologists say: “No, they are being too alarmist”. That parameter is the very important one. If climate change does not kick in too badly, if China does not manage to dominate all world manufacturing, then I would see steady rates of growth so a middle income country, perhaps, sometime in the late-2020s.

Q31 Mr Singh: Are there any significant barriers to private sector development in Bangladesh?

Professor Hulme: Yes and no. The businessman will say to you: “The bureaucrats and the politicians are our best friends because they help us make things work and our worst enemies because, at times, what they are doing does not allow us to compete with China and Vietnam.” It depends. There are some with trade, but the one that sometimes comes up with me is health and education; in some sense saying, you know, if the Government could just move on to getting health and education to work then that would give us a labour force that will allow us to compete with China and Vietnam.

Dr Hossain: The barriers to doing business in Bangladesh are not that great compared to other places. You know the World Bank does that survey every year, and Bangladesh fares quite well compared to some places. The port has historically been a significant obstacle. That has been improved a lot, actually. That was possibly one of the things that the Caretaker Government helped to sort out and that could, potentially, deteriorate again under a political government. The big thing has always been the power sector. It is not so much a state barrier but it is the inability of successive, political governments to invest in energy infrastructure. It is really, really difficult for most industrial production to operate because of power. Land is also a problem as well—access to land to develop plant is also very difficult. So those things, really.

Professor Hulme: If Chittagong port was allowed to work as it could do then that would really allow the private sector to operate much more effectively than it does.

Q32 Chairman: We are going to be looking at the Charls Livelihood Programme while we are visitors in Bangladesh. What is your understanding of how that programme has helped—or has it helped—to reduce poverty? Does it have scope for further development?

Professor Hulme: I have not looked at a recent evaluation; did look at it when it was being set up—I have got a PhD student working on it at the moment, but it is more on hearsay than detailed knowledge. First of all, I have to say I was really pleased—actually, proud—that the UK and DFID worked in the Chars because if the government keeps away from the Chars, even the most committed NGOs keep away from the Chars, then the private sector keeps away from it. DFID decided to work in extremely difficult, physical circumstances—

Q33 Chairman: Is it because it is so vulnerable and volatile?

Professor Hulme: It is so vulnerable and volatile. As a rule of thumb, on average, your island will disappear every six years, so your whole asset base has gone. You then have to retreat to the shore and then re-establish. However, that is on average; for some people it is every two or three years, for others they may spend 30 years on an island. It is an extraordinary environment.

Q34 Chairman: Ministers and officials from DFID have quoted this programme to us as an example in a number of different contexts, which is one of the reasons we want to go and see it really as good as it is cracked up to be. For example, this business of raising houses up on plinths—well, that is all very well but if your island disappears your plinths are not going to be of much use. How practical, how successful, is that in actually securing longer-term stability and what other measures are involved, if you are trying to compensate people for losing their livelihood and re-investing it and for all the other insecurities that go with it?

Professor Hulme: On the plinths, certainly people who have got plinths when it floods and their house does not flood because the plinth has given them enough space, they appreciate it very much! On plinths, you are putting, in a way, an asset there of which probably a high proportion will be destroyed, so you would have to work out whether it is worthwhile. I think that is where probably you will need to look at the detailed evaluations, if they have been done. The livestock development certainly appears to work extremely well. People appreciate it. I was amazed at the way that private traders have come into the Chars and you have got a milk purchasing operation, entirely informal networks, that are coming in and going round the islands purchasing the milk that women have produced. So it has actually increased the resource base like that.

Whether it is really worthwhile, I think, one needs to look at the short-term parameters. The key issue will be whether it actually manages to strengthen some of the institutions. It is meaning the areas are getting more, potentially, knowledge and understanding; there is some newspaper coverage now of life in the Chars. So, in a way, it has actually helped the Chars to enter Bangladesh and be recognised more fully, but those changes are obviously much slower than the sorts of promises that aid programmes make.

Q35 Chairman: I do not know whether it is a helpful follow-up question, because we are just about to publish our report on urban poverty and slum development—if you want to call it that. Dhaka is said to be one of the biggest cities in the world; is there anything from this Chars programme, in terms of protection intervention, that is transferable to an urban environment?

Professor Hulme: Not the plinths; in urban areas you do need to get things higher but you have to think across a whole community and ward, not against individual houses. In terms of promoting micro-enterprise and self-enterprise, to be honest, the Chars Livelihood Project took lessons from BRAC's Ultra Poor Programme, in terms of going for these asset transfers. So if one was looking, I would be saying look at BRAC and the other NGOs to be having experiments. The Chars Livelihood Project is managed by a high-cost, international consultancy company with high-cost, expatriate staff. So if you were looking for lessons for urban areas I would be looking at how you could get the NGOs to create those lessons.

Q36 Chairman: Is that its problem, that it is high-cost, or could it be taken over by the local community?

Professor Hulme: Certainly, in a way, introducing the cows and the milk industry is something which is being copied. People who have got resources now will think: "I'll get an extra cow next time and I'll move into that", so, in a way, it is diffusing through the market anyway. The Chars Livelihood Project is a project; the NGOs are institutions, they learn and develop things over time. As soon as the money stops on the Chars Livelihood Project most of the people will be going, so it is the NGOs that you have to look for and/or government agencies (if you can find ones that are functioning well) to come up with these things. I think the urban frontier is really important. I know BRAC are looking at it, but I have been encouraging BRAC to try and learn a bit more because the rural-to-urban transfers are extremely difficult—it is a different world.

Q37 John Battle: I think DFID funds some of BRAC, but it is this notion of the trickle-down theory of how do you get to the poorest of the poor. I get the impression that BRAC has this programme for Targeting the Ultra Poor that cannot be reached by other programmes, but who, though, are the main participants in BRAC's Targeting the Ultra Poor programme?

Professor Hulme: It is not trickle down; BRAC goes straight to—

Q38 John Battle: No, I meant in an economic, normal system, which might not reach the people it ever needs to—it is the Heineken theory of economics; it never reaches the poor. However, underneath what we might define the poor are the ultra-poor, and you seem to be going there when others do not. Is that programme working, really, is what I am asking.

Professor Hulme: Yes, certainly everything that I see in the field, read about it (and I also had a student studying it) suggests that it really is achieving its goals, quite extraordinarily. It is largely going to female-headed households—often women who have been widowed or divorced—and the processes by which they are selected are extremely intensive, but BRAC seem to be able to operate them at very low cost. You get community assessment and then you get a technical assessment and, usually, there is an agreement. If you visit there you can often see—the women are stunted; physically, you can see that these women have had different lives than average poor people, if one uses that awful term.

Q39 John Battle: What, as it were, are the kind of essential differences with the other social protection programmes that you might see round the world? They seem to be still based on the trickle-down reach them model. What is going on differently, or have I missed—

Professor Hulme: BRAC is being looked at, and the Ford Foundation and the Consultative Group to Assist the Poor are looking at replicas in other parts of the world. In a way, it has challenged things conceptually because it has put together social protection with enterprise promotion and with this idea of an asset transfer—people need to have social protection to stabilise their lives; you have to give them a resource because they are asset-less to such a high degree, and then they need, in a way, support to develop a micro-enterprise. So conceptually it has done that and then, practically, it has managed to do that. It has trained large numbers of highly motivated staff. I have been to the offices where the staff are and they are often in parts of Bangladesh that are not regarded as good postings and you are not well-paid but you have high-morale staff trying to deliver. Practically, BRAC has had the capacity to look at poultry, look at ducks, look at cows—even look at small-scale trading and work out which enterprises can work.

Q40 John Battle: It is likely it is highly interventionist, then, and personal almost, but is it, in fact (back to Naomi's concept, really), building in the capacity from it to be a base upwards development?

Professor Hulme: I actually joke about conspicuous investment—particularly academics in the USA and people in the USA are worried about welfare dependency, but when these ultra-poor women (and it has gone well for four years, which it often does) you actually find that there are two sort of mud

plinths that have been made to put the food on for the cows—they have actually gone from one cow to three cows and they are renting some land in. It is at a micro-level but there is a whole sequence of planned things and it really gets these women planning how they are going to turn a dollar into two dollars and turn two dollars into four dollars. That might take a month or two but they will plug away at it.

Dr Hossain: Can I add to that because I did work on that programme when I was in the BRAC Research and Evaluation Division, and there are two other things I would add to what David has had to say. One is that the programme is designed to enable people to graduate—they call it—into regular microfinance programmes, so that these women who were too poor, initially, to actually be in regular microfinance programmes because they just did not have the capacity to repay loans, after a period of a year/18 months/two years they are expected to be able to graduate into getting regular micro-finance along with moderate poor people or non-poor people as well. That is one aspect of it. Another aspect of it—and this is why the CFPR—BRAC's Ultra Poor Programme—is quite distinct from the old CLP programme. This is that BRAC has this sort of 35-years of experience. It adapts its programmes very fast on the ground very effectively, and one of the things it did, as soon as it established itself for poor programmes it realised that these women needed some extra help, and the staff could not supply it, so they organised these committees of local village elite to support them through this, to become mentors, to be providing them with security and so on, and so forth. These, I think, have had a little bit more of an institutional building effect. They have also been organising the women into women's groups interested in local governance issues; interested in these issues that David is talking about, like when you have government social protection schemes, monitoring who is getting it, and that sort of thing. So they are having a bigger impact; it is not about giving them cows and then going away.

Q41 John Battle: One question I was going to ask is what we are learning from the BRAC programme, but I gather other people are seriously interested in it now, and I wonder if I could trouble you if there were some recent evaluations, if you could reference me the evaluations so that I could read them. My attitude to development is that we probably learn more from what is going on elsewhere than in inner city Leeds and I am looking to see if we can have a kind of BRAC programme in inner city Leeds. That is why I am interested really. There are parallels in what we can learn from a mutual exchange of where things are different, and this scheme strikes me as a very different kind of approach and if there is serious interest by donor institutions we might make a bit of progress.

Professor Hulme: I have just written a report on that which we can send to you.

John Battle: If you could let us have that, we would be grateful, thank you.

Q42 Mr Lancaster: I will move from the particular to the general and ask a couple of questions about expanding the social protection programme. Professor, you have written that while development assistance may be essential in starting up programmes, in the medium and long term it is very important that they are funded domestically. Is that something that can happen in Bangladesh or are there constraints stopping the expansion of such programmes?

Professor Hulme: In Bangladesh finance is always scarce and that sort of thing, but I do not see finance as a binding constraint. It is the delivery systems in getting the institutions that can deliver social protection and other services that is the main constraint.

Q43 Mr Lancaster: So there are not financial constraints! I see that only three out of 140 million people pay tax. There are no revenue constraints?

Professor Hulme: There are revenue constraints, but there are domestic resources and those domestic resources are increasing, and there are donors such as the UK and many other donors who would like to support Bangladesh, so I do not see finance as the critical constraint; it is the delivery systems where we need the breakthroughs and the innovations.

Q44 Mr Lancaster: Can you expand slightly on that? We are nearly out of time.

Professor Hulme: Basically, at the moment in Bangladesh NGOs are being used extensively because they are effective. They often have effective delivery systems, so in a way we need to work more with them and working out how they can scale up, but then it is also looking in a way at whether one can get some of the public sector schemes to work more effectively. Donors particularly have tended to keep clear of what the Government of Bangladesh is doing, but old-age pensions have been introduced. Certainly in my field experience they go to very old women who have very low incomes. Donors in a way seem to keep away from that because "Oh, it is the Government of Bangladesh; it has not been designed outside". I would suggest that one could look at what the government is doing and see if one could, in a way, go with the grain and improve it on those programmes. The politics are not perfect but democracy does mean that there are pressures for the government to take care of its people, and politicians are aware of those. I think focusing more on building on domestic political ideas, which may not appear technically to be as good as the ideas that we might bring from the UK or the World Bank, actually there is a constituency because one of the things with social protection schemes is that you want them to work but you need to build up a political constituency that will keep them working and improve them. You do not want miracles from outside. You need to look at whether there are one or two programmes. The old-age pension programmes in Bangladesh, I think, merits some analysis to work out whether donors could help

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those be expanded, because at the moment they have got low coverage; they only cover 5–10% of the potential elderly unsupported.

Dr Hossain: That is a perfect example of these informal accountability mechanisms working reasonably well, the old-age pensions.

Q45 Chairman: Thank you both very much. You have certainly given us a flavour of what is obviously a complex but interesting country.

Professor Hulme: Enjoy your trip. Bangladesh is fabulous. There is so much to learn there.

Chairman: Thank you very much. As I say, if you feel you could give us any supplementary information, that would be extremely useful. Thank you very much indeed.

Witnesses: **Professor Anthony Costello**, Director of University College London Centre for International Health and Development, **Ms Sandra Kabir**, Executive Director, BRAC, representing Women and Children First and the Diabetic Association of Bangladesh, and **Mr Ben Hobbs**, Asia and Middle East Policy Officer, Christian Aid, gave evidence.

Q46 Chairman: Good morning and welcome to you. You have obviously been sitting through the last session so you are aware of where we are coming from. Again, I wonder for the record if you could introduce yourselves.

Ms Kabir: I am Sandra Kabir, the Executive Director of BRAC UK. However, today I am representing Women and Children First and the Diabetic Association of Bangladesh.

Professor Costello: I am Anthony Costello. I sit on the Board of Women and Children First but my day job is that I am Director of the Institute for Global Health at UCL, and I run a DFID-funded research programme consortium on maternal and infant health with the London School of Hygiene. I was recently Chair of the UCL *Lancet* Commission on managing the health effects of climate change.

Mr Hobbs: I am Ben Hobbs. I am the Senior Policy Officer at Christian Aid in the Asia/Middle East division.

Q47 Chairman: Thank you very much and for your written evidence as well, which has obviously helped us. I am looking at the achievements of progress on MDG4 and 5. There clearly has been progress, although there is still some way to go in terms of the overall target. Can you give us a flavour of how you feel things are progressing? Will these targets be met, and, if so, when and how? Do you think Bangladesh is doing better or worse than its neighbours in the region?

Professor Costello: I work on programmes in India, in Mumbai and Jharkand and also in Nepal, Bangladesh and Malawi. One of the things that always strikes me about Bangladesh is how well it is doing when you compare it with Pakistan, with the deprived north-eastern states of India and parts of Nepal. It is doing very well and it is going to achieve probably MDG4, which is the child survival one. It is down to an under-five mortality of 62, although one of our concerns is that the newborn component of that remains high. In other words, as your under-five mortality rate comes down in countries, you tend to find a greater proportion of those deaths are now focused on the newborn period. That is certainly true in Bangladesh where nearly 60% of all under-five deaths are in the first month of life. That is obviously linked to maternal care. The other

observation about MDG5 in Bangladesh is that maternal mortality has fallen and probably halved over the past twenty years. This is of great interest and has led me to rethink and challenge some of the accepted wisdom about why maternal mortality rates have fallen, because the WHO line, and to a certain extent the DFID line, has been that this could only be brought about by increasing access to facility care and midwifery services. That is clearly not the case in Bangladesh. If you look at skilled attendants at delivery the figures for Bangladesh overall are about 15%, but if you look at it broken down by wealth quintile—the poorest 40% of households—it is around 5%. Clearly, MMR has come down despite the fact that the great majority of women are not getting access to skilled birth attendants and to a caesarean section in times of need, because almost all the increase in caesarean sections has been in the wealthiest 20%. So why has it come down? I think that the community component of this has been greatly underplayed. I think that first of all community mobilisation through NGOs has been important. I think nutritional change as a result of economic improvement may have contributed. Personally, I think one of the biggest factors is access to life-saving drugs. In the 1930s in this country our maternal mortality rate was 500 and it went over a cliff in 1936, and over six years it almost halved. That was because of the introduction, in my view, of sulfonamide drugs in the mid 1930s. In Bangladesh, unlike, for example, the country I work in, Malawi, where MMR is still sky-high despite half the population getting access to skilled delivery, in Bangladesh we sort of joke that it is almost impossible to walk more than 400 yards without a man trying to sell you an antibiotic. Actually, the private sector distribution of drugs in Bangladesh has been very effective and has increased three-fold over the past 25 years or so. In a sense, we can learn lessons from Bangladesh, but you are right to say that there is still quite a long way to go.

Q48 Chairman: On the evidence we have the regional variations which coincide with the poverty patterns as well still suggest that in the poorest regions the

figures are much higher. So the obvious question arises: what could donors do to try and narrow that gap?

Ms Kabir: With regard to the regional variations, there are several inputs required. One is at the political level. If you look at the Chittagong Hill Tracts, for decades there has been this ongoing battle—I use the word “battle” but it is not necessarily actual warfare—about the rights of minority groups. They are treated as minorities and not full citizens of Bangladesh. They are seen as different. They speak a different language and their religion and culture are different. At the political level it is really important that the ethnic minorities in Bangladesh are more accepted and have more say in what happens in their lives, be it by being elected at the local level, at the parliamentary level, or in terms of employment in the civil service or in terms of getting loans from banks, education and everything else. That is at one level. The other level is ethnic minorities anywhere in the world tend to want to clump together and live together, as British Bangladeshis here in the UK live in a very similar way. It is necessary to try and encourage ethnic minorities to come out of the areas where they have traditionally lived over centuries into greater Bangladesh, although Bangladesh is not a very big country, it is quite a small country. I would not use the word “integration” because I do not believe in integration, I believe in cohesion, but somehow to become more involved in the mainstream activities of the country. Also, there is less investment in ethnic minority areas by the governments and NGOs could not work in the Chittagong Hill Tracts because the government did not allow them to work. It was a restricted area for security reasons because there was an uprising of people coming from India into the Chittagong Hill Tracts and there were battles going on and, therefore, NGOs could not work there. That has had a big impact because NGOs normally work with groups that are the most disadvantaged, but they were not allowed to by the government.

Q49 Chairman: The implication in that is that is more for the government or the political system of Bangladesh to deliver. Is there a role for DFID in that context, or are they restricted because of those constraints?

Ms Kabir: No, I think DFID should just jump in. It is a matter of human rights. Here in the UK we believe very strongly in people’s human rights, so if we do believe in it then we should do what we believe in, and I think DFID should be in discussion with the Bangladesh Government about these issues; it should not be shy about this.

Chairman: That is probably a useful line of inquiry.

Q50 Mr Sharma: When there is an economic downturn, priorities change. What evidence is there to suggest that donor funding for maternal and newborn healthcare has or might decrease? DFID spends approximately 7% of its bilateral assistance to Bangladesh on health. How much should it spend? If it is more, then which other areas should be cut down?

Professor Costello: MDG5 and the neonatal component of MDG4 are the two that are most faltering at the moment. If we took it more globally, in sub-Saharan Africa there has been no change in MDG5 since 1990, by and large, from the latest figures we have. In South Asia it has not been that much better if you take out the China effect. So the argument should be you should spend much more. The work done at the London School of Hygiene by *Giulia Greco* and colleagues on the amount of donor spend that goes to maternal and newborn health programmes currently shows a figure of \$1.2 billion worldwide by all rich countries into all maternal and newborn health programmes annually. That is about 7% of Goldman Sachs’s bonus pool! It is about 1% more than the Northern Rock bail-out! That is the levels we are talking about. DFID, to its credit, has been one of the major advocates for spending on maternal and newborn health, but when anybody talks about MDGs for health, it all goes to HIV, malaria and TB, or when children are mentioned it is always vaccination even though we reached 80% vaccination levels 25 years ago. Vaccination in Bangladesh is much better than where I live in Brent, much better. We are having measles outbreaks in London because of that. Anyway, back to your question: clearly there needs to be more spend on this if we want to achieve Millennium Development Goals. If you do not invest, then you tend not to get a return. What other priorities should be cut I would leave others to decide because I do not know enough about what is spent elsewhere in Bangladesh. However, I think there is a strong argument for getting a return. What to do, to get back to your first question, there is a whole menu of evidence-based interventions, starting with community mobilisation, perhaps conditional cash transfers. Something that I think should be invested in a lot is regulation of quality of care down at district level and below, all the way up to improving quality of care and investment of hospitals, which is what DFID is spending some money on at the moment.

Q51 Mr Singh: I am going to ask a few questions around the role of the Skilled Birth Attendant Scheme which Professor Costello earlier said in the context of MMR had no effect. Let us focus on how successful this training scheme has been, what the particular success is and what the figures and statistics can point to in terms of addressing this programme?

Ms Kabir: I can tell you about the BRAC experience. BRAC has trained women to be skilled birth attendants, and along with that has set up committees at the local level that are focusing on maternal mortality and maternal morbidity. These committees are made up of local people. Having done that, over the past few years there has definitely been a decrease in maternal mortality, so it does work, but it is not happening enough in Bangladesh. That is one of the areas that both Anthony and I agree on very strongly, that much more investment needs to be made in community organisation, women’s groups, so that things do happen at the

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local level. There is also a degree of accountability for both governments and NGOs because NGOs also need to be accountable.

Q52 Mr Singh: I will just pursue that a little bit. Can I just clarify something? My briefing says this is a government programme. Is it a government programme or a BRAC programme, or a government programme leading on from BRAC?

Ms Kabir: It is a combination. The government is doing it and BRAC is doing it, and I am sure other NGOs are also doing it. Women and Children First are also doing it. When we speak about Bangladesh and services, you think about a conglomeration of government services, NGO services as well as the private sector. Do not forget that the private sector is also there. The private sector can be good as well as bad, because the private sector is your local untrained indigenous provider of medical services or it could be the local person who supposedly has spiritual powers that can heal you of all sorts of diseases. The private sector can be both good and bad.

Q53 Mr Singh: In terms of the issues surrounding skilled birth attendants, are there issues about numbers? Are there enough of them? Is there an issue about women having problems in accessing skilled birth attendants, and where do we go from here in the sense of what DFID needs to do particularly?

Ms Kabir: We certainly need many more skilled birth attendants. We only have in Bangladesh one third of the total number that we really need to make a significant change. But that is only one side of the issue. The other side of the issue is how you get women to use a skilled birth attendant, either for the attendant to come to the home or if the woman goes to a clinic or a hospital. Where the status of women is so low, and women do not make a decision about where they are going to have their baby and who is going to deliver it, most of the time women are delivering their babies at home. Most of the time the babies are delivered by relatives. If she is lucky she may get a skilled birth attendant. It is only a tiny percentage of the total population of women who go to a facility where there are trained providers. We have to change the way people value women's lives, and that has to be done in many different ways, whether education of girls in primary, secondary and vocational schools or it is exposing men and other decision-makers within the family to the value of women. If you have educated girls and women then they can also bring in an income, and that is happening among the middle classes of Bangladesh. You find now that when marriages are being arranged between families, families are looking at whether the woman can bring in an income to the family. That is only happening among a tiny, tiny proportion of people. If people think more about valuing women, that is really important. Unless that happens, you might have the most fantastic services available in the whole world but you will not have any women going there.

Q54 Mr Singh: You are saying that more women would use the service if there were no cultural and perceptual barriers. The service is available but it is under-used, is that what you are saying?

Ms Kabir: The service is not available as much as it should be. As I say, we do not have enough skilled birth attendants, but it is a matter of how the community, the family, perceives the value of the woman, whether it is worth taking a woman to a facility. First and foremost, studies have shown that it takes forever for a family to decide that there is a medical emergency and the woman needs to go to a hospital to have a caesarean, or whatever it may be. Sometimes the decision takes so long and never happens that the woman dies. That is your first problem. The second problem is transportation: how do you get the woman from the home to the facility where she needs to go for the service? Transport is not easily available, or it is expensive, so it is difficult for the most disadvantaged to use that. Then, when they do get to the facility, what are the costs involved? It might seem that the government services are free or whatever, but they are actually not; you have to pay for medicines; you have to pay the doctor for services; there are bribes and all the rest of it. Unless the value of the woman is there, nobody is going to make that investment.

Q55 Mr Singh: In terms of recruits coming forward for this training, are there any problems? Is this a job that women want to go into?

Professor Costello: I do not think there has been a problem. Clearly, getting more skilled birth attendants is a long-term strategy and it seems like a very good idea and should be invested in but there are potential problems though. Firstly, you want to get good-quality people to be trained, but then there is an issue, will they go out to the areas where they are most needed or will they tend to congregate in urban centres? That is a big question mark that remains. There is also the problem that most poor people are very rational. They know they live a long way away and they know it will cost them money, and often when they get to a facility it may be poor quality. There was a very interesting study done recently by Dr Iqbal Anwar, who is associated with our research programme. He reviewed quality of care in 12 districts, and went round and looked at various functions around obstetrics and care for women and newborns. By and large, the district hospitals, which often cater for four to six million, were not too bad, and the NGO facilities were not too bad, they did reasonably well. Once you got below that, to union level, and remember a union still covers 25,000 people, the services were of extremely low quality, and even worse was the private sector at that level. A lot of very bad things were being done. There is an issue around regulation here. Where the skilled birth attendant would fit in is still not clear to me, and how much they would be used, would they be attached to the union complexes or whatever? As an aside, you could say, should I not know that! There is still an observation, which we often raise

with DFID and a lot of people in DFID say is an issue. The research programme consortia which are well funded by DFID in many parts of the world, and country programmes, have a very weak relationship. It is often informal and it is often social. I think they are missing a trick—and I think DFID realises this—to link up many skilled people in evaluation from all kinds of backgrounds—economic, health, education—who are in the research programme consortia that could help with the country programmes. Your question is an extremely important one, and it does not just apply to Bangladesh, it applies to India, Nepal and many other countries.

Q56 Mr Singh: Is there any kind of health visitor service as we have here where health visitors or community health workers go out and visit when you are pregnant, and maybe identify to some extent whether they are going to need treatment that the skilled birth attendant could link into? Is that kind of work going on?

Ms Kabir: The government did have a system before where they trained women to be family welfare assistants but a few years ago that was withdrawn because the argument given was that women are becoming dependent on these women going to their doorstep instead of women coming out. I think that was a big mistake and it was withdrawn very, very abruptly. I think the real reason was just money basically. Many, many NGOs in Bangladesh that work in maternal health do have outreach workers who go to the home and visit women and try to do the very basic antenatal care: immunisations like tetanus toxoid for the mother. They talk about the importance of breast-feeding for the first six months, immunisation for children and all the rest of it. It is there, but it is not there enough. One of the other things we need to look at in Bangladesh is there needs to be much greater coordination on who is doing what. I do not think there is duplication *per se* but there is not enough coordination. For instance, if an organisation is providing certain services but the family needs something in addition to that, does that organisation refer that family to whatever service that may be? I do not think that is happening as effectively as it should.

Q57 Mr Lancaster: You mentioned in passing women's groups and in light of the particular isolation in Bangladesh can you expand on the role of women's groups, their importance and how they contribute to maternal health?

Professor Costello: We have been doing formal research programmes on women's groups. In Nepal and India, the two studies come to mind, we have done cluster randomised control trials of women's groups focusing specifically on maternal and newborn care. We did this in a very large area of a remote part of Nepal, which we published in the *Lancet* 2004. To my surprise, it showed a 30% reduction in newborn deaths even in communities where access to health services was extremely low. There was something about the group mobilisation

process, raising awareness about hygiene and care that was having an impact. A lot of people did not believe us and said, "You ought to replicate that". We have got six other trials. One which will be published soon, in the next couple of months, in the *Lancet*, from India, has shown a bigger effect, a 45% reduction in newborn mortality in poor tribal areas where baseline newborn mortality rates are high, and where there has been absolutely no change in the use of antenatal care delivery and postnatal care services. So, of themselves, that is quite a valuable thing. What the actual impact is on maternal mortality, we did show in Nepal a statistically significant effect but it was small numbers. There are anecdotal reasons why the delays of seeking care may be improved by women having been mobilised in their communities. This is an important thing, but that is the demand side; you have also got to link it up with the supply side.

Q58 Mr Lancaster: On the supply side, how can donors help without moving away from the community-based, bottom-up approach? You have dealt with demand; what are you doing about supply?

Professor Costello: It is a good question. One attempt that has been tried by DFID and is gaining importance is the idea of the conditional cash transfer, which is to encourage the poorest women to go to facilities by paying an incentive. This scheme was introduced four years ago in Nepal, and we helped to evaluate that with the country programme there. I believe there is a maternal voucher scheme in Bangladesh, but I do not know much about that. The problem is that even when you do that it tends to be the better-off quintile groups that access the hospital and get the incentive, so you tend to find yourself investing in something that will tend to benefit the better-off already. That is a problem always with the supply side. I come back to what I think is the most important thing you can do on the supply side. You can probably look at what is already there, because there is a lot going on, and try and regulate it better and look at indicators of quality of care from district level downwards.

Mr Hobbs: I am not really a specialist on health *per se*, my area of specialism is more climate change, particularly UK funding for climate change in Bangladesh. Coming back to the Chairman's earlier question about some of the barriers to achieving the MDG on gender equality, building on something that was said by Ms Kabir we need to look as well at the value system in the country. There has, of course, been a lot of progress in the development indicators for women over the last couple of decades, but then, as has been pointed out, a lot of the indicators are still stubbornly high, including the maternal mortality rate. That is off-track at the moment for 2015. There are also issues like completion rates in education and low employment rates outside the agricultural sector for women. In regard to value systems, we feel that DFID should focus not only on health, although that is of course an important issue, but looking at

the economic and political empowerment of women in Bangladesh, because one of the fundamental problems is that women lack control over income and expenditure decisions at the household level and are also limited in their participation in decision-making, both at the family level and in society. In regard to the issue of quotas in different levels of government and also the national parliament, there has been a quota system in the national parliament, for example, that has basically allocated a number of reserved seats for women as opposed to the general seats, but those 45 reserved seats have not actually been contested seats, the female MPs get indirectly elected by their peers, by the other MPs. Although in the 2008 election there were some female candidates for the general seats, which are the contested ones, 19 got elected in that way, so we have now got 64 female MPs in the parliament, the point is that there you can see a segregation of women in these political power structures, so even when the quota system is introduced it still leads to a form of segregation and a marginalising of women within these decision-making structures. This is an important point. We also made certain recommendations in our submission about how DFID could improve the way it disaggregates data.

Q59 Mr Sharma: You have picked up the question I was going to ask. What are the main factors which account for women's lack of empowerment in Bangladesh? How do you explain the paradox of having strong female political leaders, including the current Prime Minister, and Bangladesh's low score on the UNDP gender empowerment index?

Professor Costello: This is quite complex. Clearly, there are regional variations in Bangladesh. There are traditional conservative areas. We work, for example, in Moulvibazar which is a much more conservative area adjacent to Sylhet. Other parts of the country are more progressive. You could say Bangladesh has done very well on its female education rates and, by contrast, it has got much better indicators on that compared to, say, Pakistan, starting from a lower base of independence. The other thing in my experience is that the idea that all women are lacking in power is simply not true, it depends on your life cycle in many parts of these countries. When you are newly married and you move to your husband's house you have very little power and come under the control of your mother-in-law, but as you produce children and become older, mothers-in-law are quite powerful in households in decision-making. It is a complex business.

Ms Kabir: I think that having a woman prime minister does not have any impact at all on status of women in the country, as you have seen here in the UK also. The gender issue touches everyone's life everywhere in the world, but even more so in Bangladesh. If you look at the laws in Bangladesh, we have not got sufficient laws that are gender-sensitive, and the laws we do have that support women are not implemented. In fact, in Bangladesh we have absolutely fantastic laws, but most of the

time they are not implemented in any shape or form. Then if you come to the policy level, policy formulation is not gender sensitive. The same goes for the implementation of policy. At the programme level you have the same issue; the programmes are not designed or implemented in a way that is particularly gender sensitive. As my colleague said, if you look at monitoring and evaluation, you do not have disaggregated figures available to tell us about the impact of the health and family welfare government programme. One of the difficulties we have in Bangladesh is that there is a Directorate of Health and a Directorate of Family Welfare, which is family planning, and they all come under the Ministry of Health and Family Welfare, but the two directorates have their own staff and their own resources, and they do not talk to each other, they do not like each other. Donors for, I would say, twenty years now have tried to convince the Government of Bangladesh to amalgamate the two directorates and just have one, but that has not been possible for political reasons because employees feel they are going to lose their jobs or their seniority and all the rest of it. Resourcing of programmes is also not particularly gender sensitive.

Q60 Chairman: We know what you mean but can you be more specific about "gender sensitive"?

Ms Kabir: I would say that, for instance, if you look at the budget for maternal health it is only one small part of the overall health budget. The overall health budget is looking at many different components, but maternal health, although there are vast numbers of women dying in Bangladesh from pregnancy or at the time of birth, the proportion of the budget that is allocated for that is not the right ratio. It is budget allocation, and it is not just money, it is efficiency. It is no use pouring loads of money into a programme if the efficiency levels are not good, and it is something everyone needs to address, for example the capacity building of the people who work in health. The infrastructure was mentioned in the previous session. If you do not have good roads, if you do not have electricity, you cannot run a hospital without electricity and you cannot get patients to the hospital if there are not decent roads. It is all interconnected. I would like to see DFID playing a much bigger role in supporting the Government of Bangladesh in its vision for changing the status of health in Bangladesh. It is not just looking at hospitals and clinics—in fact, that is the smallest part of it—it is looking at gender issues and a lot more things.

Mr Hobbs: Just back on women in politics again. You were asking about why you have a prime minister who is a woman and yet there is lack of empowerment. Sheikh Hasina and some of the other leading women in politics were elected in the contested seats, so they were not in these reserved seats that I was talking about. That process of competitive election is really important because

women are standing face-to-face with candidates who are male and there is that sort of equalling of the genders, if you like.

Q61 Chairman: They are immediately second-class MPs if they are in reserved seats as opposed to having one in their own right.

Ms Kabir: Directly elected.

Mr Hobbs: Yes, directly elected. At local level there are some quite encouraging developments because at the Union Parishad level and the Upazila Parishad level you do have competitive elections for women to take positions on those two tiers of local government. It is a third of the seats in the Union Parishads reserved for women, but there is a competitive process for those elections.

Q62 Mr Sharma: Should DFID include specific targets to ensure participation of and benefits for women and girls in its own programmes? What other measures could DFID put in place to help to improve the position of women in Bangladeshi society?

Professor Costello: Coming back to the power of a women's group, because it reaches right down to village level and involves very poor women, one of the findings from a study that we in Women and Children First were involved in, in tribal India, was not only the effect on mortality rates but we measured postnatal depression rates. There was a 60% reduction in postnatal depression in the areas where the women's groups were going on, which is very interesting. It may be a marker of this kind of solidarity effect. In Nepal, where there has been a Maoist civil insurgency going on until very recently, we stopped visiting women's groups for a couple of years because of the difficulties. They all kept going and they all talked about the value of being part of this solidarity movement through the stress of the war. We withdrew funding from that whole programme two years ago, and I was rather of the opinion that rather like all other development interventions everything would collapse, but 80% of all the women's groups set up in a large area of Nepal are carrying on without any financial support. You go out and say, "Gosh, our groups are still running!" and they say, "They are not your groups, they are our groups!" There is a tremendous amount of hidden benefit in regard to gender and empowerment in the broader sense that comes about with this kind of community mobilisation and could be built into all DFID programmes.

Q63 John Battle: On education, one of the things that strikes me is that the enrolment at primary school is good but the drop-out rate is very high. What specifically could DFID do to encourage longer participation in schools so they are not just signing on and leaving? Specifically what measures to ensure that girls stay on at school longer because obviously the drop-out rate for girls is much higher and that goes through the system?

Professor Costello: It is not really my area.

Ms Kabir: That is changing. More and more girls are going into primary school and completing primary school, but it is still not as good as we would like it to be. It is improving. It is the style of education also. Africa has a similar problem. For instance, do the schools have toilets that the girls can use? If you do not have toilets girls are not going to go to school, things like that. It is changing, and we have to continue to keep our eye on the ball with regard to girls' education, not just primary but also higher education, and that could involve vocational training, not necessarily only sitting the classroom but vocational training which would then lead to employment.

Mr Hobbs: You need to look at issues around quality of the schools and quality of teaching, but then also some of the issues such as why it is easier for girls to be pulled out of school than it is for boys. That is linked again to the cultural issue I mentioned earlier. There is the cost of schooling as well, which is, I am sure, another important barrier for poor families.

Q64 John Battle: And the reverse of that which might mean that the young person contributes to the family income when family incomes are falling so goes back home to help.

Mr Hobbs: Yes, in times of crisis. On the question of what DFID could do, we have suggested they should aim for 50% of their programmes having disaggregated data on gender in, say, the next five years. That is one specific proposal. In terms of other interventions, for example, specialised training for women, for female decision-makers, would be one idea. Sponsorship schemes for women becoming managers of NGOs or in the private sector in management positions is another idea. The other thing that should be mentioned is the way that DFID is set up in Bangladesh is not really conducive to giving a lot of support to the smaller NGOs. Often the money goes through these big management consortia and large NGOs. I would say they should make sure there is sufficient funding for grass roots initiatives and work by Bangladeshi grass roots NGOs. It is interesting because in south Asia, actually in India, DFID has quite a strong policy on social exclusion and is funding various initiatives, including one that Christian Aid is managing which is on caste-based discrimination. In Bangladesh they have not been so vocal in developing a policy on social exclusion, and that could be something they could develop in coming years. We should look not just at the issue of women's roles and women's rights but also at the position of Dalits in Bangladesh. Up to 5% of the population are Dalits, so from both the Hindu and Muslim sections of the population; and look at indigenous peoples, the hill tract peoples that were mentioned earlier, and the Bihari communities. Having that social exclusion focus is another thing that they could develop more strongly and we are noticing that is quite absent at the moment.

Q65 Chairman: Professor Costello, you have made a number of references to Nepal. You should be aware that the Committee is also visiting Nepal on this

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visit, so if you were able to give us some evidence on your experiences in Nepal relevant to the terms of reference we have, it would be helpful.

Professor Costello: Now?

Q66 Chairman: You have made a number of references which suggest you could give us a little bit more useful information. In writing, I mean, not now. Can you give us a written response?

Professor Costello: Yes, with Nepal actually I could do that rather better because I lived and worked there for a long time.

Q67 Chairman: I do not want you to talk us through lunch, but it would be very helpful.

Ms Kabir: If I could say two things. I think that DFID could do a lot more with the British Bangladeshi diaspora here in the UK. BRAC UK is working with them a lot. For instance, we have a diaspora volunteering programme where we support British Bangladeshi professionals to volunteer in Bangladesh, and that is working out extremely well. They are coming back and doing development awareness in the UK and becoming involved in international development issues.

Q68 Chairman: Can you also help on that because the Committee has decided it would like to have a meeting with representatives of the diaspora, probably in Birmingham we thought. You can probably give us some help.

Ms Kabir: No problem at all. The other thing I wanted to say, and I do not want to promote BRAC UK but it is just an idea I want to plant in your minds, is the lessons that BRAC has learnt in Bangladesh and other countries in Asia and Africa over the decades we are adapting to the diaspora communities here in the UK. So far we have been concentrating in Tower Hamlets. This is a reference to your comment, by the way. We made a visit to Burnley with the Prince's Trust. It does work. It is in terms of women health volunteers, money management, voluntary work and things like that. There is a huge potential which DFID and other parts of the British Government are not taking advantage of in the diaspora communities.

Q69 John Battle: We could follow that up after the visit perhaps by visiting Tower Hamlets.

Ms Kabir: Yes. I hope that you will be visiting BRAC in Bangladesh! I can send you information before you go.

Q70 Chairman: Yes, we are. That is extremely helpful. We were discussing Birmingham and/or London and I am beginning to think we need to do both. That would be extremely helpful. It sounds as if we are on the right track.

Ms Kabir: One last comment. I am sorry, I did say two but it is actually three. DFID in Bangladesh is in a way doing itself a disservice; it does not talk about itself enough. DFID has been investing in Bangladesh for many years now and huge amounts, it is the biggest bilateral donor to Bangladesh, but I do not think DFID and the British Government are

talking themselves up enough about what they are doing with the Government of Bangladesh and NGOs and other things, because there are lots of wonderful things happening. I think we should shout it out a bit more.

Q71 Chairman: It is always DFID's style, of course, but we take note of that. There are a couple more other things we wanted to explore with you. One we have already talked about with the previous witnesses, the Chars Programme and the Committee has already looked at this. I wonder whether you have anything to add to what we have already heard about its benefits and shortcomings, and, more to the point, what happens when the programme ends, in other words its continuity?

Mr Hobbs: I would like to have the chance like you do to visit the Chars Livelihoods Programme, but I have not unfortunately visited it. From my analysis of some of the programme documents what I can say is that overall I think what they are doing is pretty good. There are a lot of signs that asset transfer is raising income levels of the poorest households by as much as 100%, so the targeting of the very poor, and raising the plinth will clearly help some of them with flooding. The veterinary extension schemes and some of the other things are good. What I would say though, and again I have not visited the programme so you might be in a better position than me to make a strong judgment on some of these things, is I do not really notice the kind of longevity or sustainability of the programme being there because it does strike me as essentially a welfare programme, and what you do not see a lot of is the attempt to understand why these people are in poverty and on these Chars in the first place, and what improvements need to be made to their lives, what actions the government needs to take to address some of the classic issues such as lack of agricultural land, lack of access to health and education services and lack of access to employment, because there are huge employment shortages too amongst these communities. What I would like to see more of is a focus on advocacy towards the government in those areas so that some of these structural causes of poverty get addressed so that when this programme ends some of this good work that has happened does not just peter out. I do not feel that, even saying some NGOs can be in there and helping out—I still think there is still an important task to hold the government to account on some of these issues. The other issue is around the impact that climate change will have on the Chars, and actually the more basic point of whether you can invest in the Chars, is it worth investing in the Chars if they are getting washed away so frequently and then recreated somewhere else? For me there is an important that I hope the programme has looked at, whether it is worth making those investments on the Chars in view of the temporary nature of the phenomenon, their existence. What are the other strategies on resettlement elsewhere, on the mainland or on stable land? What are those options? Coming back to the climate change issue, we know that river flows will increase with climate change, so

in the monsoon season there will be more flooding and heavier rainfall, so that is another thing that would need to be thought about carefully.

Mr Singh: In your submission you were saying—not critical—there was a concern that DFID’s approach to disaster risk reduction is focused on physical infrastructure projects, and you think it should be more about raising awareness. It occurred to me when I read that, that surely DFID is doing the right thing in terms of doing infrastructure projects to try and lessen the risk when disasters occur.

Q72 Chairman: They would describe this as adaptation as opposed to mitigation.

Mr Hobbs: Yes. There is obviously an issue around climate change funding and the fact that it should be additional funding to existing ODA, and I would have a problem with DFID labelling the Chars Livelihoods Programme as a climate change programme because of that issue. There are international conventions and the UK has entered commitments at the international level that the climate change finance should be in addition to ODA because it should not be taken away from these other important sectors to do the climate change work. On the point you made, I think it is more a question of us wanting DFID to continue some of the good approach that it has had in the past where it has recognised that it is not just structures that count. For example, in the Comprehensive Disaster Management Programme there is that recognition that it is about getting government policies to be improved and getting communities to be working on the issues. We had seen mention of infrastructure featuring heavily in the Country Assistance Plan, and we were looking at that a little bit warily and wanting to make clearly this point that just building infrastructure is not the sole answer, you need to focus on maintenance of existing infrastructure first but then also community ownership of these assets and the way the disaster restructuring policies work at a local level.

Professor Costello: On the evaluation point, I reiterate again that there are tremendous links that DFID and others have supported with indigenous universities, BRAC University in Sussex, Manchester, UCL with BADAS and various things, which do not get brought to bear on the evaluation of relevant DFID programmes. They tend to use short-term consultants to do that and we do our research, and I think they should be linked up much more. On climate change, I met with Atik Rahman when I was in Dhaka about two months ago, who is one of the top climate people, and he showed me a lovely slide—I had it on my computer—showing the one-metre sea level rise effect on Bangladesh. At the moment sea level rise in Bangladesh is about double the global rate because it is warmer and so water expands. That means that they will hit one metre

probably, on current projections—but it could accelerate—between 2040 and 2050, so that is only 30 or 40 years away. A one-metre sea level rise brings the coastline up to Dhaka. It is really terrifying. I think Bangladesh has done fantastically well. There were 300,000 people who died in 1971 from a cyclone, it was 130,000 in 1991, and in the 2007 cyclone it was only 3,000. That reflects their tremendous resilience to climate change, but this is going to challenge them in ways that—

Q73 Chairman: Is the result the Dutch solution or is it abandonment?

Professor Costello: I would not know about that. I do not think it is abandonment, but it may obviously be abandonment in certain parts. The grave concern is salinisation of drinking water at the moment in the southern states and what effect that might have on things like blood pressure and pregnancy.

Q74 Chairman: The implication is that there should be a lot of dykes, which are quite expensive to build and operate?

Professor Costello: Yes, actually Atik Rahman said that the problem is that when you find the Dutch and the British experts they are used to very static scenarios, and he said the whole point is that they do not understand that Bangladesh is this phenomenal hydrological moving target, that water comes down one way and then it all goes back the other way, so you have to apply different principles. I am right out of my field here!

Q75 Chairman: It is a big challenge.

Mr Hobbs: There is of course the debate on what is the appropriate solution and are coastal defences a way or other less interventionist approaches. The one thing I did notice in the Chittagong area when I was there last year was that there were sea walls that had been breached by cyclone Sidr. I spoke yesterday to one of our local partners in that area about the situation because the sea water was getting right in onto the agricultural land and completely stopping farming there and causing real havoc. The director of that parliament said the sea wall had still not been repaired, and this is nearly two years on from Sidr. That is an example of one of the problems. It is about making existing infrastructure work well rather than suddenly dreaming up these big new schemes that we know in the past, because there have been some schemes that have been quite controversial around infrastructure like the flood action plan. That was just an additional point.

Chairman: Thank you very much indeed, and thank you for your offers of additional assistance, for example on Nepal and communication with the diaspora, we certainly do feel that will be valuable. It has been really helpful from our point of view, and seeing these things on the ground will give us a better idea. Thank you very much.

Tuesday 1 December 2009

Members present

Malcolm Bruce, in the Chair

John Battle
Hugh Bayley
Richard Burden

Mr Mark Hendrick
Daniel Kawczynski
Andrew Stunell

Witnesses: **Professor Geof Wood**, Professor of International Development, University of Bath; and **Dr Martin Greeley**, Institute of Development Studies.

Q76 Chairman: Good morning to you. It is very nice to see you. For the record could you introduce yourselves.

Dr Greeley: Good morning. I am Martin Greeley from the Institute of Development Studies at the University of Sussex.

Professor Wood: I am Geof Wood and I am at the University of Bath.

Q77 Chairman: Thank you both very much for coming in. We have visited Bangladesh so we are towards the end of the inquiry and indeed this is the last evidence session before we take evidence from the Minister. This is a situation where we are informed, or at least we have the benefit of what we have seen and heard within Bangladesh, which will obviously come through, I think, in our questioning. One of the things that was made clear to us was that whilst the caretaker government had in many ways set the basis to enable free and fair elections to take place, which had done so and created a government with a clear majority, the indications are that the old style of Bangladesh politics is reasserting itself of winner-takes-all, the opposition being shut out and corruption coming back in as a major factor. I wonder first of all whether you would accept that is the situation, given your knowledge over a much longer period than our snapshot, and to what extent you think the activities of DFID in trying to improve governance within Bangladesh are effective and have been effective up until now?

Dr Greeley: I think the analysis is accurate. I have been extremely disappointed with the performance of the current Government and everything I hear about that performance. If anything, it is worse than it has been before. They had a massive victory, they are taking advantage of that and it is very much a case of winner-take-all. I have little optimism under the current regime in Bangladesh.

Professor Wood: The Awami League Government, I am afraid, has always had this reputation. It was the party of liberation from 1972 and I witnessed it operating in Bangladesh from 1974. Whenever it has come back to power I am afraid it has reverted to strong kinship, patrimonialism and widespread corruption. There are within the extended family of the formal leadership a range of actors who are not formally in the government, they are not formally in the cabinet, but they remain hugely influential in terms of how people access contracts and opportunities.

Q78 Chairman: To what extent has DFID's budget of £20 million for governance reform, which they are spending and on which they have made some claims, contributed in any way to counter that and indeed is it capable of doing so, or is the situation beyond the ability of either DFID or the international community to influence in any way?

Professor Wood: I think there are, as always, with these situations one or two pockets of hope and it is a question of identifying them and often that means also identifying personalities and building on them. There is a unit that operates within the Assembly, the People's Empowerment Trust, which is a civil society unit supporting the Speaker of the Jatiyo Sangshad, the Assembly, in creating some of the governance structures like the ones we are witnessing here today. There is some possibility of supporting that. I am also currently associated with one of DFID's programmes in Bangladesh, the extreme poverty programme, where we have been able to, at least formally, set up an all-parliamentary group and we are identifying one or two young MPs who we think we can begin to work with and try and provide them with enough evidence and arguments so that they can be effective. As always, there are some pockets.

Q79 Chairman: Can I just pick out one thing. In our briefing DFID says that they help to ensure the government budget is more responsive to the poor and sensitive to general issues. Do you believe that to be true?

Professor Wood: The present Finance Minister in the new government has definitely produced a far more pro-poor budget. What is interesting is that the current Governor of the Bangladesh Bank, who is a personal friend of mine, Atiur Rahman, for many years, over 15 or 20 years, annually produced a pro-poor critique of the annual government budget and he is now the Governor of the Bangladesh Bank and able to pull various levers. I think we have got two people in quite strong positions. I am not sure whether DFID can take much credit or responsibility for that but, nevertheless, I think that there are two people in rather key positions who are looking in the right direction.

Dr Greeley: I think it is good that they are in fact putting a focus on poverty, but if we go back through all the five-year plans that has always been the case. There was much amusement in Bangladesh when the IMF came in and announced that we had to do poverty reduction strategy papers and focus on poverty. If they had bothered to look at the

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Bangladesh plans they would have seen that had always been the focus. The problem is not identifying the issue; the problem is how the Government sets about implementing its plans, and the levels of corruption associated with expenditures which are supposed to be for the poor.

Q80 Hugh Bayley: DFID has a civil service training programme which I presume is there in the belief that if you have a professionally trained, capable civil service you help to deal with some of these problems of corruption. Is the theory right and how effective is the training in meeting the goal?

Professor Wood: If I can take this because I evaluated this programme with one of the DFID output purpose reviews two years ago, in December 2007. I think you are referring to what is called the MATT2 programme, Management at the Top, and this is a programme which is trying to create a critical mass of committed, like-minded senior civil servants at joint secretary and above, particularly identifying those who are likely to rather rapidly move into strong positions. When I was leading this review that meant I did have quite a bit of contact both with the cohorts as well as with the Establishments Division and the reforms that they are trying to take there. On paper, I think there are lots of positives in this programme. I have been trying to say to DFID and Dhaka that they should not under-estimate the significance of this programme for all their other projects in Bangladesh because, in the end, if you are trying to have projects in relation to the Bangladesh government the reality of that is that you need to have a senior cadre of civil servants on your side sharing the same vocabulary, the same ideas and attempting to see them through. Yes, I was quite impressed with some of this cohort and very impressed with the training. I did have some criticisms because I felt that they were having a cohort of training in Bangladesh and then rather rapidly wanting them to do the same thing as has always been done in the past, and has always failed, which is then send them abroad. Sending them abroad is, frankly, a kind of treat for the civil servants, and their patrons in the Establishments Division resisted my attempts—and my attempts were quite strong in the final briefing—to withdraw that part of the programme in order to divert that funding into the building up of capacity in Bangladesh, whether it is the Institute of Government Studies in BRAC or whether it is the Public Administration Institute in Dhaka University, or whatever, in order to build the capacity in Bangladesh to take them through and maintain this critical mass and a kind of esprit de corps within it. I can only see that as a good move but I am not sure about the patronage/sending them abroad aspect of it.

Dr Greeley: Just to add that the problem even when you have well-trained high-calibre civil servants is that there is wholesale change at the top within the civil service establishment when there is a change in government and political friends are appointed from

within the establishment, so it is very frustrating for DFID and other supporters of civil service strengthening.

Q81 Hugh Bayley: You both lead me into my next question. Governance is a very important context for development in that better governance tends to produce better development. You can look at Ghana versus the DRC if you like in Africa, which I know better, but, generally speaking, there has been a reluctance from DFID to plunge into dealing with governance deficits within the political establishment, within the Parliament or within political party structures. The Foreign Office does a bit of this but DFID not very much and yet in Bangladesh it is absolutely clear to me that unless you improve the standards in public life in the political parties and in the Parliament you will still have one of your two hands tied behind your back. DFID is putting £5 million or £6 million, quite a large sum of money, into developing the parliamentary and political structures. Do you think this is wise? Is it likely to pay dividends? What role do you think the Westminster Parliament and parties could play in supporting DFID's work in this field?

Dr Greeley: I think if you look at the experience under the caretaker government where there were very deliberate attempts by those in office at the time to enforce political party reform, we see that in fact there was sufficient political leverage with the leadership in both the BNP and the Awami League to resist that, and even when the caretaker government went to extremes of jailing the leadership and otherwise putting them in difficulties, there was sufficient political clout in both parties to resist that. I find it difficult to imagine that even so influential a voice as the British Government's is really going to make very much difference to that, but I welcome the pressure, and I think that continuing to spend in that manner, encouraging reform, is what we should be doing, but do not expect to count your chickens.

Q82 Hugh Bayley: Can I ask you to comment before Geof does himself on Geof's example of setting up an all-party group within the Parliament to look at poverty reduction. Are you aware of this initiative or other initiatives of this kind and would you put this in the category of "worth trying"?

Dr Greeley: I think the all-parliamentary approach is good, for sure, but again I am not very hopeful about it. I rather prefer the line that Geof was suggesting that if we are looking at generational transitions within the party political leadership then it is possible to identify some likely winners from a governance perspective and a shrewd level of support but not overwhelming public endorsement would be very appropriate.

Professor Wood: You are going to listen to Pierre Landell-Mills after us and I am sure he will have comments on this as well. Part of the problem clearly with an all-party parliamentary group idea, just to pick that up, is that we can be absolutely sure for the moment that the opposition will not play into this. You are a mixed group here from a range of parties.

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This does not happen in Bangladesh and one of the ways that the opposition parties attempt to delegitimise any government in power of course is not to play ball in the Assembly, on the main floor of the house as well as the committees, so this is going to take a long time.¹ I think you can only do this if you are prepared to see it holistically as a combination of pressure from civil society, good journalism, holding MPs to account and asking them why they are not participating in some of the business that they should be as opposition MPs. I think we just have to modify our aspirations and ambitions here. One of the problems with the aid business generally is that it expects results too quickly. Obviously that is a problem for governments in our own country where we try to justify taxpayers' money against programmes of support that may take a long time to materialise.

Q83 Chairman: I take that point but John Battle put that question specifically to the Prime Minister about having an anti-poverty committee, which she was enthusiastic about and said she was going to take forward, but what you are saying is, is there no way that pressure can be brought to bear on the opposition to say, "So you care so little about poverty you are not prepared to take part?"

Professor Wood: Exactly.

Q84 Chairman: Does that have any effect?

Professor Wood: I think that is where the pressure has to be applied. There has to be an element of embarrassment-creating processes.

Hugh Bayley: Thank you, that was very interesting.

Q85 Richard Burden: Could we just examine for a minute how the extent to which providing basic services through NGOs fits into this whole picture of accountability and what that means. In the evidence that you have put forward and the things you have said you have described Bangladesh as a "franchised state". Perhaps you could say to us what you think the developmental implications are of that and to what extent the state, with all the accountability issues we have been talking about, actually does have an influence or control over the policy and the strategic direction of basic services even if not the actual delivery of them?

Professor Wood: I suppose I ought to kick off since that is a reference to my arguments here. For those of you who may not have come across this it is just a simple point that I was making in the late 1990s that there is a bit of a contradiction between having a lot of donor aid supporting the NGO activity in Bangladesh and the growth of it and so on, particularly in the area of the delivery of basic services—education and health and so on—and at the same time the donors being concerned about governance. Because it seems to me that what you have is NGOs effectively taking on the functions of the state but in a non-statutory framework in which they have no statutory obligation to their clients; it is

a voluntary relationship essentially, so you have this problem. I think this is a big development problem in Bangladesh because clearly Bangladesh is famous for, and has led the world in the creation of, a series of NGOs, some of whom are now international as well like BRAC, who have done huge scales of work and implementation and brought ideas and so on to Bangladesh. So there is a lot of praise to be given for that process, but it does seem to me ultimately that there is a danger in over-privileging NGOs as a target of aid and strategic partnerships for DFID, say, the World Bank and anybody else, because it seems to me that then you have a self-fulfilling prophecy in that you are undermining the capacity of the state and you are getting in between the relationship between citizen and state and reproducing that accountability issue. I would make one more point. I know that Martin Greeley has a lot of familiarity with BRAC, as indeed I do, and you may have been given copies of this book, and I saw Abed a few weeks ago in Dhaka myself, so there is huge respect for an organisation of this kind.² I do not think we are yet there with the thinking but I wonder whether we have to say with a society like Bangladesh perhaps the political settlement about policy and about the strategy and strategic priorities and implementation is one involving political party governance alongside large NGOs. However, at the moment when democratic parties are in power then they seek to marginalise the NGOs from the policy process as far as they can. Ironically, it is only when you have military governments that they are concerned to have strong alliances with NGOs as part of their reach-out to the constituency.

Q86 Richard Burden: Maybe, Dr Greeley, you will have something to say about this. If that would be the kind of settlement that donors should be looking at, what in practical terms would that mean as far as donor policy is concerned? How would that be different to what happens now?

Professor Wood: I think it is not realistic at the moment to propose to governing political parties that have won through the ballot box—and I think actually fairly in this last election—that they have got to share their winner-takes-all approach with a set of NGOs in a significant strategic way. However, it does raise this question—what do we think about NGOs? Are we saying that they are guides to policy, they are innovators, they show the way, but in the end they are not the ones to do the macro-delivery, or are we saying they are big enough and significant enough in Bangladesh to bring them far more into the policy and implementation process. I think that is the strategic dilemma.

Q87 Richard Burden: And you ultimately come down on the second of those?

Professor Wood: No, I think I come down ultimately on the first of actually hanging in there with democratic parties and state responsibilities.

Chairman: I think we might pursue this in some more detail. Mark Hendrick?

¹ Subsequent to this meeting, I addressed the APPG in Dhaka on 7 and 8 December 2009, and to my surprise, there was all-party membership.

² Fajle Abed, Director of BRAC. The book referred to is *Freedom from Want* by Ian Smillie.

Q88 Mr Hendrick: Just on that point. You are saying the opposition are not playing ball and therefore they are not doing their job as an opposition. Government is not doing the things it should be doing because if it was doing them you would have no need for organisations like BRAC. When we were in Bangladesh and we met with BRAC, the head there Abed was saying that he does not want to get involved with governments because then he is showing political bias to one party or another party. How do you get round this?

Professor Wood: I think he is right. That is why I opt for the first of the two solutions but I simply open up a second one.

Q89 Mr Hendrick: If you are saying then let us not be reliant on NGOs, this is a job of government and government is not doing it, and we stop supporting NGOs like BRAC, then what is going to happen? The whole place is going to go even further down the drain, surely?

Dr Greeley: We are not doing justice to NGO thinking on this issue. Abed and his colleagues at BRAC are extremely aware of the need for transition. If we take for example the education sector, last year DFID agreed to support a new programme with BRAC and BRAC put in a budget to the donors of over US \$450 million and the donors rightly turned round to BRAC and said, "Why should we give you \$450 million for primary education when we are also giving \$800 million to the government under the primary education development programme, phase two, at the same time? What is the point in doing this?" BRAC had developed an idea of public/private partnership in their original documentation and this was very much a response to pressure from donors to demonstrate that they were working with government. In fact, we tore up that draft and we rewrote it completely because it is not up to the NGOs to say, "We are going to form a partnership with government." Government has to come to the NGOs and make that request, so what, in effect, happened in the outcome of all this was that BRAC said, "Okay, we will continue to provide education services where the government cannot reach, in remote areas, to ethnic minorities, to the poor. We will continue to support the training of government staff in the teaching programme and we will try to ensure that there is a process of transition so that in five years' time we will not be looking at BRAC schools but we will be looking at BRAC teacher training and BRAC support to government systems." I think they are very aware of it, but the timing of transition and the modalities of transition do depend upon initiatives from the government and there is a critical role for the donors to play in supporting that transition in ways which do not undermine the political neutrality of the NGOs.

Q90 Andrew Stunell: This is a very interesting line of enquiry. We have focused rather on BRAC, which is clearly quite an exceptional organisation. There are of course many other NGOs operating in the education sector, for instance, and in some cases it

seems to be almost the other way round in that the government does not really acknowledge the work that the NGOs are undertaking. Could you say something about that relationship between the government and NGOs in general when it comes to the delivery of health and education and whether that relationship is sufficiently robust?

Dr Greeley: I think it is important to distinguish amongst the community of NGOs in Bangladesh. There are lots of them. What we have seen, for example in the education sector, was that upon occasion when the government decides that its chosen modality for service delivery is through the NGOs, as it has in some of its urban education programmes, that what happens is that politically minded individuals set up NGOs in order to access these programmes, and the record shows this has happened for example with major World Bank programmes in the education sector with really very, very poor outcomes for children. I think talking about NGOs in general is risky but if we talk about some of the bigger NGOs that have been there since shortly after independence, such as BRAC and some of the smaller partners which are supported and nurtured by international NGOs, then we are looking at organisations that can deliver quality services. I am a strong supporter of DFID and others providing them with resources to do that. It seems to me it is not reasonable that we should put achievement of the MDGs and the removal of extreme poverty on hold until the political process in Dhaka has sorted itself out, which may take a very long time.

Q91 Andrew Stunell: Which way round does this relationship actually work? What seemed to us was that the NGOs spring up and then the government kind of accepts them or not rather than the government initiating a process, but tell me about these political NGOs, are they party-based NGOs?

Professor Greeley: They are set up by individuals with connections to the political parties who are willing to pay to politicians to get access to financial resources through programmes such as the hard-to-reach out-of-school children programme.

Q92 Andrew Stunell: So it is a way of siphoning off some money rather than delivering an education?

Professor Greeley: It is a way of siphoning off some money. You have to be careful which NGOs you work with. It is a very mixed bag in Dhaka.

Q93 Andrew Stunell: Do you think at the strategic level the government of Bangladesh has come to terms with how to form those relationships and monitor those relationships?

Professor Greeley: No, it has not. It has an NGO watchdog which has had good leadership on occasion and which has had reasonable relationships with some of the bigger NGOs. It could potentially fulfil that role and be an effective watchdog. It has the law behind it, it has clout, but it is not trusted because it is perceived to be political in the way in which it goes about its business.

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Q94 Andrew Stunell: Does the government intend to have a pro-poor preference in terms of the way it supports NGOs in their programmes in different areas?

Dr Greeley: Yes. If you take the example of their support to microfinance, the government runs a major apex body which supplies microfinance, targeted only at those NGOs which are targeting the poorest households. Government has been able to have quite a decisive influence, in fact, on the way in which a particular sector has developed and helped it to develop in a pro-poor way.

Q95 Andrew Stunell: I think we were offered a fairly rose-tinted picture of the work that NGOs did on the one hand, in contrast to what the government was able to do on the other. You are painting perhaps a more realistic picture. Would you like to comment on where the advantage of governance lies in delivering a pro-poor policy in a rural village in Bangladesh between money channelled through an NGO and money channelled through, say, the Department of Education.

Professor Wood: One issue that really has to be understood about Bangladesh, and it affects how you think about NGOs, in the way that Martin has been saying, but it also affects how you think about government, is that you have prevailing cultural forms of doing business. These are patron-client type relationships that stretch across the country and they are extended kinship groups controlling different bits of business and so on. You are never looking at open, transparent relationships in the way that projects are selected and in the way that money is managed and handled and invoiced and all the rest of it, and it is terribly important to acknowledge that NGOs are no more insulated, in the ways in which they work on the ground, from those prevailing cultural forms of doing business, than the government. There is an organisational culture which is strongly patron-client, strongly kinship/friendship/contact-based, and that operates, as it were, beneath the surface of the formality. That is the case for non-government organisations, as it for government. When we talk about issues of governance and democracy and accountability and so on, we are really talking about trying, as it were, to take formal political and development actors, detach them, as it were, from the prevailing cultural forms of doing business that surround them, and they of course have to meet those expectations and pressures within their own societies, within their own families, amongst their own clients, so you can have very flashy, formal-looking organisations at the apex, but the reality on the ground will always be influenced by these cultures of doing business. One of the things that we have particularly noted in research over the last few years is, for example, the phenomenon of the *mastaan*. I do not know whether anybody mentioned this to you, but we used to think of *mastaan* as simply gang leaders in urban situations (recognising that power in the countryside in the past was landlords and money lenders and so on) but we are now seeing what we call a '*mastaanisation*' of the countryside; that is to say,

these political brokers connected to political parties and connected to business, connected to projects, contracts, engineers who are taking the big infrastructure contracts. The way in which that is done, the way in which labour is managed on rural works programmes and any contract, is all filtered through these kinds of relationships, and it is pervasive. That is why this is a long haul business and—while I remember to say it—why you need people in DFID in Dhaka who have that field exposure and understanding rather than keep churning people over on a three-year basis who really do not see all of that.

Q96 Chairman: BRAC is such a unique organisation.

Professor Wood: But not insulated from what I have just said.

Q97 Chairman: No. That was part of my question. It is huge in Bangladesh and internationally, and there are a number of aspects of that we want to explore. On the point you have just made, before I ask a general question and then bring in John Battle, there is the Public Procurement Bill which is being brought through. I am anticipating your answer would be, "What a good idea, but it will take years to take effect," but what is your general view about how effective it can be?

Professor Wood: For your efficiency, I suggest you really do ask that question to Pierre Landell-Mills.

Q98 Chairman: All right, if you think so, we will come back to that. The meeting we had with Dr Abed. BRAC is an inspirational organisation, although perhaps a little paternalistic and patronising in some of its approaches, but it is difficult to imagine what Bangladesh would be like without it. DFID perhaps understandably said it wants a strategic alliance with it. You have partially answered that question, saying, "That's all very well, but you have to build the state up as well." Do you think DFID is in danger of going up the wrong track, or do you think it is possible to do that whilst building up the state or, indeed, necessary to do so? Is it also a shortcut: BRAC is so big, DFID is a big organisation, it is very easy to deal with BRAC, it saves all the trouble of dealing with lots of other NGOs (who are clients of BRAC in many cases.) Do you think DFID is moving on the right path there, or is it in danger of going down the wrong path?

Dr Greeley: It would appear to be a sensible move from both DFID and BRAC's perspective, in that it should reduce the transactions cost of doing business. DFID has several different contracts with BRAC at the moment, supporting a variety of their programmes, but that could be centralised. It appears to be a major advantage. I worry that this is looking at it too narrowly and looking at it just from a DFID and BRAC perspective. How carefully has DFID thought through the consequences of the ways in which a government might look at this relationship? How well have we thought through how the rest of the NGO sector—which is very important for service delivery as we have been

discussing—looks at this? What signals does it send about the relative importance of the NGO sector versus the state in the thinking of DFID Bangladesh? Whilst I can understand the reasoning behind it, it is making a major statement about British understanding of the development path in Bangladesh, and I worry that all the implications of that have not been thought through.

Professor Wood: I am very glad Martin said that, because he is closer to BRAC than I am, but that very much is my view. It is worth saying, also, that about 10 years ago DFID went into an over-privileged relationship to BRAC, supporting its microfinance work, and supporting the evolution of the BRAC Bank, and I had a lot of arguments with DFID at that time because by setting up the relationship exclusively with BRAC to enable the bringing about of the BRAC Bank, DFID effectively undermined other negotiations that were going on to create a bank for the NGO sector as a whole, to enable a whole lot of other microfinance organisations to move into the same banking relationships with the poor as Grameen obviously already had and BRAC was able to evolve. I think that DFID at that time behaved quite non-developmentally across the sector and I think on our over-privileged relationship with BRAC it will do the same.

Chairman: Thank you.

Q99 John Battle: We visited BRAC's Challenging the Frontiers of Poverty Reduction programme. We went out and saw a pre-school, we went to a village where a woman called, if I remember rightly, Chanka told us that she had lost her husband to TB. She had nothing and there was a scheme to give her a grant, that enabled her to use good husbandry—from chickens to goats to cows—to get enough money by selling milk to get a loan to put a tin roof on her home. Then we met the village Poverty Reduction Committee that was managing this. We sat round and I was impressed by BRAC's blending of livelihoods, legal advice—as well as barefoot medics, barefoot lawyers—and for women in the Muslim context as well. That blend was quite impressive, but I have come away asking: if I liked the community development/integration that is going on, what impact does it really have? They have coined the phrase “the ultra poor” but what impact is BRAC having in Bangladesh on tackling the percentage of ultra poor, making sure they get access to resources and development? Are they the only ones in the game? What are the main challenges in seeking to expand the programme? How large is it? Really whether it is making a structural impact on poverty reduction targets nationally.

Dr Greeley: This programme emerged from a recognition that the main vehicle for poverty reduction in Bangladesh had been the delivery of microfinance services. Research demonstrated that the ultra poor, the extreme poor, were not getting access through these services. BRAC took a long time developing that programme. I am really pleased that the Committee had the opportunity to visit this in the field. It is one of the most important

programmes in Bangladesh. It was very influential in the development of DFID's other programme, the Chars Livelihoods Programme. Many ideas were borrowed and it has also been useful for those partners working in DFID's Shiree Programme in partnership with the government. The important thing about this programme is that it is an innovation that provides an alternative model to two main pathways to development. It is not a programme of pure social transfers, it is not a programme of economic empowerment through the market, it is a blend of those two. By providing a grant element initially and the support for health and for legal services, it provides the basis for households which otherwise would not be able to do so, to engage effectively in the market. It is a one-off lift-me-up, a promotional safety net. It is a model which is now being copied in seven other countries. It is called a graduation model, somewhere between the social transfer and the market-based approach. The research on the long-term benefits to the clients is coming in now. There are some very scientific studies underway. The initial evidence is extremely positive. The most positive element that visitors time and time again repeat is the transformation that they observe in the behaviour, attitudes and aspirations of the clients. If you see these households, particularly the women in the households, prior to programme participation and after they have been there two years, it is absolutely incredibly. You will not need to look for science. You can see it in their eyes. You can see the transformation.

Q100 John Battle: I was very impressed. I learned about the blend. What I enjoyed the most was the legal element and I would readily transfer the model, with some tweaking, into inner city Leeds, where there are all kinds of challenges. I thought that legal element would really work for community engagement in some of the minority communities in my neighbourhood. It added a new dimension about their personal, community and family empowerment and I thought that was a very radical model that had a much wider blend and a deeper mixing, as it were, of the issues than I had ever seen anywhere in the world. I was impressed. I would still come back to the question of the sustainability of it, however. It was on a small scale, in one village, and they needed to choose seven people in the village to give a grant to to get them going. I wonder how replicable it is across the country and how sustainable it is against really big shocks, such as a flood comes in or there is salination of all the fields. How sustainable is that model of development?

Professor Wood: I have a slightly different take. I have a lot of experience with another organisation, PROSHIKA, which was very large on the ground for a long time—and still is, although it is having some problems with its leadership at the moment. The kinds of programmes that we talk about here are not unique to BRAC. They have been in Bangladesh for a very long time. There is a particular problem in that a lot of the poverty reduction strategies in Bangladesh have been of this kind. The legal services aspect has been in Bangladesh for 20 years: it started

in Madanpur in the South many years ago, and there was an organisation called GSS, which now is also a bit defunct—you have to remember NGOs do come and go in Bangladesh.

Q101 John Battle: Everywhere.

Professor Wood: GSS pioneered the legal services ideas quite a time ago. All of these kinds of ideas are around, but the particular point I want to make is that generally in Bangladesh and amongst its donors there has been a kind of small-scale entrepreneurialism model, “empowerment through the market” type approach. I have been involved in lots of programmes which have supported that. We always say that people need to walk on two legs, they need to have economic empowerment in order to have political empowerment and to be able to have the confidence politically to change a lot of the institutional environment around them. No problem with that. If we look at these definitions that we are seeing: “ultra poor,” “extreme poor,” “hard core poor,” et cetera, et cetera, all of this language and some of the definitions that we are using for this, we are still talking about 35 million people in Bangladesh who may not have the capacity—not just a mental/educational capacity, not just an asset capacity, but a relationships capacity within these patron-client relations and so on—for the kind of counterpart action that is required for those sorts of programmes to work. It is worth remembering that in this country (i.e. the UK) the welfare budget outside health and education exceeds the global quantum of official aid annually, and this is in a vastly rich country. We have a huge social protection safety net programme in this country, which runs into £120 billion or whatever annually, so it seems to me that we have to be very careful when we are looking at the extreme poor—and some of that is geographical, in terms of particular areas of Bangladesh that are always going to be subject to shocks and floods: they are going to be tripped up, they are going to have crises in their livelihoods and so on, and then there are others who are idiosyncratically poor, in the sense that they are disabled, they are old, they are orphans or in a whole lot of other categories there—and we do have to look at the stronger aspect of the blend, the social protection safety net side of it. That is where we come back to the previous discussion about the state, because, in the end, if you accept an element of that agenda, then that has to be through the state and that has to be through wider taxation. One of my worries about short-term/medium-term development thinking about donors is that they do tend to encourage, as it were, the immediate short term—which is your point about sustainability—whereas one of the things that is needed is to pressurise the state in Bangladesh to tax its rising middle classes and to be prepared to engage in a political settlement that has a stronger social protection, safety net element to the blend. I do not want to knock anything out, but I want to alter the balance a bit.

Dr Greeley: These programmes do contribute to the resilience of households to deal with risks such as climate-related risk, by building their asset base and providing them with the means to cope with shocks to income in the short term. I have a more positive view than Geof about the way in which these short-term benefits can translate into longer-term economic empowerment of the household unit. The BRAC programme, in particular, and also the DFID-supported Chars Livelihoods Programme are extremely well-designed programmes: very thoughtful, based on lots of experience, and are very well implemented on the whole. They do provide a model which is quite distinctive from a social protection model. They are taking not the lame, the halt, and the blind, but other people in households who are capable of benefiting from the market but do not have the assets, perhaps do not have the connections, in the way that Geof was describing currently, but can be provided with them. It is a short-term lift which makes a long-term difference.

Q102 John Battle: Do developmentalists always work in the south of the world and not the north? My obsession is asking whether we could do some reverse engineering. In my neighbourhood the thing that is missing is legal aid. It is one of the social protections that has dropped out. I am living in a neighbourhood where we have quite a lot of domestic violence issues in some of the communities where women have no protection. I know BRAC have gone into Africa on the developmental model but does anybody ask, instead of BRAC having an office in London to campaign for support for Bangladesh, whether BRAC could work in inner cities in the North.

Dr Greeley: There are microfinance programmes which have borrowed their ideas from the South.

John Battle: Indeed, but it is more of that connection, including that legal framework that was in the village. Has anybody done any research on it or tried to experiment with it in North America, Britain, Germany or wherever else?

Q103 Chairman: They are moving into the Netherlands.

Professor Wood: Oxfam have done quite a bit of reverse engineering. It is important to recognise that Bangladesh and Bangladeshis have taught international NGOs and international civil societies a lot. I absolutely agree with you on reverse engineering. We may have some slight variance of strategic differences, but I am always looking at these programmes and asking, “Why haven’t we got them in the UK?”

Dr Greeley: Now DFID is in discussions, including with our institute, and looking at ways in which British aid can help BRAC promote South-South Learning, through the university as well as through its service delivery programme. That is a very good initiative from the DFID Bangladesh office.

John Battle: I am encouraged to follow that up.

Q104 Hugh Bayley: The Chars Livelihoods Programme has almost become a cliché of a success story. A small group of us went to visit one of the chars and it seemed to be delivering. It seemed to be modelled on this part cash transfer/part engagement in the market BRAC model, but I wonder whether it is cost-effective compared with other interventions. I particularly wonder why it is managed by an international company, Maxwell Stamp. The guys in Maxwell Stamp seem good, but why build that layer into a programme? It must add 50% to the cost.

Dr Greeley: Yes, I certainly worry about the role of management companies and the extra costs associated with them, but I think DFID are doing it because they do not have the personnel themselves to manage directly, and there are, as we know, these massive issues of governance in Bangladesh, so bringing in a London company to do the business makes sense. At least they have some form of guarantee or at least they hope that their money is being well spent. In fact, if you dig down a bit more, the quality of spend is not always that much better because of having these companies in. If you compare the cost-effectiveness of the two big models of BRAC and this Chars Livelihoods Programme, I would imagine that BRAC will come in at something less than a half of the cost per client moved out of poverty. I worry a bit about it, but at that price you do get some guarantees about what is being delivered, and it seems to me that in the Bangladesh context that is not a bad thing to be sure about, if there are no other mechanisms to be sure that you are getting it.

Q105 Hugh Bayley: It is going back to ground we have covered, but are you saying that you would get less of a guarantee if you funded it through BRAC or an NGO?

Dr Greeley: No. As I said before, the NGO is a big world in Bangladesh and there are different qualities. BRAC have been investigated in depth by DFID, looking at their books, crawled over with a fine-toothed comb more than once, and there have been absolutely zero issues. They are transparent and they are clean and it has been evident through heavyweight audit activity.

Q106 Hugh Bayley: What is the argument, then, of going for a more expensive way of purchasing insurance?

Dr Greeley: Diversification.

Professor Wood: Let me come in—and I should declare an element of conflict of interest because I am involved in the Shiree Programme. The Shiree Programme is clearly taking an element of the model from the Chars Livelihood Programme. It is also taking a model from something else which you may have encountered in your visit: Manusher Jonno, the human rights governance programme. That model, if I remember the figures, is £13 million from DFID for funding, initially, a contracting management company, but to hand over a challenge fund to Bangladeshi management—which is now the case—and that is to support civil society governance activity in Bangladesh. The Sheering Programme at the

moment is a management company, Harrow Well. I think that some of this is a principal agent problem: How much do you trust your agent? The point about BRAC: clean, all the rest of it, reduced transaction costs, looks hugely attractive as a partnership because of all of that. The danger, as we have already said, is over-privileging that. What signals are you sending, who are you excluding, and what else are you undermining in that process? With Shiree, it is £65 million DFID, and it is roughly 40:15:10, and the £40 million is for scaling up NGOs which have already proved that they can do a whole lot of stuff—non BRAC, because obviously there is a DFID line of funding to BRAC anyway. There are six substantial NGOs. Some of them have an international mix. They are scaling up known ideas—these blended models and so on, because they are all over the place. Then there is a £15 million budget for innovation (Where can we experiment?) and, crucially, there is £10 million for lessons learned and policy transformation. This is where the All Party Parliamentary Group formation comes in and lobbying and taking the evaluation and research into policy. There is an issue, and it is absolutely current right now. I am slightly detached, I am on the National Steering Committee with the Bangladesh government overseeing this programme, and I have been slightly worried that the management company has been too proactive in auditing its partner NGOs. In a sense, it has almost been distrusting of them and doing very fine audits—the principal agent issue—whereas my developmental instincts are: if, through a fair amount of scrutiny, we have brought these NGOs into a partnership, then we have to have some trust here because this has to be co-ownership. This programme might disappear, and what we need is those NGOs and those ideas sustainably implemented on the ground long after the management group has left. There are those principal agent issues here.

Q107 Andrew Stunell: I wonder if the Professor might like to drop the Committee a note on some of the points just raised, which obviously raise issues about other organisations. To come back to the Chars Livelihoods Programme, is it holistic enough? With the village we visited, the school was miles away and there were no health workers. They are comparatively short-term investments because the islands themselves are not there for a long time. Can you comment on whether the programme should look more holistically at the provision of other services or is it even just a waste of time?

Dr Greeley: I wish I knew the answer to that. It is very difficult to be clear about what the right solutions are for the chars' populations. Sometimes we think the only real solution in the long term is migration away from those areas because robust livelihoods are impossible. But then you ask: migration to where? Then you visit Dhaka and you see the problems there with migrants, so you have a think again about alternative solutions. I am an optimist: I think we will find suitable solutions, but it is extremely challenging at these very low levels of livelihood. If the programmes are successful—and they appear to be

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moving in the right direction—in strengthening the resilience of households to floods and other weather-related events, it will be easier then to put pressure on the government to deliver the other services more effectively than it is managing at the moment. There is some evidence that success in strengthening livelihoods will have wider benefits, but, I agree, at the moment, just with livelihoods without attention to service delivery in the social sector, it is an incomplete programme.

Professor Wood: The coastal areas are going to be rather similar, as climate change will have an impact. You may be asking some questions about that later. The other point to make is that the Bangladeshi population moves around quite a lot and the rural population is quite mobile—obviously women less than men. When you are taking the whole picture, you do have to look at rural-rural as well as rural-urban migration patterns. People are accessing employment, they are accessing services away from where you might have visited, even though they have residences there, and of course a lot of these families are remittance dependent—and I do not mean necessarily overseas remittance dependent but internally remittance dependent—so when you look at the livelihoods picture you have to look at that total picture rather than just investing in what is there in that particular place.

Q108 Andrew Stunell: That is okay for the men, but we visited a village where most of the women had not had education and there were 200 children who could not access education. Is there a role in terms of advocating a broader approach to service delivery on the chars with local government or regional government or whatever it might be?

Professor Wood: Local government, yes.

Dr Greeley: Support for strengthening local government initiatives to deliver in those areas. There is scope for DFID to play an important role there. I would strongly endorse that, yes.

Professor Wood: On your point about women, if you are looking at female-headed households or female-managed households where men are not evident, then you absolutely have a point, but it is also worth remembering that a lot of the time you are looking at a female-managed household where there are mobile men contributing resources to the household.

Dr Greeley: The point I would make is that I would not see that service delivery as a component of the Chars Livelihoods Programme. We know from experience with humanitarian assistance that you set up independent provision and then transitions to state provision become difficult. It has to be through the health department, through the education department and finding ways and means to encourage them to provide services which they are legally bound to provide anyway and they are not doing.

Andrew Stunell: Thank you.

Q109 Chairman: Chars is a livelihoods programme but it is also, to some extent, a food production programme but there are gaps in the year when that does not work. What more needs to be done to give them food security throughout the year? In the context of that, what strategy is needed to sustain it through the climate change? One is more short term, but for the longer period is it social intervention or is it something else. In the context of climate change, is it a losing battle?

Dr Greeley: In the short term, the provision of food security, we are sort of pushing against an open door here, because the issue of the hungry season in the last few years has become a huge political debate. There is wide press coverage as well of incidents of the so-called “monga” or famine during this period. There is scope for DFID and other partners of the Bangladesh government to support innovation and this would be in the form of enhanced public distribution systems with access through some form of targeted ration card. That system exists at the moment. There is scope for strengthening it. At the moment we have what are usually not bad but ad hoc responses, which are opportunities taken by politicians as well as responses provided by humanitarian NGOs. That is the short term. For the longer term, it is a crystal ball. I would not like to predict what the consequences of climate change are going to be. The types of intervention that DFID are making through the Chars Livelihoods Programme are contributing to household resilience and I think that is the main thing that we have to do in this era of uncertainty about the impact of that expected climate change.

Chairman: I would like to thank you both very much. They were very helpful answers. Probably our questions were better informed having been there, but your long experience adds a huge amount to it. Thank you very much.

Witnesses: Mr Pierre Landell-Mills, The Policy Practice and Partnership for Transparency Fund, and Dr Thomas Tanner, Institute of Development Studies, University of Sussex, gave evidence.

Q110 Chairman: Welcome and thank you very much for coming to this evidence session. You obviously heard the earlier evidence and I am sure you can embellish on it. For the record, I would ask you to introduce yourselves.

Mr Landell-Mills: Pierre Landell-Mills. I am a Principal of The Policy Practice and President of the Partnership for Transparency Fund.

Dr Tanner: I am Tom Tanner from the Institute of Development Studies at the University of Sussex.

Chairman: We had a very useful session, although we did not expand on everything we could have done, and you may well be able to add to it. I am going to ask John Battle to take the first question.

Q111 John Battle: Just on the general overall economic position of Bangladesh, someone said to me, “Bangladesh, you might as well forget it, because China will Hoover up all manufacturing

halfway through this century.” We visited a furniture factory that was making furniture that was quite an interesting supported project. Where do you see the economy of Bangladesh going? Can it get beyond garments and shrimps to higher technology? Will it hold its own against China? What can donors do to help expand the international linkages for a market economy that would help them sell their products?

Mr Landell-Mills: The economy of Bangladesh has always surprised people. It is remarkably resilient. It has been remarkably innovative in meeting its challenges. The fact that it has been growing 4 or 5% consistently over a long period of time—and with the population growth rate declining per capita incomes have been growing even more rapidly over time, over 3.5%—it is certainly above the norm for poor countries. IDA³ countries have an average of 1.8%, and Bangladesh is over 3%, so I think one should be reasonably confident that the Bangladeshi economy can respond to challenges. When the Multi-Fibre Arrangement came to an end, it was expected that this would be a dramatic challenge for Bangladesh and that they would be overwhelmed by competition from Vietnam, in particular, because we are looking at the very lowest end of the production chain, but in fact they have maintained their market share and they are doing quite well. The evidence is that Bangladesh could substantially increase its rate of economic growth if it could only address the governance problems that we have been talking about and the bottlenecks to growth which result from that. For example, a completely dysfunctional port at Chittagong; energy crises because they have not been addressing the very serious management issues in the energy sector which are not technical—the technical solutions are there—but are managerial and governance again. We always come back to the governance issue. I would say with regard to the previous discussion that if we remember that the most significant way of drawing people out of poverty is faster economic growth, and if you look at the very substantial reduction, the halving almost, of people in poverty from the time of independence, it is largely due to economic growth, if we could only get the economic growth rate up from 4 or 5% to 6, 7, 8%—which is totally feasible, given the potential and the inefficiencies in the system, if you could get the inefficiencies out of the system. One of the challenges is not to get bogged down so much in the detailed discussions on livelihoods and to say: “Why can we not help raise the growth rate of Bangladesh from its present level another two or three percentage points?” That would, I think, make Bangladesh a middle-income country in the space of 10 or 15 years, and I would propose that one should focus on that. How could DFID contribute to that? What is it in fact that is preventing this move from the current highly inefficient management of the support for development and allow the private sector, which has demonstrated its vitality, to deliver?

Dr Tanner: I have less expertise on the economics side, but this paradox of Bangladesh, that despite all the constraints you have significant growth and

poverty reduction, is worth bearing in mind when we think of China potentially hoovering up the garment trade. You have seen these kinds of challenges before, and despite that there is an incredible resilience. We see that through the resilience to climate shocks and stresses as well. But I would add, on top of Pierre’s comments, that I am not a firm believer that economic growth is the only way: I think there is a strong role for redistribution, as has been mentioned by the other witnesses here, about increasing the taxation system and the state providing for social protection and welfare in the country, and, also, considering the environmental sustainability of those actions. We have seen the garment industry, in particular, having severe environmental consequences which then had knock-on effect particularly on the poor and most vulnerable, particularly in terms of water quality and air quality.

Q112 Chairman: One of the first visits we made in Dhaka was to the Scope School in Mirpur. It was a technical college, effectively, vocational training, I would say, comparable to the best I have ever seen anywhere, including here in the UK and better than some. We were told that it was providing skills in the usual things that technical colleges do, like electricians, plumbers, joiners and so on, and they were guaranteeing 95% employment take-up for the graduates of that school. The point was also made to us that they were providing skills which were imported from around and about, so that if you needed your fridge repaired or your car repaired, the chances were it would be imported labour that was doing it. Is that the way forward? Is that not a classic area where there could and should be public/private partnership, because the beneficiaries of these skills are mostly private sector companies?

Mr Landell-Mills: Absolutely. One of the tragedies in the past was that so many good projects were started and then 10 years later had succumbed to bad governance or wider dysfunctional societal cultural factors that Geof so well described. I hope that that school will continue to do good work, but the challenge is to continue to try to keep these kinds of institutions functioning properly.

Q113 Chairman: One of the Members of our Committee said that, just looking at it, it was a no-brainer and DFID was putting in a substantial amount of money. It was extremely efficiently run by a retired brigadier, so the discipline was clear. The point to make is that the Bangladesh government was not supporting it. If you are arguing that what you need to look at is how you raise the growth rate by 2 or 3% per year, is it not the simple fact that if the government would support those kinds of institutions, that would be a simple way of helping to achieve that?

Mr Landell-Mills: It depends how the government supports them. If they take it over, you may find that it starts to function like a government institution and does not function in the way that you have described. Bangladesh is littered with wonderful examples of wonderful things that have been done

³ International Development Association, the development arm of the World Bank

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by different people, private initiative or individual initiative or even within government. Occasionally individuals have done wonderful things, but the trouble is that they are islands in a much larger dysfunctional government.

Q114 Chairman: That may be a cultural point. When you walk into a place like this particular school, you can see the benefit that Bangladesh gets from the skills provided, you see the benefit the private sector gets from the availability of those skills, and yet neither the government nor the private sector is making a contribution. How do you break that cycle?

Mr Landell-Mills: It is a very short-term perspective that people have. The businessmen could provide a very strong lobby for governance reform. Yet all the businessmen are integrated into these cultural networks, political networks, and reform is perceived as taking a long time. A businessman wants his customs clearance next week. It is much easier to pay somebody to get that done than to mount a programme of reform of the customs organisations. There has to be some kind of reconciliation between the short-term interests of businessmen and the longer-term perspective; and the issue is how to create that longer-term perspective. One of the ways—and this is a surprising area of neglect by all the donors—is to build institutions in civil society—and I do not mean that of NGOs, because NGOs are just one part of civil society—to build up chambers of commerce and industry, to build up professional associations, to build up the media, to help the accountancy profession to perform correctly. There are odd examples of that being tackled, but generally there is no strategy for dealing with strengthening the institutions of civil society. The only way in which governance is going to be improved is that pressure comes internally from a broad spectrum of stronger civil society institutions that infiltrate, as it were, the whole political culture.

Chairman: We have a few questions that are going to follow that up.

Q115 Andrew Stunell: Bangladesh has very low rates of revenue collection which means obviously it cannot really pay for services. We were quite struck by a story we were told that MPs are now all paying tax—but, on the other hand, they get a coupon to reclaim it, so it is not a very effective system. Do you see this as mostly a question of administrative capacity or is it political will? Where are the barriers? What would be an effective route for DFID or other agencies to take to improve the situation?

Mr Landell-Mills: The barriers are those that Geof described. It is the whole society that is embedded in a cultural system that does not make that very easy. How can DFID or the donors generally make an impact? They can do so by a very long-term persistent effort, working with government on reform. There has to be a very clear sense that this is not a short-term issue because they are long-term issues. There has to be a clarity of purpose which the donors have never had that takes the reform

programme forward over 10, 15, 20, 25 years, and keeps trying to strengthen that system. A very good example is DFID's support for the accounting system which was initiated in the mid-1990s: a very successful programme, but one which in the end did not deliver anything like the results that were expected because it was not continued into phase 2, phase 3, phase 4, phase 5. Once you start an institutional reform in a country like Bangladesh, you have to recognise that you are in it for the next 10 or 20 years if you really want to get results. If you think you can do it in five or six years or you have evaluation systems that say that if you have not finished the job in five or six years, you move on to something else, you are undermining the very basis on which change takes place.

Q116 Hugh Bayley: What can you tell us about the level of corruption in Bangladesh? What proportion of the state budget is currently diverted away from purchasing public goods? What is DFID doing about this and what is it not doing that it ought to be doing?

Mr Landell-Mills: The estimates would be wildest guess estimates. Almost every transaction somehow has a corrupt element to it. While I was there—and it may have changed since: I spent five years as the country director for the World Bank—a minister of public works was “selling” regional engineering director positions for half a million dollars.

Q117 Hugh Bayley: The budget of a regional engineer during the period—

Mr Landell-Mills: It would have been a number of millions, but he would only get a part of whatever he collected because he has to distribute it around the whole system. I would think that you should be thinking of 15 to 30% is getting siphoned off.

Q118 Hugh Bayley: It is staggering. What is DFID and the Bank perhaps doing to address the problem and reduce its own vulnerability for the problem? What more could be done?

Mr Landell-Mills: There are various ways of reducing it. You obviously can make sure that your own operation ostensibly does not have any corruption in there, in the sense that you track every transaction, you make sure that the accounting system is good, but the fact of the matter is that anyone who bids for a contract knows that he is going to have to pay off people and so everyone will include an element for that in their bid, otherwise they will find out that they cannot carry out the contract. If you take something like the construction of the Jamuna Bridge, one of the largest projects ever undertaken in that part of the world, there was an enormous effort to make sure that that was not corrupt, but everyone knew that payments were going in all sorts of different ways. The formal system would say there was no corruption, because there was competitive bidding, the contracts were coming in as expected, they were being delivered as expected, but the fact is that everyone had taken account of that in making their bids.

Q119 Hugh Bayley: If you had that level of corruption in an African country, other than possibly in the mineral extraction sector, you would get no foreign investment at all because it would be more trouble than it was worth to work in that kind of economic environment, and yet Bangladesh does attract inward investment. Why?

Mr Landell-Mills: You get investment if you can make a profit. You take account of the fact that there is corruption involved in transactions. There is much activity going on and it is obviously profitable activity. I think that is a problem. If you take the recent surveys, the 2005 surveys which were done on investment climate, nearly 80% of the people said that they would expect to make payments in order to do business.

Q120 Hugh Bayley: You overheard the earlier exchanges that we had about DFID funding governance improvements within the parliament and the political parties. Does that seem maybe a long-term but nevertheless sensible strategy?

Mr Landell-Mills: There are two sides to governance reform. One is supply side and the other is demand side. The donors have concentrated, DFID in particular, very largely on the supply side; that is to say, how can we make accounting more efficient or more accountable and less corrupt. How can we make procurement less corrupt? How can we see the public finance system being managed in a non-corrupt way? There are all sorts of methodologies for achieving that and they have worked on those consistently for a very long time. But if there is not a demand side, and if there are no sanctions, ultimately, for misbehaviour, you are not going to get rid of the corruption. There has to be a focus now to try to get the balance right between the demand side and the supply side of governance. The demand side comes from civil society.

Q121 Chairman: Is the Public Procurement Bill going to make any difference?

Mr Landell-Mills: I think it would make a difference, yes. But you need civil society watchdogs, you need the media to be watching—you need to be sure that somebody is watching to make sure that it is being implemented correctly. Passing a law does not achieve anything if it is not implemented correctly.

Q122 Hugh Bayley: Civil society and the media are important. I simplify the argument but in our earlier exchanges I think we were being told that the older generation, the current leadership of both parties, is so culturally attuned to this way of doing business it is never going to change but maybe there are some younger elements who perhaps have had international exposure who could be persuaded to build reputations for themselves by doing politics in a different way, in the same way that some of the NGO leaders have won international reputations for themselves by building a capacity for delivery of public goods in an accountable way. Do you think it is worth pursuing that?

Mr Landell-Mills: The fact that younger people are exposed to an international environment, getting educated at reputable universities overseas, maybe working for a while in environments that have integrity systems in place is all for the good. Obviously what you get, in a sense, is a family that has young people coming back who are appalled at the corruption. Whether they can avoid getting drawn into it is the issue. Some will get drawn into it but some will fight it. They will be the key elements for the long-term reform.

Q123 Hugh Bayley: It seems to me that until you break this stranglehold that the political class has, this malign influence that the political class has over the economy, you are going to abate development by 3 or 4% a year. It is going to have a long and invasive negative effect. Even though it may be a long haul, donors like DFID ought to be working on governance within the political elite as well as the administrative Civil Service.

Mr Landell-Mills: My observation in Bangladesh was that if you went down all the significant reforms, administrative process types of reform and governance reforms, all of them had been promoted by the donor community over decades. There was no significant reform that took place that I knew of which had not been the subject of endless donor pressure. The fact that that is being achieved is reason to continue. If you take the telecommunications sector, it is slowly being opened up and made more competitive; before a few people were simply milking the telecommunications monopoly for their benefit. The very fact that modern technology is unavoidable and is bringing in all sorts of new ways of doing business which make corruption more difficult is really significant. For example, e-procurement will be a really important move. When I was there, if one of the more powerful groups wanted to tender, they would surround the office where you delivered the tender with mastaans, and anybody who was not part of their group would simply get beaten up. e-procurement will allow the submission of bids which cannot be interfered with in that way. Land titling had always been an extraordinarily corrupt business, because you could go into the land title registry and change things. If it is all computerised, you can see that those records are available, and you can track any person who goes in to change any record, if you have electronic records, you immediately can transform the land registry administration. Customs is hugely corrupt, but if you carry out most of the transactions electronically and all the payments are made electronically, it makes it much more difficult for the customs people to take their share. There are lots of things that can be done to curb corruption.

Q124 Mr Hendrick: Whilst you can do some things electronically, under-the-table payments can still take place in cash. Certainly from my knowledge of Central and Eastern European countries, what we would regard as corruption they either see as

commission or hospitality. Is there not an element of that in the culture still? Will it not be almost impossible to eradicate that?

Mr Landell-Mills: You will not eradicate it, of course. We have not eradicated corruption in this country and we have not eradicated it in other European countries, so it will go on. It is a constant battle. It is a battle for integrity. But I think the important thing is to try to get the systems functioning with a reasonable degree of efficiency and integrity. At the moment there is so much interference in the transactions that you have a very high level of inefficiency. One must try to get those who are corrupt to see that certain actions are so damaging to their own interests that that corruption can then be tackled, although they will always be searching for other ways of being corrupt, that is for sure. For example, at Chittagong Port, it takes 18 days to turn a ship around, while in Singapore they can do it in 36 hours. In relation to the inefficiency of having ships waiting to come in and waiting to go out, there is a huge benefit to be achieved by transforming Chittagong into the Singapore situation that could be shared by everyone. You could try to build a coalition of interested reformers to carry that reform out and that is the way forward. It is the fact that corruption in individual cases benefits a relatively small number of people and a very large number of people who are damaged by it. If you can mobilise the many people who are being damaged to put pressure on the few that are gaining, then you will make progress. It is a matter of just how you manage that process.

Q125 Chairman: Thank you. Dr Tanner, climate change is absolutely the central issue for Bangladesh. The impact of climate change is already happening there. Could you give us your up-to-date thinking on the current impacts and the developing impacts of climate change as it affects Bangladesh? For your information, we did meet with the Prime Minister and, of course, she is certainly going to be in Copenhagen and will be making strong points on behalf of the country for their need to have substantial funding for adaptation, but it would be useful from the Committee's point of view to hear your take on where Bangladesh is at the moment on this issue.

Dr Tanner: Bangladesh is rightly up there with the most vulnerable countries. It always claims it should be amongst the group of the Small Island Development States, the most severely impacted by climate change both now and in the future. Given that they have more islands than any of those countries and they have more people on the largest island than all of the other small island countries put together, that is regularly trotted out. I will not give you a rundown of the latest IPCC⁴, other than perhaps to stress that the thing for me and for many people that was missing from the IPCC fifth assessment report is the impact on sea-level rise, and, particularly, the impact of ice changes, which was basically ignored in the IPCC fifth assessment

report. It was seen as too difficult because of so much uncertainty. I think they made a wrong decision to leave it out on that basis rather than put it in and say, "We accept that there are large uncertainties around this." There was a report released even today from the Scientific Committee on Antarctic Research looking at the Antarctic ice sheets, which have been under-explored (the focus has always been on the Arctic rather than the Antarctic). The estimates of sea-level rise were under-estimated in the IPCC report and it kind of took the wind out of the sea-level rise element of climate change somewhat that has always been there in Bangladesh because of the low-lying topography. There is reason for concern. In the Bangladesh context—and I do not think you went down to the coastal areas—my experience there was really seeing that this is not about creating a line on a map and saying "Sea-level rise will inundate this much," but it is about patterns of flooding and waterlogging. Just as important as flooding, is waterlogging. That is heavily constrained by human activity. The extent to which the land is drained and has adequate drainage has been heavily compromised. That brings me to the point I want to drive home most strongly, which is that the reason why Bangladesh is vulnerable is in part because of its geography and natural hazards, but it is as strongly informed by its human development, the human component of vulnerability. It has very large numbers of poor people, who are poorly equipped capacity wise and living in very marginal areas. You went to the chars, for example, and you will have seen just how marginal those are. That is an important element. It tells us that development solutions are these core development issues which previous witnesses and I am sure you in your previous dealings have dealt with. It provides some new challenges but it provides the core development challenge of beating poverty and increasing assets.

Q126 Chairman: The impact has three different directions, does it not? It is a greater volume of water coming down the river from the ice melts of the Himalayas, the increased frequency of devastating cyclones, and rising sea levels. It is coming at them from all sides. What capacity do they have to deal with this? You could say, in a sense, that what we saw in the chars was a practical response to seasonal flooding, measured by what they know the levels are and the raising of the plinths. We were told, "Yes, you could manage that, you know what level it is" but cyclones are unpredictable. Of course if you have a situation of the sea level rising and more water coming down the rivers, then things are going to happen which are not predictable or which are way above what is predicted. In terms of anticipating those things and in terms of doing anything about it, does Bangladesh have the capacity? Perhaps I could put it in this context: if at Copenhagen they got what they wanted, if they were to be told, "We are going to give you a fund," what would they be able to do with it?

Dr Tanner: The level of resilience not just to economic but to climate shocks and stresses in Bangladesh is quite remarkable. Is it sufficient at the

⁴ Intergovernmental Panel on Climate Change

moment, the answer is most certainly no, given the current level of shocks and stresses. We see significant falls in GDP as a result of climate related shocks and stresses, so that suggests there is much that can be done there, but there has been great progress. If you look at the example of cyclones, for example, although they are not readily predictable, you can have cyclone early warning systems and you can have improved cyclone shelters and improvements in the construction and the thought processes around construction: having the ability to take animals into the shelters in the low levels, and using them as multipurpose, as schools, as well. The example of Cyclone Sidr, which was devastating economically, and in some cases in terms of lives, is nothing compared to the shocks in the 1970s and earlier cyclones in terms of lives lost. We have seen dramatic progress. Government capacity to respond is stretched, as it is for much service delivery, but Bangladesh does have significant experience in this and in that sense it is ahead of the curve compared to some countries which are getting very new shocks and stresses and do not have the history that Bangladesh has.

Q127 John Battle: If the sea rises, it is salt water that, in a sense, infects the fields and they cannot grow things. Is that a risk now? Is salination—if that is a word—a real problem? How do you solve salination?

Dr Tanner: I do not know whether it is salination or salinisation. Yes, that is a very real concern. That is already a concern for, again, a mix of human and natural. There is evidence that there is greater saline water coming further inland now. Some of that is to do with a change in climate and sea levels which are already rising, and some of that is to do with drought conditions which can be either climate-related or human-related, because in the dry seasons you have upstream river control through sluices and dam barrages. Saline ingress has been steadily increasing and this is as important for drinking water as it is for field systems.

Q128 John Battle: Is there a filter system? Are there technological answers to that or do people just have to move if the salt water rushes in and floods your rice fields?

Dr Tanner: The low-tech solution would be to think about how you change that system. Are there different varieties of rice or whatever crop you are growing that are more saline tolerant? Then there is the moving to a different type of crop or different agricultural system. There are lots of examples of moving more to agriculture. There are lots of examples of crab fattening and shrimps. The final one is: when do you actually move? Another example is floating gardens, so you float reeds on the water hyacinth and then plant crops on that.

Q129 John Battle: So there is some technical imagination going on. In Bangladesh DFID use the Opportunity and Risks of Climate Change and Disasters (ORCHID) methodology to assess its programmes for climate risk. You have worked on

that assessment. What lessons have been learned from the ORCHID assessment about the vulnerability of DFID's programmes to climate change?

Dr Tanner: There are two things. The main lesson, I guess—and this is common across many donors—is that we need to start considering climate within our due diligence processes. Currently they exist for the environment, through environmental impact assessments and often environment screening procedures, particularly in the multilateral banks where you have infrastructure, and it is all about the impact of the development on the environment. Now the thinking is about the impact of a changing environment on the project. The IFIs⁵ met last week here in London and a major point of discussion was how to include climate. In DFID the ORCHID pilot exercises in a few of the countries have contributed to that change as well. That is ongoing now, and there is a commitment in the White Paper to integrate climate and environment and disaster screening for its portfolio as part of policy.

Q130 John Battle: Has that been built into the new Country Assistance plan, for example?

Dr Tanner: In Bangladesh the evidence on the programme side of individual programmes that we looked at?

Q131 John Battle: Yes.

Dr Tanner: I am happy that there has been a consideration of climate in those programmes. In the country programme it is reflected in a much stronger emphasis on how different aspects of development can contribute to climate. It is not: "Here is the one solution." They look at how governance can help improve resilience to climate and other shocks and stresses. What it misses is perhaps the regional dimension, particularly through international water management, and the migration question. DFID has a role to play, given its engagement in other countries in South Asia. That, for me, is the bit that was missing in the recommendations from that work.

Q132 John Battle: I hope that is not just a conversation going on in DFID. Good though that is, is that shared with the government of Bangladesh, so that they are on side for that agenda and properly co-operating in that risk assessment?

Dr Tanner: The ORCHID work started while I was working in the government of Bangladesh, strangely enough. They were involved in that work but they were involved through the Ministry of Environment, and so the question is: is that the place where you get much traction? It is a fairly weak ministry. Since then, obviously, the topic of climate change has been taken much more upstream: to the Ministry of Planning, the Ministry of Finance and the Prime Minister's Office. For me, the thing which perhaps has not filtered through, which is central to the ORCHID methodology, is the idea of adaptation as a process, as being about cycles of reflecting on what

⁵ International Financial Institutions

you are doing, on what the impacts of climate are, and on what your response is like—that kind of monitoring and reflection—and that being central to the adaptive process. I do not think that has quite got embedded as much as awareness around what specific adaptation options might look like.

John Battle: Thank you.

Q133 Andrew Stunell: Following on from that, if you were in charge, what would DFID do over the next five years in supporting Bangladesh to adapt to climate change?

Dr Tanner: I am optimistic that DFID in Bangladesh has made significant changes to its portfolio oriented towards climate change. It recognises what a huge threat it is. That is a huge change from the last Country Assistance Plan, which really had it as a token environmental issue, if you like. I think it does not provide enough of a driver to all its programming, so there is still some element of, “Okay, when we get a parliamentary letter, these are the projects that we flag, that we are doing, and the rest is development.” Things like the primary education programme; economic empowerment for the poorest; whether there are mechanisms in place to ensure that those programmes that are under development and underway have a climate lens attached to them. That is not clear from the plan. Second, as I have said already, is the regional aspect of the problem. These regional country plans are very country specific and I do not see that being matched by South Asia division’s plan for work that includes India, Bangladesh, Nepal.

Q134 Andrew Stunell: Yes. We visited Nepal as well and it was interesting to see the interaction between the issues in the two countries. What steps do you think that DFID can take to help the Bangladesh government get climate proofing into its own policy and development programmes?

Dr Tanner: The step is already made in trying to build capacity not just in the Ministry of Environment, but also working in the Ministry of Food and Disaster Management and other ministries as well. That is an important first step. There are limitations to what the government can deliver that have been raised already. In terms of getting the screening procedure in place, that conversation is not being had with the government. There are existing deficits to the environment screening procedure, but at present the discussions between DFID and the government on climate change are at this much higher level. They are on strategic planning, on the movement from the NAPA⁶ to the Strategic Action Plan, and on getting the Prime Minister’s Office involved and Copenhagen being at the top of that agenda. The nuts and bolts on how to get down into the government structures are not really on the table. The natural way to do it is through the environmental impact assessment procedures, which are internationalised and there are norms for. They are fraught with the same problems of corruption

and accountability as other areas of government in Bangladesh, but, nevertheless, it is an interrelated topic and work to internationalise standards and norms on climate risk management is urgently needed to be able to inform that process of change where a country like Bangladesh can integrate those in a more systematised way.

Q135 Hugh Bayley: The government has grand policies: a National Adaptation Programme of Action and a Climate Change Strategy. To what extent do they identify the government’s funding priorities as far as donors are concerned?

Dr Tanner: NAPA, as you know, was released back in 2005 and it is now largely dead and buried, overtaken by the Bangladesh Climate Change Strategy and Action Plan. There is a lot of criticism of NAPAs. I see them as very worthwhile, very cost-effective. It has been overtaken by something that is much more government-owned. It is not a UNDP⁷ project; it is something that is being led by the government. One of the problems with the NAPAs was they created a shopping list for priority actions to take, and so do not demonstrate the process underlying that. Creating a cross-government committee to create a NAPA was the first time you had this kind of engagement from different sectors that are likely to be affected by climate change. The Strategy and Action Plan that has resulted seems to have very sensible headings in terms of its headlines. The priority actions underneath those, which are all being fought out now as to which will get implemented and how quickly, is a much more political issue. My worry is that civil society groups in particular have not had much say in what those priorities are, so the priority for action now in the money that has been allocated this financial year is very much around infrastructure. It is around dredging canals, tree planting on embankments, and refurbishing existing cyclone shelters. For me, there is a worry that this focus on infrastructure can deliver literally concrete outcomes, so it is politically very attractive and it also means a nice leeway for corruption. It also demonstrates action to people on the ground, and I think there is a real desire to move away from just awareness raising. On how that pans out in terms of the priorities underneath, my worry is that it will not be dictated by needs and influenced by civil society groups who have a better view of what those needs are, but, instead, it will be dictated by what is politically expedient.

Q136 Hugh Bayley: Christian Aid said in their evidence that it was noticeable how little money donors had put up to fund the government’s priorities. Is this because of fears about corruption or fears about priorities being wrong? How could and how should donors use funds to address priorities? Should it be through NGOs or how?

Dr Tanner: There is the Multi-Donor Trust Fund, which I am sure you have heard a lot about, which intentionally was joint with the government. The government now has its own trust fund and there is

⁶ National Adaptation Programme of Action

⁷ UN Development Programme

a donor trust fund separately. The issue is fiduciary management. There is an international responsibility for any international body giving money, whether it be DFID, whether it be through the adaptation fund, or whether it be under the UN Framework Convention, that this money is spent responsibly. It is crucial, first of all, that there are clear lines of access for civil society organisations to be able to access that money, that there is work undertaken in the Multi-Donor Trust Fund—which is managed by the World Bank, but to the chagrin of some—to improve the capacity of the government to be able to take on that role in the future. One of the areas of evidence is going to be: what is the process that the government goes through now in implementing its own trust fund? We can look at the transparency, the fiduciary management, the access by different parties and the impacts and the areas that it funds as an evidence-base for their suitability to implement a multi-donor, larger trust fund in the future.

Q137 Chairman: Perhaps I could just finish on that point. As you say, some people are not keen on the Multi-Donor Trust, although inevitably the international community tends to favour it. You have explained to Mr Bayley some of the problems of the country's own proposals. Of course many people say they want country ownership. How valid are the criticisms of the World Bank Fund? The Bretton Woods Project say that it is too costly, that it is donor-driven rather than country-driven, and that the World Bank has a poor record on environmental issues. They quote specifically the project causing the destruction of the oldest mangrove forest in the sub-continent. How valid are those criticisms? As a Committee we have learned that there is a sort of inbuilt position from which certain NGOs come to that; but, first, we have to evaluate whether or not their criticisms have validity.

Dr Tanner: Yes, and if they are two-handed economists on the one hand, and on the other hand . . . I do not wish to speak on behalf of the Bank, but I recognise the need to lobby hard against the World Bank subsuming climate change project finance in the normal World Bank way. This is not the same

deal—although this is ODA⁸, which I am sure you have also found has been raised. The concerns about the amount of money the Bank will take in commission are not very well-founded. The figure that was put out in the press and by CSOs⁹ in Bangladesh is far greater than the reality. I think it is more favourable than the UN off-take, which is about 12.5%. This ends up at being about 8 or 8.5% from the Bank. Again it is more favourable than a private contractor, and it is more favourable, if you take Mr Landell-Mills' estimate, than the amount that might be lost through corruption. One of the important considerations is that this fund is committed through ODA from DFID. I know they justify that repeatedly as being part of the 10% of the additional funds that are going to come from ODA, but I think it sends the wrong signals. That a significant new trust fund, designed specifically for climate change, is committed from ODA at a time when the Prime Minister is announcing that we need £100 billion new and additional on top of ODA is a little bit out of sync. It may just have been that the timing of that budgeting decision with a decision and an announcement from the Prime Minister was off, but it strikes me as—

Q138 Chairman: The Committee has some concerns about that. In terms of the trust fund being used as the delivery mechanism, you sound as if you are reasonably satisfied, in the circumstances.

Dr Tanner: In the circumstances it is about fiduciary management. What is crucial is that there is a transitioning process that builds the government capacity to do that job and, also, looks at the evidence of the government's own trust fund, to ensure that within a set number of years—and I do not think we should be thinking too short term here—this is a fund that is likely to increase and grow, so we can look at 10- and 20-year time horizons rather than two, three, five. That is the crucial element for me.

Chairman: That is extremely helpful in terms of us being able to make useful recommendations. Thank you both very much for your contribution. It has added a lot and fleshed quite a few things out. Thank you very much indeed.

⁸ Official Development Assistance

⁹ Civil society organisations

Wednesday 16 December 2009

Members present

Malcolm Bruce, in the Chair

John Battle
Hugh Bayley
Mr Mark Hendrick

Mr Marsha Singh
Andrew Stunell

Witnesses: **Mr Mike Foster MP**, Parliamentary Under-Secretary of State, and **Mr Chris Austin**, Head of DFID Bangladesh, Department for International Development, gave evidence.

Q139 Chairman: Good afternoon, Minister and Chris, welcome. It is nice to see you here again. I hardly need to ask you to introduce yourselves. I will just say for the record that we have Michael Foster, the Parliamentary Under Secretary, and Chris Austin, the Head of DFID in Bangladesh. Thank you both for coming in. As you know, this is the last evidence session that we are taking, having visited Bangladesh and taken a number of evidence sessions and also having had two public meetings in London and Birmingham to try and connect with some of the Bangladesh diaspora and get some input from them. Just to start the discussion, I wonder if you could clarify the scale of DFID's operation and engagements in Bangladesh; you have changed it, but, just before we even get to that, can you give us an indication of what the funding was because we are slightly at odds with our briefing and other information we have? For example, for the last three years what was the total DFID funding for Bangladesh? Are you able to give us that?

Mr Foster: Thanks, Chairman, and thanks for the opportunity to talk about our work in Bangladesh. Of course today is a special day in Bangladesh. It is Victory Day, a day of celebrations for people in Bangladesh. The country is 38 years old today. I mention that because it does have some relevance in terms of the nature of the programme that we run in Bangladesh. In terms of our bilateral spend for 2009, we have a bilateral spend of £126 million. For 2010–11 that goes up to £150 million. Our spend through multilaterals I think is £42.6 million, both this year and last, and that compares with a programme bilateral spend in 2003–04 of just £55 million, so you will be able to see the ramping up.

Q140 Chairman: What is the figure for 2008–09?

Mr Austin: The expenditure for 2008–09 was £132 million, and in 2007–08 it was £129 million, but the original allocations for both of those years were lower. They were £114 million in 2007–08 and £116 million in 2008–09. It may have been that you received figures that aggregated the aid framework rather than the outturn.

Q141 Chairman: So the actual spend was £132 million for 2008–09, which is slightly different from DFID's brief, but that is the reason why?

Mr Foster: Yes.

Q142 Chairman: In 2006 it was only £75 million. Why was that?

Mr Austin: In 2003–04 it was £55 million, the figure that the Minister referred to.

Q143 Chairman: We are working on your own brief that tells us that it was £75 million in 2006.

Mr Foster: I must admit I would have to look back—

Q144 Chairman: It is just for clarification. There seems to be a slight discrepancy in the funding.

Mr Foster: We will find out what the final outturn was for that particular year. The figure I gave for 2003–04 was £55 million bilateral spend.¹

Q145 Chairman: So what you are basically saying is that it has increased steadily subject to some slight aggregation of expenditure?

Mr Foster: Yes, it is fair to say that. It is whether you define “steadily” as a real increase from £55 million to getting on for £150 million.

Q146 Chairman: It would be helpful because, as I say, taking it from your brief, we see a picture like this and you have described it as more like that.

Mr Foster: Yes.

Mr Austin: I am sorry if there is an error in the brief we gave you about 2006. The actual outturn has been between £109 million and £132 million since about 2005–06.

Q147 Chairman: For the benefit of the transcript I should say that it looks as if it is up and down as opposed to a steady increase. Waving my hands about does not help. Perhaps you would get us clarification on that just so that we are clear about it. You have reduced the number of projects and effectively you seem to be doing more with fewer partners. What are the reasons for that?

Mr Foster: One of the issues we are trying to address is to look at things like the aid effectiveness agenda. We have what we think is a relatively balanced portfolio in Bangladesh given the inherent risks of dealing in a country that is relatively fragile. There are governance issues there. We are trying to have a broad balance for our risk but meanwhile trying to maximise the impact of our programme, so we have reduced the number of programmes, I think, from 45 separate spending lines down to about 25 programmes so that we have greater focus on those programmes, but bearing in mind we are trying to

¹ Supplementary written evidence submitted by DFID Ev .

also maintain some breadth across the range because of the risk of going in one particular direction or with one particular partner.

Q148 Chairman: So have you discontinued particular types of projects or just the number of people you are engaging with?

Mr Austin: If I could add to what the Minister has said about the number of partners, the country programme evaluation in 2006 found that we had too many projects and were spreading ourselves across too many relationships. I think we had about 80 spending lines at the time, so we have been implementing the recommendations to reduce direct funding for individual NGOs, for example, and instead are supporting Challenge Funds like the Rights and Governance Challenge Fund which supports over 100 NGOs through a granting arrangement. That gives us breadth of coverage but is something that is more manageable for us to administer. In terms of areas where we have stopped funding over the last two or three years, we no longer provide sector budget support for the transport area. That was stopped because of corruption concerns, but we also felt it was not a priority area for UK grant funding. We have stopped funding individual NGOs working in areas of land rights for poor people, for example, and instead are supporting that through a Challenge Fund mechanism. We have recently finished our technical support for the transport ministry.

Q149 Chairman: Are you satisfied that you can monitor what you are doing because, as I understand it, in terms of the structure of the NGOs in Bangladesh it appears that if you deal with them they then subcontract, and I have to say that that was something that we picked up even just at a reception we had at your place when people were saying that people down the track were or were not getting it or the wrong people were getting it. People will say these things for their own reasons but are you satisfied that you are able to monitor effectively where those project funds are actually going?

Mr Foster: At a broader level the portfolio score that DFID Bangladesh has had has improved, so that would imply that the direction of travel that we have been going along has improved the ability of DFID to deliver on the ground and that improvement is something that demonstrates the breadth of approach and the reduction in the number of programmes. It has not diminished our impact on the ground but improved it.

Q150 Mr Singh: Chris, I may have misheard you. You said you were changing your approach to NGOs. You have Challenge funding, and yet from our visit I understand, and I hope I understand it properly, that you are giving BRAC, which we will come on to later as I want to go into that particularly, direct budget support. It is that contradiction that seems to be there.

Mr Austin: If I may clarify on your point and on the monitoring of the Challenge Funds, we have five delivery instruments to spread the financial and

implementation risks in Bangladesh—pooled funds managed by the World Bank and the Asian Development Bank; support channelled through a UN agency; thirdly, Challenge Funds managed by another body on our behalf; fourth, direct contracting, for example the Chars programme that some of you visited; and fifth is BRAC, which is an entity in itself. It is unique; it is the largest NGO in the world and has been around since 1971, so that is in a different category from the Challenge Fund support and the support through the Chars programme that works with the local NGOs to deliver services or provide advice to poor people. On monitoring the Challenge Funds, for example, the rights and governance one, the Manusher Jonno Foundation does the due diligence on project proposals and it monitors them and provides us with a report on implementation and finance. We review that and we do a sample survey of individual grantees, and for that particular programme we funded an impact evaluation independently done about three or four months ago that confirmed that there were a lot of good results. It also provided some suggestions about how the operation of the fund could be improved in terms of selection and monitoring. I am confident that we have got the best monitoring arrangement we can have, and it is important, as some of you mentioned in the discussion during your visit, that where there are concerns about financial mismanagement or programmes not working as intended we get that feedback from whatever source and that will help us cross-check our own policies.

Q151 Mr Singh: That is fine. You are saying that you are reducing your dependence on NGOs and yet at the same time—

Mr Austin: BRAC is almost a multilateral organisation. It operates in several African countries as well as in Pakistan, Afghanistan and Bangladesh, so it is more like Oxfam, Save the Children, or Concern, so what we are proposing is a kind of public partnership arrangement.

Q152 John Battle: May I, through you, Minister, thank Chris Austin and the DFID team? I have been on this Committee eight years and I have to say I have felt that the team, the quality, the expertise and the evident engagement of DFID staff in Bangladesh was one of the best DFID teams that I have seen in the world; I think the job they are doing is superb. There is an expanding programme, and may I also thank you for the programme you arranged for us as well. It was a very good visit and it got us into the detail. I did not go to the Chars Livelihoods Programme but I went to look at BRAC and was impressed and got to the edges—I will put it that way—of rural development. I hope you take my question in the right spirit but, were I to go back, hopefully, I would not leave Dhaka and the reason is that there is a mega-city which has massive challenges. Since I have been back meeting Bangladeshi people in my own neighbourhood they have said to me, “Did you manage to get from the office to the minister’s office?”, because of the

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transport problems in the middle of Dhaka. In other words, there is a mega-city there and I just want to put the question to you in these terms. I have got a hint of the work with Chars Livelihoods, a hint of the work with BRAC, the rural livelihoods, but what about the urban poverty reduction, because most of the world's people live in cities now? People are crowding into Dhaka and I really wondered, looking out of the hotel window down across on the river at what in Latin America are called shanty towns, the whole of that kind of area, is the balance of the programme right? I am not asking for it all to go into urban but are we taking urban development seriously, and does DFID have urban expertise on the ground in Dhaka?

Mr Foster: First of all, Mr Battle, I echo your comments, and it is good that they are on the record, about the team in Bangladesh. I visited last March and in terms of the experience that the Committee had I came back with exactly the same view. Bangladesh is primarily a very rural country and therefore poverty has to be addressed, yes, in rural and in urban environments, and so the Chars project is a classic one for rural Bangladesh. We have an urban partnership for poverty reduction programme that is implemented by UNDP. It is a 7-year programme, £60 million, and it is about exactly the points that you mentioned, dealing with urbanisation, and I know the Committee did some work and a report on urbanisation relatively recently. In terms of the target for that particular programme, we are looking to improve the livelihoods and living conditions of some 3 million poor people in urban areas including in Dhaka, predominantly women and children. I went to see, for example, a street children education programme where the children were living in the main railway station at Dhaka, again, a really good example of getting in and dealing with the urban poor in a very hands-on way, so I think we have got the expertise to do it. I do think though, Mr Battle, I have to be honest, that the issue of climate change is going to make the concerns about urbanisation perhaps greater because as sea levels rise there will be a migration within Bangladesh and I suspect they will go to urban centres, predominantly Dhaka, so I do think there is a bigger challenge on the horizon but as a result of climate change.²

Q153 Mr Singh: We as a committee are dealing with new things at the moment which I am very pleased with. We are talking to the diaspora community, which is, as I say, very interesting, but in terms of DFID do you have any relationship with the diaspora community within the UK (and it is a very important and large community) and their views on development? Secondly, when we were in Bangladesh we were told that it is difficult for DFID staff to talk with communities properly in Bangladesh and so, resulting from that, is that an issue to do with staffing constraints, ie, direct contact with communities here? I am not criticising because

we are doing it new and if you have not done it that is not a problem but I think it is an important issue that you may need to take on board.

Mr Foster: It is one we take seriously. If I could just quote the list of the types of engagement activities that we have had with the Bangladeshi diaspora to begin with in the UK. The Country Plan that was launched in July this year was delivered in front of a group of Bangladeshi stakeholders and the Bangladeshi media here in the UK. There is a wide variety of diaspora events that take place during the summer. There is a number of melas that go on. We have worked with street theatre, the Bricklane Curry Festival, the Eid in the Square event in Trafalgar Square in September. We have provided editorials for Bangladesh's *Who's Who?* and Curry Award events. People like Chris and our High Commissioner go out and about in the community as well. Chris can speak for himself but I know he has visited Oldham, Manchester, Rochdale, Tower Hamlets and Glasgow. That was all prior to the Country Plan launch, and our High Commission staff do the same thing. As a team of ministers we take the communication with the diaspora seriously as well. The Secretary of State, for instance, spoke at the Bangladesh Caterers Association annual dinner last week, and I have met with the Caterers Association, as well as different events that take place in and around London in particular, and we also produce lots of publications to encourage communication with the diaspora. We have produced these little hand-out Z cards which fold explaining what our programme does, and I will leave those with you.

Mr Singh: Oh, magic!

Q154 John Battle: They are little pocket cards.

Mr Foster: Little pocket cards.

Q155 Mr Singh: Who do they go to? Do they go to me?

Mr Foster: This can go to you, certainly. This also goes through the Bangladeshi diaspora and through stakeholders.

Q156 Mr Singh: No, not in my constituency.

Mr Foster: I also have produced this newsletter which went to every single MP. I electronically sent it to every single MP—

Q157 Mr Singh: Yes, but not to my constituents.

Mr Foster:— with a request that said, “If anybody wants these free of charge delivered to their constituency address to send to their constituents, they are free to do so and I will get them posted to them”.

John Battle: 5,000 for him.

Q158 Mr Singh: Excellent!

Mr Foster: I have to say, Mr Singh, there were not many MPs—and it was disappointing—who actually contacted DFID and said, “I would like some more hard copies of this”.

² See also additional information at Ev .

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Q159 Mr Singh: Then I apologise. If you will deliver them free—

Mr Foster: They are delivered free and that will be clear in the covering letter.

Q160 Mr Singh: Then I do apologise and I will take you up on that offer.

Mr Foster: The other issue about contacting Bangladesh and DFID, and Chris will speak in detail, is that I do know that, in terms of field visits from DFID staff, 200 field visits (and that means outside Dhaka) have taken place in 2009.

Q161 Chairman: It is a popular criticism of DFID country programmes that you are all stuck in the capital city and do not get out. We know that is not true, although partly that is because we go as a committee and we know that is not true when we go, but the serious point behind it rather than the malicious one is that your staffing levels are not very high. Is it a constraint? It takes time to get to places, so is there a constraint about how much your staff can get out and about in the country?

Mr Austin: It is an explicit objective for everybody working on the programme to undertake some kind of field visit and it is also a development opportunity for our staff who work in human resources and managing the finances to participate in reviews and field visits. Some of our Bangladeshi staff find it very uplifting personally, certainly one or two who have visited humanitarian relief operations had not seen that kind of thing up close and personal. As the Minister said, we did about 200 days of visits outside Dhaka during 2009. An awful lot of the engagement outside our office actually happens in Dhaka and bits of programmes happen in Dhaka. In addition to the ones that the Minister mentioned in response to Mr Battle's questions, the health programme through the government, the education programme through the government, the education programme through BRAC, the business support programme that you visited, are all operating in Dhaka. In terms of access to communities in Bangladesh, we have now got nine Bangladeshi senior advisers, who are obviously all fluent, also two out of our four programme managers are Bangladeshis, so we think we have got quite a good mix and we have deliberately increased that Bangladeshi advisory capacity in response to the 2006 Country Programme Evaluation to enable us to do the reality testing of the things that we are funding through third parties.

Q162 Andrew Stunell: I think we have all got experience of how much you consult but you still at the review meeting meet the one person that you never spoke to; that is how it happens. It was quite striking at the two meetings we had with the diaspora that, as we know, the majority of the diaspora community comes from Sylhet and that is not an area where DFID is particularly active. There was an almost complete lack of awareness of the fact that DFID was doing work in Bangladesh and so there clearly is scope for more engagement at one level or another, perhaps taking account of the fact

that something I had thought would be true, that they would have feedback from Bangladesh about the work that was being supported by DFID, is absolutely absent because they come from a different part of Bangladesh.

Mr Foster: That is why all these newsletters were produced, in the hope of reaching all parts of Bangladesh, not just those who receive UK aid but also those who can pass the message on from the UK back to Bangladesh about the nature of the work and the support that goes on, and in terms of the particular issue of Sylhet, we are looking at doing some work on vocational training for would-be chefs in the Sylhet area for their potential employment within Bangladesh. Again, that is where DFID can come into play, but part of the challenge of our work generally, not just in Bangladesh, is that we do not get recognised for what we do. The rollout of the UKaid logo is part of that communication exercise so that we get the logo out there and people can make the connection more easily if they have got a UKaid logo, and Bangladesh has been a pilot country for the rollout of the logo. Chris, as Head of DFID Bangladesh, sees it as an important area as a channel of communication.

Q163 Andrew Stunell: We come to the whole governance issue. We have had plenty of evidence that you provided for us when we visited and also from the witnesses that the political culture in Bangladesh is quite different from the UK in that kinship and patronage and ethnicity and a wide variety of factors come into play. What are the implications for DFID's programme and how are you protecting it? If I can just point to that, is that not made more difficult with the Challenge Fund mechanism which means you are at least one step removed from a decision about who gets the help and who takes the decision about the delivery of that patronage?

Mr Foster: Without doubt, Mr Stunell, you are right to point out that Bangladesh is a difficult country to work with. The political systems are not as mature as others that we work with and that is why there is this emphasis on building up democracy and dealing with accountability. It is central to a range of programmes that we have. In terms of the Challenge Fund approach, I mentioned the portfolio scores that we have in terms of the quality and impact of our programmes and the fact that portfolio scores have been rising. Again, I would use that as evidence to suggest that what we are doing in terms of impact on the ground is coming through. I do not know if there is anything in particular on Challenge Funds and governance that Chris can say.

Mr Austin: On the overall implications of governance to start with, our country governance assessment identified all of the issues that you refer to and the conclusion for our current phase of the country programme was that we needed to step up our efforts to support Bangladesh in order to improve the institutions of democracy, particularly parliament and the Elections Commission, and that we should even tread into the sensitive area of working with the political parties in Bangladesh, so

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with our American and UNDP colleagues we are developing a package of support for those institutions based on what Bangladesh is asking us for. That is building on work that we have been involved with for the past several years to improve state capability in managing the public finances and support for the police, and we will continue to support supply side efforts to improve the accountability of government, transparency of our own operations but also government spending. On the Challenge Funds, I think we have to recognise that it is a challenge, if you will forgive me, to ensure that patronage does not creep into allocations. The criteria for the kinds of activities are published, the results of funding rounds are published, so there is a clear and transparent process for the decisions that are taken and we have an ombudsman mechanism built into the Challenge Funds that will independently test the results. One of our other Challenge Funds, for example, supporting activities to improve household incomes, includes international people on the selection board to give it independent verification. As we discussed during your visit, where we find information that comes anecdotally about awards being made with some favouritism attached, we investigate them. The issue that was mentioned to some of you during the visit we have looked at and we are satisfied that there have not been any inappropriate decisions made under the Rights and Governance Challenge Fund but we will continue to monitor its performance and look very carefully at the breakdown of which organisations receive their grants.

Q164 Andrew Stunell: The UK Ombudsman publishes a report saying what has been upheld and what has been dismissed. Has your ombudsman process upheld any complaints or has it always confirmed that you have made the right decision?

Mr Austin: I would need to check that and let you know. I am not aware of any that have been upheld. I do know that for the Rights and Governance Challenge Fund there is an awful lot of applications, so not all of them can be satisfied and I know that the Manusher Jonno Foundation has cancelled grants where they have found evidence of financial mismanagement or poor implementation.

Q165 Andrew Stunell: Could we perhaps have a piece of paper which sets out some of that?

Mr Austin: Yes.

Q166 Andrew Stunell: That would be useful. Can I just pick up one of the points you raised? You mentioned a programme that you have with the police. We took evidence this week that the police programme had been good but did not appear to have had a long term focus. Would you think that was a fair criticism?

Mr Austin: I am not familiar with the criticisms. Is this one of your other witnesses?

Q167 Andrew Stunell: I will just park that for the moment. Maybe I am on the wrong track there.

Mr Austin: It has a long term focus because the programme that we are supporting with UNDP and the European Commission has been running for four years, I think, and we are just starting with the government a further five-year phase. The ambition to help the police develop from what is seen as a force for pressure into a public service will take quite a bit of time. There has been some tangible progress in getting a police ordinance drafted but not yet passed, and in getting a police strategic plan prepared providing new police stations which are more welcoming for people to report crimes or suspected crimes. The most recent survey I have seen suggested that there had been an increase in general public confidence in reporting to the police. That may be out of date. It may have declined a little bit in recent months. We would need to continue checking that. That is one of the output indicators, if you like, of confidence in the police force.

Q168 Mr Hendrick: Just staying on the question of governance, we met the prime minister who I thought was very impressive. The government party seemed to be wanting to do things. The opposition seemed to be living in some sort of post-colonial age as if they have replaced the British colonial masters that were there in the past and wanted to keep that type of society albeit governed by themselves. They were not taking part in any meaningful way in holding the government to account or scrutiny of government because they were not attending parliament and it was almost as if the political and governmental aspects of it were something totally separate from what we saw with BRAC and civil society generally, who were trying to improve people's lives. Obviously, in this country and in more mature democracies civil society and charities, NGOs, are quite happy about working hand in hand with government and vice versa, and we spoke to Fazle Abed³ who was not keen to get involved with the government of either political party. But what is it in particular in Bangladesh that is stopping that meaningful interaction because it seems that BRAC and other organisations are doing a lot of things government should be doing and government almost seems to be washing its hands off?

Mr Foster: I think you are right, Mr Hendrick, in identifying that there is a very confrontational nature to politics in Bangladesh. The line that we have adopted in terms of improving governance and strengthening politics as a body has been two-fold. First, we are looking at the parliamentary side, so in terms of our support through improving the work of standing committees within the parliament and the financial management issues of public accounts committees we are looking to strengthen those. We are also doing work with party politicians within Bangladesh and looking at the party structures, dealing with basically the demand side, so strengthening organisations like Transparency International and the work that they do at the grass roots level to bring demand for political change at the same time as trying to facilitate the parliament in

³ The Director of the BRAC Organisation.

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Bangladesh to bring about change in how it holds a government to account in a manner that perhaps more mature parliamentary democracies do and to try and move away from the very blunt confrontational aspect of politics in Bangladesh.

Q169 Mr Singh: That leads me into my next question about what you are doing to try to increase accountability. I know for this Committee and for DFID that we want to do everything and it is impossible to do, but local government in the history of the UK seems to be a great service provider and tackles many of the problems that we have in our urban society. We know that local government is not accountable in Bangladesh. Is DFID paying any attention to that or doing anything in particular to try and strengthen local government structures and accountability?

Mr Foster: We are certainly working with Transparency International in their grass roots campaign and we are extending the number of districts that Transparency International work with as a way of strengthening the democratic functions at a lower level. Obviously, we were involved in the production of the photo ID electoral roll for the last set of general elections, but that again gave people confidence that there was a proper route of accountability through the ballot box which had not always been the case in the past, and that clearly helps build confidence at the grass roots that there is another route by which we can do good work. We support the Bangladesh Electoral Commission as well in the work that they do, and that is working with political parties on their structures, on their accountability and transparency and performing the same function as they do in the UK as a watchdog of electoral activity.

Q170 Mr Singh: But people's access is at local level and not at national government level, so how do people at local level feel? What are we doing at the local level to empower them to affect their local politicians, if we are?

Mr Austin: On the overall local government model, the Bangladesh government has not asked development partners for substantive support in this area but we know the adviser to the prime minister has been thinking about what strengthening of local government systems and staffing they would like to do. I am hopeful that we will have some substantive discussion about that issue early in the new year and we will consider then what role DFID bilaterally might play in that. There are a number of other development partners, including UNDP, who might be even better placed than we are to have a lead role. Through a number of the programmes that we are operating there is work being done to strengthen demand for accountability at local level through the communities that some of you saw with the water and sanitation programme. There are similar activities through the education programme that are supporting school committees where parents get to know how much money should be spent on extending classrooms in their schools and where the

teachers should be coming from. Some of you visited a district hospital where under the health programme we have got the beginnings of some delegation of authority so that the civil surgeon can do some recruitment direct instead of having to go more or less to the minister level at headquarters to recruit cleaners. So the kinds of checks and balances that may seem to outsiders excessive are slowly being broken down, but, for the reasons that Mr Hendrick was talking about, the confrontational nature of politics, governments have tended to be reluctant to let go in practice.

Q171 Mr Singh: The point is then that DFID is just trying to work a way through it rather than being able to do anything at the moment?

Mr Austin: Yes. There could be a top-down brilliantly planned approach to develop local government capacities, increase their revenue raising powers and give them clear responsibilities as distinct from government. The system is more of a de-concentrated rather than a decentralised system, but in terms of the programmes that we are working with in poor urban and rural communities the model that we follow and the model that other development partners follow tends to be forming community groups so there is quite a groundswell of demand. It is just not yet connected in the way that we might recognise in the UK with services that government is providing. If I could add one word on why government is not providing more services, as we discussed during your visit, the government is only getting 11% of GDP in tax revenue and for a population of now 160 million, which is the most recent estimate, that is not enough for the government alone to deliver the services that it would like to.

Q172 Chairman: Your programme involves strengthening and training the civil service. We had some discussion of that at one of the round tables and we heard that you have got £2.5 million going into that aspect and £15 million over five years into the Management at the Top (MATT) programme, but there were a couple of issues raised with us. You say that UK support has helped to train 800 out of 4,100 civil servants and the overall objective is 2,000, but it has been pointed out to us by witnesses that there is a bit of a turnover, particularly when there is a change of government, so first of all the ones we are training, the ones who stay there, are only the ones that are there at the time, that are available for training and they may be removed if there is a change of government. That was one point. What else can you do to ensure that you have a trained civil service that understands that their job is, and I put it crudely, to deliver rather than act as gatekeepers to all those barriers to delivery?

Mr Foster: There is recognition that civil service reform is a long-term project, partly because of the nature of what you have just described, Chairman, civil service staff turnover. We are also looking, not just in terms of working with the ministry of establishment and recruitment of civil servants but

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also through the public sector financial management, at the allegations of corruption that I know have harmed Bangladesh and the government system, so a lot of our effort is also going into making the system more accountable, more transparent, computerising budgetary systems, for example, strengthening external audit functions. All of that brings a form of discipline within government departments that will add to and support the type of direct civil service training that you mentioned our programme was delivering.

Mr Austin: If I may add something, Chairman, just on your specific question about the senior civil service trained under MATT2, I am pretty confident that they will have moved jobs since they did their training. I would like to check how many of them are still in the civil service.⁴ The fact that they have moved jobs does not undermine the value of the generic leadership and strategic planning training that the MATT programme is designed to deliver, and some MATT graduates are now in influential positions, such as the Prime Minister's private secretary or the Director for Bangladesh at the World Bank. On the rotation point, we secured agreement from the Adviser on establishment to the prime minister that no project managers in the civil service would be rotated to take up their promotions; they would be allowed to take up their promotion and carry on their responsibilities in their current ministries, which is something that all of the development partners were concerned about when there was a vast wave of promotions. We have made a small step in constraining the rotation machine.

Q173 Chairman: The other respect was where some of the training was taking place which is obviously not on the job or in-post training. One suggestion was that maybe we should run courses in the UK that they should come to. The second was that, no, we should not do that; we should be encouraging the development of tertiary training capacity within country. But we also had an engagement with the diaspora who were saying that there is a huge number of UK resident Bangladeshis, some of whom may be first and second generation British citizens, who could possibly play a role in transferring experience, knowledge and skills but only if it was done on a significant basis; in other words, if they were seconded for a year or two years to do a job rather than just going for short postings where they would not really have a lot of influence. On both of those where should they be trained and is there a role for the diaspora?

Mr Foster: At a principle level I agree with your comments about the role of the diaspora and certainly at the Country Plan launch there were some very senior UK civil servants who were Bangladeshi and so in theory would fit the bill that you have just described, Chairman, who clearly have got strong links with Bangladesh, to be engaged in seeing the country develop, so that might be a route. I am certainly willing to look at and explore ideas with the

government of Bangladesh on taking that forward as an issue. In terms of where people do their training, it is a classic dilemma that we face. There is the Chevening Scholarship route which is a tried and tested route for bright people getting qualifications here in the UK and then going back to work in country. I have certainly had requests, not in Bangladesh but in other developing countries, for people to do specific higher education training courses in the UK because that is what their government's department would most benefit from and those particular courses and those particular disciplines just were not capable of being delivered in country. Again, we are rewriting the department's education strategy at the moment and one of the areas I am looking at is the role of scholarship programmes that deliver real development gains but without bringing about any sort of brain drain of bright graduates within developing countries.

Q174 Chairman: The other argument that is put is that it is a kind of perk for civil servants to be told, "You are going to go and get a training course in the UK", which is probably quite expensive, and where the money could usefully build up the capacity in country if it was not spent here. It might deprive some of our colleges of income but that should not surely be a legitimate reason for doing it.

Mr Austin: On the Management at the Top programme, some of the civil servants have come to the UK to do part of their study tours and the purpose is to expose them to different ways of working and thinking which are not available in Bangladesh. Some of the training of that nature is also done in Singapore, which is easier and cheaper to access than coming to the UK. It is an interesting concept to look at, inward secondments from the diaspora to Bangladesh to help strengthen capacity in government. We would certainly like to follow that up with the government authorities and see whether that could be entertained as part of this programme. We would need to get the government of Bangladesh's agreement to adjust the terms of the programme, and I hope they would be receptive as well.

Chairman: We did not get large crowds at our meeting with the diaspora but they were reasonably influential, some of them, and they were quite keen on this idea, so if the department was going to explore it I think you would get a ready response. You mentioned the tax base, Chris, and John Battle has a question about that.

Q175 John Battle: I think you said the government only get 11% of GDP from tax revenue for a population of 160 million.

Mr Austin: Yes.

Q176 John Battle: That is a low tax base, is it not? I think you are engaged with a number of programmes to strengthen the tax base, as it were, and to increase the number of registered taxpayers from £3 million to £5 million over five years. Given the culture of Bangladesh, the prospects of that do

⁴ Supplementary written evidence submitted by DFID, Ev .

not look so good, and we were told when we were there that the National Board of Revenue is still unable to hire people because of a local dispute which makes the job almost impossible. First of all, is that dispute still going on? Where is that programme up to?

Mr Austin: We have been providing support to the National Board of Revenue, or had, for five years until summer 2008 and had hoped to have a seamless continuation for a new programme. For various reasons we were not able to agree with the Bangladesh authorities on the new programme until early this year. The tendering for that technical assistance contract is now at quite an advanced stage. I think the short list has just been drawn up. I think the challenges of getting more staff employed in the National Board of Revenue may still be an issue. I would need to check and let you know. Although there are 3 million registered taxpayers, as the finance minister informed you during your visit, only 700,000 actually paid tax last year and that is a reflection of avoidance, it is an indication of the inequality in distribution of wealth in Bangladesh; 80 million people at the other end are living on less than two dollars a day, and it is also evidence of the weak administration, although we would say that our support over the previous five years has helped the National Board of Revenue establish a large taxpayer unit and an information cell that has led to a very modest increase in the tax take.

Q177 Chairman: It is not unique to Bangladesh that institutional structural reform could take 10 to 20 years, so your tax reform programme is a long haul yet. But what would worry me slightly is when we had the Permanent Secretary before us, she suggested that the department is taking an aggressive stand on poorly performing projects, and she said that if your project is scoring badly for 6 months you are basically sent off to restructure and do something about it. If after 6 months you cannot restructure and start to deliver better results they are actively managing those projects out of the portfolio and saying, "Look: if it is not working call it a day and move on".⁵ What is the chance of survival of the tax reform programme under that kind of edict, I am tempted to ask?

Mr Foster: At a broader level the type of programme that we are working in has got to be the basis of sound sustainable development. There is no way Bangladesh can deliver itself out of poverty and deliver high quality public services unless the tax base is expanded and unless the tax take does increase. It has got enormous challenges ahead of it, not just dealing with one that we have identified already but also a future potential one is climate change, and so the government systems will have to be strengthened. However, central to the whole argument about the tax take is back to the governance issue on accountability. The one way in which we in the UK have a real vested interest in

holding government to account is because of the taxpayers' cash that we give to government.

Q178 John Battle: If you do a micromanagement on that programme it is not going to stand up. I am merely asking, will you be sticking with it? I think it is an important programme in saying that but, given the strictures of the Permanent Secretary, will you be able to stick with it?

Mr Austin: The key part of Minouche Shafik's evidence was that if we have a poorly performing programme we need to do something about it. In Bangladesh we have, I think, only one programme currently live in the portfolio that scores a 4 and it is being ended for that reason. The challenge with something like capacity building over the long term is to design the programme such that there will be benchmarks along the way to an ambitious purpose. You keep testing the benchmarks and you could make a judgment that a 3 might be satisfactory but there are some really killer things that need to be fixed, for example, a constraint on recruitment to the National Board of Revenue.

Chairman: Parliamentary strengthening is something this Committee is extremely interested in always, but Hugh Bayley has, through the Westminster Foundation for Democracy (WFD), particularly long term experience and commitment to it.

Hugh Bayley: I do not think I need to declare an interest—

Chairman: No; I was really asserting your expertise.

John Battle: He did a good job.

Q179 Hugh Bayley: I would just like to put on the record that I am no longer the Chairman of the Foundation but nevertheless I wanted to ask some questions about it. To begin with more generally though, it is absolutely clear to me that the quality of governance and of politics (and they are not the same thing) in Bangladesh both act as substantial impediments to the successful implementation of development partnerships, so I applaud the fact that DFID is putting quite large sums of money into both improving governance and improving parliamentary and political systems. Could you give us a brief description of what conversations you have had with the Westminster Foundation in this regard and what work they are doing or that you are in negotiations with them about what they might do and what other partners are providing services of these kinds funded by DFID to players in Bangladesh?

Mr Foster: Chris will talk about the detailed conversations in Bangladesh. In terms of conversations I have had and am having in the present and future sense, I think in early January I have a meeting with your colleague, Meg Munn, who takes on the role that I think you used to have, Mr Bayley, and that is part of a discussion with the Foundation about how DFID and they can work more closely together, but, in terms of the discussions about the Bangladesh programme with the Westminster Foundation, perhaps Chris could deal with that.

⁵ See evidence taken on 24 November 2009 from the DFID Permanent Secretary, Q41.

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Mr Austin: Thank you, Minister. The Westminster Foundation has not had any engagement in Bangladesh until now, but with a little bit of prompting from DFID and the Foreign Office they agreed to send a scoping mission to Bangladesh which visited about two months ago and had meetings with colleagues in our team but particularly with parliament, with the Speaker and representatives of the main parties. They only last week sent us their report which confirms our own analysis very much as you described, that there is quite a bit of strengthening that needs to be done to standing committees and briefing of MPs about their roles. We see the Westminster Foundation, because of its role and unique characteristics, as a very valuable way for us to support political party reform in Bangladesh or support the political parties in Bangladesh to reform and strengthen themselves. As you will recall hearing from the honourable prime minister, she has got a lot of affection and respect for the Westminster model and is keen to give the highest political backing to this relationship. We will flesh out with the Westminster Foundation in early 2010 precisely what their programme will look like. It is part of the strengthening political participation programme that we are providing almost £20 million to over five years. The other two major development partners involved in that are UNDP, doing separate activities to support parliament and the Election Commission and the Human Rights Commission, and USAID and we are in rather an unusual arrangement; we are transferring funds to be managed by USAID on behalf of themselves and us to support some of the institutional strengthening. The Westminster Foundation relationship will be direct between ourselves and them, and we would hope that it will develop over time.

Q180 Chairman: Can I just stop you for clarification on that because this was raised with us at the meeting we had in Tower Hamlets rather critically. They were very concerned, was the question, that the UK Government was giving money to USAID. I did not want to stop your flow but I just wondered if you could explain a little bit more that particular relationship.

Mr Austin: The kind of arrangement is not completely unknown and in fact in Bangladesh we are about to receive some funds from Australia under a delegated corporation arrangement to support the Chars livelihoods programme second phase. With the Americans we needed to be satisfied that their procurement rules would allow the tender for managing the Challenge fund to be untied. One of their options allows them to do untied procurement, whereas for a lot of US assistance it has to be tied to US companies. The purpose of our putting part of our funding through them, I think it is about £10 million over five years and the Americans are putting in more than that, I think £25 million, is that we will be more efficient as development partners having a single mechanism supporting the same objectives with a diverse range of partners in Bangladesh who will help to implement it.

Q181 Hugh Bayley: That is helpful. I do have some further questions for the Minister but first, Mr Austin, you have a £20 million programme over five years, of which £1 million or £1.5 million to £2 million might go to the Westminster Foundation. Given the importance that the prime minister clearly attached, from what she said to us when we met her, to the Westminster model, it strikes me as rather odd that so much of the funding, 80%, 85%, should go to institutions with no experience of the Westminster system which the government itself wants to emulate to some extent. I might say a year or so ago the Africa All Party Group, which I chair, published a report on parliamentary capacity building and it was absolutely clear that political and parliamentary strengthening is not the same as building capacity amongst tax collectors, shall we say, to administer things better. It has to be built within the political context that exists there. It cannot be imposed from outside. How do you square the feeling coming from the government that they want to learn some lessons from Britain—not exclusively, I presume and they emphasise Britain in particular—with putting 85% of the budget behind institutions that just do not have that experience?

Mr Austin: If I could explain the breakdown, I think about £10 million is being channelled through USAID. £7.5 million is a grant to Transparency International Bangladesh to support the services that the Minister described a little earlier. At the moment we have suggested £1 million to the Westminster Foundation to support their activities, as a start. This will be allocated without any competition because of the unique status of WFD. We believe there is quite a lot that could be done with that amount of money, but we want to assess progress and react to the ongoing debate between WFD and their Bangladeshi counterparts about how that might grow over time. That explains the breakdown of the funding in this particular programme.

Q182 Hugh Bayley: Could I turn, Minister, to the wider question of your department's relationship with the Westminster Foundation, not specifically with regard to work in Bangladesh? The Foundation was set up 15 or 20 years ago at the time of the fall of the Berlin Wall. It was funded as a Foreign Office non-departmental public body to nurture democracy within central and eastern Europe. It has grown its mission in Africa and in the MENA region⁶ in particular. From time to time your department has funded work, quite recently very effective work in my view, around the elections in Sierra Leone and, amongst other things, did a role play with the then President Kabbah on what he would do if he found he was not elected. On what day would he move out of the state house? On what day would he pass command of the armed forces to a successor? Of course he was not re-elected and he did perform as he performed in the role play. I think you did an extremely effective job of work. You have also through your Governance and Transparency

⁶ Middle East and North Africa.

Fund made funding of I think £5 million available to the Westminster Foundation for parliamentary capacity building work in six countries, two in Europe, two in the MENA region, two in Africa. You are clearly building up a relationship with the Foundation. The Foundation in their evidence to us have said, “Why does not DFID develop a strategic relationship with the Foundation in the same way that the Foreign Office does?” In other words, to provide it with core funding and to provide officials who keep in close touch with the Foundation and indeed attend board meetings so that you can improve the performance or tailor the performance of the Westminster Foundation to your needs as a department in the same way that the Foreign Office does. It says, “This is a priority for us.” Is that something that you will consider seriously when you are in discussions with Meg Munn?

Mr Foster: I do not know what is on Meg’s agenda when she comes to meet me in January, but I am willing to explore the nature of the relationship that we have with the Westminster Foundation. At the moment we probably feel that it is better on a project by project basis as the organisation matures and grows its own capacity, but in the longer term it might be that we end up with a more strategic arrangement like a PPA.⁷ I do not know whether now is the right time for that, but I am more than happy to explore it with Meg when she comes to see me in January.

Q183 Hugh Bayley: I would say—and I hope you will reflect on this before you meet with Meg—that I sense that DFID feels that WFD was created in the Foreign Office mould to do work of a kind that the Foreign Office wished to pursue. That does not fit neatly and perfectly with the development paradigm. It is not there as exactly the organisation you would want to choose. You hope it will develop more in that direction and you may develop a strategic relationship if that were to come about. It will never develop in the way that you want unless you roll up your shirt sleeves and you get involved with it and you have your officials working with it on a regular basis. These individual projects are valuable to your department, valuable to the Westminster Foundation, but you are not going to turn it round. How do you as a department strike the balance between the need for untying aid, which I accept, whilst at the same time providing funding through British institutions if that is the appropriate thing to do? You talked about Chevening Scholarships a little while ago. You would not dream as a government Minister of saying, “Let us scrap Chevening Scholarships. They are tied to British institutions. Let us just provide a scholarship programme that can go to Australia, India or Canada.” We provide Chevening Scholarships because we want our higher education institutions to have links and partnerships with the rest of the world. Should we not be doing the same with governance or should you not at least be considering

whether you should develop a strategic relationship with a British governance body which is itself part of the government?

Mr Foster: I recognise the line you are asking me to consider. When I meet with Meg I will certainly be mindful of what you have had to say. Of course if the Committee want to make that as one of their recommendations in terms of future directions for DFID then clearly we will respond and reflect upon those considerations. You are right. There are other issues that we also have to take into account. The tying of the aid bit is part of the equation but it is also, if we had a programme with the Westminster Foundation, what it would deliver. The point about the Chevening Scholarships was not just that a higher education institution in the UK has links but somebody coming over for a Chevening Scholarship gets the type of education and discipline of the course in particular that can benefit the particular country that has embarked upon the scholarship programme to begin with. That is the delivery end we also have to consider. We are very mindful of what you say.

Hugh Bayley: You have made that particular point better than I made it and I hear what you say. It will be up to the Committee what recommendations it puts forward and by the time you respond you will have had your meeting with Meg. May I just say this last thing in passing? When the Labour Party came to government 12 years ago, it made a commitment to joined up government, to saying, “We will not have government working in departmental silos. We will think what is it that our government wants to achieve and then we will work on a cross-departmental basis to deliver.” Both you and the Foreign Office have sums of money to work on governance although you have, I would guess, 90% of it and yet this is a field in relation to the Foundation where you have silos big time. We really must have some joined up government. That is my view and I hope my colleagues will back that as well.

Chairman: Watch this space, Minister.

Q184 Mr Singh: For once I certainly will back you up. It is not very often. From the top to a bit lower down, we had a conversation a little time ago about local government and we raised the issue of increasing demand for services. What is DFID doing to support civil society to create that demand?

Mr Foster: A couple of examples spring to mind. One is the work that we do with Transparency International that I mentioned in terms of the grass roots campaigning there. Another one that is a useful tool—I know it is aimed at a national level but it actually has ramifications at a local level as well, as we will have seen here in the UK—is through the BBC World Service Trust. They run a sort of Question Time type equivalent programme and there is a way in which politicians are being made to be on a platform, being accountable for their actions. Although it is at a national level, there have been some spin-offs from that particular programme and it actually does put politicians in direct contact. People see that as a model by which they in future can hold even local politicians to account.

⁷ Partnership Programme Agreement.

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Q185 Mr Singh: That is very helpful but civil society has to be local. It has to belong to where it is and neither Transparency International nor the BBC World Service are civil society, important though they are, in the kind of sense that I am talking about. If we go back to the point we had earlier about local government and increasing demand, which mechanism would that demand come through but local civic and civil society?

Mr Austin: Transparency International is Transparency International Bangladesh, its own chapter. It works with what I think of as the equivalent of citizens' advice bureau. As the Minister explained earlier, that programme support that the UK and several other European donors are funding is going to be expanded into more districts. The model for a lot of development activities in rural areas and urban areas, as we discussed a little earlier, is to form or support the formation of community groups. It is partly sensitisation. It is partly stimulating demand for the right school classrooms to be added to state schools, to ensure that clinics are functioning, that they have drugs and supplies in them and that they have doctors and nurses working in them as well as the media campaign. The successor to the BBC Sanglap kind of programmes will be support through the mechanism to be managed by USAID with our money and their money.

Q186 Mr Singh: There must be in Bangladesh, like in many areas in south Asia and south east Asia village committees which are probably heavily gender biased but have influence. We could try to change that gender bias and try to give them some more influence to demand something more from local government or local governors or local district commissioners. Are we doing anything in that area?

Mr Austin: The Challenge Fund Programme for Rights and Governance works with local NGOs and supports local community groups and may well work with village and ward committees as well. Whenever there is a humanitarian situation and disaster preparedness, the programme that we have been supporting there works with local communities so they are empowered because they are the people that we talk with and provide information to, to arrange or supervise the delivery of services, whether it is an emergency situation or a longer term one. The status of those groups is not something that we can influence directly as a development partner, but it is part of the fabric of Bangladesh that makes social services available to the vast majority of the people. I think something like 80% of health services are private sector in some way, not necessarily big, shiny hospitals but small scale interventions.

Q187 Mr Singh: The dichotomy is that we just had a conversation with you about the Westminster Foundation. I do not mean this in any derogatory sense because I come from a peasant background, but what about a peasant foundation and increasing local empowerment?

Mr Austin: It is not for us as a development partner to tell Bangladesh how to organise its local government. Our understanding of it and our discussions with government including with the NGO Affairs Bureau lead us to provide quite a large amount of our assistance through local NGOs and community groups and we find that effective. The dilemma for the UK as a donor and for Bangladesh as a country is that that has become the status quo, that social services are delivered by your local NGO rather than made possible by your local councillor or by your local MP. There is a bit of a tension there. In one of your conversations with MPs, they suggested that they would like to have more direct authority over what happens in their constituencies. I am not personally persuaded that that would be the most efficient model.

Q188 Mr Singh: Is there any donor coordination of community initiatives or support for civil society or is everybody doing their own thing?

Mr Austin: It is probably yes to both of them, to be frank. There is improving donor coordination through what are called sub-groups of the local consultative group. There are five that cover the broad area of governance. One of them looks at support through local communities. There is some exchange of information about policy dialogue and interestingly the group that we co-chair with Germany has commissioned a joint country governance assessment, which will start early in 2010, which is a positive step in joining up our analysis and thinking. Where I think there is fragmentation is in operations. At the operational level, UK programmes, US programmes, German programmes, UNDP programmes, can operate in their own little space and not be connected very much. We need to do more to improve that.

Q189 Chairman: Just taking up the point on the role of the NGOs and government, how do you get the links between government and NGOs to work and indeed to improve, given the exact tension you have described? Government does not deliver as well as NGOs but wants to. How do you actually prioritise between the two and get them to link together?

Mr Foster: One of the challenges that is out there is the capacity of government to deliver and whether it is capable of doing so, obviously, looking at the risk of going through a government mechanism, which is why we have had that investment in public sector financial management and better governance of cash that way. For us as a department it is about maintaining the broad range of mechanisms to fund our development work whilst engaging the government. To be fair to the government of Bangladesh, they are engaged in issues of donor coordination, in examining aid effectiveness, so they know that there is a gain to be made by taking away some of the tension that was mentioned that faces us wherever we have a development relationship between our own individual, direct intervention which might well be very capable and minimal risk in terms of donor funds but loses the connection between the people and the government, which is

obviously something we want to strengthen and foster in the longer term. Engagement with the government itself is the way forward, but making sure that our work is aligned to their particular challenge and the things that they want us to deliver will also help.

Q190 Chairman: One would assume that part of the idea is to demonstrate by working with NGOs that the NGOs can deliver almost a challenge or an engagement to government to say, "You could pick that up if you could deliver it the same way." We noticed that in the education budget you have been giving £15 million in support for NGOs and £3 million for government in the current year. Next year you are reducing the NGO support to £3.5 million without any corresponding increase in government. Is that an indication that they are both failing or is something else going on?

Mr Austin: That is just an indication of the case load of programmes. The NGO funding for education is BRAC. We have provided £18 million to BRAC over one Bangladesh financial year which is slightly different to ours. It runs from 1 July to 30 June. We are not going to support that programme individually in the future because we are going to have a strategic partnership with BRAC where our funding will be core funding. The level of spend on the government programme reflects a reduced share of the UK contribution next year but we are one of I think nine development partners supporting the primary education programme. If I could offer two or three examples of how we are supporting NGOs to connect with government and government to connect with NGOs, in the health and education sector programmes, there are steering boards chaired by government which are monitoring delivery of objectives. We have secured with other development partners agreement that in the health sector government will contract NGOs to deliver some services for it. We have secured recognition through the government that BRAC's teacher training qualification is as good as the state teacher training qualification. The new education strategy rather boldly proposes extending basic education from five years to eight years and the strategy covering non-state and Madrassa schools as well as state schools. The third example I would offer is in the Disaster Response Committee, chaired by the government's Ministry for Food and Disaster Management, which choreographs donor funding direct to NGOs to support civilian and military relief operations.

Q191 John Battle: Again, I thought BRAC was incredibly impressive. The most impressive part of BRAC was our visit to the village where they are working with the ultra poor, where I saw the pattern of working with basic livelihoods with people that had to develop their incomes to get enough to get a loan from the Grameen Bank. It was reaching the parts the others were not reaching. The community development was in there. The social enterprise was in there. Legal advice was in there. I think they call them barefoot lawyers as well as barefoot medical. I

have never seen that put together before. I thought the complexion of that was the best in the world, frankly. I was quite excited to find out when we came back here can we do it in my constituency. They are developing ideas and projects in Tower Hamlets, so some of that work is replicable here in a holistic way to tackle some of the inner city challenges we face. It is a really important organisation. Having said that, I want to press on how consultations are going with the proposed new money arrangements with DFID. It seems to me you are almost treating them now as the government and doing a kind of budget support with BRAC. Where are those conversations up to at the moment?

Mr Foster: First of all, we are mindful of the expertise on the ground that BRAC are delivering. There is no doubt they are delivering as a development partner in the way that you have just described. It is, I think, the biggest NGO in the world, as Chris has said, but in terms of does it replace government, no, it does not. In terms of the scale of what it delivers on education for example, I think I am right in saying that BRAC educates one million children at primary school compared to 16 million through the government, so the scale is not there to replicate government; nor is the desire to replicate government either.

Mr Austin: On the specific question about the negotiations for a Programme Partnership Arrangement, we have completed the due diligence assessment of BRAC's institutional arrangements and financial management arrangements, so we are quietly confident that we will be able to conclude a PPA with them by March. We will shift our funding from project specific to core funding and we will need to work out a smooth transition, both for the financial change but also for our technical engagement with BRAC on the design and delivery of implementation which they are keen to hold on to and we are keen to stay connected with. We are treating BRAC more as an international NGO rather than as a government.

Q192 John Battle: I would imagine you have also managed the relationships with the other NGOs, some of which are quite renowned. Professor Wood has experience with those. Proshika is one of them. I know the scale and size are not quite the same but there are other quality NGOs in Bangladesh. How do you make sure you do not send the wrong signals to other NGOs that you are putting all your eggs in one basket? They are the best and world class and you go with them. That does not mean you put money into low quality ones of course, but what signal does it also send to the NGOs relative to the state sector? I am actually more passionate probably than any other Member of this Committee for budget support, defending the state, local government and national government as a structural way of taking people out of poverty and getting the economies running properly, not displacing them with NGOs. Perhaps the question that was left behind at BRAC was when we met Fazle Abed and he made one remark that he did not deal with political parties because he did not want to get into

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any murky business. He was almost saying that the alternative civil society structure was there but the institutional structures are not there. I do not think you can have one without the other in the best of all worlds. I just wonder what is the signal and the implication of that decision of funding BRAC to that extent for the other NGOs and for the government?

Mr Foster: In terms of the signal that we are sending, it is a special relationship that we have with BRAC in Bangladesh. In terms of our funding for other NGOs, we are not looking to say, "Right, we are now going to channel all our money through BRAC as a mechanism." That is not the purpose of it. It is just to reflect the special nature of BRAC as an organisation and as a delivery mechanism, not just for BRAC Bangladesh, but also looking ahead at BRAC's development relationship in other parts of the world as well, Africa, Afghanistan, Pakistan, Sri Lanka. There are other areas where a further, deeper engagement with BRAC I think will bring wider benefits compared to, say, some of the smaller NGOs that you are referring to.

Q193 Chairman: Like China really.

Mr Foster: Very similar, yes.

Q194 Andrew Stunell: Can we just take a look at the implications of climate change on DFID's programme? I have two aspects in mind. One is the actual amount of money. The other is the mechanism by which it is decided to spend it. If we could just take the money issue first, there does not appear to be any budget line in the existing budget which could be said to be the climate change line. We have had two figures which we are a bit uncertain about of £60 million and £75 million as being allocated to Bangladesh to deal with climate change. Could you say how they are going to be disbursed and what the timescale is? Of course an issue for this Committee is to be absolutely clear that we are talking about additional funding and not taking funding from core poverty relief and MDG goals and programmes.

Mr Austin: We have committed £75 million over five years to support the Bangladesh climate change strategy and action plan. Of the £75 million, £60 million has been committed to a new multi-donor trust fund that will be administered by the World Bank under government of Bangladesh direction. Other donors are lining up to contribute to that too. That will fund a range of activities on adaptation, potentially also mitigation and research, for the government to determine. Of the other £15 million, £12 million is for the second phase of the comprehensive disaster management programme with the Ministry for Environment, implemented by UNDP. We are continuing to channel our funds through UNDP for that part of it. The final £3 million is to support specific research activities which Bangladesh asks us to fund. We are also using some of that money to fund Bangladesh's preparation of its position paper and participation in the current Copenhagen meetings.

Q195 Andrew Stunell: That is over a five year period. We are talking about something like £15 million a year or something like that?

Mr Austin: Yes. The disbursement phasing will be contingent on how quickly the multi-donor trust fund starts operating and disbursing. That is the most obvious support that we are providing to help Bangladesh deal with climate change. The disaster management programme has been ongoing. The Chars programme is building household level resilience to flooding by helping homesteads to be raised above the flood line. That is part of the climate proofing of our programme. We have provided technical advice to the Ministry of Primary Education on design of school buildings so that they can be multi-purpose. That has influenced the design of a number of schools that have been rebuilt since Cyclone Sidr at the end of 2007. We will be providing advice through IFC⁸ for the siting of special economic zones to make sure that they are put in areas where industrial outlets will not be affected by excessive flooding.

Mr Foster: The point about additionality is well rehearsed now in terms of what the Prime Minister and the Secretary of State have said about additionality to deal with climate change adaptation and mitigation. It is part of the negotiations that are ongoing in Copenhagen last week and this and of course to reinforce the UK's position we have put in our 10% limit of ODA⁹ that can be routed towards climate change. The 90% is geared for straightforward development and not to be delivering climate change funding.

Q196 Andrew Stunell: If we look ahead over the next few years, in the near future we are going to have a figure produced by the UK government relating to the Copenhagen agreement hopefully and some of that will be available for Bangladesh?

Mr Foster: Yes.

Q197 Andrew Stunell: I am not quite sure how the 10% limitation interacts with that figure. If we take a notional £150 million programme at the present time, 10% of that would be £15 million, which is approximately what is allocated at the moment, so approximately the 10% is already being spent in Bangladesh. When, say, another £50 million turns up, to take a notional figure, from the Copenhagen agreement, how is that going to be transmuted into programming and budgeting in Bangladesh?

Mr Foster: In terms of our ODA, what we have said is that 10% of our ODA can be used for climate change adaptation and mitigation. In terms of new forms of finance that come out of Copenhagen and how they will be allocated to developing countries, that is an issue that is literally being discussed while we sit here. My understanding is that the mechanism of allocation to particular countries dealing with climate change problems has not yet been

⁸ International Finance Corporation of the World Bank.

⁹ Official Development Assistance.

determined, although clearly Bangladesh, given the wider range of challenges that it is going to face, would in all likelihood be a major recipient of any new finance that comes out of Copenhagen.

Q198 Andrew Stunell: I was not really trying to get you to give a specific commitment to Bangladesh. I was trying to understand what the interaction of the 10%, let us call it, deduction from the poverty programmes in support of climate change is and what is going to happen to that 10%. Does that 10% come back into poverty reduction when there is a different £50 million coming in? You can see the questions I am asking. It may be that that is something you would want to give us some separate advice on but it seems to me a crucial question as far as this Committee is concerned in terms of whether or not the poor are losing out or could potentially lose out.

Mr Foster: That is exactly why we have been very clear that climate change financing has to be additional to our ODA commitment. Our 0.7% commitment by 2013—any climate change financing that comes out of Copenhagen has to be additional to that particular 0.7%. What is being discussed at the moment are more innovative forms of financing that commitment.¹⁰

Q199 Chairman: I hear what you say Minister. Nevertheless, the Prime Minister's announcement about the increased funds created some kind of negative comments from what I saw, possibly because people are confused. We had a figure of £800 million as the first figure, which the Prime Minister is committing towards the Environmental Trust Fund. Then he said £1.5 billion towards the EU package. It is understandable in those circumstances—I think that is the line of Andrew Stunell's questioning—that this starts to look like a potential threat to the ODA. Notwithstanding what ministers are saying, sums are being tossed into the pot that do not look entirely consistent with the 10%.

Mr Foster: My understanding is the £1.2 billion was in effect a UK offer that was made in discussions with President Sarkozy. We have subsequently moved forward that offer to £1.5 billion.

Q200 Chairman: Is this additional money?

Mr Foster: This is additional. This is not part of our 0.7% ODA commitment by 2013.

Q201 Chairman: Does the £800 million that was committed to the Environmental Trust Fund come out of the 10%?

Mr Foster: I would have to check whether that was part of our 10% and get back to you. Certainly the additional allocations that have been made by the Prime Minister as part of the run up to the discussions in Copenhagen are looking at new money for those pots. They are certainly not raiding ODA for that.

Chairman: We would appreciate it if perhaps we could have a note on that. I think it would be in our mutual interest.¹¹

Q202 Andrew Stunell: Could I just turn to the mechanisms that we have? We have the multi-donor trust fund. We have the Bangladesh trust fund. We also have the conundrum which we explored briefly, in an SI¹² committee about EU leadership of EU spending in Bangladesh. I was quite surprised to find that the UK was not the lead country as far as EU spending is concerned. Can you say something about the mechanisms and whether you are satisfied for instance that the World Bank has its act together as far as this goes? What about increasing transfers to the Bangladesh trust fund? Perhaps you could briefly say where the EU funding and management of funding comes into it?

Mr Foster: The issue in the SI committee that we were both on was more to do with development funding *per se* rather than climate change funding. The issue there as to why the UK did not take the lead was that this had been something that was a moving feast. The list of countries that were taking lead responsibility for managing development spend there was not fixed in stone and was liable to mean that the figures that you had and the stake you had was a snapshot as at a point in time as to what countries had been identified. If my memory is correct, the UK was in effect the vice-captain of the team as opposed to the captain in terms of the relationship with Bangladesh. In terms of the climate financing aspect—and this is where the multi-donor trust fund comes in—and has the World Bank the capacity and the capability to deliver, certainly we believe that the World Bank has a track record of administering these funds in other parts of the world. That is why we think it is the right route to go down. Of course the government of Bangladesh is supporting the mechanism of the multi-donor trust fund, having the World Bank administer that as well. We think we are getting the buy-in from the government of Bangladesh as well as the capacity and capability of the World Bank to deliver upon this particular scheme.

Mr Austin: If I could add a word of clarification on the mechanism and on the UK role and division of labour. Just on division of labour within the EU, the Netherlands and the Commission are leading the work just within the EU Member States and Bangladesh about how we can improve our harmonisation. We are not doing that because we are leading the overall donor effort as the UK. I am currently the chair of the local consultative group for all the development partners. The multi-donor trust fund that we have been advocating with Bangladesh has not formally been signed by the government yet. We have been pressing them and I believe the Secretary of State spoke to the Environment Minister in Copenhagen about this a couple of days ago. The European Commission, Sweden and Denmark are all lined up to be contributors as well,

¹⁰ The Minister subsequently sent a note to the Committee to correct this statement. See Supplementary written evidence submitted by DFID, Ev .

¹¹ Supplementary written evidence submitted by DFID, Ev .
¹² Statutory Instrument.

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because we see it as more effective to pool our resources through that mechanism. Potentially, that mechanism both as a funding vehicle and as a governance vehicle could be the route for Bangladesh to receive whatever monies are agreed at Copenhagen.

Q203 Hugh Bayley: Having money and having money effectively managed is important. To illustrate why I think the discussion in the last 20 minutes leaves the public absolutely adrift, we have not in the last 20 minutes explained, even in terms of one single example, how these funds, hundreds of millions here and trust funds there, are going to make any difference to people, apart from Mr Austin's passing reference to enhancing household level resilience. What you need to do is talk about building homes higher than the flood level and explain to the public in Britain that this is what our climate change adaptation money is doing. It is providing different livelihoods for fishermen whose fishing grounds are being destroyed. It is about reforesting areas where people live. Until we start talking about these things, the public will not think all the billions pledged to one fund or another will make a scrap of difference. Let us talk about the £60 million. How will Mr Austin's team of experts make sure that we force the World Bank to deliver the maximum number of plinths for homes and new livelihoods for people whose farming land is lost? In other words, how will the multi-donor trust fund be made accountable for delivering results to the people?

Mr Foster: Let me talk about the point you raise about dealing with people. You are absolutely right. It is a trap we all fall into, to talk about billions of funds, the volume of funding, and assume everybody in the wide world knows exactly what they deliver on the ground. For me, the Chars Livelihood Programme is a classic example of where you could actually combine an attack on the impact of climate change through flooding and raising the plinths of houses. It is also a poverty reduction programme with the cows and seeds for the families as a way of generating income. It deals with health. It deals with education and also water and sanitation that I know this Committee is very passionate about. That is a holistic way of looking at development and at the future of climate change adaptation. I am keen to pursue examples like that, but it is also in other areas of work that we are engaged with. If we tell a better story people can understand why we are moving in this direction in terms of development. It is not a flippant comment but we talk about the conversion of people to have ducks rather than chickens to deal with areas that are prone to flooding. They provide the same benefits but they just adapt to wet conditions better. It is about getting farmers to look at harvesting crabs as a way of generating income in areas that are becoming more wet and saline and rehabilitating mangrove swamps as an example. Our work on climate change also looks at some of the research that is going to be needed on developing saline resistant rice, which will be a major benefit to

Bangladesh, but perversely drought resistant wheat which is also going to be necessary for parts of Bangladesh. If we talk in the language of what projects are we engaged with, I hope people listening to this and reading the transcript will understand that actually the UK government is doing something very sensible, working with the people of Bangladesh to deliver mechanisms to cope with climate change. In terms of how we get the multi-donor trust fund to deliver, it is about getting government buy-in. It is about being really clear about what the threats are to the people of Bangladesh and to land use in Bangladesh as a result of climate change. We have to be convincing in terms of the evidence that is available and the impact it is going to have. Then we can start putting together the programmes that are necessary.

Mr Austin: On telling human stories about how climate change is already affecting Bangladeshis, we have invested quite a bit of effort over the last two or three months in supporting regional journalists and UK journalists to visit Bangladesh to see the issues for themselves. There have been some good programmes on the BBC and reports in the UK media. The totality of the challenge is quite stark. If sea levels rise by a metre, an area 18 times the size of Greater London could be flooded. This is big stuff for Bangladesh. The multi-donor trust fund will support the government's climate change strategy. Our *pro rata* estimate is that our share of what is committed so far will benefit 15 million people living on the edge of climate vulnerability because they are at risk of sea level intrusion, flooding or cyclones. The overall strategy is targeted at 40 million people in the country. The transparency we hope will come through in a Bangladesh development forum that the government has now agreed to hold on 15 and 16 February next year. Climate change is one of the four issues that the government particularly wants to focus on and we are keen—not just the UK but all donors—to agree an action plan at that forum that will set out what the government's objectives are, what the tangible outcomes will be in the coming one, two, three or four years and how development partners will support that. That will give us a transparent framework to judge progress against.

Chairman: We can see this is work in progress, but you can see from our line of questioning that if we are a bit confused other people are likely to be. A note on some of these issues would be mutually beneficial.¹³

Q204 Hugh Bayley: I want the additional climate adaptation money to be additional money, but I think it would be wrong to give the impression that these are two entirely different things that are being funded because the adaptation work, if it is building a plinth, has a major development benefit. How will your department work to make sure in Bangladesh and elsewhere that every pound of British money spent bilaterally or multilaterally on climate change adaptation in developing countries gets in addition

¹³ Supplementary written evidence submitted by DFID, Ev .

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to the adaptation benefit the maximum development gain per pound spent, because otherwise we really do miss a trick. It is not a zero sum of money—money spent on development plus money spent on climate gain—it is how to make an increased pool of money do more for adaptation.

Mr Foster: It is a point well made. It is why the Secretary of State was over in Copenhagen this week, to put a very clear development focus on any climate change funding. Frankly, the scale of the impact on Bangladesh is so great that actually it has to by default have an impact on development. The figures I have in front of me are that flood prone areas will increase from 25% to 40%, so around 70 million people in Bangladesh will be affected annually just taking that one aspect alone. That is nearly half the population who will be adversely affected. Therefore, anything we do on climate change will have a clear and direct link and impact.

Q205 Hugh Bayley: That is not enough. That £60 million could improve the livelihoods of 10 million people or 15 million people, depending on whether you go for policy plan A or policy plan B. You should be putting in the development analysis to ensure that you go for plan B if that is the plan assisting more families to maximise the development effectiveness.

Mr Foster: We are not going to disagree at all in terms of what we are trying to do. Just in terms of the scale of the problem affecting Bangladesh, if we focus on this one country in particular, that is why I say it cannot but have a direct development impact, anything we do on climate change, because the scale of the problem is literally just so great in that one country alone. It might be different in other countries affected by climate change but for Bangladesh climate change and development go hand in hand and should always go hand in hand.

Chairman: I think it is inevitable that the development community is watching very closely to see that there is added value and added benefit and it is not an either/or. I think that is really where we are coming from.

Q206 John Battle: The Himalayas act as a water tower. 90% of the water then flows down through Bangladesh but it is its relations with the neighbours that I would be interested in. There is a South Asia Water Initiative and I wonder if Bangladesh and DFID are involved in that initiative at all—i.e., to manage the water better from the Himalayas.

Mr Foster: Yes. We are funding the South Asia Water Initiative. It is certainly something that was flagged up to me when I was in Nepal as a major issue of concern to get the six or seven countries that surround the Himalayas involved in this regional body because the challenges of the melting glaciers mean that literally three quarters of a billion people are affected in terms of their drinking water alone from Himalayan sourced water. We know it is a real challenge.

Q207 John Battle: You are seriously engaged with that initiative?

Mr Foster: Absolutely. The name escapes me at this moment in time, but the lead person from the UN on this I met in Nepal and subsequently when she visited the UK I met her again in the UK to reinforce DFID's commitment to looking at this regional water management. I will send the name when it comes to me.

Q208 John Battle: The numbers bandied around at the moment are in the right ballpark. 13 million are incredibly vulnerable now. What struck me in what we learned about Bangladesh was that climate change is not something that is going to happen in 2050. It is happening now in Bangladesh. People are losing their livelihoods because they are drowning now, putting it crudely. Did you say 13 million or 15 million are immediately to be affected and another 60 million later on? Are those the numbers?

Mr Foster: It is 15 million now, is it not?

Mr Austin: At least 15 million are directly affected. I will check the figure and confirm this but I think it is 40 million who are potentially vulnerable at the moment because they are living in very low areas. It may be worth reminding ourselves that 80% of Bangladesh is 10 metres or less above sea level.

Q209 John Battle: That image, if spelt out more popularly, if I can put it that way, would make sense of a lot of the discussions and the numbers being bandied around at Copenhagen. It might drive it home a bit more seriously. They cannot all come and live in our house. One person in Bangladesh said did I know anybody who lived in my village from Bangladesh and I said, "Yes." They said, "Is it in Bradford, because we know someone there. Could we move there instead?" I mention that because, Minister, you said that in terms of migration and the effects of migration what happens—you made a very prescient comment—is that people will not move to Bradford. They will move to Dhaka, to the towns, so that urban issues will become very important. What is DFID doing to help Bangladesh and its neighbours deal with that probable migration? I know we wish we could keep people where they are and give them livelihoods at the moment, but migration is coming. What is DFID's approach?

Mr Austin: Not directly to help stop people from moving. All of our programme is directed at helping Bangladesh live with climate change and reduce poverty. The climate change impacts that are being felt today are affecting rural livelihoods, urban livelihoods, the physical infrastructure. It may sound a little bit sweeping but I would say that all of our programme, trying to improve the quality of social services, support private sector development, improving governance, is about helping the economy and helping society increase its resilience and ability to deal with climate shocks. For individuals, that means putting their home above the high flood mark, giving them some assets so that they have a regular income, a supply of food and they can clothe and educate themselves more strongly, to help the economy grow at more than the

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current 6% a year, so that the government will be able to afford to improve its physical infrastructure. There is already a lot of migrant labour from Bangladesh. It is a huge source of income for the economy. We are already investing quite significantly in a programme to improve English language skills—benefiting 26 million people is the target over nine years—as a way of improving their ability to get better paid jobs in Bangladesh or abroad. We will develop the skill strategy in concert with the government and others again to try and improve the mobility, if you like, of Bangladeshis to work in the region and further afield, because the physical land mass is not going to be big enough to deal with a population that could be 220 million.

Q210 John Battle: The Finance Minister in Bangladesh has asked other countries to take migrants from Bangladesh. I can understand if I am stood up to my ankles in water traditionally collecting rice. Then the water comes in higher. It is salt water. I am now up to my waist and I am fishing for shrimps. I can understand the transition and helping people manage. It is called “adaptation” and very good it is. In the longer term I do not think that is going to be sufficient, given the scale of vulnerability of Bangladesh. The ORCHID¹⁴ assessment recommended that the DFID programme should develop a multi-donor approach “to stimulate international dialogue around complex and crucial, politically charged issues of mass migration and trans-boundary water initiatives.” I go back to my point. Is it Dhaka or is it Leeds and Bradford? Can we talk about it, because ORCHID is suggesting that we do, not only us but a multi-donor thing. Would we take the initiative to get that going?

Mr Foster: We are working on the trans-boundary water issues through the South Asia Water Initiative. We also recognise the need to improve the educational standing of people from Bangladesh who may want to emigrate to perhaps, say, the Middle East to earn a living. That is why what we have done in some of the work on remittances is actually to make it more cost effective for remittances and speed up the process for remittance transfer, not necessarily engaging in a debate about numbers of people emigrating and where they go to, but accepting the fact that there is in the Middle East a large economy that requires labour and is close to Bangladesh that could be used as a platform for people to earn a living, making it easier for that money to get back to the country of origin.

Q211 John Battle: I think I am pushing for a debate that may be just slightly ahead of its time. I suspect the next Copenhagen in 20 or 30 years’ time will be about migration. It is difficult to take on and I think that not only Britain but the whole world is going to be engaged in conversation about people moving round the world on a scale we have never seen before on this earth.

Mr Foster: If you spoke to Mo Ibrahim he would say exactly that.

Q212 Hugh Bayley: We have had evidence from a Dr Gill, a consultant, who said that there was a danger that the lessons of the 2008 food price spike will be forgotten. What steps are DFID taking to minimise the impact of food price spikes on the annual mona season in Bangladesh? Would DFID support the idea of an enhanced public food distribution system as a way of improving food security?

Mr Foster: I think it would be fair to say that food and food security as an issue for the developed world had slipped off the radar prior to the food price spikes and the developing world is now looking at this with far more seriousness and more intent and backing it up with resources. I know our counterparts in USAID have made this a big feature of their programmes as we have done with our country plan for Bangladesh. If I could just run through what we set out in our country plan to deal with food security, our target was to assist by 2015 six million people by our food security and livelihood programmes. A quarter of a million women would no longer be underweight. Four million adults are to eat food daily with a more diversified diet. Under five child wasting is to be reduced from 17% to 11%. Stunting is to be reduced from 43% to 25%, underweight from 41% to 33%. To increase the availability of nutritional supplements like vitamin A—I know you and I, Chairman, attended the Save the Children launch on the particular issue of nutrition and I know that will mean something to you—to 90% in Bangladesh. That gives you a flavour. We have recognised the problem that hit us and are looking to make sure that we can do our bit to affect the impact of the mona in particular.

Q213 Hugh Bayley: What about this idea of a sort of public ration card targeted on disadvantaged groups?

Mr Austin: If I could add another word about what advice the UK has provided to Bangladesh following the 2008 experience. We funded a series of Bangladeshi experts to study five or six issues around food security subsidies for production—subsidies for fertilisers, subsidies and arrangements for silos and storage and distribution, all of which came together as a package of policy papers that has been shared with government, hopefully to inform their own approach. On the issue of feeding programmes, the government in Bangladesh already provides subsidised food administered sometimes by the army and sometimes by civilian authorities. It could have its place in ensuring that at all times of the year the people who are most unable to buy or grow their own food have a regular supply of food. I think there are some question marks about the efficiency of the distribution and the allocation, issues that came up earlier when we were talking about governance arrangements. Whilst it would have its place, we would want to look carefully with the government at

¹⁴ Opportunities and Risks of Climate Change and Disasters Methodology.

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whether it is the most efficient way to make sure that there is food available all year round. Bangladesh produces not quite enough food to feed itself. It is not producing it at the right times of year and it has not got its internal transport system properly sorted. **Chairman:** In spite of the fact that the Prime Minister and the leader of the opposition are both women, the status of women in Bangladesh does not seem to be spectacularly improving.

Q214 John Battle: We have had a long session in depth on many of the issues. I do not think the question of women's gender inequality in Bangladesh should be left off the agenda in any conversation. NGOs have suggested that you include specific targets for women in all DFID programmes. Are you planning to do it? What discussions have you had with the Bangladesh government about practical measures to tackle gender inequality?

Mr Foster: In terms of the programmes that we have and whether we should have a specific target, all of the programmes that we have actually monitor their impact, disaggregated by sex so that we can see what we are doing on the ground and that it is delivering. Our programmes generally in DFID are gender mainstreamed. That is how they are developed to begin with. Then, having the disaggregation of our monitoring can be a check on whether we are doing what we set out to do with our programmes.

Q215 Chairman: Chris, I know you have a role in this.

Mr Austin: I do. I am privileged to be the gender champion for the South Asia division. Our divisional approach in the five countries where we have offices is to reduce violence against women, which will involve us having a partnership with UNDP on perceptions for men and boys. We are keen to use high profile male figures to spread the message that the way women are treated in Bangladesh and other countries in the region is unacceptable in any civilised society, irrespective of religious context and ethnic context. The statistics are pretty appalling. 60% of women in Bangladesh suffer domestic violence at some time. Women earn at about 65% the rate of men. There are fewer than two million of them formally employed despite, I suppose, the dynastic history that has led to the Prime Minister and the leader of the opposition being in their positions and despite the fact that the Agriculture Minister and the Foreign Minister are also women, women are poorly represented in positions of authority in Bangladesh. We supported a campaign with Sweden, Denmark and Norway to raise awareness about these issues over the past year and our support through the Rights and Governance Challenge Fund led to a Bill against domestic violence. It is a thread that runs right through the country programme. Giving women better access to employment opportunities and improving their legal rights are things that we are supporting through civil society. Changing the nature of cultural norms is probably even beyond our remit, although we like to be ambitious and transformational, but I hope that

the contacts with the diaspora and the connections between Bangladesh and the UK could help.

John Battle: I would have thought that some of the work BRAC was doing in that village on gender inequality was absolutely superb work and was easily translated back to some of the difficulties we have in our own inner city constituencies.

Q216 Chairman: We have also made a recommendation that at least two Members of this Committee should always be women. We would be happy for there to be a lot more than two but we do not have any at the moment. It is embarrassing. Thanks to the fact that we do have women advisers, as a Committee, I hope we are aware of these issues but it does not always give us total credibility when we are all men. In every country we have visited in the last year energy has been a problem, the lack of it and the intermittency. There is a coal project which is somewhat controversial involving a UK company. I just wondered if you could give us your take on it. It is the Phulbari Coal Project. They were at your reception and they have visited me here in London and put in a note. They argue that this would provide better quality electricity using cleaner coal, but it would involve the displacement of people. Clearly some of the NGOs and other campaigners are against it. Could you just give us an indication of where the department is on this and whether indeed there are discussions involving the Department for Business about the project?

Mr Foster: The mine in question is clearly an issue for the government of Bangladesh to make a decision on. We recognise the challenge that they face with lack of energy and the handicap that can be on development and economic growth, impact on jobs, incomes and poverty reduction. If the project gets the go ahead—I do not know if it has been given the go ahead yet—clearly we will press for the social and environmental impacts to be addressed by the government. In terms of what the UK is doing, I understand the development is done by a UK company and clearly they have access to UKTI¹⁵ support but in terms of the decision about the project that is a matter for the government of Bangladesh.

Q217 Chairman: Has there been any discussion between DFID and the Business Department about this particular project?

Mr Foster: I have not been party to any discussions. I would have to check with my officials whether they have had discussions. In the broader sense, whenever displacement of this scale is being discussed, we would always be minded to suggest that the social and environmental impacts were taken into account.

Q218 Chairman: I understand that but the counterpoint from the protagonists says here you have a country which desperately needs power. They have their own resources of coal which are cleaner than the alternatives—not cleaner than gas but

¹⁵ UK Trade and Investment.

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cleaner than the coal they are importing—and it is a good thing that they are developing. Are we just entirely neutral about that or do we have a view given that we know the energy shortfall is an issue and a constraint?

Mr Austin: Just to clarify first of all on the officials conversing, we talk to our UKTI colleagues who are in the High Commission in Dhaka because we have received similar briefings from the company and we have received some of the concerns expressed by local, international and UK NGOs. We have a kind of joined up understanding of the issues. As the Minister said, the government has to confirm the licence for this mine to go ahead. As far as I am aware, they have not done that yet. The government has said that, of the four issues they want to talk about most explicitly at the Bangladeshi development forum, energy and power is one of them. Amongst the development partner group, the World Bank and the Asian Development Bank and Japan are the development partners with the most funding and technical expertise in this area. We would expect them to be at the front of policy dialogue with government to make sure that, once government reaches its policy

decisions, the implementation is carried out in the best possible way, including the social and environmental mitigation measures.

Q219 Chairman: Thank you very much for that. I just felt it was important to put it on the record because there certainly needs to be some engagement about it. Can I thank both of you very much indeed? It has been quite a long session. The Committee, as I think you will appreciate, has been fascinated by its visit and seen a lot of good things being done both by DFID and indeed in terms of the country itself, but huge challenges as well both for their politicians, governments and for the people, given the physical pressures they are under, and a resilience that is quite remarkable in the circumstances. I hope we will be writing a useful report and obviously your contributions have been essential. If I may echo what John Battle said, Chris, thank you very much to your team for facilitating our visit. I think the Minister is going again. Is that right?

Mr Foster: The hope is, yes, subject to things that might be happening next year.

Chairman: Thank you very much indeed.

Written evidence

Written evidence submitted by the Bangladesh Institute of Development Studies

These comments are given in response to the request made by the International Development Committee of the UK House of Commons to support an enquiry into DFID's assistance to Bangladesh.

As mentioned in the communication, the key issues for the enquiry include:

- appropriate size and scope of DFID's programme in Bangladesh;
- DFID's support for more effective governance and institution building in Bangladesh;
- DFID's strategy for reducing poverty and inequality, including gender inequality;
- management of climate change impacts and support for disaster risk reduction; and
- role of community-led initiatives in reducing poverty and increasing access to basic services.

Our comments will touch upon some of the issues mentioned above. However, before doing so it may be worthwhile to highlight the socio-economic performance of Bangladesh in recent years. This would provide the setting against which the role of DFID's assistance to Bangladesh can be better understood, and probably better evaluated.

Bangladesh has made significant progress in poverty reduction in recent years, largely propelled by sustained economic growth and social development with support from social safety net programmes. Moreover, at a comparatively low level development, it has reduced population growth including child and maternal mortality, and increased life expectancy to a significant extent. Despite such achievements, Bangladesh still remains one of the poorest countries in the world with nearly 60 million people living below the poverty line. Income inequality is rising along with rapid urbanization putting pressure on delivery of basic services (eg safe drinking water and sanitation). Bangladesh's vision is to become a middle income country with much reduced poverty within the shortest possible time (by 2015 or soon thereafter). This is feasible but no doubt challenging.

SIZE AND SCOPE OF DFID'S PROGRAMMES

DFID's focus has been to support Bangladesh to achieve social outcomes in a number of critical areas including extreme poverty and vulnerability to disasters and climate change so that by 2013, six million Bangladeshis could be lifted out of extreme poverty, and by 2015, the underlying causes of munga (acute seasonal hunger in specific locations) could be eliminated. In this respect, progress indicators for March 2009 include (i) direct assistance to 150,000 people to avoid munga hunger; and (ii) Increased ownership of assets, including land and livestock. To support this, DFID has been implementing several programmes, such as raising homesteads for extremely vulnerable people living in chars (sand islands) in the Jamuna River in northern Bangladesh and protecting their houses and assets from flooding. In particular, the Chars Livelihoods Programme (£50 million over eight years) also transfers assets to households and provides access to latrines and shallow tube wells. In addition, DFID is providing £75 million over seven years (2007–14) to BRAC for its "Challenging the Frontiers of Poverty Reduction" programme which aims to lift four million people out of extreme poverty in rural areas.

For urban poverty, the Urban Partnerships for Poverty Reduction project intends to improve the livelihoods and living conditions of three million poor and extremely poor people, especially women and children. This will be administered by UNDP, and will be implemented jointly by UNDP, UN-Habitat, NGOs and the Government of Bangladesh (£60 million over seven years). DFID is also providing £65 million Challenge Fund for large and small NGOs to uplift one million people in rural and urban areas from extreme poverty by 2015.

While these no doubt are laudable efforts, specific focus on tackling inter-generational poverty could add an important dimension to DFID's support to Bangladesh's fight against poverty. It is recognized that women and girls matter most in poverty reduction since they are instrumental in, for example, improving nutrition, health or education. But women in poor households are marginalized due to societal and intra-household inequality and a lack of empowerment in making economic choices. They are largely excluded from formal education and workforces. Major concerns such as malnutrition and violence affect poor women disproportionately. DFID could therefore adjust its work to include specific targets for women and girls in all its programmes; provide support to government and/or other organizations that are working to change unequal policy and legal frameworks; and focus on developing a new generation of women leaders through equality of access and outcome in education and vocational support.

CLIMATE CHANGE AND DISASTER RISK REDUCTION

Large areas of Bangladesh are particularly vulnerable to disasters and climate change. This is a major cause of current high levels of poverty and a threat to future poverty reduction strategies if not properly addressed. Bangladesh has already started to take this problem seriously and there are a number of areas where DFID can build on to improve the country's adaptation and resilience.

For example, DFID could provide significant funding for physical protection against environmental threats and making assets “disaster proof”; support efforts to better understand the impact of climate change and learn from global best practices for adaptation; focus programmes on climate resilient growth and livelihoods; and increase funding to disaster management and disaster response.

COMMUNITY-LED INITIATIVES

Community led initiatives can become important conduit of supporting the provision of expanded and better basic services—education, health, water and sanitation—for the poor such that DFID could set some targets in partnership with relevant institutions. For example, these targets could encompass that 15% more students would complete primary education and all people would benefit from improved hygiene practices and access to improved sanitation as well as safe, reliable water, say by 2015. In this context, it may be added that DFID’s progress indicators for March 2009 include (i) increase to 55% of people benefiting from access to sanitation and (ii) five million people have access to better hygiene as a result of DFID programmes. To support these activities, DFID currently is contributing £100 million over six years (2004–10), through a pooled funding arrangement, involving 11 development partners managed by the Asian Development Bank (Primary Education Development Programme, PEDP II). The programme targets to improve the quality of education for 17 million primary school children in 78,000 schools.

Another important DFID initiative is the contribution of £100 million over five years (2006–11) through a World Bank multi-donor trust fund, for health, nutrition and population sector programme (HNPSF) to create sustainable improvement in health, nutrition and family welfare status of the population, especially for the most vulnerable, eg the poor, women, children and the elderly. DFID is also helping to provide safe drinking water to some 2.5 million people currently at risk from arsenic contamination (£36 million over five years 2007–11).

DFID’S PAST INTERVENTIONS AND LESSONS

The past history of DFID’s involvement in Bangladesh is a testimony to its significant contribution to promoting growth and poverty reduction through developing sustainable livelihoods especially for the extreme poor and other disadvantaged groups in society including women. This positive performance has been achieved through interventions in two distinct areas: direct assistance to the poor and by influencing others in order to improve overall aid delivery. The strategic focus has also changed over time with unfolding poverty dynamics so that a multi-dimensional approach is evident.

No doubt DFID has helped to improve the lives of millions of Bangladeshis, through investments in crosscutting and poverty focused areas including infrastructure, agriculture and fisheries, education and health, women’s empowerment and livelihood promotion, and through providing emergency relief and rehabilitation. It has also made a major contribution to the strategic planning process through its catalytic role within the donor community and the Local Consultative Group machinery. DFID’s positive image is due to its long history of engagement; growing size of its financing envelop; intellectual strength and commitment of individual staff; and a willingness to engage in new areas through strategic choices. It would be important for DFID to strengthen such efforts to build on past achievements through investing more professional and financial resources in areas of comparative advantage to DFID.

Moreover, it would be prudent to make DFID’s programmes more effective and transparent through increasing focus on delivery evidence, improving monitoring and evaluation systems to establish success/failure of different projects in terms of contribution to targeted areas and lessons learned, and bringing a balance between knowledge creation, ground interventions, and actual change in livelihoods and social position of the target populations. The micro-meso-macro linkages are also important to consider in DFID programmes especially in facilitating the development of both horizontal and vertical forces of change. This is particularly critical in areas such as governance and budget support. Overall, it would be important for DFID not to thinly spread its resources over too many priority areas; rather the key to DFID’s success in achieving its goal would be to create a critical mass in specific support areas having comparative advantage to DFID so that visible breakthroughs can be made to initiate the desired waves of change.

Written evidence submitted by the BBC World Service Trust in Bangladesh

1. THE BBC WORLD SERVICE TRUST

1.1 The BBC World Service Trust is the BBC’s international charity. We use media and communications to reduce poverty and promote human rights, thereby enabling people to build better lives. We are funded by external grants and voluntary contributions, mainly from DFID, the European Union, UN agencies and charitable foundations. We receive a small amount of core support from BBC World Service (both in kind and cash).

1.2 The BBC World Service Trust is involved in two DFID-supported programmes in Bangladesh, which relate to two of the questions posed by the committee.

1.3 Regarding DFID’s support for effective governance, we have talked about the role of the media and described the impact of a BBC debate programme on television and radio entitled *Bangladesh Sanglap*.

1.4 Regarding DFID's strategy for reducing poverty and inequality, including gender equality, we have talked about the demand for accessible English-language learning in Bangladesh and its potential impact. Each section begins with a short summary.

2. DFID'S SUPPORT FOR MORE EFFECTIVE GOVERNANCE AND INSTITUTION BUILDING IN BANGLADESH

2.1 Summary

2.1.1 It is generally agreed that the media have an important role to play in helping bring about the conditions for more effective governance. The media can promote accountability by acting as a watchdog and providing platforms for voices from all parts of society, enabling people to engage in debate and inform decision-making. Whilst there has been considerable effort in many parts of the world, including Bangladesh, to build institutions for better governance, it is the media that has helped to articulate the public's demand for better governance.

2.1.2 The BBC Bengali Service has for almost 70 years now been broadcasting impartial news and current affairs to Bangladesh (as well as north-eastern states of India including West Bengal, Assam and Tripura). The BBC remains the most trusted provider of unbiased and objective news in Bangladesh.¹

2.1.3 Since 2005, support from DFID has enabled the BBC World Service Trust to partner with BBC Bengali to deliver a programme called *Bangladesh Sanglap* ("Dialogue"). This is a debate programme, rather like *Question Time* in the UK, recorded in front of a live audience of around 150 people in different locations around the country. It is broadcast weekly on BBC Bengali radio and Channel I, a satellite television station in Bangladesh.

2.1.4 Research from 2008 found that 86% of the audience felt the programme had improved political debate in Bangladesh.²

2.2 Background

2.2.1 Before commencing the project in 2005, our audience research revealed that Bangladeshis identified the political culture of "blame game" as the major obstacle to meaningful political dialogue. They wanted to participate in important national decisions. When their politicians appeared on television, the public wanted to hear them use simple, clear language. There was almost universal agreement that people should have better access to their representatives and a general perception that poor people did not have access at all.

2.2.2 *Sanglap* aims to encourage and facilitate a change in the country's political culture and increase transparency and accountability through a forum that allows ordinary people to engage in information sharing and discussion of governance issues. More than 115 editions of the programme have been aired on television and radio since 2005. The programme travels outside of the capital, Dhaka, to reach all parts of the country, in some cases taking to the water to reach the more inaccessible spots. A programme was recorded with the British-Bangladeshi community in July 2009.

2.2.3 In addition to the regular editions of *Sanglap*, in 2008, at the invitation of the Bangladesh Election Commission, the BBC worked in partnership with the state broadcaster BTV to produce and broadcast seven debates involving mayoral candidates in four cities. These debates were watched by between 18 and 21 million people. A survey conducted by Nielsen revealed that 90% of viewers felt that what they had heard in the debates would influence their voting decisions.

2.2.4 Alongside the broadcast programmes, the BBC World Service Trust seeks to build the capacity of local media to produce programming that will contribute to better governance and act as a tool to underpin democratic processes. As well as delivering on-the-job training with our partner television station, we have also delivered formal training courses to all private cable and satellite stations in Dhaka, as well as BTV.

2.3 How we work

2.3.1 The BBC World Service Trust works at four levels of engagement:

- The systems level with policy and law-makers;
- The organisational level with state, commercial and not-for-profit entities;
- The practitioner level with professionals and opinion leaders; and
- The individual level with various target audiences for mass media outputs.

2.3.2 The *Bangladesh Sanglap* project aims to contribute to better governance at all four of these levels. The individual level is represented by the broadcast audience of *Sanglap* on television and radio. This includes a regular weekly audience of around seven million people, with over 22 million people having ever watched or listened to a programme.

¹ BBC World Service Audience Research 2008

² BBC World Service Trust audience survey 2008

2.3.3 Bangladeshis watch the programme and are able to see people like themselves holding politicians to account. During the life of the project, they have become more confident in doing so, and this has had an effect on the audience watching at home. As one woman in Kustia put it upon seeing the programme for the first time: "I didn't know people like me could ask questions like this". Ninety per cent of viewers felt that BBC Sanglap improved their knowledge of issues relevant to voters.

2.3.4 At the practitioner level, the BBC World Service Trust is committed to helping local journalists and media professionals develop their core skills, enabling them to produce television and radio programmes that strengthen democracy and good governance. Since 2006 the BBC World Service Trust has delivered on the job mentoring with staff in our partner TV station, Channel I. According to our skills assessment, 93% of the channel's training participants demonstrated improvements in their core competencies.

2.3.5 Since 2008 we have strengthened our capacity building programme, by providing training for staff from all cable and satellite stations in Dhaka, as well as the state broadcaster, BTV. Our aim is to increase the technical abilities of media practitioners to produce their own high quality debates and programming on governance issues. Since 2008, more than 80 journalists and media professionals have completed training in studio lighting, multi-camera directing, package making and presenting skills.

2.3.6 At the organisational level, Sanglap sets the standard for political programming in Bangladesh, encouraging other media houses to produce commercially viable programmes that provide information and promote responsiveness and accountability. There has, as a result, been a proliferation in related programming. Research indicates that 42 political debate programmes are aired each week in Bangladesh, compared to just nine regular programmes before November 2005.

2.3.7 Although this increase in political debate programmes is a positive development for the Bangladeshi TV sector, an independent report in December 2008 commissioned by the BBC World Service Trust, "Political Talk Shows and Accountability in Bangladesh", found that there are limitations to the ability of other TV Channels/production outlets to emulate the Sanglap model. Many television channels are owned by politicians and as such are felt to be partisan.

2.3.8 To quote the report: "Most of the panellists interviewed for this research put BBC Bangladesh Sanglap into a different category from other political discussion programmes. Five principle reasons were frequently quoted:

- It is an independent platform for political debate.
- It is well resourced and well planned.
- It goes out of Dhaka and holds dialogues in different parts of the country.
- It offers ordinary people a chance to ask their own questions.
- It is anchored firmly and impartially."

2.3.9 Many of the interviewees listened regularly to the BBC Bengali service and valued the BBC's historical links with Bangladesh. One person described the BBC as "the only credible news medium in the country". Another said: "I never rely on CNN or Al Jazeera but I do rely on the BBC. The BBC has a historical relationship with Bangladesh".

2.3.10 Most of the interviewees prized the independence of the BBC and the *BBC Sanglap* programme. "People are attracted to BBC Sanglap because it offers an independent platform where people can speak their mind", said one person. "BBC Sanglap provides an opportunity for people to raise their voices without constraint" said another. A third said: "It provides a platform for people to ask questions without fear or favour". A TV journalist on one of the private channels drew a comparison with some of the other talk shows:

"The BBC Sanglap is very good, very straightforward. The BBC microphone is a symbol of freedom of expression. When people go onto the show they think they can speak their mind. In our studios, they can be tricky and reply as they think the channel might wish."

2.3.11 There have been undoubted advances in the ability of the Bangladeshi broadcast media to act as a watchdog and voice of the people, encouraged in part by the example of Sanglap. Restrictions imposed on political talkshows, including a temporary ban during the state of emergency, were relaxed in the period leading up to the successful general election in December 2008. But it is true to say that during periods of heightened instability the public looks to the BBC as a source of impartial information, and to *Sanglap* as a guarantee that their questions can be asked and views freely expressed, such as in the period following the mutiny of border guards in February 2009.

2.3.12 At the systems level, political leaders have become more responsive and accepting of media's legitimate role in questioning public authorities. Politicians who appear on the programme understand that they will be challenged to account for their actions by ordinary voters. Mahfuz Anam, editor of the Daily Star told us:

"I think the Sanglap process has made the politicians realise that they have to be more respectful to the voters. Traditionally they would say one thing today and do another thing tomorrow and through the Sanglap process the voters in a way held them accountable, [asking] how come you said that yesterday and this is what you are doing today?"

2.4 Conclusion

2.4.1 For the past two years Bangladesh Sanglap has scored top marks overall in DFID's Output to Purpose Review (OPR). It is our belief, shared by the OPR team that although training and capacity building is important, the most direct contribution is the weekly programme.

2.4.2 At a critical time in the country's political development, this project has popularised the notion that the citizen of Bangladesh, not just in the capital but throughout the country, has a right to be heard and to be answered. The programme has thus emerged as a unique way in which the audience can demand more effective governance.

3. DFID'S STRATEGY FOR REDUCING POVERTY AND INEQUALITY, INCLUDING GENDER INEQUALITY

3.1 Summary

3.1.1 We would like to confine our submission here to one area where we have particular insight: namely the expressed demand for accessible English-language learning in Bangladesh.

3.1.2 In March 2008, following a request from the Government of Bangladesh, DFID announced £50 million over nine years for an ambitious programme to increase significantly English language skills for 27 million people in Bangladesh.

3.1.3 Known as *English in Action*, the goal of the project is to contribute to economic growth by providing English language as a tool for better access to the world economy.

3.1.4 Between now and 2017, much of the effort will take place in schools to improve teaching methods and materials. This is being led by the managing agents BMB Mott MacDonald with the Open University as well as local partners.

3.1.5 It was also recognised that in Bangladesh, where 48 million mobile phones are in use and 65% have access to television, a vast number of young adults who have already left school could benefit from media initiatives to improve English language skills.

3.1.6 The BBC has been involved in using the media to improve English worldwide for over 60 years. With an established reputation in Bangladesh, the BBC World Service Trust, was well placed to join this initiative and has been given the task of providing English learning through television and mobile phones, with the first programmes due to launch by the end of 2009. Our partner in this enterprise is BBC Learning English, a department of BBC World Service.

3.1.7 Television programmes aimed at young people in the first instance will be backed up by low-cost lessons on mobile phones and an interactive learning website. A prime-time drama shot in Bangladesh and London will launch in 2010. With dialogue mainly in Bangla to attract the widest possible audience, each episode will feature functional target English as part of the narrative. An associated television programme and further mobile lessons will use the target English to provide language reinforcement. Programmes will be representative of, and targeted to, attract women.

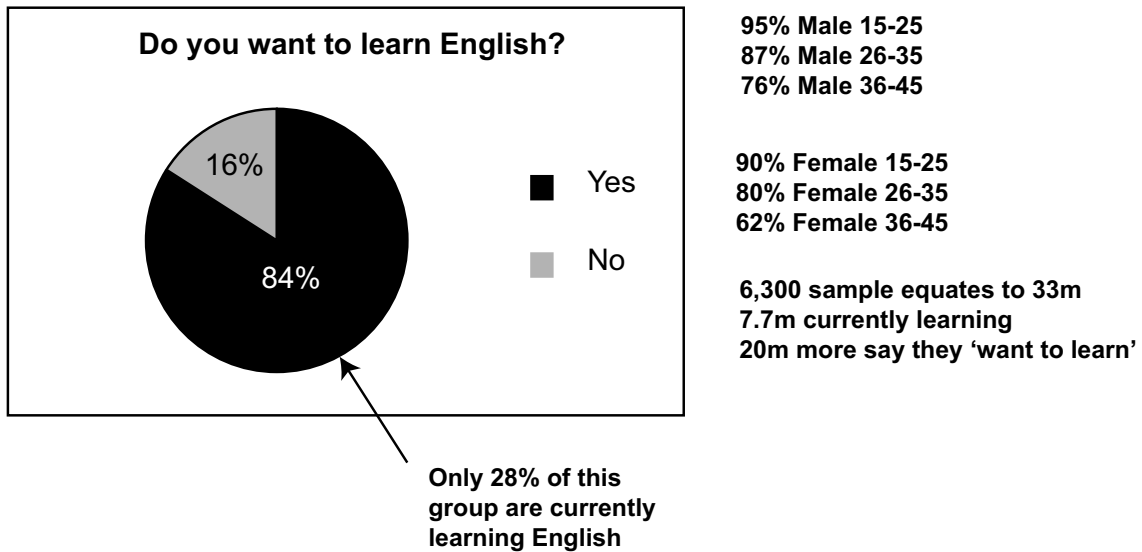
3.1.8 The aim of the BBC's activities in this first phase of the project is to "change" people's perceptions of language learning, reduce barriers to English and support the development of an English language media sector through the innovative use of television, radio, mobile phone and other media platforms¹. In this short paper, we wish to explain the results of our audience and employer research over the past year, the expressed demand for English from all sectors of society and why we feel it is necessary to change people's perceptions of English learning. We conclude that more accessible English learning opportunities can help to reduce poverty and inequality in Bangladesh.

3.2 Audience Research

3.2.1 In early 2009, the BBC World Service Trust conducted a major baseline survey throughout Bangladesh of 6,300 people in socio-economic classes A–D between the ages of 15–45. All were mobile phone users. Over half were in the relatively poor socio-economic group D, which means they had household income of 10,000 Taka (£100) per month. This sample provides information about the total population in this category—roughly 33 million people.

3.2.2 Eighty-four per cent—almost 28 million people based on this sample—say they want to learn English. 7.7 million are currently learning English—which leaves a further potential 20 million who say they want to learn and are not currently doing so.

3.2.3 There is a desire to learn English across the board—men and women, urban and rural, rich and poor. English is seen as a tool to enable social and economic advancement. There is no sense that English is being thrust upon them unwillingly or that it is some form of colonial export from Britain.



3.2.4 Amongst those interviewed, there was universal acceptance that children should learn English (girls as well as boys) with 100% of our sample agreeing with the phrase “it is important for children to learn English”.

3.2.5 When asked to give a spontaneous response to the question “why do you want to learn English?” there were marked differences between men and women, with men saying they wanted a better job and women that they wanted to be able to teach their children, but this included their girl children as well as the boys.

To be able to teach my children	36%
It is needed for getting a good job	27%
For personal interest	15%
In order to go abroad	12%
Because it's an international language	11%
To speak with friends in English	9%
To be able to know about the world	9%
To prosper in life	8%
It is essential in all levels of the society	7%
To speak with foreigners	6%
To increase working skills	5%
To increase confidence	5%

	All	Male 15-25	Male 26-34	Male 35-45	Female 15-25	Female 26-34	Female 35-45
To teach children	36%	13%	26%	35%	51%	83%	66%
To get a better job	27%	68%	43%	27%	38%	20%	10%

Base:5,262 (Those who want to learn English)

3.2.6 There are, however, considerable barriers to English: few opportunities to hear native speaker models; unreliable feedback; lack of practice opportunities; poor teaching methodologies; lack of confidence and low learner autonomy. Our baseline research revealed that although English is seen as an essential skill, almost half the respondents considered it “too difficult” and “too expensive” to learn. For those who have failed to gain good speaking and listening skills at school—the vast majority of the population—the cost of adult provision is generally prohibitive. As such, lack of access to English provision is a significant contributor to the exclusion of poor people from social and economic advancement. The wealthy can afford to send their children to English-medium universities and generally do so.

3.2.7 Our research suggests that 60% of respondents would try using a mobile phone to learn English. They like the fact that they can listen and practise alone and in their own time, though they are very mindful of the potential cost. Focus groups suggest that most would be prepared to spend between 15 and 50 Taka [15–50 pence] per month on calls, SMS and downloads in order to learn English. As a result, we have designed our mobile offering such that the most cost-conscious can receive at least one audio lesson per week. Those at the top end of the scale should be able to afford all the available content each week.

3.2.8 For our baseline research, two further samples were taken. One thousand people from SEC A to D over 45 years of age, as well as 1,000 television viewers from the poorest sector of society (SEC E). These additional samples will enable us to measure impact amongst these secondary audiences.

3.2.9 We note that here, there is still considerable interest in learning English, though rates decline particularly amongst the 45 to 60 year olds, many of whom considered themselves too old.

	<i>SEC A–D</i> <i>15–45</i> <i>Years</i>	<i>SEC E</i> <i>15–45</i> <i>Years</i>	<i>SEC A–D</i> <i>45–60</i> <i>Years</i>
Have ever learnt English	97%	70%	84%
Want to learn English	84%	59%	40%
Currently learning English	24%	7%	1%

3.3 Employer Research

3.3.1 The BBC World Service Trust also conducted 26 in-depth interviews across Bangladesh amongst employers who use English to a certain degree, including export businesses, multi-national companies, airlines, banks, hotels, restaurants, the travel industry, call centres, garment factories, data entry companies, supermarkets, mobile phone companies, media houses and IT companies.

3.3.2 Almost all the respondents (23 out of 26) felt that English was very important in their work and for all people in their organisation. English was particularly important for them to communicate with foreign clients and to use computers/technology.

3.3.3 Just over half of the respondents (15 out of 26) thought their employees needed to improve their speaking and communication skills. There appears to be a direct correlation between English skills and the salary that an employee can command. Those businesses offering lower salaries said they often have to employ staff with poorer English skills that the job requires.

3.3.4 Although this was a small sample of employers, it is interesting that the responses were relatively uniform. Multinational companies and international banks that can offer higher salaries have less trouble recruiting staff with adequate English language skills. It is the second rung businesses—such as garment factories, export businesses and the service sector—which have trouble attracting English speaking staff on the salaries they can offer. These sectors employ many more people in Bangladesh and are likely to drive economic growth in the future. To a large extent successful growth will rely on these firms doing business with people from overseas. We can therefore assume that better English skills will provide a more favourable environment for growth and employment in these sectors.

3.4 Conclusion

3.4.1 Much more evidenced-based research will take place over the next few years, but as we embark on this initiative, the strong message is that ordinary people—men and women from all sectors of society—see English skills as a means of advancement for them or their families—and that those employers who have much to contribute to the economic growth of the country are facing skills shortages due to lack of English. Women are as keen to learn English as men. We would conclude that by using some of its resources to improve English language skills in Bangladesh, DFID are handing poor people a valuable economic tool in the market place, as well as all the other advantages that come from being able to communicate with people from other parts of the world.

REFERENCE

ⁱ Proposed output definition replaces current definition “Interest in English language and access to learning activities generated through television and mobile telephone based interventions”.

September 2009

Written evidence submitted by Christian Aid

1. INTRODUCTION

1.1 Christian Aid welcomes this opportunity to provide evidence to the International Development Committee on DFID’s programme in Bangladesh. Christian Aid has a long history of working through partners in Bangladesh to tackle the causes and consequences of poverty and injustice. This work has focused mainly on the economic and social inclusion of socially excluded groups, promoting and advocating women’s empowerment and women’s rights, enhancing livelihood security, emergency response and disaster risk reduction (DRR) and climate change adaptation (CCA). We have focused this submission on issues where we and our partners have expertise and have provided specific ideas and recommendations for action for DFID’s programme in Bangladesh.

1.2 We are concerned by how little information about DFID's projects in Bangladesh is publicly available. In view of the size of the UK's aid programme, we believe that DFID should be much more proactive in communicating details of its programme to the UK public. This would help encourage a healthy debate about the use of UK aid money in Bangladesh and be useful for other development actors.

2. REDUCING POVERTY AND INEQUALITY THROUGH ADDRESSING GENDER INEQUALITY AND SOCIAL EXCLUSION

2.1 DFID's "women and girls first" approach in Bangladesh is extremely welcome where gender inequality is one of the biggest barriers to poverty eradication. Despite progress on key social and economic development indicators over the last two decades, considerable gender disparities exist in sectors such as employment, health, education and in access to resources in Bangladesh. Some improvements have been noted with an increasing number of women becoming involved in local governance. However, even then many women face significant challenges and resistance from their male counterparts. In general, women remain largely marginal to key decision-making processes and are poorly represented in political structures at both national and local level.

2.2 Gender equality is a cross cutting objective for the DFID Bangladesh programme as a whole however there is still more that DFID can do to translate policy level commitments into stronger results.

2.3 Global trends saw DFID's spotlight on the Millennium Development Goals narrow the focus of their gender equality policy to social sectors such as girl's education and maternal health in the past, with less attention given to gender in areas such as economic opportunities and decision-making.³ A large majority of current DFID funded projects in Bangladesh remain focused on social sectors with significant funding given to maternal and neonatal and urban primary health, education and sustainable livelihoods programmes amongst others. This has been seen alongside a more recent focus on safety and justice with large programmes due to begin in 2010. Christian Aid sees the focus on social sectors as a valid one and welcomes the new focus on safety and justice; however it is vital that DFID more consistently address gender in other areas such as political empowerment. DFID should do more to promote women's involvement in decision-making processes and support all efforts to strengthen the position of locally elected women. In addition, DFID could support new approaches such as sponsoring women in management roles in NGOs, in the private sector and in Government.

2.4 DFID's programme focuses on gender however there is very little reference to women from marginalised communities in this and little recognition of the way in which gender discrimination intersects with other forms of discrimination, such as ethnicity and caste to further compound their inequality of access, opportunity and empowerment which can lead to multiple discrimination. Social exclusion is a useful and important framework for examining gender inequality as well as other forms of discrimination. DFID should significantly increase funding for research and programmes (such as the 2007 DFID-funded campaign on the rights of the *Bihari*⁴ community) which increase understanding of which groups are poor and excluded and the form that exclusion takes in Bangladesh.

2.5 A strengthened DFID programme portfolio on social exclusion is particularly important in Bangladesh where social exclusion is a massive challenge to development.⁵ Our experience and that of other NGOs has seen that groups marginalised on the basis of their identity, for instance their ethnicity, caste or gender; tend to be amongst the poorest of the poor. Poverty is highest in the areas in which indigenous populations are concentrated, invariably in rural areas and in particular the Chittagong Hill Tracts. It is also estimated that caste based discrimination affects between 3.5 and 5.5 million *Dalits*,⁶ approximately three to four percent of the total population.⁷

2.6 Despite this, there is very little public information and awareness amongst civil society in Bangladesh on DFID's approach to tackling social exclusion. Considering the challenges of social exclusion in Bangladesh and DFID's strong commitment to tackling social exclusion globally⁸ it should be far more visible in DFID's approach in Bangladesh. DFID should play a stronger role in addressing the particular challenges faced by excluded groups by more explicitly targeting groups such as ethnic minorities and Dalits. DFID should mainstream social exclusion more strongly throughout its policies and programmes and should ensure greater learning within the South Asia region, for instance from DFID India's IPAP and PACS plus programmes on gender and social exclusion.

2.7 As DFID aims to further mainstream gender and social exclusion throughout its various programmes it should ensure gender indicators, outcomes and gender and poverty disaggregated data are included throughout. For instance DFID should increase use of sex-disaggregated statistics in their programmes and

³ F Watkins, *Evaluation of DFID Development Assistance: Gender Equality and Women's Empowerment*, DFID Evaluation Development, 2004.

⁴ The Bihari community in Bangladesh is a community of non-Bengali citizens from Pakistan living in Bangladesh since its independence in 1971.

⁵ Christian Aid sees social exclusion as the process through which a group is wholly or partially excluded by majority and/or dominant groups from full participation in the society in which they live.

⁶ In the Hindu *varna* system of caste hierarchy dalits sit outside of the caste system and are believed to be impure resulting in practices of untouchability.

⁷ *Regional Information and Research Project on Caste-based Discrimination in South Asia*, Indian Institute of Dalit Studies, 2008.

⁸ *Reducing poverty by tackling social exclusion*, A DFID policy paper, DFID, 2005.

improve data so that at least 50% of indicators across the DFID programmes portfolio in Bangladesh are either disaggregated by sex or gender sensitive. DFID should ensure their team in Bangladesh is as far as possible ethnically diverse and gender balanced.

2.8 DFID should work more closely with the Government of Bangladesh (GoB) to mainstream gender and social exclusion into wider policies and programmes and make gender inequality and social exclusion a routine part of dialogue with the GoB. This should include requiring and supporting the GoB to secure disaggregated poverty analysis to see whether the benefits of social and economic development are being increasingly equitably enjoyed. Moreover, DFID should ensure that the GoB is able to introduce policies that positively discriminate if evidence shows they could work.

2. MANAGING CLIMATE CHANGE IMPACTS IN BANGLADESH

3.1 *Scale of impacts in Bangladesh*

3.1.1 A range of factors make Bangladesh particularly vulnerable to the impacts of climate change, including its high population density, low development status and position on a tropical mega-delta (which increases its exposure to climatic and hydrological phenomena, such as cyclones, sea-level rise and monsoonal flooding). Some of the key predicted impacts are:

- An exacerbation of existing water-related variations and extremes: ie floods, droughts, river erosion, cyclones and associated storm surges;⁹
- Heavier rainfall and more extensive flooding during the monsoon season, and drier winters (when water shortages will become more common);
- Steady rises in average temperatures and sea-level—the latter will result in coastal areas being inundated and worsen the problem of the creeping salinisation of groundwater.

3.1.2 Many of these effects are already visible: for instance, the GoB reports that “Average monsoon time maximum and minimum temperatures show an increasing trend annually at the rate of 0.05°C and 0.03°C, respectively.¹⁰” For the maximum temperature, this is equivalent to an increase of one degree every 20 years. Severe floods, long dry spells and heavy rainfall episodes all appear to have become more frequent.

3.1.3 The socio-economic impacts of these changes could be devastating for the country, with the most severe effects occurring in the sectors of agriculture, health, water and infrastructure and due to population displacement (as land becomes inundated by the sea). The IPCC reports that yields in agriculture may decline by as much as 30% in the next four decades in South Asia due to climate change.¹¹ Development efforts will be undermined by the increased damage to public infrastructure resulting from more frequent natural disasters and a greater share of government spending will get diverted for post-disaster rehabilitation.¹²

3.2 *The UK's response*

3.2.1 The UK's credibility on this issue in Bangladesh will be determined not only by the level and quality of support it gives on adaptation but also by evidence that it is taking real steps to cut its own greenhouse gas emissions. It is vital that the UK signs up to a deal in Copenhagen that commits it—along with other developed economies—to a 40% cut in domestic emissions by 2020—the scale of cuts required to keep global warming to below 2°C.

3.4 *Adaptation funding shortfall*

3.4.1 Developing countries such as Bangladesh urgently require financial assistance to tackle the consequences of climate change. It is very difficult to calculate the total sum needed due to uncertainty about the scale of future impacts, a lack of solid information at the country level and differing opinions on what constitutes adaptation. However, initial estimates are suggesting tens of billions of pounds *per annum*. The UK, as a developed country and major contributor to global warming, has a legal responsibility under Article 4.4 of the United Nations Framework Convention on Climate Change (UNFCCC) to assist developing countries in meeting the costs of adaptation. However, despite 17 years elapsing since the signing of the Convention, developing countries such as Bangladesh are still waiting for this financial support to be provided. (Up to mid-2007, just \$26 million had been disbursed to developing countries under the three operational UN funds for adaptation, roughly equivalent to the UK's weekly spending on flood defence¹³). We consider this unacceptable.

3.4.2 Two major government plans have been drawn up in Bangladesh on adaptation (with the encouragement of donors): the 2005 National Adaptation Programme of Action (NAPA) and last year's Climate Change Strategy and Action Plan (CCSAP). Although the priorities for adaptation work have been

⁹ *Orchid: Piloting Climate Risk Screening in DFID Bangladesh, Detailed Research Report*, Institute of Development Studies, 2007 p 18.

¹⁰ NAPA, Ministry of Environment and Forests, 2005, p 8.

¹¹ Working Group II Contribution to the IPCC, 4th Assessment Report, *Climate Change Impacts, Adaptation and Vulnerability*, 2007, p 479.

¹² Ahmed A.U., 2005, cited in Orchid report, p 18.

¹³ Human Development Report 2007–08, UNDP, p 189.

clearly identified in these documents,¹⁴ to date no significant funds have been provided by the international community—and hence very few of the measures outlined in the NAPA and CCSAP have been implemented. The 15 priority activities spelt out in the NAPA carry a relatively cheap price tag of \$74 million; the CCSAP, which is a 10-year plan and contains many of the same project ideas as the NAPA, needs \$500 million in the first two years.¹⁵

3.4.3 The UK Government is to be commended for being the first government to commit a significant sum of money to help Bangladesh meet the costs of adaptation—with its decision to allocate £60 million over five years in support of the CCSAP. However, we would argue that it now needs to do the following:

- Scale up even further in the period up to 2012 (when a new climate treaty will take effect): £60 million equates to only £12 million per annum. This is a good start but is not enough to implement properly the NAPA and CCSAP. The UK should double this amount immediately and call on other developed countries to make similar commitments.
- Recognise that money for tackling climate change is qualitatively different to aid—we believe it is a matter of compensation—and Bangladesh’s aid budget needs safeguarding; therefore any new funds should be additional to existing ODA.
- Avoid channelling its funds through the World Bank—see 3.6.

However, there are limitations to this bilateral approach to climate change funding. A system based on voluntary contributions is simply not going to deliver the scale of funds required for adaptation.

We therefore also recommend that the UK should also:

- Prioritise the operationalising of the UNFCCC Adaptation Fund.
- Strive for an international agreement at Copenhagen in December that, amongst other things, establishes an effective post-2012 mechanism for funding adaptation in developing countries, involving the scale of funds mentioned above.

3.5 Importance of integration

3.5.1 We welcome DFID’s initiative to map the likely effects of climate change on its various programmes in Bangladesh, with a view to “climate proofing” them in future (the Orchid climate risk screening project). The recommendations of this review should be fully implemented, especially in relation to DFID projects involving the construction of roads and schools and, under the Chars Livelihoods Programme, the raising of houses to protect against flooding.

3.5.2 We do not believe adaptation should be treated as a stand-alone issue; instead it must be fully integrated into existing development policies, for instance the country’s Poverty Reduction Strategy and its water, agriculture and disaster risk reduction policies. This is because climate change is only one “stress factor” amongst many affecting people’s lives and causing poverty—for instance, in the water sector, seasonal water shortages caused by climate change will merely add to the existing problems of over-extraction and the pollution of surface and groundwater. Therefore, holistic, demand management approaches are needed, if more people are to be guaranteed access to clean drinking water. DFID should work with GoB and other development actors to promote this type of integration (or climate-proofing) within different sectors in Bangladesh.

3.6 Multi-Donor Trust Fund

3.6.1 The UK Government is currently championing a proposal to establish a Multi-donor Trust Fund (MDTF) to handle funds coming to Bangladesh from overseas for climate change adaptation and low-carbon development. It sees it as the best vehicle for spending the £60 million it committed last autumn in support of the CCSAP. It is working to get other countries, such as Denmark, to make similar contributions. The most controversial aspect of the proposal is the idea that the World Bank should act as the secretariat of the MDTF.

3.6.2 The World Bank has a poor reputation in Bangladesh and many civil society groups there and even some sections of the Government are opposed to the Bank being given such a critical role in the management of the country’s adaptation funds. The Bank’s reputation has been damaged by its record on structural adjustment, its “top-down” approach and also its support for projects which have caused environmental degradation: for example, the leasing of thousands of hectares of land for shrimp farming in Chokoria Sundarban (South-east Bangladesh)—a project financed by the World Bank and the Asian Development Bank in the 1980s and 90s, which resulted in the loss of the country’s second largest mangrove forest (one side effect was that it removed as well an important natural buffer against cyclones¹⁶).

¹⁴ For example, a programme for coastal afforestation, measures to enhance the country’s disaster preparedness systems, steps to protect drinking water supplies in the face of increasing drought and salinisation, and various actions in the climate-sensitive sectors of agriculture and fisheries.

¹⁵ NAPA, Ministry of Environment and Forests, 2005, pp 24–5; Bangladesh Climate Change Strategy and Action Plan 2008, Ministry of Environment and Forests, p 29.

¹⁶ *Case Study of Ecological Debt*, Equity and Justice Working Group, Dhaka, 2008.

3.6.3 We believe DFID should revise its current approach and increase the level of country ownership of its adaptation funding by: Establishing a National Board to manage the funds, housed in and managed by the Government but with representation, and oversight from donors, NGOs, the private sector, independent experts and affected communities. This would avoid the duplication that is likely to occur if a donor trust fund gets established alongside GoB's own fund. This would be a more cost-effective solution (under the MDTF plan, the Bank would charge an administration fee of at least \$5 million), it would put the Government and communities at the heart of decision-making, and it would be more popular than an arrangement where the Bank is the central player.

4. CHARS LIVELIHOODS PROGRAMME

4.1 In general, we welcome the outcomes of this programme, which is giving valuable assistance to thousands of poor households living on island *chars* in the North-west of the country. We are impressed by the evidence that household incomes have been raised by 100%, mainly as a result of the asset transfer scheme, by the plinth construction and by the improvements in household nutrition. However, we are concerned that only limited attention appears to have been given to advocacy vis-à-vis the local government to address important questions such as land rights, employment and public services on the *chars*. The causes of poverty on the *chars* must be addressed more directly: for much of the year, there is no work available on the *chars*; there are very few health clinics; most of the children living there do not go to school (education services are either non-existent or of a low quality); and very few households own land. Approximately 60% of the island *chars* are stable, so it is feasible to make these investments. We recommend that in next phase of the CLP, more attention is given to advocacy with local and national authorities, so the benefits of the programme are sustained after UK funding ends.

5. SUPPORTING DISASTER RISK REDUCTION IN BANGLADESH

5.1 A low-lying country with more than 230 waterways, Bangladesh is one of the most disaster-prone nations in the world. DFID states that its approach to disaster management in Bangladesh is primarily guided by the overriding objective of reducing poverty and targeting the most vulnerable and poor. We commend that DFID has been at the forefront of developing the concept and practice of DRR globally. This has resulted in a significant and welcome shift of DFID policy and programmes from focusing on hazards and disaster management to a more differentiated analysis of vulnerability and resilience. However, the current Country Plan for DFID Bangladesh highlights a focus on physical infrastructure, with the only DRR-related indicator in the country plan referring to the improvement of flood defenses and cyclone shelters.¹⁷

5.2 Lessons from decades of community-based disaster management and risk reduction show that such infrastructure investments are wasted if they are not complemented by strong non-structural components, in particular awareness raising and capacity building at all levels. For example, detailed reviews of cyclone shelters in Bangladesh and other cyclone-prone countries have highlighted that shelters are often not used by young, pregnant or sickly women as they are difficult to reach and provide limited privacy and sanitary equipment.

5.3 Moreover, many non-governmental and DFID-funded cyclone shelters in Bangladesh are not maintained since they had to be handed over to under-resourced local government departments several years ago. Decentralising responsibilities without devolving decision-making powers and adequate resources has—in many cases—resulted in defunct physical infrastructure and disaster management systems.

5.4 A significant proportion of DFID's long term funding support for disaster risk and climate change adaption in Bangladesh goes to the Comprehensive Disaster Management Programme (CDMP) which is the main donor vehicle for promoting DRR in Bangladesh today. It aims to reform the GoB's approach to disaster management through refocusing the government towards greater emphasis on preparedness and risk reduction rather than traditional relief and rehabilitation. This is fully in line with DFID's global policy on DRR¹⁸ and falls within their "climate and life" programme which includes broader support to climate change adaptation. The CDMP emphasises local planning by involving local government authorities and communities in developing community risk assessment guidelines. This process has created interest and raised awareness however local authorities lack the resources, skills and authority to implement local action plans effectively.

5.5 The second phase of CDMP is due to start in 2010 with plans to scale up across Bangladesh. DFID should continue to strengthen the CDMP and support the Ministry of Food and Disaster Management¹⁹ to take the lead in a whole of government approach. However, if the programme is to achieve impact at scale more attention needs to be paid to building capacity at district, sub-district and union levels. This next phase should increase efforts to strengthen links between different groups in communities and local government to support local level mainstreaming of DRR. At a national level it should do more to accelerate the progress of mainstreaming this concept across other government ministries in the GoB.

¹⁷ DFID Country Plan, *Development in Bangladesh 2009–14*, DFID 2009, p 11.

¹⁸ DFID "Reducing the Risk of Disasters—Helping to Achieve Sustainable Poverty Reduction in a Vulnerable World: A DFID Policy Paper" London, March 2006.

¹⁹ The Ministry of Food and Disaster Management is the institution in Bangladesh with overall responsibility for coordinating national DRR efforts.

5.6 Our experience and that of other NGO's in Bangladesh have shown that livelihoods options can contribute to the sustainability of DRR initiatives. In this context stronger links should be made to other DFID funded projects in Bangladesh such as the Chars livelihood programme and BRAC's challenging the Frontiers of Poverty programme. In its support to the CDMP and through its wider programme portfolio including its livelihoods programmes DFID should aim for as much DRR coverage across the country as possible and should continue to ensure the uptake of a more comprehensive DRR approach in partnership with the GoB and CSOs.

5.7 Our experience, particularly in Southeastern Bangladesh, has shown that local governments are under resourced and that district and national government departments are often reluctant to cooperate directly with NGOs. This has resulted in very few genuinely successful partnerships where civil society works alongside and in support of government efforts. Instead, NGOs and other organisations tend to set up separate service delivery systems, which is precisely what the government seeks to reduce. Alongside this, lessons from Cyclone Sidr and other disasters have shown that a high number of assistance programmes in Bangladesh are implemented by local communities and CSOs who are often the first to respond to disasters. Not enough has been invested in strengthening these frontline responses in disaster-prone areas.²⁰ More efforts are needed to build institutional capacity at this level, to ensure community involvement in disaster preparedness strategies at all levels and to build links between CSOs and local government authorities. DFID should increase its direct support to CSOs working on DRR locally and should use its bilateral support in a way that builds capacity and encourages more effective partnerships.

September 2009

Written evidence submitted by David Hulme

NOTE ON STAFFING LEVELS AND STAFF TURNOVER AT DFID, BANGLADESH

DFID has a hardworking and highly respected set of staff in Bangladesh. However, over the last five years I perceive that two problems have arisen (probably due to decisions in London and other factors) that mean that the average DFID officer in Bangladesh has less experience and knowledge of the country (and fewer high quality personal contacts with Bangladeshis) than was the case in the 1990s and early 2000s.

1. I perceive that staff turnover has increased as in my annual visits to DFID Dhaka most of the people I meet are "new" or "recent". I have no data (but I think you should request data on length of stay in Dhaka) but feel that two years rather than three or more years is the average stay. (If you do get data do not just look at averages—the key criteria is how many staff complete a full third year in Bangladesh).
2. Staff reductions and budget increases mean that the average "spend per adviser" has increased This means that advisers cannot allocate time to the innovative low spend/high impact initiatives that "improving governance" programmes often need.

This note is not a criticism of DFID staff but of structures and systems that create turnover and limit innovation.

David Hulme
University of Manchester

22 October 2009

Written evidence submitted by the Department for International Development

ACRONYMS

AL	Awami League
BNP	Bangladesh National Party
BRAC	Building Resources Across Communities (formerly Bangladesh Rural Advancement Committee)
CDMP	Comprehensive Disaster Management Programme
DAC	Development Assistance Committee
ERD	Economic Relations Division, Finance Ministry
JCS	Joint Cooperation Strategy
MDTF	Multi-Donor Trust Fund
SME	Small and medium sized enterprise

²⁰ Oxfam Briefing Note After the cyclone: lessons from a disaster, February 2008.

EXECUTIVE SUMMARY

1. Bangladesh is one of the most densely populated countries in the world, with more than 142 million people living in a country the size of England and Wales. Bangladesh has made significant progress in reducing poverty in recent years, but the challenges remain significant. Some 110 million people survive on less than \$2 a day. Almost 15 million are extreme poor, living on the equivalent of about 20p a day. 67 million people (47% of the adult population) are illiterate—42 million of whom are women. More than 12,000 women die each year (more than one every hour), due to avoidable complications of pregnancy and childbirth. Climate change will lead to sea level rises, more extreme and less predictable weather patterns, more severe flooding, drought, and more intense cyclones and tidal surges.

2. Successive Bangladesh Governments have signalled their commitment to reducing poverty, as laid out in Poverty Reduction Strategies since 2005. Politics and weak governance remain obstacles to more effective poverty reduction. Economic growth is its main driver but growth is not automatically translated into reductions in poverty, let alone inequality. The new Government's vision is for Bangladesh to attain Middle Income Country status by 2021. Making the vision a reality will require significant investment in basic social services, skills for better paid jobs, and an expanded power supply.

3. These challenges closely reflect the issues presented in the UK Government's recent White Paper, *Eliminating World Poverty: building our Common Future* (Cm 7656). In Bangladesh, there are strong links between climate change, economic prosperity and security and strength of democracy. Moreover, making further progress against the MDGs in Bangladesh will require even more effective and coherent international aid.

4. The UK Government is the largest bilateral grant donor to Bangladesh. We have spent almost £470 million over the last four years, directed at reducing extreme poverty; improving access to and quality of basic health, education and water services; supporting private sector development and jobs for the poorest; and improving governance.

5. Specific achievements include: 10,000 more classrooms and 14,000 new primary teachers recruited; one million boys and girls provided basic schooling through NGOs; one million extremely poor people (90% women) helped to improve their livelihoods; more than two million people provided with clean drinking water, and nine million with access to sanitation; four-fifths of children fully vaccinated, leading to a halving of under five deaths; and more than 180,000 jobs created, mostly for unskilled labourers who had been living on \$1 a day.

6. The new Country Plan, launched in July 2009, outlines how UK aid will help Bangladesh reduce poverty and live with climate change, aligned with the Bangladesh Government's national priorities. Future bilateral aid allocations are £125.14 million in 2009–10, and £150 million in 2010–11.

7. This will deliver progress towards the Millennium Development Goals, particularly MDGs one (poverty and hunger); two (primary education); and five (maternal health). We will work towards more effective delivery of aid, particularly through the key multilateral organisations and across the system. The development programme also contributes to wider HM Government priorities, including improved democracy, reducing the risks of radicalisation, and helping Bangladesh play a constructive and active role in the region and beyond.

KEY QUESTIONS

1. *The appropriate size and scope for DFID's programme in Bangladesh?*

1.1 The UK development budget for Bangladesh is £125.14 million for 2009–10 and £150 million for 2010–11. Allocations in later years will be determined after the next Comprehensive Spending Review. Commitments to existing programmes, typically multi-year, total about £1 billion.

1.2 Country allocations are informed by DFID's resource allocation model, which assesses relative country need and governments' policy performance in reducing poverty. Allocations also take account of other donor flows, effectiveness of past aid, competing demands on the aid budget, and strategic choices about type of funding mechanism (bilateral, multilateral, global). Bangladesh is not aid dependent, with aid accounting for only 2.2% of GDP. But it is equivalent to just under half of the Government of Bangladesh's annual development programme.

1.3 Bangladesh clearly warrants continued high levels of UK grant aid, given the high incidence of poverty, population and climate change pressures; strong policy commitments to tackling poverty and inequality; and effectiveness of previous UK aid. That said, we aspire to improving the effectiveness, efficiency and impact of UK aid to Bangladesh.

1.4 The Government of Bangladesh's National Strategy for poverty reduction and the UK's recent White Paper set the framework and priorities for the UK development programme. UK aid is focused on improving quality of basic services, private sector, governance, and tackling extreme poverty. Improving the economic and social status of women and girls is a priority throughout our programme. To improve the effectiveness of our operations, and the efficiency of DFID itself, the number of discrete projects has been more than halved over the past four years. Instead, programmes are designed and implemented in conjunction with other donors, through challenge funds managed by third parties (allocating grants to implementing agents), and through pooled funds.

1.5 In 2005, the UK formed a Joint Strategy Partnership with the Asian Development Bank, World Bank and Japan—representing some 80% of aid flows to Bangladesh at the time. This included a shared results framework, coordination on policy dialogue and some shared/joint programmes. A joint evaluation in 2008 found that the Partnership had made some progress in improving aid effectiveness; but there was scope to do more. Aid effectiveness across the system is limited by fragmentation amongst donors, and geographical concentration of projects and programmes in certain areas. We are following up the findings in the context of a new Joint cooperation Strategy approach, with government and 14 other bilateral and multilateral partners.

1.6 The Country Plan launched in June sets out the strategic direction for the UK aid partnership with Bangladesh for the next five years. There is a sharper focus on improving governance, improving basic social services, supporting private sector growth, and helping climate change adaptation. Improving the status of women and girls will remain a key theme of all our work.

1.7 Over the next six years, our support will have helped lift 6.5 million people out of extreme poverty and eliminate seasonal hunger. Four million pregnant women will have been looked after by skilled birth attendants. Five million more Bangladeshis will be registered as taxpayers, increasing government revenue. Four million more children will have completed five years of quality basic education. And 15 million poor people will be better prepared to adapt to and deal with the impacts of climate change. Public financial management will be stronger, and democratic institutions stronger, with more vibrant democratic debate.

1.8 The UK development programme is one key element of the UK Government's work in Bangladesh. DFID is directly engaged on HMG priorities of supporting and strengthening democracy, governance, prosperity and tackling Climate Change. We work closely with other UK Government departments as part of HMG's overall engagement with Bangladesh. High quality joint economic and political analysis informs all elements of HMG work. A joint British High Commission and DFID Bangladesh Communications team offers novel opportunities for strong cross HMG working and presentation of UK's partnership with Bangladesh.

2. DFID's support for more effective governance and institution building in Bangladesh

2.1 Better government is key to poverty reduction. The UK is helping to strengthen important government capabilities—to manage public finances, collect revenue, ensure security and access to justice, and deliver basic health and education. We are helping to strengthen government accountability through support to the Election Commission and Parliament. We support civil society advocacy for improved government accountability and transparency. We also work with NGOs to ensure basic services reach the poorest, to supplement and support government services. We work closely with the US on political participation; with the UN and EC on security and access to justice; and with the World Bank on public financial management and civil service strengthening.

<i>(£ million)</i>	<i>Last 4 years</i>	<i>2009–10</i>	<i>2010–11</i>
Media and elections	13.4	6.2	2.2
Public financial management	9.9	4.0	3.0
Tax administration	5.9	0.1	1.0
Civil service strengthening	4.6	2.5	3.0
Police reform/justice sector	10.7	0.1	3.5
Civil society voice	17.4	7.5	8.1
Total	61.9	20.4	20.8

2.2 UK support to the Election Commission contributed to free and fair elections in 2008. We provided £16 million (about one-third) of donor funding for an accurate electoral roll with photographs, which registered over 81 million voters, including those in remote places. Voter turnout was an unprecedented 80%. Over the next five years, with the US and EC we will provide funding and technical advice to the Election Commission, Parliament, political parties and civil society to ensure poor people are adequately represented, legislation fully scrutinised, and government held to account. This is designed to achieve a substantive increase in public confidence in politics, more membership and constituency voice within political parties and parliament, and further free and fair local, regional and national elections.

2.3 The UK does not provide direct budget support as fiduciary risks remain substantial and the risk of corruption remains high. We are helping to build government systems and capacity, and include financial safeguards in all operations. With the World Bank and other EU donors, we are providing technical support to public financial management. Over the past five years, we have supported financial planning in 20 line ministries; this will be extended to all 45 ministries and agencies over the next five years. We have supported the computerisation of the budget across the whole of government. Further, we have helped ensure the government budget is more responsive to the poor and sensitive to gender issues.

2.4 UK-funded technical assistance to the National Board of Revenue has helped raise government's tax revenue by strengthening and simplifying arrangements for collection of tax from larger taxpayers. But much remains to be done. We will fund further technical assistance to increase the number of registered taxpayers from three million to five million by 2014.

2.5 We are also supporting the Ministry of Establishment to address a lack of skills and capacity across government. Out of a total of 4,100 civil servants in the administration cadre, UK-funded support has already trained over 800 and will target a total of 2,000 senior staff across all departments. The programme also addresses other problems that undermine government performance such as frequent staff rotation and weak performance management.

2.6 Many people in Bangladesh experience insecurity. Crime prevention, deterrence and justice mechanisms are weak. The lowest tier of Bangladesh's justice system only operates effectively in around 10% of the country, and NGO delivered community legal services are only available in about 35% of the country. UK-funded technical assistance over the past three years has helped the police improve its organisation and their sensitivity to community needs. This has contributed to more positive perceptions about the police, highlighted by a 70–90% increase in the willingness of the public to report crimes and ask for help, albeit from a low base. Over the coming five years, the UK and other donors will support government development of a national justice strategy, to lay the foundations for more accessible justice. In the shorter term, we will provide funding for local civil society organisations that is expected to benefit over 400,000 people through community legal aid clinics, and support 3,000 victims of domestic violence and human trafficking through victim support shelters.

3. DFID's strategy for reducing poverty and inequality, including gender inequality

3.1 We are supporting Bangladesh to reduce poverty through four core strands of work: (i) providing direct support to the extreme poor, through safety nets and help with increasing incomes and assets, allowing people to take greater control of their lives and offering a route out of the poverty trap; (ii) improving provision of basic education, health, water and sanitation, and skills; (iii) providing technical/policy advice to government; and (iv) supporting private sector development— including jobs for the poorest, a more enabling business environment, better access by small enterprises to finance, improvements to the banking system for remittances (on which many poor families depend)—to help stimulate growth.

3.2 Social exclusion is tackled through improving access to livelihoods, assets and basic services for the poorest and excluded groups. Specific support is provided to the poor, including members of minority groups, on issues of land access and human rights. Gender inequality is being tackled in three ways: (i) policy dialogue with Government, other donors and civil society; (ii) targeting through specific programmes, with sex disaggregated data to track progress; (iii) improving/helping with gender budgeting.

Targeting the extreme poor

3.3 The extreme poor cannot work their way out of poverty without an initial investment. We provide assets such as a cow, goat, chickens or seeds, with which they can begin to build their livelihood. Such assets are shown often to double in value within a year. We also facilitate access to basic services and engagement in community dialogue on key development issues. Government support is not yet reaching many of the poorest, so a key element of our approach is advocacy for greater service provision, and the provision at scale of social safety net programmes based on our successful models.

<i>(£ million)</i>	<i>Last 4 Years</i>	<i>2009–10</i>	<i>2010–11</i>
Rural poverty reduction	70.0	29.5	38.0
Urban poverty reduction	5.0	4.0	7.0
Challenge fund for innovation	—	1.25	2.0
Lesson learning and sharing	—	0.28	0.22
Policy support to government	—	0.28	—

3.4 The UK, with Australia and Canada, is supporting BRAC²¹ to lift over 4.3 million people out of extreme poverty by providing productive assets (usually in the form of livestock, seeds and tools, sewing machines etc) plus training in their use, along with a small cash stipend. The programme provides access to health care and brings women together into community groups where they can discuss common problems and work together to find solutions.

3.5 Over one million Bangladeshis, amongst the very poorest, live on sandbank river islands (called Chars). Few have any access to government services or protection against a high risk of severe flooding. The UK has helped provide assets (usually in the form of livestock) and cash stipends directly to 70,000 char women over the past four years; and provided additional services such as training in income generating activities like market gardening, the establishment of saving and loan groups, veterinary services and access

²¹ BRAC—largest Bangladeshi NGO, now operating internationally. Founded in 1971. Building Resources Across Communities.

to health, education, clean water and improved sanitation. UK funding has also helped the local population raise 80,000 homesteads above the high flood level, directly providing employment and reducing the risk of meagre possessions being washed away in the monsoon rain.

3.6 Through a Challenge Fund established in 2007, the UK is supporting local and international NGOs to develop and scale-up innovative approaches to tackling hunger, land reform, water and sanitation, shelter and vulnerability to climate change. The programme aims to help one million of Bangladesh's poorest and most vulnerable people to lift themselves out of extreme poverty and build sustainable livelihoods. A proactive programme of lesson-learning, communication and advocacy is targeted at government, donor and NGO policies and programmes.

3.7 Bangladesh is primarily an agrarian society with over 80% of the population in rural areas. However rapid urbanisation and the effects of the changing land patterns have led to predictions that Dhaka will be a city of 30 million people by 2015. Urban poverty is increasing in Bangladesh as people migrate to towns and cities in search of employment. Most end up living in overcrowded slums. This will strain already overburdened local services, and lead to an increasing number of urban poor. Increased employment opportunities and improved services will be essential. The UK is supporting the formation of Community Development Committees which are able to engage with municipal authorities to gain improved access to basic services such as education and water/sanitation, better housing and more secure land tenure. UK funding has provided grants to keep children in schools, and apprenticeships for more than 3,000 young people (48% young women).

Food and Agriculture

3.8 Forty-three million people (30% of the population) suffer chronic food insecurity and are undernourished. Seasonal hunger—"Monga"—affects two million people each year after the annual floods when agricultural work is scarce. UK programmes directly targeting the extreme poor, as well as education and health interventions, have a strong focus on food and nutrition security. Technical support from UK and others recently supported policy briefings design to inform stronger, smarter, more strategic government food policy. This will encourage better targeting of subsidies, improvements to government safety net programmes, and stronger emphasis on nutrition.

3.9 Agriculture contributes 13% of Bangladesh's GDP and employs around half of the population. Agriculture provides a safety net for the majority of poor people but incomes are low, and work is seasonal. Support to agriculture is incorporated into our social protection, livelihoods and private sector programmes. We provide assets, technical assistance and legal support, with a focus on supporting single women-headed households and other vulnerable groups. The UK also supports agricultural research and the development of markets for small producers.

Health

3.10 Bangladesh has made significant achievements on child health and is on track to meet MDG 4. But progress on improving the health systems needed to achieve MDG 5 on maternal health is lagging. Public health spending averages only US\$12 per person per year, against a WHO recommendation of US\$34 minimum. Governance problems, and a shortage of skilled health workers outside of cities, reduce the efficiency and effectiveness of the public health sector. Delivery of primary health care through NGO networks reaches many, but building a sustainable government health system is essential if MDGs are to be met.

3.11 The UK is following a twin track approach, strengthening government services and supporting NGO provision of primary health care. NGOs are the only health service provider in many areas. A key focus of our approach is to build the links between government and NGO systems.

3.12 The government's five-year Health, Nutrition and Population Sector Programme (multi-donor trust fund; UK £132 million 2005–11) is achieving results. We have seen improved coverage of basic services, with significant, sustained improvements in immunisation, TB detection and treatment, and Vitamin A distribution. There are early indications that a pilot voucher scheme for pregnant women is significantly increasing access to maternity care through skilled birth attendants at home and in health facilities.

3.13 We have reached 9.4 million poor people in urban areas through a maternal health programme implemented by UN agencies. This has renovated obstetric facilities and improved access by ensuring that skilled birth attendants are there around the clock. We have improved home based maternal and child care by training community birth attendants on when and how to get women to hospital if a life-threatening situation develops. In pilot areas, this is a crucial link directly to the government voucher scheme mentioned above.

<i>(£million)</i>	<i>Last 4 years</i>	<i>2009–10</i>	<i>2010–11</i>
Government health systems	51.9	12.0	11.5
NGO direct provision	0.5	1.5	2.0

Education and Skills Development

3.14 Progress towards MDG 2 on universal primary enrolment and MDG 3 on gender equality is on track. However, only 55% of children reach Grade 5. Education for children with disabilities and from ethnic minority groups is still neglected. Skill shortage is an obstacle to individual earning capacity and national economic growth.

3.15 As for health, we are following a twin-track approach by strengthening of government services over the longer term, and funding NGO provision of education services to ensure poor children get access now. The UK has committed £150 million over eight years (2004–11) to support basic education. Our contribution to the government's Primary Education Development Programme II has provided basic education to over 600,000 children in 2008–09, recruited 4,000 teachers, and constructed 10,000 classrooms. Low quality teaching is a major obstacle to learning and school attendance. A key element of the programme is to strengthen teacher training and teaching methodology. The UK also supports the country's largest non-formal education programme, which provides basic education to around one million girls and boys each year.

3.16 Our support to language and vocational skills training has meant that over 10,000 urban slum children have received general, technical and vocational education to improve their employment prospects—on average doubling their incomes as a result. English language skill training is an integral part of government strategy of further integrating Bangladesh into the global economy.

<i>(£million)</i>	<i>Last 4 years</i>	<i>2009–10</i>	<i>2010–11</i>
Government education systems	52.0	3.0	3.0
NGO support for basic education	32.0	15.0	3.5
Skills development (inc English)	11.0	14.0	12.0

Water and sanitation

3.17 Almost 100 million people in Bangladesh have no access to improved sanitation and over 30 million are without adequate supplies of safe drinking water. Naturally occurring arsenic in groundwater threatens the water supplies of around 20 million people. Nonetheless the government has set itself the ambitious targets of safe water for all by 2011 and sanitation for all by 2013. UK approach focuses on direct provision of services, training and education, and advocacy to improve the reach and quality of public services.

3.18 UK support has provided more than 2.4 million people with access to clean drinking water and 9.4 million people with access to hygienic latrines. Training and education has been provided to individuals and communities to adopt safer hygiene practices (such as handwashing) that significantly reduce health risks. We have supported provision of targeted technical advice to Government, including the revision of the Government's Sanitation Development Plan.

<i>(£million)</i>	<i>Last 4 years</i>	<i>2009–10</i>	<i>2010–11</i>
Government support for water, sanitation and hygiene education	16.7	4.0	8.0
NGO support for water, sanitation and hygiene education	15.6		

Inequality: gender and social exclusion

3.19 Tackling inequality and social exclusion are fundamental to the development story of Bangladesh. Gender inequality is a major obstacle to achieving poverty reduction and social equality. The status of women and girls is low. Extreme poverty is higher amongst women and in female-headed households. UK support particularly focuses on challenging the formal and informal “rules of the game” which marginalise women and other excluded groups.

3.20 Empowering women economically, through the provision of basic services and through involvement in community leadership and debate is a common thread throughout our programmes. Our extreme poverty programmes specifically target women as the primary beneficiaries who receive assets and stipends. A strong emphasis on tackling maternal health ensures women's needs are prioritised within discussions on health. Gender parity in primary enrolment has been achieved, but challenges remain in ensuring girls attend and complete their schooling. This is a key focus of our education programmes. Water, sanitation and hygiene programmes specifically target women, who tend to collect water and prepare food. Our support for public financial management has established a budget data base that can track government expenditure with a gender focus. The UK, with Denmark, Sweden and Norway, is also supporting a major nationwide MDG 3 Economic Empowerment of Women Media Campaign, raising awareness and stimulating debate on gender equality and women's empowerment issues.

3.21 UK supported NGO programmes have advocated for the rights of excluded groups. Campaigns have contributed to Bangladesh's ratification of the Optional Protocol of UN Convention on the Rights of Persons with Disabilities in 2008; and the incorporation of the issues of disabled and dalit rights in the election manifesto of both national political parties for the first time in 2008. Our partners have helped over 11,000 landless families receive land rights to over 9,000 acres of government-owned land.

4. *The management of climate change impacts and support for disaster risk reduction*

4.1 The impacts of climate change are not just an abstract future concern for Bangladesh, they are a current reality. Climate change and frequent natural disasters are a major threat to Bangladesh's development progress and security. Sea level rise and changes in rainfall could mean floods affecting up to 70 million people annually, and droughts affecting 12 million people annually, with parts of the country permanently inundated. Cyclones and tidal surges that often hit the coast are likely to get more intense and damaging.²² Bangladesh faces additional natural hazards, such as riverbank erosion and sedimentation leading to water logging. It also faces earthquake risks. High levels of arsenic in the groundwater pose serious health risks to millions of people.

4.2 An integrated approach is therefore essential. Bangladesh has demonstrated sustained political will to tackle the impact of global climate change since the early 1990s, and has been a vocal spokesman for affected developing countries.

4.3 Helping Bangladesh live with climate change is a central plank of the UK development programme. We provided technical support to help Bangladesh develop a 10 year Climate Change Strategy and Action Plan, and we have supported the establishment of a multi-donor mechanism (to which the UK has pledged £60 million) to help implement the strategy. Support to the government's Climate Change Cell has built capacity across government and civil society, and produced influential climate change research. With Denmark, the UK is supporting Bangladesh climate negotiators to prepare for and participate in all UN climate negotiation meetings, including the UN Convention on Climate Change scheduled for December in Copenhagen.

4.4 We have also helped improve Bangladesh's capacity for disaster risk reduction, planning and disaster management. Major achievements include helping prepare the Disaster Management Act and Action Plan; developing tools for community based risk mapping and action plan development; helping vulnerable communities build and repair embankments; protecting homes, livelihoods and community areas from flooding; and piloting climate resilient crops.

4.5 The UK is working with the government and the UN system to improve post-disaster humanitarian response.

4.6 All DFID programmes have been assessed to identify climate vulnerability. "Climate proofing" is now being undertaken across the portfolio. Examples include vulnerable houses in flood-prone areas being raised on plinths; the introduction of a new cyclone resistant design for Government primary schools (which can double as cyclone shelters) in vulnerable areas; a study (currently underway) to assess vulnerability of health systems.

5. *The role of community led initiatives in reducing poverty and increasing access to basic services*

5.1 Bangladesh possesses a strong legacy of community led development and a vibrant NGO community. NGOs of global repute such as BRAC and the Grameen Bank grew out of community led initiatives and now represent some of the country's major service providers. A key challenge is in ensuring that community led organisations are genuinely responsive to the needs of the poor; and that NGO provision of basic services are well linked to government systems.

5.2 A community led approach is central to much of our work. We are working closely with communities, including through civil society organisations, to help strengthen service delivery and hold government to account. With UK support, the government has developed mechanisms to help ensure greater voice and accountability in the management of schools, or in the provision of pre and neo natal health services. With other donors, we support BRAC's nationwide programmes that provide basic education, health care, social protection and income earning opportunities for the poor and vulnerable.

5.3 Community level groups play a key role in raising awareness of rights. There are already many examples of groups working together through our support to prevent early marriages, domestic violence, and to advocate for important issues such as equal wages and recognition of land rights. UK-funded work to strengthen political participation will work directly with civil society, amongst others, to ensure the voices of poor people are fully reflected in political life. UK supported work on police reform and accessible justice will strengthen the community focus of the police, the provision of legal services within the communities, and raising awareness of rights through community groups.

²² Over the last 20 years Bangladesh has been hit by six major disasters (four floods and two cyclones) affecting millions of people. In 1991 the cyclone alone killed 138,000 people. In 2007 the combined flood and cyclone affected almost 15 million people.

5.4 UK-funded programmes themselves rely on community organisation and leadership for much planning and implementation. Local committees play a key role in identifying beneficiaries for livelihoods support, establishing priorities, and agreeing how communities can contribute to their own development. Discussions on water and sanitation, education, health, income generation, savings or micro finance take place in these committees at village level.

6. *Growth and Private sector development*

6.1 Bangladesh has the potential to become a Middle Income Country within 20 years, if growth can be increased from 5–6% p.a. to 7–8%. Constraints to growth include a shortage of power for industries, a poor investment climate, limited access to finance, and a low skills base. Population growth also puts stress on the job market, with two million young workers joining the labour force every year.

6.2 The UK's approach is to address some of the critical constraints that inhibit the growth of business, and thus the creation of additional jobs, by: (a) improving the general conditions for doing business; (b) providing access to finance; and (c) improving the competitiveness of micro, small and medium enterprises. There is also a strong focus on ensuring that economic gains be translated into significant reductions in poverty.

6.3 With UK support, the Bangladesh Investment Climate Fund has simplified licensing procedures for export-oriented companies, resulting in a net savings of over £1,000 every year for each firm. The South Asia Enterprise Development Facility has established monitoring mechanisms for industry-wide social standards compliance for the ready-made garments sector, affecting three million workers, of whom 80% are women.

6.4 We have also enabled more than 450,000 extremely poor people to receive financial services. More than 400 microfinance institutions have been brought under a new regulatory framework to ensure depositors' safety. Accredited training has begun for workers in all microfinance institutions. Regular seminars and discussion sessions have begun to bring key microfinance issues to the limelight. More than 150,000 SMEs have been given help to access finance to start or expand their businesses.

6.5 The UK is also supporting the Bangladesh Bank to simplify the remittances transfer mechanisms, and modernise the national payment system. The programme has already raised awareness about the importance of migrants' remittances to the Bangladeshi economy (worth around six times development assistance flows). Commercial and government banks, previously ignoring migrant communities have now been encouraged to provide products appropriate for this untapped customer base so that they use formal banking/remittance channels as opposed to informal systems.

6.6 With Switzerland and The Netherlands, we support a market development programme which has programme contributed to the creation of more than 180,000 jobs, and improved market access for 100,000 farmers.

<i>(£million)</i>	<i>Last 4 years</i>	<i>2009–10</i>	<i>2010–11</i>
Business environment	6.80	2.70	10.80
Financial services	10.01	4.00	5.00
Market development	11.34	3.00	2.75
Remittances and banking	5.84	5.84	1.70

August 2009

Supplementary written evidence submitted by the Department for International Development

BANGLADESH: GENERAL BACKGROUND

1. Bangladesh is one of the most densely populated countries in the world (1,000 pers/sq km) with more than 142 million²³ people living in a country the size of England and Wales. Significant progress has been made in reducing poverty in Bangladesh in recent years in part due to prudent macro-economic management, which has contributed towards allowing the private sector to power the economy,²⁴ and translation of these economic gains into progress towards the Millennium Development Goals. However, the challenges remain significant.

2. Bangladesh is broadly on track to meet four of the MDGs. But the remaining goals, particularly the reduction in maternal mortality rates and access to water and sanitation by 2015, need attention. The frequency and intensity of natural disasters is increasing,²⁵ which will affect or reverse the achievements made to date. In addition, economic shocks such as the recent food crisis disproportionately affect the poor.

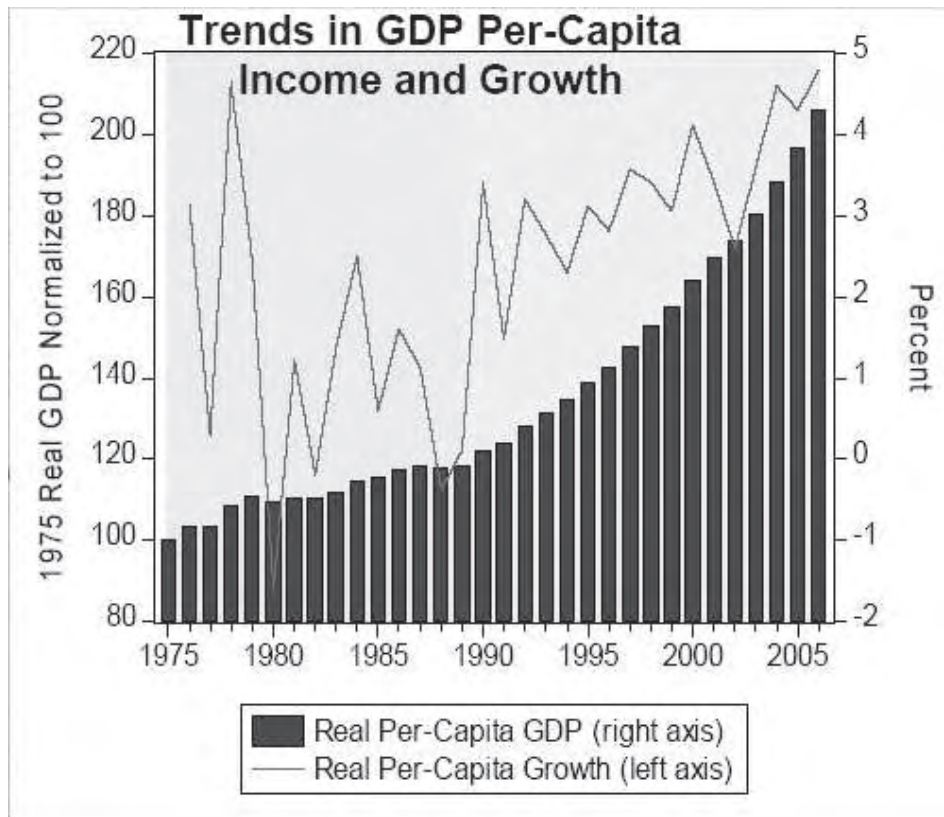
²³ Bangladesh Bank, World Bank.

²⁴ Bangladesh has a better FDI performance and environment for business and investment than most regional competitors (based on Bangladesh Bank and World Development Indicators).

²⁵ 4.7 million people were affected by Cyclone Sidr and 10 million by floods in 2007.

Economy and Growth

3. Bangladesh has experienced an unprecedented period of economic growth in recent years. GDP growth has averaged over 5% a year since 1990, largely due to increases in exports in the ready-made garment industry.²⁶ Average per capita growth has been around 3% over the last 20 years.



4. GDP per capita has more than doubled since 1975. There has been a remarkable decline in the poverty rate from 70% in 1971 to 59% in 1991 and 40% in 2005. However 55 million people remain below the national poverty line.

5. With several hundred thousand Bangladeshis in the Middle East and East Asia, and 500,000 British Bangladeshis, remittances constitute a significant proportion of income, estimated at 10% of GDP (\$US 9.7 billion) in 2008–09.²⁷ Engagement with the Diaspora and support for increased remittances will continue their significant impact.

6. The population growth rate has decreased to 1.5%, but there are approximately 1.5 million new workers joining the labour force each year. Underemployment is already a major challenge at 24.5%. Creating productive job opportunities for these new workers will be an even bigger challenge. Bangladesh is primarily agrarian with almost half the labour force in the agriculture sector and about three-quarters in rural areas. There has been a sharp rise since the mid 1990s in the number of females seeking jobs (16% to 26%), and up to two million women have found work in the growing garment sector. However, women typically earn between 60 to 65% of male wage rates for the same job.

7. Bangladesh is a world leader in the provision of access to microfinance projects for the poor, and there are significant numbers of people making use of loans to increase their wealth. Improvements in the investment climate and greater access to markets, including for women, are key areas the government needs to address to facilitate continued economic growth rates of those seen in recent years.

8. The Bangladesh economy continues to weather the global economic crisis. But significant risks remain, and the long-term challenges are substantial. The Government of Bangladesh (GoB) is open-minded on G20 support. We continue to monitor the economic situation, and will help GoB access additional external assistance should it be required.

²⁶ Bangladesh's primary export is ready made garments, representing 75% of total exports.

²⁷ World Development Indicators, World Bank.

Politics and governance

9. Following independence from Pakistan in 1971, Bangladesh was governed by successive military governments for twenty years. However, parliamentary democracy was established in 1991 and there have been three national elections since then. Each election has shifted the power between the two major parties—the Awami League led by Sheikh Hasina and the Bangladesh National Party (BNP) led by Khaleda Zia.

10. This period in Bangladesh's history has been dominated by confrontational, dysfunctional and dynastic politics. Following cancellation of elections in 2007, a technocratic caretaker government, backed by the military, was installed. Its remit was to prepare for free and fair democratic elections at the end of 2008, whilst ensuring a framework of macroeconomic stability and continuous economic and political reforms. The Awami League won Parliamentary and national elections held in December 2008 with a substantial majority.

11. Relations between the parties are strained. The BNP has boycotted most sittings of parliament since January, though cross-party parliamentary Standing Committees have been functioning. A mutiny by Bangladesh's border force in February briefly threatened to destabilise the government. Current major political issues include trials of alleged border guard mutineers; government plans to try alleged war criminals; energy shortages and the Government's desire to improve relations with India.

PARTNERSHIPS—THE AID LANDSCAPE

12. Between independence in 1971 and 2007, approximately US\$46 billion of foreign aid was disbursed. Annual aid flows to Bangladesh are approximately US\$1.5 billion, equivalent to US\$10 per capita. Bangladesh is not aid dependent—aid accounts for only 2.2% of GDP. But it is equivalent to just under half of the Government's Annual Development Programme. Government reports²⁸ show that the share of bilateral grants in the total aid package has declined over recent years, with multilateral aid through the World Bank and the European Union increasing.

13. The following table shows the approximate scale of donor agencies operations in Bangladesh:

SIZE OF ANNUAL DISBURSEMENT PER DONOR
(MILLION US\$)
(ESTIMATES BASED ON LAST FOUR YEARS SPENDING)

200–700	< 70	< 50	< 10
World Bank	EC	Netherlands	Switzerland
AsDB	USA	Canada	Spain
UK	UN	Denmark	Italy
Japan	(12 agencies)	Germany	Global Funds
		Korea	
		Sweden	
		Norway	
		Australia	

Total annual ODA disbursement (average 2004–07): US\$1,500 million

Sources: 2007 data-DAC Survey 2008; 2004–06 data—DAC Update

14. In late September, Government published its revised draft National Strategy for Accelerated Poverty Reduction II, FY 2009–11, entitled “Steps towards Change”. This has been issued for consultation with stakeholders including Parliament, private sector, civil society and Development Partners.

15. The Government is also beginning preparations for the Bangladesh Development Forum in late January/early February 2010, which will focus on the delivery of “Steps towards Change”.

16. Fifteen donors have committed to producing a Joint Cooperation Strategy (JCS—currently draft), further incentivised by the Accra Agenda for Action, to be finalised by the time the Bangladesh Development Forum takes place, and wholly linked with the PRS. The JCS will include a shared results framework to help GoB prioritise the PRS and work closely with donors on it. Clear division of labour between donors on leading policy dialogue with GoB is an important part of the JCS. The UK is playing a lead role in this aid effectiveness dialogue with government and partners.

17. There is also a substantial presence of non-DAC donors in Bangladesh, mainly Saudi Arabia, Islamic Development Bank (IDB) Kuwait (Development Bank), China and India. They typically mix commercial investments and soft-loan schemes with tied grant elements. IDB is working with AsDB on large scale infrastructure projects, but apart from that there is less collaboration with these donors.

²⁸ ERD, Government of Bangladesh, January 2008

UK DEVELOPMENT PROGRAMME IN BANGLADESH

Overview

The UK's long-term goal is for Bangladesh to be a stable, prosperous and moderate democracy, playing a positive role in the global community. The UK's objectives are to embed democratic values; enable prosperity for all; and engender stability.

All of DFID's work in Bangladesh supports these aims. The UK development budget was £114 million in 2008–09, £126 million in 2009–10 and currently forecast at £150 million in 2010–11. The approved portfolio is just under £1.0 billion.

Current Programme

The new Country Plan was approved by Ministers in January 2009 and contributes significantly to HMG's 2009 White Paper, *Building our Common Future* (Cm 7656). It focuses on helping Bangladesh to reduce poverty and live with climate change, delivering progress specifically towards Millennium Development Goals 1 (poverty and hunger), 2 (primary education) and 5 (maternal health). It will also support wider HMG priorities, including climate change, improved democracy and the PREVENT agenda. The key areas are:

- more employment and incomes for poor people;
- better quality primary education, especially for girls;
- increased food security and improved nutrition for the extreme poor;
- improved neonatal and maternal health;
- improved water, sanitation and hygiene standards;
- a more accountable and responsive state, modern political systems; and
- greater resilience to climate change and natural disasters.

We will target improved status of women and girls through all our spending and policy activities and we will push for improved aid effectiveness and a more effective international system by continuing to take a lead role in development of the Joint Cooperation Strategy. The main challenges are political and economic uncertainty, corruption and fiduciary risks, and rigorously prioritising where to allocate (and not allocate) UK grant money.

EXAMPLES OF DFID'S WORK IN BANGLADESH VISITED BY THE INTERNATIONAL DEVELOPMENT COMMITTEE, NOVEMBER 2009²⁹

SKILLS AND OPPORTUNITIES FOR EMPLOYMENT (SKOPE)

Bangladesh has made real progress in driving up school enrolment rates over the last decade, but this is beginning to falter. This is mainly because mainstream schools cannot cater for the five to six million children estimated to be out of school, due to extreme poverty, the demands of child labour, special needs, and geographical remoteness and language of instruction. Experience shows that these children need special programmes and ongoing support, in order to provide them with the basic skills and education needed for them to secure gainful employment.

The Skills and Opportunities for Employment programme (SKOPE) addresses educational rights and combats child labour by enrolling children from the age of ten who have never been to school, selected from the neediest families in urban slums. SKOPE provides them with four years of Integrated General and Vocational Education (IGVE) and two years of specialised technical education and then offer employment placement and loans for setting up small businesses. It also ensures equal ratios of girls and boys in the programme. Following a similar model, Underprivileged Children's Education Programme (UCEP) has already provided education and skills to 26,000 children, of whom 90% gained employment within six months of completion.

Skills and Opportunities for Employment (SKOPE)

Start/End Date: January 2009–December 2011.

Delivery partner(s): Switzerland (SDC), Save the Children Sweden-Denmark, Norway (NORAD).

Funding: From UK: £12.9 million over three years, 85% of the total project cost.

Purpose: Urban working children to receive basic education, skills training and employment in key professions.

Location: Concentrated in six divisional head quarters.

Key outcomes: 10,000 slum children educated, trained and provided with jobs, 50,000 people brought out of poverty.

²⁹ All figures up to date as of visit in November 2009. Previous or subsequent briefing may reflect slightly older or newer figures.

SAFETY AND JUSTICE

The UK, along with the EU and UNDP has been supporting Police Reform since 2005. UK support continues under the Safety and Justice Programme (£30 million over six years). The reform programme is working to strengthen the Bangladesh Police's ability to contribute to a safer and more secure environment based on respect for the rule of law, human rights and equitable access to justice.

The Safety and Justice Programme recognises that the police do not work in a vacuum and need to link up with other institutions in the justice sector, particularly the judiciary, the prisons service and social welfare and informal justice institutions, where most of the poor and marginalised access dispute resolution. To this end, provision has been made available within the programme to facilitate discussion and policy dialogue across the sector's institutions with an objective to create a national policy on justice administration in Bangladesh.

The Safety and Justice Programme will support the provision of community legal services (CLS), covering both formal and informal court systems, to the poor, especially poor women. The management of this component is currently under tender, to work with local legal aid NGOs expanding the delivery of CLS countrywide. We estimate that this service will reach 10 million people over the next five years, 80% of whom will be women.

PUBLIC ADMINISTRATION

The UK does not provide direct budget support as risks, both fiduciary and of corruption, remain high. We are helping to build government systems and capacity, and include financial safeguards in all operations. With the World Bank and other donors (Denmark, EU, Canada, Netherlands), we are providing technical support to public financial management. Over the past five years, we have supported financial planning in 20 line ministries; this will be extended to all 45 ministries over the next five years. We have supported the computerisation of the budget across the whole of government. Further, we have helped ensure the government budget is more responsive to the poor and sensitive to gender issues.

UK-funded technical assistance to the National Board of Revenue has helped raise government's tax revenue by strengthening and simplifying arrangements for collection of tax from larger taxpayers. But much remains to be done. We will fund further technical assistance to increase the number of registered taxpayers from three million to five million by 2014.

We are also supporting the Ministry of Establishment to address a lack of skills and capacity across government (Managing at the Top (MATT2)). Out of a total of 4,100 civil servants in the administration cadre, UK-funded support has already trained over 800 and will target a total of 2,000 senior staff across all departments, to create a critical mass of reform-minded senior managers in the bureaucracy. The programme also addresses other problems that undermine government performance such as frequent staff rotation and weak performance management.

KATALYST: MARKET DEVELOPMENT PROGRAMME

Limited access to markets is a major obstacle for poor people building incomes and livelihoods. The Katalyst programme attempts to integrate poor people with markets in various roles whether as entrepreneurs, employees, or customers. Katalyst seeks entry points into the economy to induce information, innovation and best practice to increase productivity of employees and sectors, to improve the functioning of input markets and marketing networks and to improve the environment in which businesses work. It works with networks of agro-processors and telecom service providers down to small compost producers, lead farmers, sector associations and local government.

Katalyst (also known as Developing Business Services and Markets)

Project dates: March 2008–March 2013 2nd Phase.

Delivery partner(s): Swisscontact as implementing agency.

Other donors: Switzerland (SDC), Netherlands, Canada (CIDA).

Funding: UK is providing £11.8 million over duration of project which is 50% of the total costs of the project.

Purpose: To increase the competitiveness of micro, small and medium sized enterprises in key urban and rural sectors thereby supporting an increase in income and employment for men and women in these areas.

Location: North-west and south-west Bangladesh.

Key outcomes: Support for 600,000 jobs by end 2013 directly estimated, contribution to 10% increase in incomes in selected sectors. Directly as a result of the project—improved competitiveness in those areas targeted and critical constraints in selected sectors identified and tackled.

EDUCATION: BRAC AND GOVERNMENT PRIMARY EDUCATION

BRAC is the biggest NGO in Bangladesh and, in terms of numbers of staff employed, the biggest NGO in the world. In 2008–09, we are spending £15 million (c. 13% of our budget) through BRAC programmes. Now moving to core funding partnership agreement. This visit will showcase a number of BRAC's programmes.

BRAC is performing an increasingly important role in assisting government meet the education MDGs. In the past there has been tension between government and non government providers of education but the situation is changing significantly. The new government has openly admitted it requires NGO assistance in order to meet the education MDGs. BRAC is the only NGO operating at scale in education, and has been forging stronger links with government. The influence that BRAC Education Programme (BEP) can have on improving government education systems is a major part of the argument for continued UK support to BRAC's education programme.

BEP has introduced a child-friendly, interactive methodology that encourages children to ask questions, and develop critical thinking and problem solving skills.

BRAC Education Programme

Start/End Date: First phase July 2004–June 2009. Second phase Jul 09.

Delivery partner(s): Australia (AusAID), Canada (CIDA), Netherlands, Oxfam Novib.

Funding: UK £32 million for phase 1. £18.5 million (50% cost) for first year phase 2.

Purpose: Support government in pursuit of the Education for All Goals. Location: Throughout the country.

Key outcomes:

- By end 2008, 4.11 million children graduated from BRAC primary schools with 93% transferring to secondary schools.
- More than 2.3 million children successfully completed pre-primary programme with 98% of them transferring on to government primary schools over the period of BEP I.
- The Adolescent Development Programme supported over 250,000 graduates from BRAC primary schools during BEP I.
- The Post-primary Basic Education programme (PACE) supported 2,414 non-government secondary schools.
- Training was provided to over 26,500 teachers, inc Heads.
- 1,320 rural libraries in Multi Purpose Community Learning Centres (Gonokendras) and the 8,660 Adolescent Clubs (Kishori Kendras) provided 762,000 members with reading materials, training and internet services.

The government runs 80,000 primary schools with 17 million children. While enrolment rates have improved over the years, there still remain real obstacles to driving up the quality of primary education. Rigid central control hampers effective management of resources, innovation and community collaboration and teaching methods are relatively weak. Through the second Primary Education Development Programme (PEDPII), UK has helped government construct 10,000 classrooms, recruit 14,000 teachers and develop teaching methodologies.

Primary Education Development Programme II

July 2004–June 2011.

Delivery partner(s): Asian Development Bank, World Bank, European Union, Netherlands, Canada (CIDA), Sweden (Sida), Unicef, Australia (AusAID), Norway (NORAD), Japan (JICA).

Funding: £100 million over seven years; UK contribution constitutes 8% of the total \$1.8 billion budget.

Purpose: To provide quality primary education to all eligible children in Bangladesh.

HEALTH, NUTRITION AND POPULATION SECTOR PROGRAMME

Significant progress has been made in the last 30 years in improving health and nutrition and in reducing population growth rates, but progress is uneven. Bangladesh is on track to meet MDG 4 but not MDG 5. The UK is providing support to national health systems and basic health services, with a focus on MDG 5 and targeting the extreme poor.

In Bangladesh 85% of births take place at home and without specialised care. This results in an estimated 12,000 maternal deaths each year. The voucher scheme is an innovative financing mechanism through which community health workers provide vouchers to pregnant women. These women have access to free antenatal, delivery and postnatal care, as well as free transport to the health facility.

Health, Nutrition and Population Sector Programme

Start/End Date: 2003–10 (with extension to July 2011), Second phase.

Delivery partner(s): European Commission, Germany, Sweden, Netherlands UNFPA, and the World Bank: all provide funds into a World Bank managed pooled fund. Donors who do not pool funds include Australia, US, Japan, UNICEF, WHO, and UNAIDS.

Funding: From UK: up to £100 million or 20% of total MDTF. From GoB and donors combined: up to US\$4.3 billion (US\$ 778 million from pooled fund).

Purpose: To create a sustainable improvement of the health, nutrition and family welfare status to the population of Bangladesh, especially for those most vulnerable eg the poor, women, children and the elderly.

Location: Nationwide (excluding urban areas). Upgrading emergency obstetric care services in 56 district hospitals and 132 sub-district health facilities.

Key outcomes:

- Maternal mortality declining, antenatal care has risen from 48% in 2004 to 52%, and access to skilled birth attendants increased from 13.5% in 2004 to 18%, in 2007.
- Increased coverage of Vitamin A to 88.3%.
- 82% of children (more than three million) between 12–23 months are fully vaccinated.
- TB case detection rate has increased from 46% (2004) to 72% (2007).
- 2,317 women in 31 upazilas accessed emergency life saving obstetric services free of cost in 2008 through the maternity voucher scheme.

URBAN PRIMARY HEALTH CARE

The urban population is growing rapidly and health indicators of the urban poor are worse than those in rural areas. The Urban Primary Health Care Project-II is helping 14 million urban poor people to access health services through an innovative public-private partnership. The Ministry of Local Government and Rural Development and Cooperatives has developed ‘partnership agreements’ through which NGOs are contracted to provide an essential health services package on behalf of government. Seventy-five percent of beneficiaries are women and girls. The essential services package (ESP) covers primary health care (vaccinations, TB, malaria, AIDS, maternal and child health care), plus access to emergency obstetric services. It also includes nutritional activities such as early initiation of breastfeeding, iron folate and Vitamin A distribution, de-worming and nutrition supplements.

Urban Primary Health Care Project II (UPHCP II)

Start/End Date: July 2005 to December 2011. Second phase.

Delivery partner(s): Donors Asian Development Bank (AsDB), Sweden, UNFPA, Orbis International (eye care). Implementing partners: AsDB through Ministry of Local Government and Rural Development and Cooperatives (MOLGRD&C).

Funding: Total: £90 million over 6.5 years. UK provides £15 million (28%).

Purpose: Improve access to and utilisation of efficient, effective and sustainable good quality primary health care services for the urban poor areas, covered by the project, with a particular focus on women and girls.

Location: six city corporations: Dhaka, Chittagong, Khulna, Rajshahi, Sylhet, and Barisal and five municipalities—Bogra, Comilla, Sirajganj, Madhabdi and Savar

Key outcomes:

- More than 60% of urban poor women and children are accessing the package of primary health care services provided by UPHCP-II.
- 30% of health services are being accessed by the poor and vulnerable.
- Access to Skilled Birth Attendants has increased by 10%.
- The use of modern contraceptive methods has increased to 60%.

 EXTREME POVERTY: BRAC AND CHARS LIVELIHOODS PROGRAMME

BRAC's Challenging the Frontiers of Poverty Reduction (CFPR) approach innovatively combines asset and cash transfers, enterprise development training and essential health care. It also involves the wider village community in protecting and promoting the interests of the extreme poor. Geographically, the programme works in 40 districts.

The programme works directly with three groups of people:

- 360,300 women selected from the poorest 10% of households—the Specially Targeted Ultra-Poor (STUP).
- 500,000 women from households which are marginally less deprived than the STUP but are still firmly among the ultra-poor. Many of these Other Targeted Ultra-Poor (OTUP) are also microfinance members.
- The wider society, through advocacy, organisation building and other “pushing out” activities with community members, government officials, and elected and civil society representatives.

The Chars Livelihoods Programme works on riverine *Chars*, temporary sand islands formed in or along the banks of the river. Highly prone to flooding during the monsoon season (June-August) and highly susceptible to erosion. You will see the fragile banks of the islands as you arrive. The islands have a limited lifespan of 10–30 years before being washed away.

Because of the remote and temporary nature of the islands, many of the *char* dwellers are not reached by GoB services or mainstream development programmes. *Char* dwellers inhabit these extremely marginal environments out of necessity, moving from one *char* island to another in the face of river and island erosion.

Poverty on the chars is a result of remoteness and environmental instability. There is no security of tenure and access to justice is constrained. Few basic services are available and access to markets and waged employment is limited. Many men seasonally migrate to urban centres to look for rickshaw work. Flood damage burdens many vulnerable families with debt. During unpredictable floods, and between rice planting and harvest, agricultural work is scarce. Families suffer *monga* or “seasonal hunger” (Oct-Dec and March-April) when many are able to eat only once a day, some spending over 90% of their income on food. Commonly during *monga*, the jobless borrow money, sell possessions for food, and men migrate to other areas in order to buy for food.

The Chars Livelihoods programme is one of a suite of four programmes³⁰ specifically targeting extremely poor people, who live on under 20 taka (about 20p) a day; and who have no land, assets or job. This programme transfers productive assets (like cattle, vegetable seed starter packs, micronutrient supplements) and cash stipends directly to extremely poor families, mainly women. Transfers are provided for a finite period of 18 months, at which point assets have generally doubled in value and household incomes increased. The programme then reaches out to a new cohort of extremely poor households.

The programme also helps families live with disaster and the impacts of climate change by raising homesteads and tube wells onto earthen plinths above the flood level. During periods of seasonal hunger, the programme provides employment through a cash for work scheme.

Chars Livelihoods Programme (CLP)

Phase 1: 2004–10; Phase 2 (under design): 2010–16.

Delivery partners: GoB Rural Development and Cooperatives Division; managed by Maxwell Stamp PLC via local government and NGOs. Australia joint funding Phase 2.

Funding: Phase 1—£50 million; Phase 2—£70 million

Purpose: To improve the livelihoods and food security of one million extremely poor and vulnerable island *char* dwellers; to improve the resilience of *char* dwellers to the effects of flooding.

Location: Remote *char* islands in the Jamuna river in north-west Bangladesh.

Key outcomes:

- 80, 542 homestead plinths have been erected protecting households from floods.
- 55,000 households have received assets (livestock, seeds, cash) benefiting some 275,000 people. Assets generally double in value within 18 months.
- 50%+ increase in income is being recorded during the first year of assistance.
- 10,677 improved tubewells and 52,385 new latrines, together with distribution of micro-nutrient sprinkles and deworming tablets, have improved health.

³⁰ The other three programmes include the Economic Empowerment of the Poorest NGO Challenge Fund, BRAC's Challenging the Frontiers of Poverty Reduction and the Urban Partnerships for Poverty Reduction slum dweller programme. UK has committed about £250 million over the next five to six years to these programmes.

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- Over 4.5 million person-days of seasonal cash for work have resulted in almost half a million people having employment during food scarce months (*monga*).
 - In 2008 the CLP unit costs per core beneficiary household, including the cost of the Management Agency but excluding monitoring and evaluation were £536 or £119 per person for 18 month CLP cohort . Adding the costs of M&E increases the unit costs per household to £620 or £138 per person. This compares very favourably with similar programmes in Bangladesh and internationally.
 - CLP is on course to achieve a sustainable (and rising) 45 taka per day increase in household income (10 taka per person) for its core beneficiaries within two years of asset transfer, with additional benefits accruing from homestead gardens, enterprise development, thus lifting the household out of extreme poverty.
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Written evidence submitted by Dr Gerard Gill

THE APPROPRIATE SIZE AND SCOPE OF DFID'S PROGRAMME IN BANGLADESH

1. I do not feel qualified to comment on the size of DFID's programme in Bangladesh.

2. In terms of scope, the focus of support from the ODA-DFID continuum has changed globally over the years from emphasis on productive activities to accentuation of less tangible areas, such as governance and institution building. This is not limited to DFID: the same tendency is found in many other donor agencies, so the effect is cumulative. This policy shift on the part of DFID-B is a reflection of changes in policy at London level. Many Bangladeshi development specialists find it difficult to accept that a donor agency has comparative advantage in areas such as governance, whereas they feel these agencies do have comparative advantage in areas where technical expertise and financial investment are required. The pendulum has, in my view, swung too far, and too little attention is now paid to issues such as food insecurity, which is a huge problem in Bangladesh. The steady increase in global food prices from the early 2000s until the sharp price spike of 2008 should serve as a wake-up call which tells us that renewed investment is needed in improving food security. While food prices have declined from their peak in mid-2008, they remain high and volatile, and according to a joint FAO-OECD medium-term outlook for major agricultural commodities published in May 2008, the period to 2017 is likely to see food prices remain high compared to the 1990s. The danger is that the lessons of last year will be too easily forgotten. Needless to say high food prices hit poor households especially hard, because they spend the highest proportion of their budgets on food.

3. Another vital technical area in which there is serious underinvestment is arsenic contamination of ground water. The arsenic occurs naturally in the lower layers of the soil, but heavy drawdown for drinking water and irrigation has brought it to the surface, where it contaminates both drinking water and irrigated crops, particularly rice. This is an area in which a donor could invest in devising cheap simple technologies that really help the poor, but this is not happening to anything like the required extent.

DFID'S SUPPORT FOR MORE EFFECTIVE GOVERNANCE AND INSTITUTION BUILDING IN BANGLADESH

4. I have insufficient first-hand knowledge to offer further comment on this topic.

DFID'S STRATEGY FOR REDUCING POVERTY AND INEQUALITY, INCLUDING GENDER INEQUALITY

5. DFID's strategy in Bangladesh is strongly focused on reducing poverty and inequality, and there is a particularly sharp focus on gender issues (as in "Women and Girls First"). This is highly appropriate, as the levels of poverty and deprivation, particularly in rural areas are very high. It is widely acknowledged—including in the PRSP and other government documents—that women and girls suffer from intra-household discrimination in a number of areas, including the allocation of food, and especially in times of dearth. Female-headed households are also particularly vulnerable to food insecurity. DFID-Bangladesh has been at the forefront of efforts to address this situation.

6. At a more central level, however, DFID should be rather more mindful of the fact that a sharp focus on the most disadvantaged segments of the population has important implications for the timescale of its operations. There are no "quick fix" solutions. It is particularly difficult to reach and support those who need it most, and any effort to help them raise themselves from the mire must be long-term. This means that the standard evaluation criteria for interventions—relevance, efficiency, effectiveness, impact and sustainability—particularly the last—should be reinterpreted to take the scale and depth of the problem into account.

 THE MANAGEMENT OF CLIMATE CHANGE IMPACTS AND SUPPORT FOR DISASTER RISK REDUCTION

7. DFID-Bangladesh takes support for disaster risk reduction seriously, as witness its sustained support for the multi-donor *Comprehensive Disaster Management Programme*. It also employs a highly-gifted local professional as a specialist on climate change (CC).

8. The global debate on CC is emotionally highly-charged and sometimes driven more by assumptions than hard evidence. It is widely assumed that Bangladesh is particularly vulnerable to CC because it is a low-lying delta and therefore especially at risk to flooding and coastal erosion, and that CC-induced rises in sea levels will permanently submerge coastal areas of the country and low-lying areas around major river systems. While there is truth in this, it is also the case that Bangladesh is simultaneously gaining land. The country's landmass was largely formed by mass wasting in the Himalayas (caused by tectonic processes) and the accretion of the resulting materials downstream, transported to the delta by the river system. Recent work on this topic has, inter alia, used satellite imagery to measure the net changes in the longer term, and the data indicate that, while in some parts the country there is a net loss of land, in other large areas there is net gain. Overall there seems to have been a small net gain. Impacts will be different in different areas, and so different countermeasures will be required to address them. I have to add that these remarks address the general situation with respect to perceptions of the CC issue insofar as it affects Bangladesh. I do not know sufficient about DFID-Bangladesh's work on climate change at the moment to be able to say to what extent these issues have been taken into account in their interventions.

THE ROLE OF COMMUNITY-LED INITIATIVES IN REDUCING POVERTY AND INCREASING ACCESS TO BASIC SERVICES

9. "Community" is very positively-charged word, but it is not normally the case in Bangladesh that simply because people live in the same village they can be regarded as a "community" in any meaningful sense. In each village, particularly in the mainstream (non-tribal) areas, there are rich and poor, landlords and tenants, land-surplus households and landless households, moneylenders and money borrowers, etc. Elite capture of benefits is a distinct possibility if villages are regarded as relatively homogeneous 'communities'. I believe that DFID-Bangladesh is well aware of the dangers, but it is worth reminding ourselves that are sometimes powerful vested interests to be confronted in the development process. The use of the phrase "community-led initiatives in reducing poverty and increasing access to basic services" suggests a need to underscore this point.

Bangladesh experience:

- As Senior Research Fellow at the University of Reading, led ODA-funded study of farm mechanisation in Bangladesh 1978–79.
- Worked as agricultural economics advisor to the Bangladesh Agricultural Research Council, 1980–86; simultaneously served as informal advisor to the Ministry of Agriculture (employed by the Agricultural Development Council Inc, New York);
- Worked as a consultant in Bangladesh for various donors and other agencies, including DFID-B, Danida, the European Commission and FAO (1995–2009).

Gerard J Gill, PhD

Written evidence submitted by Dr Naomi Hossain, Research Fellow, Participation, Power and Social Change Team, Institute of Development Studies

[Note: This submission draws on research in Bangladesh in which the author has been engaged since 2003, initially at the Research and Evaluation Division of BRAC in Dhaka, and since mid-2008 as a Research Fellow at the Institute of Development Studies. Some relevant research outputs from this body of work are cited along with references to other relevant documentary evidence in Sources.]

DFID'S SUPPORT FOR MORE EFFECTIVE GOVERNANCE AND INSTITUTION BUILDING IN BANGLADESH.

Poverty reduction amidst weak governance

1. It is necessary to consider efforts to establish effective governance and strengthen institutions of accountability in the context of persistent mass poverty in Bangladesh, as this remains a defining characteristic of the polity and of state-society relationships. Critical questions to ask of DFID's support for strengthening governance and accountability in this context include the extent to which this has a) supported processes of poverty reduction and human development and b) strengthened governance and accountability as experienced by poor and marginal citizens.

2. The context here includes the paradoxical relationship between governance and poverty reduction in Bangladesh over the last 20 years. Gains were made in social and human development (particularly improved basic education access and infant and child mortality rates) and income poverty reduction through the 1990s and first half of the 2000s. But these were achieved in the effective absence of any significant governance reforms, including failures to reform the public administration of the social sectors (health, education, social protection) credited with delivering much of the pro-poor gains.

3. The impact of recent global food, fuel and financial crises, combined with the episodic environmental shocks to which Bangladesh is exposed have already begun to reverse progress on poverty and human development made up to the mid-2000s. Simultaneously, the return to office of “political” government in 2009 after a two-year non-party Caretaker Government has halted efforts at political institutional and governance reform. In a context of reversing human development trends and stalled governance reforms, understanding how earlier poverty reduction and human development gains were achieved, and how DFID’s programme strategy supported this, acquires added urgency.

DFID support to the big NGOs

4. Part of the explanation of the “Bangladesh conundrum”, as the World Bank calls this combination of good poverty/human development performance with weak governance, involves Bangladesh’s unusual endowment of large, service-delivery NGOs. DFID has been a major supporter of the big NGOs. Concerns have been consistently expressed about the possibility that NGO service delivery may undermine public accountability by substituting for the state. However, there are strong reasons to believe that:

- (a) the big NGOs mainly supply services that the state does not (eg microfinance) or in areas and to populations that the state cannot effectively reach;
- (b) where NGOs and the state supply similar or parallel services, this has created some positive competitive pressures (mass education) and enabled some learning and new practice within public agencies (social protection). There have also been a number of successful social sector partnerships (preventive and curative health programmes, social protection, pre-primary education) between the big NGOs and public agencies which have strengthened rather than weakening the responsiveness and accountability of the Bangladeshi state to poor and marginal citizens; and
- (c) where the big NGOs have established significant sectoral programmes and expertise, they are beginning to play a stronger role as civil society watchdogs. This includes significant monitoring and analytical capacities, including production of sectoral reports on health, education, and governance on which this present submission has drawn (see Sources).

Demand for good governance

5. DFID’s support to civil society has, with considerable success, supported the raising of the profile of governance issues within public debate in Bangladesh. Issues of corruption and public accountability across the public sectors are now widely and routinely scrutinised in the media and public discourse. It is, however, less clear that support to civil society has succeeded in generating demand for good governance among poor citizens specifically, or for the dimensions of governance that poorer citizens may wish to prioritise (similar criticisms have been made of budget monitoring exercises in Bangladesh). An example of this is the recent Right To Information (RTI) campaign, which succeeded in achieving some high-end governance goals that should in theory create legislation for greater transparency and thereby strengthen public accountability. But the campaign was dominated by elite debates among lawyers and journalists. This is in distinct contrast to RTI movements elsewhere (eg India), where at least part of the impetus for reform was stimulated by popular support for/recognition of the material significance of greater transparency with respect to livelihoods and access to public resources.

6. A related set of issues is the focus of civil society activism on formal and official mechanisms of accountability. This is problematic given the extent and severity of poverty, which has tended to support the patronage basis of party political competition. A focus on activism around formal governance mechanisms in practice excludes much participation from people who lack formal education and familiarity with official procedures. Yet a body of scholarship has established the strength of Bangladeshi society in relation to the state, and it is reasonable to speculate that some of Bangladesh’s social sector achievements reflect the relative strength of citizen capacities for exerting informal pressures for accountability on public sector service providers. In a context in which reforms of formal governance are likely to remain elusive, DFID’s support for more effective governance could valuably be strengthened in favour of the poor by drawing on its experience with respect to social accountability elsewhere to support similar efforts within Bangladesh.

7. In addition, governance programming at the sectoral level could make more systematic efforts to support the informal mechanisms of accountability that poor citizens already use in their relations with public service providers. This could include intervention on the ‘demand’ side, for example, supporting participatory monitoring of beneficiary selection in conditional cash transfer or safety nets programmes. It could also include intervention on the “supply” side, by designing incentive systems for teachers and doctors that recognise and reward modes of responsiveness that are currently either ignored or actively discouraged within bureaucratic rule systems.

Human security and justice sector reform

8. One area in which aid to governance has in general been inadequate in Bangladesh is in relation to protection against everyday forms of insecurity. Based on their substantial experience of field research with poor people across Bangladesh, researchers within BRAC Research and Evaluation Division and BRAC Development Institute concluded in 2006 that there was a compelling and urgent need for an assessment of the situation regarding crime, violence and everyday forms of insecurity in the population.

9. The conclusions of the multi-disciplinary nationally-representative study undertaken to explore these issues were that:

- (a) Criminal and violent forms of insecurity present a low-level but chronic threat.
- (b) The experience of crime, violence and other forms of insecurity is highly gendered, as well as differentiated by rural-urban location, poverty level, ethnic and religious minority status, and by environmental security.
- (c) Strategies for coping with the threat of criminal and violent forms of insecurity can lead to adverse incorporation or “Faustian bargains” that are detrimental to wellbeing and development.
- (d) Informal institutions for protecting against the threat of criminal and violent insecurities are widespread, although these have to date neither been documented or analysed by research, nor considered within policy debates.

10. Police and justice sector reform agendas have not to date been informed by an adequate—or even a partial—understanding of the everyday insecurities faced by Bangladeshi citizens, and their impact on the poor and marginal. These issues, particularly the potential value of informal and community-based security arrangements, merit considerably greater attention in any future DFID programme on governance in Bangladesh.

GENERAL ISSUES RELATING TO THE APPROPRIATE SIZE AND SCOPE OF DFID’S PROGRAMME IN BANGLADESH

11. An overall concern about the size and scope of DFID’s Bangladesh programme is that compared to the early- to mid-2000s, DFID staff in Dhaka appear increasingly pressed for time, partly because larger programmes are being managed with fewer professional staff. Other reasons may include the transaction costs of donor harmonisation, which DFID staff in Dhaka bear significantly more of than other bilateral donors, because of the size and diversity of the DFID portfolio. These observations arise from my role as a regular DFID consultant and recipient of DFID research commissions, based in Dhaka over the period 2003–08. They also draw on research into the sociology of donor-recipient relations in Bangladesh in which I was involved in 2003-4 (with Rosalind Eyben and Rosario Leon). Even committed professional staff lacked adequate time to engage with the evidence, travel beyond the capital city, or to develop the relationships that would be necessary for a rounded and fully-informed perspective on the issues on which they work.

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Written evidence submitted by the European Action Group on Climate Change in Bangladesh

Following Select Committee's meeting on 8 Dec 2009 at St Mathias Centre in East London we are submitting our concerns:

An adaptation budget of US Dollars 700k has been allocated by the Bangladesh Government, but further assistance is needed to expand the work. Various structural efforts have already been taken by the Government in Bangladesh: the building of cyclone shelters and of an early warning system, raising the level of embankments/roads, etc. Basic needs like arrangements for clean water, acceptable sanitation/health facilities, education and livelihood must be ensured even for emergency situations, as emergencies occur very frequently. Investments should primarily be aimed at enhancing the resilience capability of the population, with provisions for the regular updating of infrastructures (including interactive map dissemination). Priority should be given to maintain the quality of water, soil and air. Here both a macro- and micro-level approach should be followed. The harvesting of solar energy, the recycling of biodegradable waste, and safe disposal of hazardous waste should get proper attention. Under any kind of calamity, the existing infrastructure collapse will worsen the people's living environment.

While the UK DFID's extra £75 million is welcomed, DFID along with the Bangladesh government should agree and manage programmes falling under the country's agenda for response. This should be seen as part of a wider objective where Bangladesh's democratically elected government should be allowed to allocate funds towards securing its future.

The key point is about additionality. Without funds being additional to existing aid commitments, the fight against global poverty will be reversed. Oxfam estimates that at least 75 million fewer children are likely to attend school and 8.6 million fewer people could have access to HIV/AIDS treatment globally, if money that would otherwise have been spent on health and education is diverted to tackle climate change. It is crucial that funds for adaptation and mitigation of the effects of climate change transferred from the developed to the developing world, be in addition to existing aid budgets.

There is a disconnect between ordinary people and climate change in Bangladesh, where it is not high on the agenda of political parties. This is an existential issue and should be on top of the agenda. Too much of the existing climate change debate is conducted in unintelligible terms, which shuts out the people we are supposed to be talking about. We need to change the terms of the debate. Bangladesh is in the frontline of the war against climate change. There is a disconnect between the 'exclusive conversation' among academics and NGOs as opposed to the diaspora.

Both the UK and Bangladesh along with other agencies could take the lead in mobilizing civil society in both countries, as they have the network to reach out to grassroots' communities. The gender issue should get appropriate attention, as patriarchal attitudes towards women have negative impact on society at large. The needs of women differ from those of men.

There needs to be much greater attention for the impact of climate change on public health. In Bangladesh, the health effects of climate change are widespread. Besides the systemic effect of desertification, recurrent flooding related diseases and physical trauma due to natural disasters, the country also faces an epidemic of disabling arsenic poisoning and an increase in the salt level in the water of major rivers in the coastal areas, as recently exposed. The study undertaken by medical students, community health professionals and the Statistics Department of the Imperial College of London in collaboration with the Primary Care Centre in Bangladesh, published in the reputed medical journal *The Lancet* in 2007, has shown that due to the rise in sea levels the sodium chloride level in river and surface water areas has caused a widespread increase in blood pressure among the normal young population living in the coastal areas (as compared to people living in the north). This will cause millions of premature deaths in the long term, if the problem is not dealt with now. This is the kind of silent impact that is not being taken seriously enough. It will mean that these people's life expectancy will be significantly reduced.

Rises in sea levels are already having a dramatic impact on Bangladesh. The government needs to begin now with creating jobs and opportunities for people who live in dangerous coastal areas and have no other options.

Finally, since Bangladeshis have more experience than most in dealing with environmental disasters, the country should take the lead in deciding how to cope in the decades ahead.

Ansar Ahmed Ullah
Convenor

Syed Enam
Joint Convenor

8 December 2009

Written evidence submitted by Global Coal Management

PHULBARI COAL PROJECT—A BANGLADESH PERSPECTIVE

BANGLADESH

Bangladesh is one of the most densely populated countries in the world with 160 million people living in an area two thirds the size of the United Kingdom. It has enjoyed more than 6% economic growth in real terms over the last five years as well as substantial improvements in measures of human development. It has also been identified as one of the countries most vulnerable to the effects of climate change with a significant proportion of the population living in remote or ecologically fragile areas such as river islands or cyclone prone coastal areas. Two thirds of Bangladesh is less than five metres above sea level.

Energy is an essential component in the fight to eradicate poverty. Unfortunately the majority of Bangladeshis do not have access to electricity and those that do experience frequent load shedding. This energy and power shortfall is a major obstacle to the country's future growth and ability to combat climate change.

ELECTRICITY AND UNITED NATIONS HUMAN DEVELOPMENT INDEX (UNHDI)

The United Nations Development Programme shows greater access to electricity can improve nutrition, health facilities, education levels, water quality and sanitation. For Bangladesh, with extremely low per capita electricity consumption, small increases will deliver substantial improvements in UNHD indicators.

The Government has linked the country's prosperity, and the attainment of the Millennium Development Goals, to achieving annual GDP growth rates of 8-10%. However the country's electricity generation of 3,800–4,200MW is inadequate and, with a growing population, the demand for energy in Bangladesh will also increase. In order for economic growth to continue even at 6%, a 50% increase in electricity generation is needed within the next five years.

Natural gas is currently the country's main source of commercial energy, with 90% of electricity generation reliant on gas. However, the gas reserve is rapidly depleting and supply cannot meet current demand. There are an estimated 2.9 billion tonnes of coal reserves in Bangladesh, the equivalent in energy terms to over five times its current natural gas reserves.

PHULBARI COAL PROJECT

The Phulbari Coal Project (the Project) is a landmark project for Bangladesh. It embodies a unique opportunity to contribute to Bangladesh's energy security while also being a catalyst for wider economic and social development. The Project is located in one of the least developed regions of the country and should be viewed as one component of a broader energy development plan, which includes a 2,000MW mine mouth power plant, upgraded transmission lines connecting to major cities and regional infrastructure.

GCM Resources plc (GCM) has established a coal resource of 572 million tonnes (JORC compliant) near the town of Phulbari in North West Bangladesh. Thermal coal represents 80% of the resource with the remainder being semi-soft coking coal. The coal will be extracted by the open cut mining method. In addition, a variety of co-products (gravel, aggregate, silica sand, kaolin, clay) will be recovered from the overburden.

GCM has invested over £25 million to date, in preparing the Feasibility Study, Scheme of Development, ESIA, Management Action Plans and extensively explaining the Project to a wide range of stakeholders.

The approval of the Feasibility Study and Scheme of Development has been delayed by political and social uncertainty arising in the 2006–07 election year which continued into the period when Bangladesh was governed under a state of emergency by Caretaker Governments. The December 2008 elections returned a Government with a significant majority and a stated intention to address the country's energy and power problems.

GCM PLC—CORPORATE RESPONSIBILITY

The effective management of social and environmental risks is an essential component of any successful mining project. The Board and management of GCM recognise that long term stakeholder value can only be created if social and economic benefits are produced and the environment protected at a national, regional and local level. In partnership with government, civil society and the community, GCM will develop the Phulbari Coal Project to the highest international standards.

GCM ensured its activities, including preparation of the Project Feasibility Study, the ESIA and its associated Management Plans, complied with the Equator Principles, (which includes eight different Performance Standards relating to different issues such as Involuntary Resettlement and Land Acquisition and Indigenous Peoples). The first principle is to avoid any adverse impacts and where this is not possible, to mitigate against these.

In January 2009, GCM became a signatory to the UN Global Compact, and has joined the UK Network and Bangladesh Local Network of the UNGC. In doing so, GCM has agreed to embrace, support and enact a set of principles in the areas of human rights, labour, the environment and anti-corruption.

IMPACTS AND BENEFITS

Energy Security:

Within four years the mine could be supplying new power stations.

Economic:

In early 2006, an independent study concluded the Project would increase GDP by 1% and deliver revenues of approximately US\$7 billion to the Government over the Project's life. Listing on the Dhaka Stock Exchange would provide local equity participation.

Infrastructure:

The improved infrastructure necessary to support the Project (including rail network and port facilities) will provide a catalyst for further development.

Resettlement:

The Project will require resettlement over a 10 year period of approximately 40,000 people, including around 2,300 indigenous people. Resettlement sites constructed will have improved services and infrastructure. New schools, religious centres and medical centres will also be built. No one will be worse off and each person adversely affected will be fairly and fully compensated.

Water Management:

Open pit mining will require the ground water level at the mine site to be drawn down to maintain dry working conditions. This will be achieved by pumping water continuously from deep tube wells (bores). The Phulbari Water Management Plan will ensure the high quality extracted water will be made available to the community for drinking, agricultural irrigation, and use by local businesses. Water will also be released in a controlled manner into seasonal water courses, rivers and wetlands to preserve and in many cases improve the environment.

Environment:

Any adverse environmental impacts will be closely monitored and mitigated. A forest will be established and a wildlife corridor created. Bangladesh imports around five million tonnes of poor quality high sulphur thermal coal which is used by the country's numerous brick kilns. Replacing it with the high quality Phulbari coal will significantly improve air quality across Bangladesh.

Agriculture:

The "life of Project" mine footprint will occupy 5,200 hectares, although at any one time only a third will be actively mined and the rest will either still be cultivated (prior to mining) or rehabilitated back to productive use (post mining). An Agriculture Improvement Plan based on improved farm management practices will deliver an additional crop per annum and higher yields per crop. Rice production alone will more than double as a result.

Job Creation and Livelihood Restoration:

The Project will create an estimated 17,000 new jobs (both direct and indirect) and preferential employment policies will be applied to maximise the benefits to the local community. The use of Phulbari coal in power generation, combined with the co-products, has the potential to support many spin-off industries involving the creation of a significant number of new jobs.

Indigenous Peoples:

An Indigenous Peoples Development Plan has been prepared—the first of its kind in Bangladesh. A number of consultative meetings were held with the indigenous groups to understand their requirements for resettlement. This plan will be updated once approval is received.

Stakeholder Engagement:

The Company recognises a key component of the Project is regular engagement with its community. Meetings with numerous groups to explain the Project (including local and international NGOs and media) are ongoing and Project information in Bangla is provided on the company's website: www.phulbaricoal.com. GCM will ensure local stakeholders are fully informed and consulted prior to Project commencement and throughout the Project's life.

Written evidence submitted by Muhammad Taher

NOTES ON DFID ASSISTANCE TO BANGLADESH

I shall start with some general comments on DFID Bangladesh and its work which will be followed by specific comments on two livelihoods development programmes that I have known closely; ie, the Chars Livelihood Programme and the economic empowerment of the poorest programme known as Shiree.

A GENERAL ASSESSMENT OF DFID ASSISTANCE

Overall strategy to address national priority needs have been appropriate and quite effective because the process of identification of needs have been participatory and based on ground realities. As strategic partners to its mission in Bangladesh DFID has rightly chosen to involve the national government and experienced NGOs in the implementation of its programmes of work. This has ensured local ownership of the process initiated by DFID, many of which needs to continue for a long time. This has also ensured adoption of appropriate policy changes to expedite the process of development. The involvement of NGOs in the implementation process has also enabled it to receive the best possible knowledge and experience of the grass roots realities making development assistance ever more relevant and effective. For example, it has encouraged the government to adopt different pro-poor development policies (eg, different social protection programmes for helping vulnerable communities, investment in education, health and livelihoods development) that are being jointly implemented by NGOs and government agencies. As a result of effective policy influence by DFID and the donor community, the government has very recently produced its second poverty reduction strategy paper (“Steps towards Change: National Strategy for Accelerated Poverty Reduction—II” for 2009–11).

DFID has been treated with respect in Bangladesh not because it is the largest contributor of overseas development grants, but because it gives assistance to priority needs with clear strategic objectives. DFID's assistance in Bangladesh is characterised by its deep concern about poverty eradication and relatively more generous (not tied with too many conditions) approach. DFID is the leading international partner to the government's efforts to combat adverse effects of climate change in Bangladesh. Its recent plans for example, to provide an increased level of assistance to help four million more children to receive quality primary education by 2015, facilitating women's access to an effective justice system and lifting six and half million people out of extreme poverty are indeed appropriate, popular with the development community and strategic in nature.

Its focus on poverty eradication through meeting the Millennium Development Goals (MDGs) of halving the number of extreme poor people by 2015 have so far been effective and thus earned public recognition. Some of the key investments in social development sectors by DFID, eg, in health, education, livelihoods development of the poor, have been quite effective and some are path-breaking in many ways. We will discuss below two major development programmes in this connection—implemented jointly by DFID and the government of Bangladesh under close supervision of DFID to specifically address eradication of extreme poverty from Bangladesh.

LIVELIHOODS DEVELOPMENT FOR POOR IN REMOTE RURAL LOCATIONS

I have known about the Chars Livelihood Programme or CLP since its inception and had the opportunity to observe its field operations a couple of times last year (as a part of an expert group trying to help DFID with a monitoring framework for four similar projects) and once this year in connection to another evaluation work in the region. The following comments are based on my first hand experience of the programme.

The following excerpt from a programme introduction gives a detailed picture of the Char context which is deemed useful to understand the key challenges there:

Bangladesh, as the terminal floodplain delta of three major rivers (the Ganges, the Brahmaputra and the Meghna) is highly prone to dramatic and often devastating annual floods. Serving as the main branch of the Brahmaputra as it enters Bangladesh, the Jamuna River is the fifth largest river in the world. In the CLP project area, the Jamuna is at least 3.5 kilometres wide; swelling to over twice this width when it bursts its banks in the flood season.

People living in these areas are vulnerable not only to the flooding but also to river erosion, as the sand and silt char land areas deposited by the river are eventually destroyed by the speed and strength of its water. Both of these environmental hazards remain outside the control of inhabitants of the area. They are reasonably predictable (annual flooding) and completely unpredictable (erosion) events, which people have to contend with alongside their day-to-day struggle for survival.

In one generation each household can be expected to be displaced by river erosion and flooding at least five times; with the average lifespan of a char being just a decade. Even if a char is not completely destroyed by river erosion, families frequently have to move as huge areas of land are submerged for weeks at a time by the Jamuna flood waters.

The vulnerability of a char household to these types of environmental hazards is increased by how close they live to the riverbank, with the most vulnerable households often living on the banks of the river. Char dwellers not only live in areas where flooding and erosion are annual events but their poverty means that they often struggle to recover from these shocks. With no reserves to fallback on or safe drinking water, flooding for chars dwellers often means episodes of ill-health and being forced to take loans with high interest to pay for basic daily needs.

To reduce household vulnerability to flooding, one of the key challenges for people living there, the programme helps to raise homesteads above the highest-known local flood level, thereby reducing the likelihood of them being forced to move and lose assets during flooding. It then helps to increase the ability of households to cope with flooding and erosion by building and diversifying their mobile asset base. Besides, provision of year-round access to a safe supply of drinking water and other essential support services are gradually introduced.

It has been recognised as a remarkable initiative by DFID to aim to lift six million people out of extreme poverty by 2013 through this programme. For many years, this rather difficult-to-reach river basin shoals (island *chars*) and their vulnerable population in the northern part of the country have been deprived of any substantial developmental assistance. The CLP working areas within the *Jamuna chars* are isolated from major markets, suffering from erosion and annual flooding, seasonal hardships (*Monga*) and extremely limited health and education service provisions for them. The Char inhabitants are normally the poorest landless labourers and their families who earn a living through cultivation of these marginal lands with low yield potentials during the dry season. Deprived of access to the basic needs and services these people are also deprived of a dream of a promising future. DFID recognised that without a focussed social protection measures for them, they cannot be lifted out of their present condition. This has come from the realisation that not only do extreme poor households have to be specifically targeted but they also need intensive, context specific types of assistance.

Jointly undertaken with the government of Bangladesh, the CLP has been considered as a bold step. There have been quite a few successful innovations in this approach of addressing extreme poverty in these remote areas by introducing appropriate agricultural technologies and practices including cultivation of crops suited to the local ecology or land and rearing of livestock animals. Taking into consideration the particular circumstances these communities live, the CLP has pioneered an approach of “Asset Transfer” to the poor households so that they can have something tangible to start building their economic bases on:

http://123.49.47.42/clp/index.php?option=com_content&task=view&id=83&Itemid=80

The main livelihoods entry-point is the building of household finances by a one-off transfer of investment capital (presently set at about £170) to the poorest households. This financial injection is then followed by a sequenced programme of intensive household and community support.

Just over three years into the programme, the results have been quite clear. People that we saw and talked with are living in their raised (above flood level) homesteads with significantly increased sense of security and peace. They now have a dream as the programme offered some of the means for it. For example, their level of resilience to the effects of natural hazards have been enhanced, they have means to earn an income and are in the process of building an asset base with direct assistance from the programme. They have been gradually linked with the national service delivery programmes on health, education, water and sanitation etc. CLP has a strong monitoring and evaluation component which regularly tracks the effectiveness of the interventions and changes resulting from them. There are programme specific reviews on CLP, but also independent assessment conducted by others³¹ that can be used as further evidence.

³¹ For example, please refer to Holmes, R *et al* September 2008. *Extreme Poverty in Bangladesh: Protecting and promoting rural livelihoods*. ODI Project Briefing No 15.

ECONOMIC EMPOWERMENT OF THE EXTREME POOR

This economic empowerment of the extreme poor (EEP or Shiree) project aims to lift over one million poor people in rural and urban areas in Bangladesh mainly through support to a variety of NGO projects related to income and asset generation of extreme poor communities. The Shiree programme has deliberately taken time to go through a rather thorough process of partner (mainly NGOs) selection before disbursing funds. I have been involved in the selection process of NGO projects as a member of an Independent Assessment Panel (IAP) for DFID/Shiree assistance. The process of making applications to Shiree for grant assistance has been quite thorough and effective. As a result it has been able to select some of the best NGOs in Bangladesh with some of their best project ideas to assist the poorest with economic and social benefits.

Shiree is providing financial and technical assistance to NGOs mainly through two funds. One is known as "Scale Fund", which supports larger NGO projects utilising proven methodologies. The other is known as the Innovations Fund. The latter is supporting smaller projects using innovative approaches. The Innovations Fund selected novel, undocumented and even un-tested approaches which address the economic needs of the extreme poor. This includes innovative ideas, processes, systems and technologies which are likely to generate assets, improve incomes, decrease dependency and vulnerability, and increase food security and provide sustainable pathways out of poverty.

Fund disbursement for the projects has started from early 2009. Although the preliminary results of the projects will start to be known from the end of this year, there are projects supported under "Scale Fund" which are based on proven track record of NGO initiatives and thus, in a way, are able to offer some advance indication of their chances of success. Because, this (chances of success) was one of the selection criteria on which the investment process was based. The other group of projects are known as "Innovation Fund" projects as noted above. This is also implemented jointly with the government of Bangladesh and like CLP, it also aims to contribute to the MDG goals of reducing extreme poverty.

The evidence in this respect is thus on a successful and thorough preparatory (including selection) process with strong potentials to lift about a million of the poorest people in different (priority) parts of the country with a variety of programmes and projects. The Shiree programme is staffed by a group of specialists in different technical areas who are capable of managing the technical, operational and institutional contents of the programme efficiently and effectively. The IAP comprised of experienced development professionals who have spent several weeks on selecting the projects have been impressed with the range of potentially successful ideas and approaches that came to Shiree for DFID support. I am quite confident that we have been able to select some of the best ideas and best organisations who can successfully channel DFID assistance to benefit the country and specifically contribute to the sustainable economic empowerment of the extreme poor through enhanced livelihood options. The female headed households, the indigenous people, people located in geographically remote or environmentally vulnerable areas and people with disability will also get a chance to change their situation through income earning activities. Some of the support will increase resilience and adaptability of the poor to climate change and develop "innovative" pathways out of poverty.

ISSUES ARISE

Just a couple of issues related to DFID and its assistance in Bangladesh:

1. This is quite encouraging to note that there has been an enhanced level of mutual trust and respect between DFID and the government of Bangladesh through an increased level of understanding about each other's perspectives on development issues. There is a general feeling however, that the same kind of development has not happened in the case of inter-donor relationships and coordination of development assistance by foreign donors in Bangladesh. DFID being the leader and the largest development grant provider in Bangladesh is expected to play a role in improving donor coordination.
 2. Some people believe that frequent change in international staff of DFID-B often contributes to loss of valuable institutional learning and socio-political capital built over years. While it is fine to assume that change like this is also necessary for administrative reasons and to bring in fresh ideas and experiences, it would be good to see that changes are well planned (not abrupt) and the process ensures continuation of positive trends and works.
 3. There was a case of assisting the process of enhancing the capacity of national consultants in providing quality of services in the field of social development. The idea generated within DFID some time ago did not seem to have gone far? Could a fresh initiative be undertaken to assess the rationale and viability of that idea?
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Written evidence submitted by the Natural Environment Research Council (NERC)

1. The Natural Environment Research Council (NERC) is one of the UK's seven Research Councils. It funds and carries out impartial scientific research in the sciences of the environment. NERC trains the next generation of environmental scientists.

2. Details of NERC's Research and Collaborative Centres and Major programmes are available at www.nerc.ac.uk.

3. NERC's comments are based on input from the international project office of the NERC funded Global Environmental Change and Food Systems project, the British Geological Survey and Swindon Office staff.

4. NERC works closely with DFID in a number of areas and is currently co-designing the next phase of the Ecosystem Services for Poverty Alleviation (ESPA) programme,³² with other partners such as the Economic and Social Research Council (ESRC) and Defra. This programme, with a total value of over £40 million, has already begun reporting findings. NERC is also working with DFID and ESRC on relevant climate impacts scoping work by the International Institute for Environment and Development (IIED) in Bangladesh. This project has been facilitated by the UK Collaborative on Development Sciences and is funded by DFID, NERC and ESRC. The work of this partnership forms part of the overall effort on Living With Environmental Change (LWEC)³³ which has a strategic objective addressing poverty alleviation and well-being.

1. *The appropriate size and scope of DFID's programme in Bangladesh*

1.1 NERC cannot comment on the size and scope of DFID's programme as these issues are outside the remit of NERC. NERC and DFID are developing a common understanding of how they can best work together to help meet the UK's commitments and responsibilities to nations such as Bangladesh. NERC regards DFID's research strategy as helpful in deciding on its own research priorities and a useful guide to the UK research community as to DFID's research needs.

2. *DFID's support for more effective governance and institution building in Bangladesh*

2.1 In co-designing research relevant to developing countries with DFID it is clear the department supports research and delivery that will strengthen the evidence base on governance and institution building. Investments in such issues are certainly worthwhile and necessary. A case can be made to indicate that this should go beyond the existing support which is concentrated at a national level. Increasing governance skills and processes and building institutional capacity is required particularly at the district and sub-district level. This may be especially important in a nation that is very vulnerable to environmental change.

3. *DFID's strategy for reducing poverty and inequality, including gender inequality*

3.1 Many aspects of DFID's strategy here are researchable only through a multi-disciplinary effort. Of the aspects relevant to NERC perhaps the most important is the sufficiency of supply of potable water and access to it. This is key to poverty alleviation and reduction and, especially, gender inequality. This is because access to water reduces disease and improves productivity provided that water collection is not a prime occupation. The complexities of groundwater contaminated with arsenic and non-potable surface waters should continue to be a focus of investment at all levels.

4. *The management of climate change impacts and support for disaster risk reduction*

4.1 Current Climate Change activities are predominantly focused on disaster reduction relief, given the risk profile of the country this seems wise, but if this were over-emphasised it might reduce resources available for raising the profile of adaptation activities related to gradual changes, as opposed to extreme events. This is a difficult balance to strike and research on the nature of environmental change (eg under LWEC) may be applicable to Bangladesh.

4.2 There are current activities from within the Government and the Comprehensive Disaster Management Programme³⁴ aimed at raising the profile of climate change adaptation needs and creating focal points in each ministry. This good initiative may need to be better supported. Not all the relevant factors are necessarily within DFID's control. Greater clarity may be needed, regarding mandates, between the Ministry of Planning and Ministry of Environment. This may need to be resolved before some DFID activities can be moved forward in a meaningful manner.

³² <http://www.nerc.ac.uk/research/programmes/espa/>

³³ <http://www.lwec.org.uk>

³⁴ <http://www.cdmp.org.bd/>

4.3 Components of Food Security and Climate Change are addressed through a number of separate activities; eg the National Adaptation Programme of Action.³⁵ A more strategic approach that takes a “holistic” or “systems” approach to food would provide an improved framework for achieving food security. Discussion on food security through the LWEC partnership may help here, because LWEC has a remit to help partners and stakeholders realign existing activity. For example, the NERC Changing Water Cycle³⁶ programme will include a focus on SE Asia. Clearly, alignment of this programme’s climate prediction and hazard mitigation aims with DFID projects on agriculture could form a stronger basis for achieving ongoing food security.

4.4 DFID is widely understood to be the most actively engaged of the bilateral donors in climate change. The EU fund the Food Security for Sustainable Livelihoods project.³⁷ There are potential linkages between these two programs that could be explored.

4.5 With increased climate variability and global warming, the intensity and frequency of events leading to pluvial flooding and storm-surges may increase; strategies for flood risk prevention and mitigation therefore need to be supported, including an understanding of the role of groundwater flooding. Support is also needed for actions designed to support the development of adaptation strategies. These will need to include so-called “adaptive management” approaches that are able to cope with a changing environment that may tend to make parts of Bangladesh’s land and people increasingly vulnerable over time. There will be opportunities for DFID to be a partner in and undertake relevant research, and speed its uptake, as a partner in LWEC. This may include work on disaster prediction and early warning, as well as work on risk reduction, and, where necessary, impacts, management, and recovery from such events. Research needs to cover events that affect Bangladesh from beyond its own borders, such as events in the more distant Himalayas and in northern India—both of which may be linked to regional issues and could affect regional security.

5. *The role of community-led initiatives in reducing poverty and increasing access to basic services*

5.1 Community-led initiatives are to be desired and supported. In all cases, the communities need to have access to and the means to understand and interpret the information on which to base decisions and make choices. For example, a community could be faced with a well producing water contaminated with arsenic. The problem could be resolved in various ways, eg treatment to remove arsenic from the supply, providing a surface supply or supply from a deep well, etc. A community would be faced with a complex choices and need to debate with experts what option best meets their needs, now and in the future. Public engagement and knowledge transfer arrangements need to be in place to enable a community to make a sustainable choice from amongst available options. DFID and the research councils are aware of the multi-disciplinary skills needed to address these issues, which are as relevant in developed economies as they are in developing ones. Through LWEC, they are engaged in the practice of co-designing research that has the necessary engagement and knowledge transfer steps built in at the outset rather than bolted on at the end.

NERC

September 2009

Written evidence submitted by the International Forum for Secular Bangladesh, UK Branch—Ekattorer Ghatok Dalal Nirmul Committee, Juktorajyo Shakha

Following Select Committee’s meeting on 8 December 2009 at St Mathias Centre in East London we are submitting our views and opinions as how best to engage with the diaspora community.

KNOWLEDGE TRANSFER

There is a growing number of British Bengalis going to British universities and gaining British qualifications. It is estimated that presently there are approximately 30,000 British educated Bengali graduates. A further 3,000 are said to be joining them every year. Many second generation British Bengalis feel passionate about Bangladesh. They want to get involved and contribute to the development of Bangladesh but lack the necessary information and contacts. Connecting the second generation British Bengalis with their parent’s country of origin could be beneficial to the UK and Bangladesh.

The Benefits for British Bengalis would be the opportunity to maintain contact and contribute to the development of Bangladesh. Similarly Bangladesh would benefit by strengthening links with professionals and accessing specialist skills and expertise of the diaspora community for the future development of Bangladesh. The DFID could establish a diaspora knowledge network data of British Bengalis.

³⁵ http://unfccc.int/national_reports/napa/items/2719.php

³⁶ <http://www.nerc.ac.uk/research/programmes/cwc/>

³⁷ http://www.foshol.org/about_foshol.htm

 NGOs

There are concerns regarding some British registered Islamic charities who are raising funds from the UK for the use of terrorism. Certainly that was the case of Green Crescent <http://www.thedailystar.net/newDesign/news-details.php?nid=81399>.

Another charity Jamaat-e-Islami's front organisation Muslim Aid is presently under investigation <http://www.thedailystar.net/newDesign/news-details.php?nid=80287> by Bangladesh intelligence agencies for alleged link to terrorism. There are also newspaper reports of Muslim Aid being sectarian in their distribution of relief material. It is alleged Muslim Aid refused to give aid to Hindus and gave aid to Jamaat-e-Islami activists. These are serious allegation and as such we would urge DFID to review its working with some of the Islamist NGOs.

Syed Enam
Executive Member
8 December 2009

Written evidence submitted by One World Action

1. One World Action has been working in Bangladesh since 1989 and currently works with Nagorik Uddyog, Partnership for Women in Action, Bangladesh Dalit Human Rights and Gonoshasthaya Kendra. These programmes support excluded communities in Bangladesh, and advocacy on gender justice and democratic reform. The following comments and recommendations are based on consultation with these partners and on input provided by the International Dalit Solidarity Network.

2. DFID's Bangladesh programme provides critical support to the country and has the appropriate size and scope given:

- Bangladesh's extreme poverty and inequality.
- The vital need for continued and targeted pro-poor programmes if the country is to continue to make progress on the MDGs, particularly on maternal mortality.
- DFID's focus on urban poverty, gender equality, adapting to climate change and aid effectiveness.

RE: DFID'S STRATEGY FOR REDUCING POVERTY AND INEQUALITY, INCLUDING GENDER INEQUALITY

3. *Women's Rights*

DFID's Country Strategy should explicitly state how gender inequalities and discrimination will be addressed within each objective and how it will relate to DFID's Gender Equality Action Plan. Many donors are lagging behind in promoting gender equality, and women's leadership is also low amongst civil society organisations in Bangladesh. DFID should always try to ensure a good gender representation in any group they engage with and keep pushing for gender disaggregated data, within their own programmes, as well as the multilaterals and NGOs with which they work.

As well as developing a new generation of women leaders it is essential that DFID recognise that violence and religious laws are major barriers in preventing women's political participation. Development will not be effective if women are excluded from decision-making processes and that is why One World Action's More Women More Power campaign is recommending that properly resourced strategies to increase the numbers of women in power (electoral reform, gender quotas, democratising political parties) become a key component of DFID's wider work on governance and aid effectiveness:

DFID should focus on issues of reproduction; focussing on women's livelihoods, incomes and employment and an analysis of gender implications of budget priorities and public spending. It is also essential to integrate the non-economic dimension of poverty—vulnerability, powerlessness, voicelessness and male-dominated governance systems—within economic dimensions.

Zakir Hossain, Director Nagorik Uddyog.

4. *Social Exclusion*

As DFID has recognised, social exclusion keeps people poor and is a major cause of why women and men in Bangladesh fall back into poverty. Women, men and children experience social exclusion when they are discriminated against, based on their gender, age, caste, religion, sexual orientation, disability, HIV status, migrant status, where they live etc. In Bangladesh these forms of discrimination exist within public institutions, legal systems and in access to public services, and keep people in poverty and excluded from decision-making processes that affect their lives.

There are specific areas in Bangladesh that are lagging far behind national averages in terms of poverty and inequality and which DFID should focus on—these include urban slums, hill tracts, coastal belts and other ecologically vulnerable areas.

5. Caste Discrimination

More than 250 million people worldwide experience discrimination based on their caste. Caste systems divide people into social groups where assigned rights and occupations are potentially determined by birth. Caste based discrimination is usually associated with India but there are an estimated 3.5-5.5 million Dalits in Bangladesh (or about 2.5 to 4% of the population).

The majority of Dalits in Bangladesh are landless and live in chronic poverty in rural areas or urban slums. They are deprived of, or actively excluded from schools, hospitals, adequate housing, water and sanitation, employment and participation in public and political life. Dalits even encounter discrimination when trying to bury family members in public graveyards. Approximately 96% of Dalits in Bangladesh are illiterate. Dalit communities experience daily insecurity and violence from the public, police and officials, with usually no recourse to justice. Dalit women face the heaviest burden of both gender and caste-based discrimination and violence from both men in wider society, and from men within their own communities:

DFID's country strategy should make direct reference to supporting Dalits and the organisations which represent them. Measures to mainstream Dalit concerns must be an integral part of all health, housing, gender and education programmes (caste disaggregated data is essential to monitor this). This is particularly crucial within DFID's urban poverty programmes as many Dalits live in segregated colonies in cities. Vulnerability of Dalits should be properly identified and greater research is needed. Assessments should also take place to ensure caste discrimination is not occurring within existing DFID funded projects and programmes.

DFID and other multilateral and bilateral agencies should raise this issue in dialogues with relevant ministries both as a cross cutting issue and as a human rights matter, that needs to be dealt with. A process towards legal reform to protect and promote the rights of Dalits would be a crucial step forward. Also the donor community could influence the PRSP process and co-ordinate among themselves to bring caste affected groups into planning and implementation. We recommend that in policy planning and programming, the draft UN principles and guidelines for the Effective Elimination of Discrimination Based on Work and Descent be used as a guide and discussion point for governments and other development actors <http://idsn.org/international-advocacy/un/un-principles-guidelines/> Rikke Nhrind, International Dalit Solidarity Network

6. Policy Coherence

Despite billions in aid and countless anti-poverty initiatives, 84% of Bangladesh's 137 million people still live on less than \$2 a day. In particular, marginal farmers and agricultural labourers are facing crisis as they become more exposed to international markets, climatic changes and are forced to sell their land and migrate to cities to seek work. We would encourage DFID to, wherever possible, use its influence with other UK Ministries and with international partners, to ensure policy coherence so that trade, investment and energy policies, or the investments of UK companies (particularly in relation to mining, agriculture, fisheries and energy) do not further exacerbate poverty, inequality and/or lead to people being displaced from their land.

7. Informal Sector

Bangladesh's economically active population is around 60 million,³⁸ but unemployment and, more significantly underemployment, remain a huge problem as the economy is unable to absorb new entrants to the labour force. 90% of Bangladesh's labour force work in the informal sector³⁹ and the contribution of the informal sector to Bangladesh's Gross Domestic Product is around 40%.

There is a lack of reliable data, but current estimates put the number of women working in the informal sector in Bangladesh at around 10 million. These women work in unregulated jobs such as farming, vending, shrimp cultivation, rag picking, brick breaking, sex work, tailoring or domestic services. The majority of these women are poor, excluded and vulnerable. They share a common experience of low pay, long working hours, dangerous and unprotected working conditions, inadequate shelter and health care, and the constant threat of eviction from homes and workplaces. Their lack of political power, organisation and engagement in local and national political processes further increases their invisibility and isolation.

³⁸ According to the latest Labour Force Survey in 2000 done by the Bangladesh Bureau of Statistics (the total estimated civilian labour force of the country is 60.3 million of which 37.81% female.

³⁹ International Labour Organisation (ILO) Bangladesh Overview—<http://www.ilo.org/public/english/region/asro/bangkok/arm/bgd.htm>

The Constitution of Bangladesh recognises the basic rights of workers however existing labour laws⁴⁰ are outdated, are not enforced, and do not recognise informal work. Despite the number of informal women workers and the massive contribution they make to the economy, their role and needs have been ignored or excluded from public policy debates.

DFID's strategy should mention informal workers and include programmes that support organisations working with informal sector workers (to organise and improve their skills so they are able to compete more effectively). They should also use their influence and technical expertise to help develop national legal frameworks that will support informal workers. For example a Social Security Act for Informal Workers (similar to the Act passed in India in May 2008).

RE: DFID'S SUPPORT FOR MORE EFFECTIVE GOVERNANCE AND INSTITUTION BUILDING IN BANGLADESH

8. *Engaging with Civil Society*

The consultation and inclusion of people and communities in local and national decisions that affect their lives is central to decreasing poverty. DFID must seek to broaden the range of constituents with whom it consults, in the design, delivery and evaluation of its programmes, and encourage its partners to do the same. This is a key strategy to change the nature of political dialogue and political processes in Bangladesh, while still remaining politically neutral. It is currently difficult, if not impossible for the majority of Bangladeshi NGOs to engage with DFID:

- It is difficult to see how DFID will strengthen community-led initiatives and civil society in practice, as more funding is channelled through multilaterals. This is of particular concern in DFID's aspirations to *provide information, support and platforms to demand change*.
- DFID should look beyond larger NGOs and connect with wider civil society in a more tangible manner—eg women's organisations, community organisations of excluded groups and other non-state actors such as journalists. Clear and transparent mechanisms are needed for engagement to be possible. Issues such as when and where consultations are held, how far in advance they are planned, remuneration for time and travel, issues of language, who is invited, is consultation pitched at an appropriate level so that organisations can productively engage, are all aspects that need to be considered to ensure that groups are not unintentionally excluded. One World Action could help facilitate these wider connections.

9. *Governance*

Poor governance, corruption, weak democracy and violation of human rights all contribute to, and exacerbate, poverty and inequality in Bangladesh. Good governance includes impartial rule of law and transparent, participatory and democratic decision making, even for the most excluded. One World Action is supporting Nagorik Uddyog to implement a national campaign to publicise and implement the recent Right to Information Ordinance which is an important first step in increasing accountability and transparency, and decreasing corruption.

DFID should work with civil society to develop and promote practical ways to improve the capability, accountability and responsiveness of local and national government, develop decentralisation policies, develop political will for participatory divisional plans and promote education to enable citizens to become active and able participants in improving governance. In this context DFID could provide more support to political decentralisation, to political party reform and the Election Commission.

At the heart of urban poverty are issues of social and economic exclusion. Key in responding to these is the strengthening of inclusive democratic governance both in municipal political structures and in service delivery. DFID should target more support to interventions specifically aimed at strengthening good urban governance and include clear benchmarks and indicators for how good governance will be mainstreamed and evaluated. DFID can draw on best practice and expertise of successful mechanisms from other countries in this area. Unless those who have been traditionally excluded from urban decision-making processes are included, decisions will continue to discriminate against them and ignore their needs.

10. *Additional Information*

Dalits of Bangladesh

Factsheet from International Dalit Solidarity Network:

http://idsn.org/fileadmin/user_folder/pdf/Old_files/asia/pdf/FACTSHEET_BANGLADESH.pdf

⁴⁰ Such as Industrial Relation Ordinance 1969, Workers Compensation Act 1923, Payment and Wages Act 1936, Maternity Act 1939, Factory Act 1965 and Employment of Labour 1965.

Paving the Way to Justice

The report outlines a groundbreaking model of resolving disputes and justice delivery at the local level in Bangladesh:

<http://www.oneworldaction.org/Resources/One%20World%20Action/Documents/Democratic%20Governance/pavingtheway.pdf>

Getting it Right

Struggles, Stories and Strategies from Dhaka's Informal Women Workers, Partnership of Women in Action and One World Action:

<http://www.oneworldaction.org/Resources/One%20World%20Action/Documents/PDF/AB%20Bangladesh.pdf>

Written evidence submitted by Traidcraft

A. INTRODUCTORY REMARKS

1. Traidcraft welcomes this timely inquiry by the International Development Committee. This inquiry presents an unparalleled opportunity for the promotion and implementation of a more sustainable and equitable approach to the development of Bangladesh. However, some key issues will need to be addressed if a new aid structure is to have an improved impact.

2. Traidcraft is one of the UK's leading Fair Trade organisations, with a mission to fight poverty through trade. Traidcraft trades with and supports small producers around the world where their circumstances effectively exclude or marginalise them from mainstream trade. Traidcraft also seeks to influence the wider trading environment through research, analysis and advocacy. Our work is conducted through an innovative partnership of a trading company (Traidcraft plc) and a registered charity (Traidcraft Exchange). This joint perspective enables Traidcraft to square the often competing demands of commercial opportunity and sustainable development.

3. Traidcraft PLC is one of the UK's pioneering Fair Trade companies, with a turnover of over £22 million. It provides a route to market for marginalised producers, offering them terms of trade that promote security and facilitate longer term planning. Traidcraft PLC distributes more than 700 fairly traded products to a highly aware customer base in the UK, with mainstream supermarkets occupying a growing niche in its distribution system.

4. Traidcraft Exchange is the UK's only development charity specialising in making trade work for the poor. Its work spans capacity building amongst producers in developing countries, promoting market access for small producers (including into the UK market), policy development and advocacy. Through its Policy Unit, Traidcraft Exchange seeks to influence government policy and business practice in the North and the South to the benefit of the poor in the developing world. Total expenditure in 2008–09 was £3.5 million.

5. Traidcraft believes that trade—if organised and regulated properly—can contribute to poverty reduction. Since its creation in 1979, Traidcraft has sought innovative solutions to market access. For example, Traidcraft was one of the four founders of Cafédirect⁴¹; it established Shared Interest⁴² in order to enable producers to access pre-order financing; it was also a founder member of the Fairtrade Foundation⁴³ and of the Ethical Trading Initiative⁴⁴, both designed in different ways to encourage mainstream companies to take steps to improve the impact of their supply chains in developing countries.

6. Traidcraft is also a pioneer in social accounting, by which companies seek to take account of their social and environmental impacts as well as their economic performance. Traidcraft PLC was the first public company to publish audited social accounts. In 2006 Traidcraft won the ACCA award for the Best Social Reporting in the UK. The commitment to the principles of transparency, accountability and responsibility in trade underpins all aspects of our business.

7. Traidcraft plc has traded with producers in Bangladesh since the 1970s, and Traidcraft Exchange has carried out development work there for two decades. Traidcraft Exchange has, for the last four years, also maintained a permanent office in Dhaka, with a team of six staff overseeing the implementation of its project portfolio in the country.

8. This submission concentrates on areas of Traidcraft's particular interest in ensuring that poverty in Bangladesh is diminished through sustainable options, and ensuring that the inter-relationship between livelihoods, trade and poverty alleviation is clearly mapped and interventions are put in place to ensure that all stakeholders fully buy into the outcomes and results.

⁴¹ www.cafedirect.co.uk

⁴² www.shared-interest.co.uk

⁴³ www.fairtrade.org.uk

⁴⁴ www.ethicaltrade.org

B. DFID PROGRAMME IN BANGLADESH

Effective size and scope of DfID's programme in Bangladesh

9. Traidcraft is concerned about the scale of poverty in Bangladesh and therefore welcomes DfID's plan to allocate £1.25 million in bilateral assistance to Bangladesh for 2009–10, with the four focus areas of improving governance, reducing poverty inequality between men and women, vulnerability to disasters & climate change, and private sector development. These are definitely the crucial elements to sustain any change in this country, which is currently facing a huge food crisis, increasing vulnerability to disasters, and more of its population sliding below the poverty line.

Influencing the private sector to generate jobs which sustainably reduce poverty

10. We agree that it will be important to focus on trade and markets—which are crucial to bringing about sustained change and lifting more people out of poverty—and the private sector is central to this. Whilst trade rules at international, regional and national levels set the framework for how business impacts on poor people, it is the activities of companies that impact on the poor directly, through their supply chains, employment and terms of trade.

11. However, Traidcraft would like greater clarity about how DfID will seek to carry out its stated intention to strengthen the positive impacts of the private sector.

12. DFID, as part of the UK government, is able to engage with and influence British companies operating in Bangladesh or sourcing from Bangladesh. Joined-up thinking is needed by DFID so that the effectiveness of its aid work is not undermined by UK business activities in Bangladesh.

13. British companies are significant within the Bangladesh economy, and therefore have huge potential for both positive and negative impacts on the people. The UK is one of the largest investors in Bangladesh with approximately £1.5 billion investment projects. There are over 50 UK companies operating in the market, with the vast majority being members of the British Business Group (BBG), which is the UK's unofficial "Chamber" in Bangladesh. Bangladesh's exports to the UK have increased significantly during recent years, particularly in the ready-made garments segment. Garments account for 80% of the country's total sales to the UK, with exports in 2008 reaching £843.3 million up 17% on the previous year.

14. We would urge that DFID therefore promotes best practice pro-development models for UK companies operating in Bangladesh. Traidcraft, working through the Responsible Purchasing Initiative, has recently published a report, "Material Concerns"⁴⁵, which includes recommendations to companies selling clothes into the UK market on how to improve their purchasing practices. This guidance was produced based on research amongst workers organisations, unions, suppliers, agents and companies in Bangladesh, Cambodia and China. Help in promulgating these and similar good practices could be an important part of a private sector strategy.

15. As a basis for having a clear impact on poverty in Bangladesh, it would be useful for DFID to develop a detailed strategy for its interventions, with clear targets in terms of products, sectors or producer groups on which it wishes to focus. This will help build a broad understanding within HMG, with business and throughout the development sector, of what the problems are and what is possible. It would provide a more strategic framework rather than encourage ad hoc project-based funding. This is particularly critical in the case of Bangladesh, where donor aid has been growing but without the significant impact on poverty that one would expect if efforts were better focused and coordinated.

Effective governance and institution building in Bangladesh

16. In strategy documents DfID has clearly identified weak governance and capability as challenges in Bangladesh. However, DfID still gives priority to its bilateral government-to-government assistance programmes. We believe a large proportion of the resources allocated get lost, owing to corruption and weak governance. Unless this issue is addressed waste will continue and the impact on poverty will continue to be very low. If DfID's strategy in Bangladesh is to work, it needs to promote initiatives which improve local governance, increase transparency and tackle corruption.

Reducing poverty and inequality, including gender inequality

17. We support the focus on women and girls, because we agree that they experience the greatest vulnerabilities—this has certainly been our experience in our work in the agriculture, garments and handicrafts sectors. By addressing women's needs it is also possible to achieve the country's development goals. All research points to the fact that when women develop the whole family benefits.

18. However, gender inequality is deeply engrained in Bangladeshi society. While there are constitutional affirmations of gender equality, state legislation and institutions frequently overlook the rights of women. There will therefore need to be a deep level of commitment on the part of the Bangladeshi government in order to make significant change. Programme targets without any accountability may do no more than pay lip service to women's needs.

⁴⁵ Please see www.responsible-purchasing.org and follow the links to the resources/reports page.

Management of climate change impacts and support for disaster risk reduction

19. Climate change is a critical factor that is already affecting the people of Bangladesh and sufficient resources need to be allocated to this. As DfID data shows, by 2050 some 70 million people could be affected annually by floods; 8 million by drought; and up to 8% of the land in low lying coastal districts may become inundated due to sea level rises. Unfortunately most of the livelihoods options of the poor are highly dependent on climate-sensitive resources. This year drought is severely affecting agricultural productivity which is creating misery for poorer communities. This will contribute to disease and malnutrition. Women and girls will be most affected.

20. However, it is not clear that DfID's strategy will focus on reducing the vulnerabilities of poorer communities, strengthening their capacity to cope with disasters, and increasing their resilience. This is another area where donor organisations need to have a coordinated strategy, supported by the Bangladesh Government and civil society organisations, if positive outcomes are to be ensured. It may be useful to bring in a monitoring system for livelihood and food security.

21. In Asia, farmers have traditionally observed a number of practices to adapt to climate variability, for example intercropping, mixed cropping, agro-forestry, animal husbandry, and developing new seed varieties to cope with changes. Various water use and conservation strategies have included terracing, surface water and groundwater irrigation, and diversification in agriculture to deal with drought. These options could be promoted more effectively in Bangladesh through good provision of agricultural extension and business services to enable technical skill development and market access, and should be incorporated in DfID's framework.

Role of community-led initiatives in reducing poverty and increasing access to basic services

22. In order to achieve its targets and outcomes, we also recommend that DfID increases its proportion of support to civil society organisations. In practice, DfID's support to civil society organisations is currently quite small, except for big grants going to the larger NGOs. A wider range of civil society organisations who build the capacity of the working poor, including those involved with international supply chains, should be funded to improve the ability of workers to negotiate more sustainable livelihoods.

23. DfID needs to find ways to reach the poorest and most vulnerable communities so that they are aware of what is on offer and so that they are able to contribute ideas towards ensuring that Millennium Development Goal targets are met. This could be best done by working more effectively with civil society organisations and local government institutions.

24. Delivering the Millennium Development Goals will involve parallel approaches of getting down to the grassroots, working at swift policy changes, improving governance, and increasing transparency and accountability—and DfID should address all these areas with urgency.

Written evidence submitted by Voluntary Service Overseas Bangladesh

VSOB has been working in Bangladesh since 1974 with a range of regional, local and community partner organisations. The current focus of our work is within the areas of Governance, HIV/AIDS, Indigenous Community Rights and Secure Livelihoods Rights. Based on our experience we are well placed to contribute to the ongoing debate around the development direction of Bangladesh and we welcome the opportunity provided by the members of the International Development Select Committee.

In preparing of our submission to the inquiry VSOB developed a concept note and sought feedback from our key partners and volunteers in Bangladesh.

CONTEXT:

Bangladesh has made considerable inroads towards achieving several of its Millennium Development Goals including gender parity in education, consumption poverty and child mortality. However, significant challenges remain. Despite sustained domestic and international efforts to improve economic and demographic conditions, Bangladesh remains a poor, overpopulated and ill-governed nation. Major impediments to growth include frequent cyclones and floods, insufficient water and power supply; inefficient state-owned enterprises; inadequate port facilities; a rapidly growing labour force that cannot be absorbed by agricultural sector; high risk of major infectious diseases from food, water and animals; and very slow implementation of economic reforms. Another critical factor that blocks progress is vested interest from political groups and opposition from the bureaucracy itself.

One encouraging note is that Bangladesh has a steady 5% economic growth for the past several years. The country has to take more development initiatives and demonstrate a determination to rise above its current socio-economic condition.

DFID'S APPROACH TO DEVELOPMENT IN BANGLADESH:

The Department for International Development (DFID) should take pride in its contribution to promoting economic growth, institutional reform and poverty reduction in Bangladesh. DFID has contributed to an improvement in overall aid delivery through direct assistance to the poor and influencing others. DFID's support of a joint UNICEF-Government of Bangladesh programme on sanitation, hygiene education and water supply benefited seven and a half million people in the first five year phase (2001–06) and the additional £36 million from DFID will increase access of this excellent initiative to 30 million people by 2011.⁴⁶

Over the last two years the DFID funded Chars Livelihood Programme⁴⁷ (CLP) has been working to raise the homes of 32,700 families onto stabilized earth plinths in order to reduce the risk of flooding. The severe floods that affected northern Bangladesh in August 2007 gave the programme its greatest test. The programme proved a success as the rising water levels washed away only 2% of plinths. In addition, more women in Bangladesh have access to education as a result of DFID's initiatives to empower women.

VSOB believes that DFID's current approach to development in Bangladesh is effective. However, we have several recommendations that would improve efficiency and effectiveness.

Thematic approach

DFID's move to a programmatic/thematic approach is welcomed as it provides the opportunity to ensure that the development of projects is based on local needs. DFID should utilize the opportunities provided by a thematic approach to ensure that lessons learnt under any one theme are shared throughout all themes. It is not clear how learning is incorporated into future planning.

Monitoring and evaluation

Monitoring and evaluation is a skill gap in Bangladesh and at the same time there is an increasing demand for it from implement organisation and donors. It is vital the recipients of DFID funds are giving back the correct information on outcomes to DFID. DFID should support programmes that will build the monitoring and evaluation capacity of Civil Society Organisations (CSOs) and Community Based Organisations (CBOs).

Better monitoring and evaluation processes are needed to monitor social inclusion issues.⁴⁸ Key learning in the area could be validated by a number of projects under Manusher Jonno Foundation⁴⁹ Learning from these projects could then feed into programmes of the Government of Bangladesh. Our partner organizations raised concerns that DFID invest hugely in health but there is no attempt to integrate disability, a very neglected area, with clear outcome indicators into government health programmes supported by DFID.

Intermediary agencies

DFID increasingly channel their funds through intermediary agencies. This model provides opportunities for small CSOs to create partnerships and access funds, resulting in a more de-centralised delivery mechanism. The larger programmes being managed by intermediaries have allowed some of our bigger partner organisations to develop existing programmes. DFID's shiree⁵⁰ programme is an example of good practise.

There is a perception that intermediary agencies are not transparent and it is not clear how they are monitored by DFID. To boost confidence in intermediary agencies DFID should make the monitoring process clearer and make information about the agencies more accessible. The opinion of our partner organisations is that DFID should review the selection process and criteria for intermediary agencies to allay concerns about how rigorous this is.

DFID should support the development of the monitoring and evaluation systems of these agencies in order develop best practice, accountability and transparency. The grants received by the agencies should cover a more comprehensive plan for capacity building, strategic approaches for better implementation and viability of the organisations.

⁴⁶ DFID Annual Report 2009 (http://www.dfid.gov.uk/Documents/publications/PSA/E_Bangladesh.pdf)

⁴⁷ The CLP aims to improve the livelihood security of extreme poor island chars dwellers living in the five districts of the northern Jamuna River, north-west Bangladesh (<http://www.clp-bangladesh.org/>)

⁴⁸ Adivashi (indigenous) groups rights, gender issues, disabled rights, religious minorities, etc.

⁴⁹ Manusher Jonno Foundation is an initiative designed to promote "human rights" and "good governance" in Bangladesh (<http://www.manusher.org/>)

⁵⁰ shiree is a management agency supporting several challenge funds established by DFID in partnership with the Government of Bangladesh. Grants are provided to NGOs that will implement activities aimed at economic empowerment and "graduating" the poorest from poverty (<http://www.shiree.org/>)

 DEVELOPMENT CHALLENGES IN BANGLADESH:

VSOB is confident that DFID is well placed to ensure that the development debate takes into account how emerging challenges in the global context impact directly and indirectly on Bangladesh. There are a number of areas where we would like to see DFID take proactive action.

Climate change

DFID should be optimistic about its successes. DFID's approach of developing harmonized sector approaches, exploring new partnerships, exploring partnership for capacity building within the public sectors and creating "challenge-funds" to finance NGOs on a competitive basis, is in our analysis an effective approach. The decision to provide additional funds for adaptation is welcomed.

One of the potential challenges for DFID could be to build the capacity of government and non-government institutions in Bangladesh to advocate for responsible carbon emission and mitigation policies in northern countries. DFID should use the Copenhagen Conference⁵¹ to promote mitigation and argue for additional financial support for adaptation in countries like Bangladesh to help the south avoid further hardship.

Synchronisation of urban and rural based programmes

Greater co-ordination is needed between urban and rural based programmes to address the root causes of unplanned urbanization in Bangladesh. One of the major causes of poor urbanization is overpopulation which in turn is caused by internal migration. DFID funded projects should address overpopulation at the planning, operational and evaluation stages. It was pointed out by partner organizations that it would be more helpful if DFID can include CLP learning into current urban programme "livable cities" which is not evident in the current strategy.

Working in partnership with the Government of Bangladesh

VSOB fully supports DFID's efforts to work with the Government of Bangladesh in building the capacity of civil servants. It is vital to create a model of governance that is transparent, accountable and offers a model of good practice. However ineffective political and institutional decentralization and poor performance of civil servants remains a major obstacle to development. Particularly we would like to highlight the lack of any substantial attitudinal changes amongst individual civil servants and/or an inclusive approach at government office level especially in terms of gender and disability issues and slow rate of Annual Development Plan (ADP). It is vital, in terms of tracking impact and transparency within Government, that there is clear evidence within the ADP budget of DFID's contribution and specifically how this contribution is reflected within the Poverty Reduction Strategic Programme (PRSP) of Bangladesh.

VSOB's good governance programme is working to develop the capacity of Union Parishads.⁵² We would like to thank DFID for its continuing support in this area and we look forward to working together in the future. Based on our experiences we recommend that DFID review their approach and style of training delivery in their work towards capacity building of civil servants. The most effective approach in our experience is participatory, applied and appropriate training. Within the Bangladeshi context it would be critical that DFID ensure monitoring mechanisms are in place and that capacity building gets high priority within government institutions.

Ensuring harmonisation of aid effectiveness

The Paris Declaration 2005⁵³ of which the United Kingdom is a supporter⁵⁴ outlined the need to have a streamlined, unified donor approach in order to harmonize and increase aid effectiveness at the global level and provide a joint global voice. DFID needs to ensure that it takes seriously and proactively its role in effectively working towards making the Declaration a reality as outlined in The Accra Agenda for Action (AAA) 2008.

Drawing on agreements and best practice outlined in the Paris Declaration 2005, VSOB would welcome more opportunities for collaboration with DFID specifically in the area of capacity building at organisational, community and local governance levels, a work area in which VSOB has vast experience, knowledge and skills. More engagement and leadership from DFID would increase the legitimacy of DFID's International NGO (INGO) partners in Bangladesh.

SUMMARY OF KEY RECOMMENDATIONS

- Monitoring of work carried out under DFID development themes should address social inclusion.
- More support from DFID for programmes that will increase the monitoring and evaluation capacity of CSOs and CBOs in impact analysis and robust planning.

⁵¹ United Nations Climate Change Conference, Dec 7–18 2009 (<http://en.cop15.dk/>)

⁵² A Union Parishad is the lowest administrative unit in the rural areas of Bangladesh.

⁵³ Paris Declaration on Aid Effectiveness 2005 (<http://www.oecd.org/dataoecd/11/41/34428351.pdf>)

⁵⁴ Countries, Territories and Organisations Adhering to the Paris Declaration (<http://www.oecd.org/dataoecd/11/41/34428351.pdf>)

- DFID should make the monitoring process for intermediary agencies clearer and make information about the agencies more accessible.
- The process and criteria for selection of intermediary agencies should be reviewed.
- DFID should provide capacity building support to intermediary agencies.
- At the Copenhagen Conference 2009 DFID should promote more responsible mitigation policies in northern countries and argue for additional financial support for adaptation in southern countries.
- DFID needs to fund more to research institution related to science and technology to promote appropriate & advance technology for poverty reduction eg BRRI (Bangladesh Rice and Research institute).
- Greater co-ordination and harmonization is required between urban and rural based programmes and thematic areas to ensure there is a unified approach.
- Request that the Government of Bangladesh provide clear evidence within the ADP budget of DFID's contribution and how this contribution is reflected within PRSP.
- DFID should review their approach and style of training delivery in their work towards capacity building of civil servants.
- DFID needs to work proactively with its INGO partners in Bangladesh to make the Paris Declaration a reality.

September 2009

Written evidence submitted by Women and Children First (WCF), The Diabetic Association of Bangladesh (BADAS) and the Centre for International Health and Development (CIHD) at UCL's Institute of Child Health

ACRONYMS

A DB	Asian Development Bank
BDHS	Bangladesh Demographic and Health Survey
EOC	Emergency Obstetric Care
GOB	Government of Bangladesh
KfW	Reconstruction Credit Institute (Kreditanstalt fuer Wiederaufbau)
MMR	Maternal Mortality Rate
MNCH	Maternal, Newborn and Child Health
NMR	Neonatal Mortality Rate
PHC	Primary Health Care
SBA	Skilled Birth Attendant
UNDP	United Nations Development Programme
WHO	World Health Organisation

1. *Summary*

This submission is co-submitted by Women and Children First (WCF), The Diabetic Association of Bangladesh (BADAS) and the Centre for International Health and Development (CIHD) at UCL's Institute of Child Health. The following key issues for the inquiry are addressed: the appropriate size and scope of DFID's programme in Bangladesh; DFID's strategy for reducing poverty and inequality, including gender inequality; and the role of community-led initiatives in reducing poverty and increasing access to basic services. Specific recommendations for DFID are included.

This submission focuses on the urgent need to stimulate further commitment and action to achieving Millennium Development Goals (MDG) 4 and 5 in Bangladesh and the role that DFID needs to play in doing this. Although there has been progress towards achieving MDG 4, more than 9.2 million children worldwide die before their 5th birthday and it is widely acknowledged that MDG 5 is the goal least likely to be achieved globally. Further progress in reducing neonatal mortality in particular and addressing the linkages with maternal health are essential to achieve MDGs 4 and 5 by 2015. South Asia experiences the highest number of neonatal deaths in the world and the second highest number of maternal deaths. Maternal mortality rates remain appalling and Bangladesh needs to accelerate present rates of progress. Support from DFID and other donors is essential.

The women and children of Bangladesh must not pay for the current financial crisis and DFID's maternal, newborn and child health (MNCH) spending and efficiency must increase. MNCH should be afforded greater priority in DFID's Bangladesh Country Plan and DFID should also use its role as an international champion for MNCH issues and as Bangladesh's largest bilateral donor to persuade other donors to provide greater support to MNCH initiatives in Bangladesh.

Healthy health systems translate into healthy mothers, newborns and children. Continued support for health system strengthening, including the improvement of facilities, is essential. Supporting the integration of MNCH across Bangladesh's national health plans and placing progress made against MDGs 4 and 5 at the core of DFID's Bangladesh Country Plan would help ensure that the specific needs of mothers, newborns and children are not overlooked. Ensuring that progress made towards MDG 5 is used as a litmus test for the health of Bangladesh's health and overall level of development would also improve accountability.

Community-based interventions can play a significant role in improving both the demand and supply sides of MNCH care and should be supported by DFID. Women's groups are a cost effective and evidence based intervention and if scaled to adequate coverage, have the potential to reach the poorest and bring about substantial health and non-health benefits.

Efforts to reach all Bangladeshi people equitably need to be intensified. The social determinants of these inequities need to be addressed, particular concerning nutrition, without which improvements in MNCH will not be achieved. Gender inequity, an integral part of achieving the MDG 4 and 5 targets, is also an area of particular concern. As a global advocate for family planning, safe abortion and gender equity DFID has a key role to play and must increase and expand investments in MNCH if achievements are to be sustained and further progress made.

2. *Recommendations for DFID's Programme in Bangladesh*

1. DFID must ensure that the women and children of Bangladesh do not pay for the current financial crisis, and that it is not used as a reason not to invest in the services that could save their lives. In line with the UK government international commitments to improve MNCH DFID must specifically prioritise MNCH in its Bangladesh Country Plan. DFID must ensure that aid flows for MNCH in Bangladesh increase and improve through predictable and long term support. DFID must also use its international leadership role in the health sector to encourage other donors operating in Bangladesh to prioritise and fund MNCH programmes.

2. DFID should continue support for health system strengthening in general and universal access to reproductive health services and the Skilled Birth Attendant programme to improve access to Emergency Obstetric Care in particular. DFID should support the integration of MNCH across Bangladesh's national health plans and ensure that progress made towards MDGs 4 and 5 is at the core of DFID's Bangladesh Country Plan. DFID should ensure that progress made towards MDG 5 is used as a litmus test for the health of Bangladesh's health system and overall level of development.

3. DFID should support Bangladesh civil society to improve health outcomes where the government of Bangladesh cannot. DFID should embrace the principles of community participation in health systems and support resilient and sustainable community responses to health challenges such as community mobilisation through women's groups. Where evidence for successful community mobilisation and women's groups exists DFID should financially assist scale up and research into other existing and innovative community based approaches to improve MNCH. This investment should include better MNCH data collection and the implementation of research findings.

4. DFID should address inequalities in MNCH outcomes and determinants, including equitable access to MNCH services eg by continuing support for the Maternal Voucher Scheme. DFID should address the social determinants of these inequities, including nutrition. Socio-economic inequalities in MNCH outcomes and determinants, and the impact of DFID policy on these inequalities should be systematically monitored and reported.

5. DFID should recognize the fundamental links between improving MNCH and gender equity in Bangladesh and ensure that gender is integrated across its Bangladesh Country Plan. DFID should provide support to the GOB for gender analyses of health planning and financing and support stronger collection, analysis and dissemination of gender-disaggregated data in the health sector, to enable the effective and regular measurement and assessment of gender equity and equality.

3. *The WCF, BADAS and CIHD Consortium*

Women and Children First (WCF), The Diabetic Association of Bangladesh (BADAS) and Centre for International Health and Development (CIHD) at UCL's Institute of Child Health are currently working together in a five year consortium, undertaking a strategic programme to scale up responses to improve MNCH in India and Bangladesh.

WCF is a UK based international NGO at the forefront of working to achieve MDGs 4 and 5. Through promoting safe motherhood and newborn care, WCF develops effective and sustainable solutions to MNCH problems and strengthens accessible and appropriate health services. As well as helping to improve MNCH services WCF works with local communities, raising women's knowledge of how best to take care of themselves during pregnancy and improving skills in newborn care. This is done through both strengthening health services and mobilising communities through establishing women's groups where the women are supported to identify the problems they face, then develop and implement strategies to solve them. Building on experience in the field, WCF is also engaged in an evidence-based advocacy programme, striving to bring about changes related to the continuum of care in MNCH that make a real difference to people's health and welfare.

BADAS is a Bangladeshi non-profit voluntary socio-medical organisation registered with the Ministry of Social Welfare and working closely with the Government of Bangladesh (GOB). It is the second largest provider of health care after the government. The Perinatal Care Project (PCP) is a joint collaborative programme between BADAS, WCF and UCL's Centre for International Health and Development (CIHD) working towards improving MNCH. PCP is implementing community mobilisation and health system strengthening activities in safe motherhood and essential newborn care in three districts: Bogra, Faridpur and Moulavibazar, covering a population of 500,000. Lessons learned are being promoted to work towards national level scale up, by building the capacity of other local organisations to utilise existing community groups where possible eg micro-credit groups. Local MNCH services are being strengthened at the district and regional levels to improve team building using participatory approaches, and linking with other programmes to strengthen health systems. BADAS is also facilitating community health committees involving members of the local community and other key stakeholders, promoting a rights based approach to strengthen the link between the community and the healthcare providers, and ensure that the needs of local women and children are met.

CIHD works to promote the health, nutrition and welfare of children and their families in less developed countries. Research undertaken aims to develop the scientific basis for improvement in clinical practice and public health using robust epidemiological, laboratory and social science methodologies. CIHD is committed to capacity-building with partner organisations in developing countries to disseminate work as widely as possible.

4. *Prioritise Health and MDGs 4 and 5*

Ill health and poverty are interlinked and mutually reinforcing—poor people are more likely to become ill, suffer from higher incidence of disease, have limited access to health care and be forced to sell assets or to borrow at high rates to deal with health crises (UNDP, 1998). The burden of poverty and ill health falls disproportionately on women and girls. It has been estimated that the poor health of women and children leads to US\$15 billion in lost potential productivity globally (WHO, 2009). As The World Health Organisation (WHO) has recently demonstrated investing in MNCH makes absolute economic sense and can also generate huge economic returns, benefitting women and children themselves, their families, communities and society as a whole (WHO, 2009). Healthy mothers can work more productively (informally or formally) and ultimately households with healthier and better nourished mothers and children spend less on healthcare. Reducing unexpectedly large and catastrophic out-of-pocket expenses for women and children is particularly important for the poor, ensuring that they can hold on to their savings, helping them improve their own lives and contribute more positively to the wider economy.

The Millennium Development Goals have galvanized unprecedented efforts to meet the needs of the world's poorest but there is still an urgent need to stimulate further commitment and action to achieving MDGs 4 and 5 in particular. Despite growing international attention to MNCH issues, for example at the 2009 G8 and in the recently published UK government White Paper on International Development, 99% of maternal and newborn deaths occur in the developing world (UNICEF, 2009), most of which are preventable. Although there has been progress towards achieving MDG 4, more than 9.2 million children in the world die before their 5th birthday (UNICEF, 2009). There has been little improvement in the health of newborns with an estimated 4 million newborn deaths occurring globally every year, constituting an estimated 37 percent of global deaths among children under five (WHO, 2009). Recently the World Bank estimated that over two million children could die as a result of the downturn (Economist, 2009). It is widely acknowledged that MDG 5 is the goal least likely to be achieved globally. More than 529,000 women continue to die in pregnancy or childbirth every year and it leaves 10-20 million women and girls every year with long terms physical, psychological, social and economic problems (APPG PD&RH, 2009). The health of a mother and her children is inextricably linked—saving a mother's life helps her other children too, because without her they would be between three and 10 times more likely to die (WHO, 2009). Further progress in reducing neonatal mortality in particular and addressing the linkages with maternal health are essential to achieve MDGs 4 and 5 by 2015.

The situation is particularly dire in South Asia where MDGs 4 and 5 are dangerously off track (Greco et al, 2008). South Asia experiences the highest number of neonatal deaths in the world, and the second highest number of maternal deaths following sub-Saharan Africa. The main causes of under five deaths in Bangladesh are neonatal sepsis, acute respiratory infection, birth asphyxia, low birth weight/prematurity and diarrhoea. Despite Bangladesh's progress in meeting all three MDG 4 indicators (GOB, 2007, see table one below) distinct regional variations exist that need to be addressed. Urban slums, the Chittagong Hill Tracts, coastal belt regions and other ecologically vulnerable areas are falling behind (GOB, 2007).

Table 1
MDG 4 STATUS IN BANGLADESH

<i>Goal 4</i>	<i>Targets</i>	<i>Indicators</i>	<i>Base year (1991)</i>	<i>Current Status (2006)</i>	<i>Target</i>
Reduce Child Mortality	Reduce by two thirds, between 1990 and 2015, the under five child mortality rate	1. Under five mortality rate (per 1,000 live births)	151	62	50
		2. Infant mortality rate (0-1 year per 10,000 live births)	94	45	31
		3. Proportion of one year-old children immunised against measles	54%	87%	100%

Source: Base year indicator 1, 2: Bangladesh Bureau of Statistics (SVRS), 3: Bangladesh Bureau of Statistics (MICS); Current status indicator 1, 2: Bangladesh Bureau of Statistics (SVRS), 3: Bangladesh Bureau of Statistics (MICS).

Maternal mortality rates remain appalling with the main causes of maternal death being haemorrhage, infections, unsafe abortion, obstructed labour and eclampsia, all of which are preventable and with a functioning health system easily treated. There has been some progress in reducing Maternal Mortality Rates (MMR) (see table 2) and deliveries attended by skilled health personnel have increased four-fold between 1990 and 2006 (GOB, 2007). However, Bangladesh needs to accelerate the present rate of progress to meet the proportion of births attended by skilled health personnel (GOB, 2007). The population is relatively young with 32% of people aged between 10 and 24 years. It is estimated that if the population of Bangladesh stabilises by 2035, there will be over 40 million women of reproductive age in 2015 who will be the focus of preventive and awareness raising programmes on safe motherhood as well as clients of family planning services (KfW, 2006). This will make the challenge of maintaining maternal mortality reduction harder, particularly given the widespread practice of early marriage (GOB, 2007). Bangladesh must improve effective service delivery, health sector governance (especially in primary and maternal health services), and needs an extensive training programme to increase the number of skilled birth attendants with support from DFID and other donors to do this.

Table 2
MDG 5 STATUS IN BANGLADESH

<i>Goal 5</i>	<i>Targets</i>	<i>Indicators</i>	<i>Base year (1991)</i>	<i>Current Status (2006)</i>	<i>Target</i>
Improve maternal health	Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio	4. Maternal mortality ratio (per 100,000 live births)	574	290	147
		5. Proportion of births attended by skilled health personnel	5%	20%	50%

Source: Base year indicator 4: Bangladesh Bureau of Statistics (SRVS), 5: Bangladesh Bureau of Statistics (MICS); Current status indicator 4: Bangladesh Bureau of Statistics (SVRS), 5: Bangladesh Bureau of Statistics (MICS); 16: United Nations Population Fund (UNFPA)

5. Increase Maternal, Newborn and Child Health Spending and Efficiency

Overall, aid for MNCH has been highly volatile and variable, and development assistance to MNCH has not been well targeted towards countries, such as Bangladesh, with the greatest health needs (WHO, 2009). At least US\$15 billion in additional resources is needed by 2015 in order to achieve MDGs 4 and 5 in the Asia Pacific region and long term health and economic outcomes can be achieved in some areas by investing as little as US\$3 to US\$12 additionally per mother or child in a year (WHO, 2009).

Bangladesh's Country Assistance Strategy (2006–09), jointly developed by the World Bank, ADB, DFID and Japan focuses on improving the investment climate and empowering the poor, but largely overlooks specific issues related to child, and in particular newborn, and maternal health. DFID's financial assistance to Bangladesh is decreasing from a total spend in 2008–09 of £132.9 million to the proposed £125 million in bilateral assistance in 2009–10 and in 2008–09 only 7% of DFID bilateral assistance was actually spent on health (DFID, 2009). Spending on MNCH in Bangladesh needs to increase and efficiency must be prioritised to ensure that the government of Bangladesh can address these funding challenges and ensure that progress towards MDGs 4 and 5 is sustained (GOB, 2007). DFID should also use its role as an international champion for MNCH issues, supporter of health system strengthening and as Bangladesh's largest bilateral donor to persuade other donors, especially ADB, the government of Japan and the World Bank to provide greater support to MNCH initiatives in Bangladesh.

Recommendation 1:

DFID must ensure that the women and children of Bangladesh do not pay for the current financial crisis, and that it is not used as a reason not to invest in the services that could save their lives. In line with the UK government international commitments to improve MNCH DFID must specifically prioritise MNCH in its Bangladesh Country Plan. DFID must ensure that aid flows for MNCH in Bangladesh increase and improve through predictable and long term support. DFID must also use its international leadership role in the health sector to encourage other donors operating in Bangladesh to prioritise and fund MNCH programmes.

6. Strengthen Health Systems and Integrate MNCH into National Plans

The poor face huge barriers to accessing healthcare in Bangladesh including high user fees for healthcare; long distances to travel to health facilities with limited transport; too few, under qualified, untrained and/or demotivated healthcare staff, and a lack of medicines. Increased supply side investment in Bangladesh's health system to ensure health information and services are accessible will be key to delivering MNCH services in Bangladesh. Maternal health cannot be achieved without access to affordable high quality sexual and reproductive health services which encompass three main areas: contraceptive services, maternal health services (including safe abortion/menstrual regulation, treatment for incomplete and botched abortion and Emergency Obstetric Care (EOC)) and services related to the diagnosis and treatment of sexually transmitted infections (including HIV). Preventive interventions which will improve MNCH are relatively simple and extremely cost-effective but require a functioning health system, for example the provision of basic family planning, antenatal care, skilled birth attendance, and the prevention and management of common illnesses among newborns and children.

The government of Bangladesh has been pursuing a policy of health development that ensures the provision of basic services to the entire population, particularly the under-served in rural areas, through Primary Health Care (PHC). This includes the DFID supported Skilled Birth Attendant (SBA) Training Programme which aims to provide skilled attendants at birth in rural Bangladesh. So far almost 4000 SBAs have been trained but 12,000 SBAs are required in total, particularly as a recent survey revealed that 85 percent of births still occur at home and only 18 percent delivered with assistance from medically trained providers (BDHS, 2007). DFID should continue supporting this SBA programme to ensure that a minimum of 4 million pregnant women will have been looked after by SBAs by 2015 (DFID, 2009).

Ultimately, healthy health systems translate into healthy mothers, newborns and children. Continued support for health system strengthening, including the improvement of health facilities, is essential. Supporting the integration of MNCH across Bangladesh's national health plans and placing progress made against MDGs 4 and 5 at the core of DFID's Bangladesh Country Plan would help ensure that the specific needs of mothers, newborns and children are not overlooked. It is also recognized that progress towards achieving the MDG 5 targets in particular is a good litmus test for the functioning of a country's overall health system and the level of development more generally; progress against which national and donor governments can be held to account.

Recommendation 2:

DFID should continue support for health system strengthening in general and universal access to reproductive health services and the Skilled Birth Attendant programme to improve access to Emergency Obstetric Care in particular. DFID should support the integration of MNCH across Bangladesh's national health plans and ensure that progress made towards MDGs 4 and 5 is at the core of DFID's Bangladesh Country Plan. DFID should ensure that progress made towards MDG 5 is used as a litmus test for the health of Bangladesh's health system and overall level of development.

7. Support Community Mobilisation and Women's Groups

Few Government of Bangladesh (GOB) programmes have managed to provide multiple pre- or postnatal home visits to mothers and infants when scaled up. Community-based interventions can play a significant role in improving both the demand and supply sides of MNCH care. Effective demand side strategies, particularly through community mobilisation approaches, empower women to recognise and press for their right to quality health services and increase resilience to community health challenges, and are as important

as the requirement to improve and make health services more accessible on the supply side. Community mobilisation enables communities to come together to plan, carry out, and evaluate activities to make sustained improvements to their health. Community mobilisation can make deep and lasting improvements to the health and well-being of community members by increasing their health knowledge and enabling them to identify and address important healthcare needs.

In Bangladesh women do not have regular contact with other community members, nor do they have an opportunity to voice their opinions. Women's groups therefore provide opportunities not otherwise available to bring women together to discuss key issues affecting them during pregnancy and childbirth. The women's group meetings enable women to develop their own knowledge about MNCH which they can then use to educate others and challenge existing power structures. The women's groups bring women with similar needs together to discuss topics that are of concern to them, for example a lack of access to high quality healthcare facilities. To date women's groups have developed various low cost strategies to meet their healthcare needs, for example: emergency funds, improved healthcare facilities, stretcher schemes and clean home delivery kits. Women's groups enable women to identify and prioritise MNCH issues, have the support to find local and low cost solutions and build links with local health services. Women's groups are a cost effective and evidence based intervention, which have the potential to be scaled up to reach out to all women and make a significant impact on their lives, their children's lives and the lives of wider community members.

There is growing evidence to suggest that women's groups can significantly improve MNCH and reduce unnecessary deaths. In Nepal, rigorous research showed that women's groups secured a 30% reduction in deaths of newborn infants and a significant reduction in maternal mortality (Manandhar et al, 2004). Soon to be published research from India also demonstrates that there is strong evidence that even where services are poor and under-utilized, women coming together in groups to talk about ante-natal care and childbirth can reduce the numbers of newborn deaths by at least 30–40% (Professor Anthony Costello, 2009). Research undertaken by BADAS, CIHD and Women and Children First in Bangladesh has also shown that community mobilisation led to improvements in thermal care and exclusive breastfeeding for newborns and no woman attending a women's group has died since activities started in 2006. There was also evidence in this study of improved links between community health providers (eg Traditional Birth Attendants) and health facility staff. Women's groups, if scaled to an adequate coverage, have the potential to reach the poorest and bring about substantial health and non-health benefits.

Recommendation 3:

DFID should support Bangladesh civil society to improve health outcomes where the government of Bangladesh cannot. DFID should embrace the principles of community participation in health systems and support resilient and sustainable community responses to health challenges such as community mobilisation through women's groups. Where evidence for successful community mobilisation and women's groups exists DFID should financially assist scale up and research into other existing and innovative community based approaches to improve MNCH. This investment should include better MNCH data collection and the implementation of research findings.

8. Increase Equity

The lack of progress towards MDG 5 in particular has been a struggle because it is inextricably linked with complex social and economic factors related to health beliefs and practices, education and poverty (GOB, 2007). Efforts to reach all Bangladeshi people equitably, including those who are regionally excluded, need to be intensified (GOB, 2007). Socio-economic inequalities in MNCH outcomes and determinants are an important concern. Under five mortality is twice as high among the poor compared to the rich (86 per 1,000 live births among the poorest population quintile, compared to 43/1,000 among the richest quintile) (BDHS, 2007) and neonatal mortality among the poor is nearly twice as high compared to the rich (48/1000 compared to 27/1000). Inequalities in MNCH outcomes are caused by inequalities in the health care system as well as by social determinants of health. Health system inequalities are stark: 31% of women in the poorest population quintile use antenatal care, compared to 86% of the richest women (BDHS, 2007). Professional care at birth is 5% among the poorest population quintile, compared to 50% among the richest quintile (BDHS, 2007). The DFID supported Maternal Health Voucher Scheme goes some way in addressing such health inequities. It aims to increase utilisation of quality maternal health services through creating equity of access irrespective of the patient's ability to pay and covers antenatal and postnatal care, safe delivery and treatment of pregnancy complications (WHO, 2007). DFID support for this scheme should be continued.

Child malnutrition, although registering improvements over the last decade, is a major public health issue with 36% of children under five years stunted and 46% underweight (BDHS, 2007). 23.2% of children in the poorest population quintile are severely chronically undernourished (stunted) compared to 7.6% in the richest quintile (BDHS, 2007). Malnutrition also poses a variety of threats to women (data in section 9). It weakens women's ability to survive childbirth, makes them more susceptible to infections, and leaves them with fewer reserves to recover from illness. HIV-infected mothers who are malnourished may be more likely to transmit the virus to their infants and to experience a more rapid transition from HIV to AIDS. Malnutrition undermines women's productivity, capacity to generate income, and ability to care for their families. A pregnant woman's nutrition directly influences the course of her pregnancy and normal foetal

development. Children of malnourished women are more likely to face cognitive impairments, short stature, lower resistance to infections and a higher risk of disease and death throughout their lives. Unless inequities around malnutrition are seriously addressed in national plans improvements in MNCH will not be achieved.

Recommendation 4:

DFID should address inequalities in MNCH outcomes and determinants, including equitable access to MNCH services eg by continuing support for the Maternal Voucher Scheme. DFID should address the social determinants of these inequities, including nutrition. Socio-economic inequalities in MNCH outcomes and determinants, and the impact of DFID policy on these inequalities should be systematically monitored and reported.

9. Integrate Gender

Gender inequity, an integral part of reaching the MDG 4 and 5 targets, is an area of particular concern. Bangladesh ranks very low at 140 out of 177 countries on the Gender Empowerment Index (UNDP, 2008) and the continuing high rates of maternal mortality and morbidity indicate serious gender inequity issues and the low priority afforded to the status of women and women's reproductive rights in Bangladesh. In the above mentioned study conducted by BADAS, CIHD and WCF in Bangladesh there are indications that gender-based barriers were strong in some districts and may have prevented some women from seeking health care. Evidence also suggests that the benefits of specifically targeting women of reproductive age (15-45 years) and newly pregnant women may also be greater. However, men, acknowledging their key role in improving MNCH, must also be targeted. Gender specific issues that require particular support include early pregnancy, early marriage, access to family planning and malnutrition.

Childbearing begins early in Bangladesh; half of women age 25–49 had their first birth by age 18 and 12% had their first birth by age 15 (BDHS, 2007). Early pregnancy poses a particular threat to the psychological and physical well being of adolescents who have not yet reached maturity and it affects the nutritional status of the mother as well as the fetus. The increased risks of early pregnancy include pre-term birth, stillbirth, birth asphyxia, low birth weight, infections, haemorrhage, anaemia and mortality. Early pregnancy can also have negative impacts upon the education of adolescent girls, limiting career choices and earning potential. Half of women age 25–49 were married by age 15 (BDHS, 2007) (giving Bangladesh one the highest rates of early marriage in Asia) (KfW, 2006). Childbearing among young women aged 15-19 is also quite common in Bangladesh: 27% are already mothers and an additional 6% are pregnant with their first child (BDHS, 2007). Increasing the median age of marriage in Bangladesh, which has barely changed since 1993–94 (BDSH, 2007), and first birth is central to achieving gender equality of capability and opportunity and to meeting the MDG 4 and 5 targets and will require specific interventions focused on the under 15 male/female age group (KfW, 2006).

Bangladesh has made significant progress over the last two decades in halving fertility levels from an average of 6.3 in 1975 to 2.7 in 2007 (BDHS, 2007) and family planning programmes are now well established in both rural and urban areas. However, issues relating to both quality and equality of access persist, particularly regarding inequities in access to health services between wealthy and poor households and require targeted interventions at both the household and district levels (KfW, 2006). Directing contraception largely at women only (particularly in the form of the contraceptive pill (BDHS, 2007)) and persistently high contraceptive discontinuation rates (around 50%) are worrying and will need to be addressed if Bangladesh is to sustain lower fertility levels (KfW, 2006). As a global advocate for family planning and safe abortion DFID has a key role to play and must increase and expand investments in the sector if achievements in fertility decline are to be sustained.

The major poor nutrition problem in Bangladesh also has clear gender dimensions with nearly a third of children from the richest quintile also suffering from malnutrition (GOB, 2005), indicating that other inequity issues such as gender may play a significant role in child health outcomes. In particular, the prevalence of anaemia amongst women of childbearing age is extremely high with consequent impacts upon both MNCH as well as productivity. A national anaemia surveillance survey completed in 2001 indicated that 9 million women of reproductive age in Bangladesh were anaemic (KfW, 2006). The same survey also found that almost half of all pre-school children in rural Bangladesh, or almost 23 million children, were anaemic—suggesting a serious future health problem in the absence of effective nutritional interventions over the next decade. The persistent and growing gender gaps in nutritional indicators with the female-male gap for severely stunted children increasing from 10 percent in 1996–97 to 16% in 1999–2000 is alarming (GOB, 2005). The significant gender gaps in child mortality rates with female rates in the 1-4 age group approximately one third higher than male rates also raises serious questions—not least concerning possibly gendered patterns of nutrition and health care at the household level (KfW, 2006). Gender analyses of nutritional levels/health care access/provision within the household are needed and the GOB needs support from DFID, as a global gender equity champion, to develop effective strategies to address these gaps (KfW, 2006).

Recommendation 5:

DFID should recognize the fundamental links between improving MNCH and gender equity in Bangladesh and ensure that gender is integrated across its Bangladesh Country Plan. DFID should provide support to the GOB for gender analyses of health planning and financing and support stronger collection, analysis and dissemination of gender-disaggregated data in the health sector, to enable the effective and regular measurement and assessment of gender equity and equality.

Written evidence submitted by the Westminster Foundation for Democracy

KEY POINTS

- Westminster Foundation for Democracy is the UK's primary organisation in supporting democracy development.
- The British Government has a strategic interest in having a democracy institute based in Westminster.
- Countries such as Bangladesh welcome support from the UK as historical links mean that political systems are similar to the Westminster model.
- DFID invests significant funds in supporting the improvement of governance around the world and its approach is becoming more focused on providing support to political institutions and processes. The Westminster Foundation for Democracy is a natural partner. A strategic partnership would benefit the development of this work.

WESTMINSTER FOUNDATION FOR DEMOCRACY

Introduction

Established in 1992, Westminster Foundation for Democracy (WFD) is an independent public body sponsored by the Foreign and Commonwealth Office, from which it receives an annual grant. It is the UK's primary organisation in supporting the development of democracy; specialising in parliamentary strengthening and political party development.

Working with and through partner organisations, we seek to strengthen the institutions of democracy, principally political parties (through the work of the UK political parties), parliaments and the range of institutions that make up civil society. We believe that, for a democracy to flourish, all of these institutions must be strong and sustainable.

WFD currently receives a core grant from the FCO of £4.1 million and also attracts funds from the Department for International Development (DfID), other FCO sources, the British Council and others. WFD has moved from a predominantly grant making body to one which designs, develops and implements major parliamentary strengthening programmes around the world. Established to support the consolidation of democratic practices and institutions in the newly emerging democracies of Central and the Middle East and Asia.

WFD is uniquely placed to support the development of political parties through party to party projects. This work aims to build Eastern Europe WFD now also operates in Africa, the capacity of like-minded parties to develop effective policy based platforms, which give voters a real choice; to build party structures and enable elected representatives to engage more effectively with their electorates; and to learn new communications and campaigning techniques. The political parties draw upon elected representatives, party staff and members to provide training.

In 2008, the Foundation brought together a formal consortium of partners, the Westminster Consortium for Parliaments and Democracy, to deliver parliamentary strengthening programmes in five countries over five years under DfID's Governance and Transparency Fund. This is a £5 million programme working in Mozambique, Uganda, Ukraine, Georgia and Lebanon.

Bangladesh

Westminster Foundation for Democracy are in close discussion with both DfID and the government of Bangladesh to deliver a six year £1.5 million parliamentary and party support programme, although the duration and total funding has not yet been finalised. The parliamentary and party support programme is aimed at providing strategic and technical assistance to the parliament of Bangladesh as part of a wider programme of political modernisation. It will complement the USAID and UNDP in-country parliamentary and party programmes. The WFD programme will engage on party policy development; inter-parliamentary party relations; strengthening the capacity of parliamentary staff and the work of parliamentary committees.

Government support

WFD has earned a reputation as a successful provider of long term, sustainable democracy strengthening programmes around the world. We have built close and effective partnerships with other UK and international agencies working in similar fields.

Although we are an independent body we work closely with the FCO to ensure that there is good alignment between our work and their strategic priorities in the area of governance. A senior official at director level is nominated to oversee the relationship and there is regular contact between our staff and relevant FCO officials in the Human Rights, Governance and Democracy Department.

We are also very keen to build a more strategic relationship with DfID to support the Government's strategic goals in promoting good governance and democracy around the world and to strengthen the UK's commitments to international democracy assistance. We believe it would be appropriate for DFID to identify a similar level official to take forward our mutual aims.

Supplementary written evidence submitted by the Department for International Development

Dear Malcolm,

I am writing in response to the questions posed by the Committee regarding the UK development programme in Bangladesh, following the evidence session on 16 December.

I have also included proposed changes to the transcript of the evidence session. In particular, I have included additional clarification regarding the 10% cap on ODA-able climate financing and the funds announced by the Prime Minister as a contribution towards the EU climate package. Although my response to Q200 stated the contrary, I can now confirm that the funding for 2010–12 will NOT be additional to the 0.7% target, although this should still fall well within the 10% cap. My apologies for any confusion this may have caused.

I would like to reiterate my thanks to you and other members of the Committee for your engagement. Thank you also for your welcome words of recognition for the team and the programme.

I look forward to receiving and responding to your report in due course.

11 January 2010

MIKE FOSTER

PARLIAMENTARY UNDER-SECRETARY OF STATE

FOLLOW UP QUESTIONS TO THE IDC EVIDENCE SESSION ON 16 DECEMBER 2009

THE SIZE OF DFID'S PROGRAMME

1. *In DFID's Annual Report there is a discrepancy between the figures for net bilateral assistance to Bangladesh in Table A.3.3 (page 82) and Table A.5.4 (page 98). The discrepancy is most marked for the year 2006. Can you explain this discrepancy?*

The difference is because table A.3.3 shows the total DFID bilateral programme spend in each financial year, and Gross Public Expenditure on Development (GPEX), whereas table A.5.4 shows Official Development Assistance (ODA). There are a number of differences between the two:

- ODA is reported on a calendar year basis while GPEX is reported on a financial year basis.
- ODA is a net figure while GPEX covers gross flows.
- ODA only includes aid to eligible recipients (as defined by the DAC) whereas GPEX includes everything.

2. *Why was there a reduction in DFID's bilateral assistance to Bangladesh in 2006 (or 2006–07) from the amount provided in 2005 (or 2005–06)?*

DFID's total bilateral programme expenditure in Bangladesh in 2006–07 was just over £109 million (table A.3.3 in DFID's Annual Report). The aid framework allocation for 2006–07 was originally £120 million, slightly higher than spend in the previous year. The allocation was reduced to £113 million to allow increased support to other parts of the DFID Asia programme following recent major humanitarian crises in the region (including the tsunami and the Pakistan earthquake). Some spending (£8 million) was deferred to 2007–08.

In 2005–06, spend was £123 million against an aid framework allocation of £119 million.

In 2004–05 DFID's bilateral programme spend was £127 million which included £25 million of humanitarian assistance in response to major flooding in 2005.

GOVERNANCE

3. *Can you provide information on how the ombudsman process for DFID's Challenge Funds in Bangladesh operates and whether it has upheld any complaints?*

DFID Bangladesh supports a number of challenge funds. Each has a rigorous project approval process and complaints procedure. These include:

- Manusher Jonno Foundation (MJF £30 million), the Rights and Governance Challenge Fund: Project concept notes and proposals are assessed by teams of staff. Final approval is given by the governing board. Since 2003, MJF has received more than 4,000 project concept notes and 350 project proposals. It has issued 167 grants.

If MJF receives complaints against any organization or if any irregularity is noticed during routine monitoring, it immediately commissions an investigation. Further disbursement is cancelled if complaints are upheld, and detailed feedback is provided. Funding for 15 organizations has been cancelled to date due to a lack of adequate financial, monitoring or personnel systems.

The last annual review of the programme concluded that MJF's oversight systems are vigorous and efficient, and are able to cope with the relatively high number of partners.

- Remittances and Payments Challenge Fund (RPCF £2 million): All concept notes are considered by an assessment panel. The panel includes all direct stakeholders (including DFID, the Bangladesh Bank, and the Ministry of Finance) and several non-stakeholder experts, chosen by the programme's Oversight Board.

Given the rigorous approvals process, there is no separate ombudsman process, but there is an established complaints procedure. Any complaint received by a stakeholder would be referred to the chair of the panel wherever the complaint was lodged. RPCF Managers have not received any formal complaint to date by any aggrieved individual or entity/applicant/bidder or any third party, regarding the evaluation and/or selection of concepts and projects for DFID grant funding, or on any subsequent monitoring reports or on disbursement of grant funds.

- Economic Empowerment of the Poorest Challenge Fund (EEP £65.3 million): The selection of NGOs for challenge fund grants is done through a competitive process, by an Independent Assessment Panel comprising eminent national and international experts on extreme poverty issues, based on pre-set criteria.

To resolve complaints and grievances on the funding process, EEP has installed the Guarantor of Equity, Fairness and Transparency (GEFT). The GEFT acts as an Ombudsperson and is an agency independent of (but contracted by) EEP.

The ombudsperson reviews process and procedural issues and shall not substantively evaluate any proposals, but consider if decisions on proposals are made following established application and evaluation procedures, requirements and guidelines. The ombudsperson is also responsible for ensuring that appropriate fraud and conflict of interest prevention policy is in place to ensure transparency of the selection process.

So far no formal complaints have been lodged against the NGO selection process.

MANAGEMENT AT THE TOP

4. *How many graduates have left the civil service and what percentage of those trained so far does this represent?*

As of today none of the MATT 2 graduates have left the civil service.

NATIONAL BOARD OF REVENUE

5. *When the Committee was in Bangladesh it was told that the Board was unable to hire people because of a legal dispute. Has the dispute been resolved? What has been the impact of the dispute on DFID's objectives?*

The legal dispute blocking new recruitment occurred in the Customs Cadre of the NBR. The legal issue has now been resolved but administrative delays still continue to hamper the pace of recruitment in the cadre. The Income Tax and VAT cadres have also been unable to fill in all vacant officer/inspector positions in time due procedural complexities/delays arising from government recruitment procedures. As an example, Officers' recruitment takes place through the Public Service Commission (PSC) which requires about two years to complete one recruitment cycle. As the PSC recruitments hire for all government cadres in one go, each recruitment cycle, on an average, makes only between 10–15 tax officers available to the NBR.

The staff shortage makes an adverse impact on the NBR's overall operations and service delivery. This impedes NBR's effort to identify, and engage with potential tax payers, and thus widen the tax base. NBR's ability to detect and penalise tax evasion, and provide effective tax payer services have also been limited due to this problem. While the issue has a bearing on the DFID's objective to help strengthen Bangladesh's revenue collection, it is unlikely to directly affect the DFID funded project, Tax Administration Capacity and tax Payer Services (TACTS), as the NBR positions that will be relevant to delivery of TACTS are all currently filled.

FUNDING FOR CLIMATE CHANGE

6. *Is the £1.5 billion over three years which the UK has committed to the fast-track (or Copenhagen Launch Fund) additional funding for climate change or is it from the existing DFID budget?*

The £1.5 billion for the Copenhagen Launch Fund is new finance, which has not been previously announced, but it is not additional to ODA.

On Page 37–40 of the uncorrected transcript, the Committee discussed additionality of financing for climate change.

The funding for 2010 to 2012 will not be additional to the 0.7% target, which the UK will reach in 2013. The precise aid budgets over the last two financing years of Fast Start have not been set but fast start funding will be well within the 10% limit of ODA commitments. Current development spending such as on health and education will not be affected—and are themselves also set to increase.

The UK remains committed to providing additional climate finance starting in 2013, and limiting the amount of ODA counted as climate finance to 10%.

The UK is on track to reach our ODA commitments of 0.7% of GNI by 2013. As announced by the Prime Minister in June, the UK is committed to put forward some climate change finance that is on top of the 0.7%. While some climate finance can come from existing ODA commitments—where it clearly meets both poverty reduction and adaptation or mitigation objectives—a ceiling should be placed on this. In the UK we will limit such expenditure to up to 10% of our official development assistance. And we are working towards this limit being agreed internationally.

7. *The Chairman also requested a note of what expectations DFID had about what climate change funding in Bangladesh would achieve.*

Additional money for adaptation will be used to support the Government of Bangladesh in implementing its Climate Change Strategy and Action Plan. This will include a range of activities including renovating/building embankments and multi-purpose shelters; enhancing the early warning systems for floods and cyclones; promoting climate resilient crops and livelihoods; building national and community-based preparedness for natural disasters; enhancing access to safe drinking water and sanitation in vulnerable communities; and conducting action research on adaptation to climate change, among others.

If Bangladesh gets funds for mitigation, a range of low carbon opportunities can be explored including expansion of solar home systems, promotion of energy efficiency in key economic sectors, afforestation, and even exploration of geo-thermal sources. The Climate Change Strategy and Action Plan also mentions using clean coal technology while using coal resources but for this the mining sites will have to be developed first.

8. *Urban Poverty Reduction Programme*

DFID will allocate £60 million in cash prices over seven years (2007–14) to the Urban Partnerships for Poverty Reduction Project (UPPR) The planned finances are broken by year as follows:

2006–07-2008–09	£5m
2009–10	£4m
2010–2011	£7m
2011–12	£15m
2012–13	£15m
2013–14	£14m