

MATRIX 1: COUNTRY STRATEGY AND PROGRAM RESULTS FRAMEWORK
Achieving Millennium Development Goals by Supporting the
National Poverty Reduction Strategy Implementation

NPRS Strategies	Enhancing Economic Growth Boosting Employment	Devising Effective Safety Nets Ensuring Social Development	Promoting Inclusion, Good Governance, Service Delivery, and Environmental Sustainability
Medium- and Long-Term Impacts	Economic Growth Results <ul style="list-style-type: none"> • Annual growth rate rises from 5% to 8% by 2010 • Income poverty reduced from 50% to 25% in 2015 • Private sector-led development fostered • Conducive macroeconomic framework 	Social Development Results <ul style="list-style-type: none"> • Adult literacy from 50% to 90% by 2015 • Secondary enrollment from 36% to 95% by 2015 • Maternal mortality from 320 to 179 per thousand live births by 2015 • Infant mortality from 53 to 18 per thousand live births by 2015 	Good Governance Results <ul style="list-style-type: none"> • Corruption prosecution improves • National Integrity Plan implemented • Court case backlog reduced • Solid progress registered in project implementation and sector governance practice
Key Constraints	Major Constraints on Higher Growth <ul style="list-style-type: none"> • Limited rural income-earning opportunities • Energy shortages • Overloaded and underdeveloped transport network • Post-MFA global competition • Port bottlenecks • Corruption and high-cost regulation that impedes private sector initiative • Weak law and order • Shallow, distressed financial markets • Large parts of Bangladesh isolated from national and regional markets • Flood (and other disaster) risks 	Major Constraints on Social Development <ul style="list-style-type: none"> • Lack of access and poor quality of basic health services to the poor • Poor-quality primary and secondary education, and a <i>Madrasah</i> (Islamic religious school) system that doesn't convey marketable skills • Discrimination against women in politics and social practice • Unsafe drinking water, sewage, sanitation in urban areas • Unplanned urbanization and weak planning and financial performance of municipalities and local governments 	Major Constraints on Good Governance <ul style="list-style-type: none"> • Corruption • Weak human security • Poor excluded from legal system • Polarized polity • Low pay and few positive performance systems in public sector • Weak capacity, especially in financial management, procurement, and organization to govern effectively in key sectors • Overcentralized government • Weak local government capacity

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<p>ADB Contributes to Results by:</p>	<p>Fostering Broad-Based Economic Growth</p> <ul style="list-style-type: none"> • Higher rural productivity, employment, and income • Deep, more accessible and well-regulated financial market • Greater regional economic integration • Lower domestic transport costs • Southwest Bangladesh integrated into the national economy • Energy requirements efficiently met • Enhanced external competitiveness 	<p>Encouraging Social Development Through</p> <ul style="list-style-type: none"> • Equal access to quality, modern education • More productive labor force resulting from a wider vocational skill base • Better access to clean drinking water and sanitation in Dhaka and secondary towns • Better maternal and child health in urban areas • Improved local capacity to manage service delivery • Reduced risk of violence against women and trafficking of women and children 	<p>Supporting Governance Reform</p> <ul style="list-style-type: none"> • Corruption prosecuted and prevented in key ministries and agencies • Poor have better access to justice • Project implementation delays reduced • Financial management in key ministries and agencies improved • Local government and communities empowered to lead development • Public-private partnerships to deliver services created • Financially sustainable management of public sector companies
<p>ADB and DPs Provide Support for:</p>	<p>ADB-Assisted Economic Growth Interventions</p> <ul style="list-style-type: none"> • Rural infrastructure • Irrigation development • Financial sector governance and securities market • SME development • Agribusiness development • Ports/railway, road, major bridges • Power and gas 	<p>ADB-Assisted Social Development Interventions</p> <ul style="list-style-type: none"> • Primary, secondary, vocational, and <i>Madrashah</i> (Islamic religious school) education development • Urban sanitation and water supply (Dhaka and secondary towns) improvement • Basic urban infrastructure • Primary health care services • Social and legal protection of vulnerable groups 	<p>ADB-Assisted Good Governance Interventions</p> <ul style="list-style-type: none"> • Corruption prevention • Good governance • Public sector financial management and improved sector governance • Local governance and participatory development support • Governance management

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<p>2005 Expected Outcomes, Outputs, and Impacts of Ongoing Portfolio:</p>	<p>Economic Growth Results</p> <ul style="list-style-type: none"> • Increased provision and better access to infrastructure such as power, gas, and transport • Access to electricity increased to 35% • Per capita generation increased to 155 kWh • BPDB zones system loss reduced to 12% • DESA system loss reduced to 20.3% • Private sector investments in 11 IPPs • Enacted amendments to the Motor Vehicle Ordinance; new framework for private sector investments in infrastructure • Integrated Multimodal Transport Policy approved 2005 • Creation of road fund in 2005 • 2,000 km of roads under private sector road maintenance contracts 	<p>Social Development Results</p> <ul style="list-style-type: none"> • Reduced under-5 child mortality from 108 deaths per 1,000 live births in 1990 to 82 in 2005 • Reduced maternal mortality from 480 deaths per 100,000 live births in 1990 to 300 in 2005 • Gender disparity in schooling eliminated • Net primary education enrollment increased from 73.7% in 1992 to 87% in 2005. • Primary-school dropout rates reduced from 35% in 1999 to 32% in 2005 • Primary-school attendance rates increased to 65% from 60% in 1998 • Increased access to urban primary health care through 15 NGO partnership agreements and completed 143 health centers • Increased provision of credit to the poor, specifically women 	<p>Good Governance Results</p> <ul style="list-style-type: none"> • Anticorruption commission is fully operative in 2005 • Energy regulatory commission is fully operationalized in 2005. Four new independent companies created with ADB support: PGCB, Ashuganj Power Station, DESCO, and WZPDC. Strengthened accountability • New public procurement law enacted • Strengthened financial management with improved reporting in line agencies • Strengthened auditing, introducing private sector auditors and performance auditing
<p>2008 CSP Monitorable Progress Indicators:</p>	<p>Sustainable Growth</p> <ul style="list-style-type: none"> • Increased infrastructure provision and improved access to power, gas, and transport • Increased funding for infrastructure maintenance 	<p>Social Development</p> <ul style="list-style-type: none"> • Eliminated gender disparity in schooling opportunities, achieving the MDG in this area by 2008 • Increased gross enrollment <ul style="list-style-type: none"> - primary (grades 1– 	<p>Good Governance</p> <ul style="list-style-type: none"> • Strengthened functioning and operation of Anticorruption Commission • Strengthened functioning and operation of Energy Regulatory

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<p>2008 CSP Monitorable Progress Indicators:</p>	<ul style="list-style-type: none"> • Increased access to electricity from 35% today to 42% • Increased access to natural gas from 6% today to 10% of all households • Increased per capita generation to 178 kWh • BPDB zone system loss reduced to 10% • DESA system loss reduced to 15% • Reduced gas system loss from 6% today to 4% • Improved financial performance, management, and accounting in power and gas sectors • Rationalized tariffs and improved cost recovery for infrastructure entities and utilities • Road maintenance funding increased from Tk6 billion today to Tk10 billion • Three new large IPP contracts awarded in the power sector • Increased modal shares for railway and inland waterway transport relative to today • Decreased transport cost for road, rail, and IWT per ton-kilometer and per passenger kilometer relative to today • Irrigated farmland increased from 50% today to 55% • Financial services to the private sector and SMEs improved 	<ul style="list-style-type: none"> 5) from 97% today to 106% <ul style="list-style-type: none"> – secondary (grades 6-10) from 44% today to 55% – higher secondary (grades 11-12) from 20% today to 30% • Reduced dropout rates <ul style="list-style-type: none"> – primary from 35% today to 20% – secondary from 52% today to 40% – higher secondary from 41% today to 30% • Improved primary-school completion rate from 68% today to 75% • Improved pass rates in secondary education from 41% today to 55% • Improved adult literacy rate from 50% today to 60% • Increased provision of credit to the poor, specifically women • Urban access to safe water increased from 82% today to 88% • Rural access to safe water increased from 72% today to 78% • Improved urban access to sanitation from 56% today to 65% • Improved rural access to sanitation from 29% today to 35% • Wastewater treatment increased from 60% today to 70% • Reduced 	<p>Commission</p> <ul style="list-style-type: none"> • Initial phase completed of judicial reform program • Siddhirganj power station corporatized and fully operational • DESA corporatized and fully operational • Additional power sector distribution companies in place • BPDB corporatized and fully operational • Petrobangla restructured into a holding company with unbundling of units • RHD reorganized • Road maintenance fund established • Multimodal Transport Policy implemented • Strengthened port regulation • Establishment of a national highway authority • Promulgation of a new public road act • Promulgation of a new highway code • Promulgation of a road transport and traffic act in place of the Motor Vehicle Act and Ordinance • BR restructured and corporatized • Promulgation of a national water act • A national water management plan implemented • Arbitration laws reviewed • Judicial sector medium-term budgetary framework introduced

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2008 CSP Monitorable Progress Indicators:	<ul style="list-style-type: none"> • Increased investor confidence in the financial sector • Annual growth of SMEs improved • Nonresident portfolio investment increased 	<ul style="list-style-type: none"> vulnerability to floods • Reduced number of road accidents by 20% relative to today 	

ADB = Asian Development Bank, BPDB = Bangladesh Power Development Board, BR = Bangladesh Railway, DESA = Dhaka Electric Supply Authority, DESCO = Dhaka Electric Supply Company, DPs = development partners, IPPs = Independent Power Producers, IWT = inland water transport, MDG = Millennium Development Goal, MFA = multi-fiber arrangement, NGO = Nongovernment Organization, NPRS = National Poverty Reduction Strategy, PGCB = Power Grid Company of Bangladesh, PRSP = Poverty Reduction Strategy Paper, RHD = Roads and Highways Department, SME = Small and Medium Enterprise, WZPDC = West Zone Power Development Company.

MATRIX 2: JOINT RESULTS FRAMEWORK
(ADB, DFID, JAPAN, AND WORLD BANK)

This draft matrix is the first attempt by the four development partners engaged in the preparation of the joint strategy to develop a common results-based framework in the context of their planned programs. It should be seen as work in progress. This draft intends to map out the field of issues, challenges, outcomes, and milestones that development partners expect to influence and contribute to in the next 4-5 years.

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Country Development Outcomes (NPRS)	Issues and Challenges	Joint Partners' Strategy outcomes that the development partners expect to influence through their interventions	Milestones/Intermediate indicators to track implementation towards expected Joint Partners' Strategy outcomes (2)
Pillar 1: Creating a Conducive Investment Climate for Sustained High Growth and Employment Generation			
1. A. Maintain Macroeconomic Stability			
Strengthen macroeconomic stability and competitiveness (draft NPRS)	Improve Fiscal Sustainability		
	<ul style="list-style-type: none"> A good record on macro stability, but vigilance required against emerging vulnerabilities in the public and external sectors Improved revenue collection 	<ul style="list-style-type: none"> Consistency of fiscal deficits and their financing patterns with requirements of macro stability and sustainability maintained Contingent liabilities accounted for and all new public borrowing restricted to above the line 	<ul style="list-style-type: none"> Significantly reduce SOE losses and public utilities Strengthen tax administration (see Governance matrix)
1. B. Reduce Cost of Doing Business			
Create a regulatory environment conducive to enhanced competition and more efficient private sector participation	Remove Trade Restrictions*		
	<ul style="list-style-type: none"> Substantial liberalization needed in highly restrictive trade regime 	<ul style="list-style-type: none"> Trade structure rationalized and an integrated trade strategy formulated across Government of Bangladesh 	<ul style="list-style-type: none"> Eliminate remaining trade related QRs and reduce average tariff rate and the maximum tariff rate Bring all para tariffs under custom duties and reduce tariff dispersion rate Establish a Trade Policy Cell in the Government

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		Reduce Administrative Barriers*	
	<ul style="list-style-type: none"> • High cost of business, arising from: <ul style="list-style-type: none"> ○ Policy uncertainty and reversals ○ Corruption and inefficient application of business regulations ○ Poor law & order / human security for doing business ○ Costly delays at customs ○ Over-centralized decision-making & cumbersome procedures 	<ul style="list-style-type: none"> • Time required & formal cost of business entry and exit and contract enforcement reduced • Time required & formal and informal cost of customs clearance reduced • Reliable and up-to-date business information made available 	<ul style="list-style-type: none"> • Streamline business regulations and enact an appropriate competition law • Establish a fully functioning policy analysis & regulatory reform unit • Increase efficiency of customs & ports admin. by eliminating discretion, streamlining procedures, improving efficiency of bonded warehouses and duty drawback systems, and strengthening IT capacities • Streamline and make transparent the approval process in BOI, BEPZA, and Registrar of JSCs • Improve enforcement of contracts & property rights and support streamlined commercial justice mechanisms
Improve access to and quality of infrastructure services, by strengthening sector governance and encouraging	Improve Availability and Quality of Infrastructure Services		
	<ul style="list-style-type: none"> • Address large unmet demand for critical infrastructure services -- power, transport, water supply, and telecom • Infrastructure provision dominated 	<ul style="list-style-type: none"> • More and better infrastructure services provided, with reduced access gap between rural and urban areas • Governance in public utilities 	<ul style="list-style-type: none"> • Make progress towards the corporatization of public utility agencies, including widely publicized service delivery standards and performance targets in power, telecom, and water sectors

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greater private sector participation	<p>by state monopolies with low quality service and weak financial positions</p> <ul style="list-style-type: none"> • Weak regulatory and distorted price environment that deters private investment • Vulnerability to natural disasters • Inefficient water resource management • Improve urban congestion and over-concentration in Dhaka, leading to high transaction costs and negative productivity effects 	<p>strengthened and better incentives developed to improve quality of service, operational efficiency and financial sustainability</p> <ul style="list-style-type: none"> • Private sector participation in infrastructure provision increased • A regulatory and pricing framework more conducive to greater private sector participation established • Water resource management including flood control improved • Improve urban planning and management 	<ul style="list-style-type: none"> • Continue rationalization of rural distribution lines between BPDB & REB • Reduce discrepancy between energy prices with international prices and adjust power prices to reflect changes in underlying costs* • Expand/improve Dhaka-Chittagong Transport Corridor • Complete the new Mooring Container Terminal in Chittagong Port and concession it to the private sector • Announce National Spectrum Policy and National Frequency Allocation Plan • Strengthen BWDB

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1. C. Strengthen Market Support Mechanisms to Promote PSD			
Deepen and make more efficient financial intermediation	Strengthen Governance in Banking and Finance		
	<ul style="list-style-type: none"> • Weak institutional capacity and a deficient legal framework facing the banking sector. NCBs plagued with high levels of NPLs • Improve the regulatory framework for microfinance • Improve availability of long-term finance • Underdeveloped capital and insurance markets. Access problem especially severe for micro, small & rural enterprises -- problem of the "missing middle" 	<ul style="list-style-type: none"> • Partial/full divestiture of NCBs together with private sector banks growth • Supervision of banking sector strengthened • Enforcement of bankruptcy and default legislation made stricter • Regulation for improved governance of MFIs enacted • Financial intermediation made more effective, lower-cost & deeper, with special emphasis on reaching SMEs and rural areas • Functioning of capital & insurance markets and contractual savings; respective regulators improved 	<ul style="list-style-type: none"> • Strengthen regulatory powers of Bangladesh Bank and its capacity to enforce these effectively • Relinquish public control of 3 out of 4 NCBs and improve debt recovery* • Enact MFI regulation through MRRU & BB. Adopt corporate governance standards for MFIs • Scale-up ultra poor finance through PKSF & donor programs (Prosper, CFPR etc) • Strengthen regulatory & supervisory frameworks for capital & insurance markets (SEC, Insurance Commission) • Increase market placement of securitized issues and promote corporate bond market. Develop secondary markets for govt. securities and establish reliable yield benchmarks

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Increase productivity and income growth; improve living conditions for the rural poor	Strengthen Policies for Rural Growth		
	<ul style="list-style-type: none"> • Low agricultural productivity and limited potential for productivity growth in rice • Weak land administration and unsustainable land use management. • Poorly functioning agricultural input and output markets • Lack of enabling rural investment climate • Limited access for rural SMEs to markets & market information 	<ul style="list-style-type: none"> • Agricultural extension and research more responsive to market needs • Initial steps taken to improve the system of land administration and land use planning • Functioning of agricultural input and output markets improved • Rural business climate improved 	<ul style="list-style-type: none"> • Increase demand-responsiveness of agricultural research and extension • Modernize land registration procedures • Reduce, rationalize, and selectively eliminate agricultural input subsidies* • Improve regulatory environment for agro-business and remove anti-rural bias in policies such as import tariffs
	Improve Skills and the Environment for Technology Absorption		
	<ul style="list-style-type: none"> • Mismatch between worker skills and market requirements • Insufficient investment in innovative non-traditional activities 	<ul style="list-style-type: none"> • Higher education system and vocational training programs more aligned with market needs • Public and private knowledge adoption capabilities more aligned with market needs 	<ul style="list-style-type: none"> • Carry out a strategic review of higher education and TEVT system to make it more adaptable to employer & entrepreneurial needs • Carry out a strategic review of existing incentive regimes for public and private absorption of technology for un-met market needs, with a focus on commercialization of pro-poor innovations

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Strengthen Adherence to International Social & Environmental Standards			
	<ul style="list-style-type: none"> Poor adherence to social & environmental regulations 	<ul style="list-style-type: none"> Adherence to social & environmental regulations increased 	<ul style="list-style-type: none"> Improve private sector compliance with workplace safety, security and environmental regulations
Pillar 2: Empowering the Poor			
2. A. Strengthen Service Delivery			
Greater access to quality services for the poor, particularly women and other disadvantaged groups	Improve Service Delivery that Meets the Needs of Poor People, Especially Women		
	<ul style="list-style-type: none"> Ensure that services reach the poor Improve provision Strengthen accountability framework Address financing issues Improve incentives to serve the poor Address rent seeking by service providers Information gaps Inefficient water resource management 	<u>Health</u> <ul style="list-style-type: none"> Access and quality of the poor to health services improved Shorter and more direct accountability links established between the health service providers and beneficiaries <u>Education</u> <ul style="list-style-type: none"> Enhance access to and improve quality & relevance of pre-primary, primary and secondary education especially for girls Teachers selected through merit-based transparent process Public subsidies to schools linked to learning outcomes 	<ul style="list-style-type: none"> Health vouchers introduced Health contracting implemented in partnership with union <i>parishads</i> (council). Increase TB detention and treatment Increase competition in Textbook procurement at the secondary level to improve quality of learning Develop education subsidies to the private sector through consumers rather than providers Introduce learning assessments in all schools for all students and publish results

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		<ul style="list-style-type: none"> Quality assurance mechanisms established for monitoring student learning and carrying out impact assessments <p><u>Water and Sanitation</u></p> <ul style="list-style-type: none"> Water resource management improved Surface water quality in and around Dhaka improved Coverage of solid waste collection and adequate disposal in selected towns increased 	<ul style="list-style-type: none"> Institutionalize participatory water management system Develop model to provide Carbon Finance support for municipal solid waste management Enable private sector investment in municipal solid waste management in selected towns
2. B. Strengthen Local Governance			
Effective and accountable local government bodies	Improve Capacities and Incentives for Better Local Governance		
	<ul style="list-style-type: none"> Centralized control of basic services Strengthen institutional capacity Reduce political interference Address the issue of resources/financing Women members of UPs & municipalities have token rather 	<ul style="list-style-type: none"> Increased capacity of local government bodies to successfully implement efficient service delivery schemes on behalf of their constituents Increased capacity for resource mobilization, planning and management through training and direct support for local bodies Contracted health services for 	<ul style="list-style-type: none"> Establish a more open and participatory budgeting process at each level of local government Develop and implement a formula for a need- and performance-based fiscal transfers to local government Higher level of resources allocated to local government bodies for planning and implementing pro-poor programs, linked to performance

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	than realistic power	<p>selected union <i>parishads</i> (council) to NGO management and authority delegated to local government</p> <ul style="list-style-type: none"> Allocate real responsibilities to women members of local government structures 	
2. C. Improve Human Security			
Freedom from violence, intimidation, abuse, crime for communities and individuals	Improve Access to Justice and Security for the Poor		
	<ul style="list-style-type: none"> Improve access to justice by vulnerable groups, which suffers from biases and limitation of formal justice system Political complicity and impunity allows elite to capture resources from the poor No mechanisms for redress for women and vulnerable groups 	<ul style="list-style-type: none"> More champions and local groups actively promoting and advocating justice for poor Progress on legal and judicial reform as demonstrated by more cases pursued and investigated with results Improved access to legal aid and other support for victims of violence 	<ul style="list-style-type: none"> Expand effective ADR and inclusive conflict resolution systems through rights based capacity building
	Strengthen Security and Public Order		
	<ul style="list-style-type: none"> Improve police behaviour in order not to compound problems for poor people but rather solve them Inferior status of women leading to high levels of gender violence 	<ul style="list-style-type: none"> Police reform effectively pursued in the interests of the poor and vulnerable, especially women & girls Increased effectiveness in reduced human trafficking Improved awareness of rights and services, especially among women, girls and other vulnerable groups 	<ul style="list-style-type: none"> Increased effectiveness in reducing human trafficking Improved awareness of rights and services, especially among women, girls and other vulnerable groups Continue with police reform initiative leading to improved rights based service that protects the interests of

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			poor people through explicit accountability structures
Effective, equitable and predictable social protection system including safety nets	Rationalize Social Protection Systems		
	<ul style="list-style-type: none"> Coordinate and improve targeting of various safety net programs and address the issue of leakage Expand coverage 	<ul style="list-style-type: none"> Redesign/rationalization of safety net policy and programs to remove leakage and ensure more effective targeting to the poorest 	<ul style="list-style-type: none"> Restructure and consolidate the different safety net schemes Establish limited duration unemployment benefits to facilitate re-employment in ways that do not increase vulnerability Introduce unified proxy means test based targeting and event linked benefits that ensure more effective protection to the poor and vulnerable
Better mechanisms for disaster preparedness/ response	Improve Disaster Management Capabilities		
	<ul style="list-style-type: none"> Improve disaster response to become more pro-active than reactive Disaster management focused on familiar disaster such as floods & cyclones only Inadequate focus on long term climate change impacts 	<ul style="list-style-type: none"> Improved natural disaster response systems and preparedness at community level, backed by official support Improved surveillance and disaster management in public health Increased information sharing and joint planning at regional level encouraged 	<ul style="list-style-type: none"> Disaster management mainstreamed throughout relevant Government of Bangladesh structures & donor programmes Increase emphasis on mitigating climate change effects mainstreamed in donor programmes to protect interests of the poor Establish a public health surveillance system to track diseases that affect the vulnerable, such as HIV/AIDS

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Pillar 3: Governance at Centre Stage			
3. A. Improving Implementation Capacity			
Improve Public Financial Management and Procurement Systems and Institutions	Improving Public Financial Management		
	<ul style="list-style-type: none"> • Strengthen the currently weak revenue effort (10% of GDP) • Improve leakages of funds from budget due to flawed procurement regime, poor financial management and weak controls, including ineffective internal audits and inadequate impact of external audits • Lack of transparency and weak information flows 	<ul style="list-style-type: none"> • Enhanced revenue effort (targets agreed and achieved) and strengthened and more transparent tax administration • Progress towards attaining higher standards in Public Financial Management based on agreed PEFA-based benchmarks, including: <ul style="list-style-type: none"> ○ Improved expenditure management ○ Transparent Procurement System(including concessions) ○ Budgets much more transparent and accessible to the public ○ Improved credibility of government financial statements ○ Reduced expenditure leakages as indicated by audit reports ○ Strengthened auditing and enhanced audit impact ○ Improved quality of CAG's audit reports 	<ul style="list-style-type: none"> • Increased tax revenue by 0.5 percentage point of GDP annually and rationalized exemptions* • Reduced customs clearance time and streamlined number of signatures. Increased satisfaction of traders on customs clearance • NBR reengineering initiated including increased flexibility to manage human and financial resources more effectively and strengthened Board structure* • Closer alignment of expenditure allocation in budget with NPRS priorities through the institutionalization of the MTBF. Simple screening criteria introduced for prioritization of capital spending • New procurement and concessions law enacted and implemented and. E-procurement introduced. Compliance with regulations monitored through independent annual procurement review

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			<ul style="list-style-type: none"> • Completion of Gap study of current country standards and practices with PEFA indicators. Action plan to reduce gaps* • Private sector auditors used and performance based auditing introduced, and audits made public. Quarterly monitoring of audit follow-up progress on action plan to reduce gaps identified with best practice
Transformation of Public Administration	<p style="text-align: center;">Take Strategic Steps to Reform Public Administration*</p> <ul style="list-style-type: none"> • Deterioration in quality and quantity of public services • High levels of corruption in the civil service • Lack of professionalism and specialization, top down culture • Lack of incentives and professional development/training and capacity in range of specialized skills • Weak citizen demand for improvements in public administration 	<ul style="list-style-type: none"> • Measurably improved service delivery and public perception of service delivery (based on service delivery surveys and using 2001 survey as benchmark and integrating sector program targets) • Progress in implementing plan to be agreed with Government of Bangladesh to develop a professional merit-based civil service which upholds principles of honesty and integrity and sees itself as accountable to the public 	<ul style="list-style-type: none"> • New personnel management system, including extended merit based promotions, transfers within clusters, revised compensation and enhanced training. Agree on steps to reestablish Senior Service Pool • Pay and employment policy consistent with macro economic stability introduced. Incentives linked to performance, including through decompressed pay scales. Skill mix issue addressed

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3. B. Tackling Corruption			
Operationalize Anti-Corruption Commission (ACC)	Operationalize Anti-Corruption Commission		
	<ul style="list-style-type: none"> Accelerate the proper functioning of ACC Impunity largely prevails for corruption related offences Build ACC as a credible and effective organization Bangladesh still ranks low in global anti-corruption indices with its scores worsening in recent years 	<ul style="list-style-type: none"> Greater public confidence in government's ability to curb corruption as measured in corruption surveys Reduced opportunities for corruption through simplifying procedures/ clearances and where appropriate removing controls and restrictions with improved scores in Doing Business Surveys Increased public awareness of the costs of corruption and of how to fight corruption as measured in surveys 	<ul style="list-style-type: none"> ACC fully operational Initiate dialogue between ACC and civil society on a strategy to fight corruption ACC catalyzes development of a coherent and practical strategy to fight corruption including through strengthened prevention, enforcement and education National Integrity Strategy developed and agreed with government Civil societies activated to raise voice against corruption and monitor public finances
Strengthen Oversight Agencies	Strengthen the Guardians of Accountability		
	<ul style="list-style-type: none"> Weak guardians of accountability (such as Election Commission, Parliamentary Committees, ACC, Comptroller and Auditor General, Bangladesh Bank, Securities and Exchange Commission, Public Service Commission and Cabinet Purchase Committee) encourage impunity 	<ul style="list-style-type: none"> Public perception of increased independence and effectiveness of key oversight agencies as measured in anti-corruption surveys Increased effectiveness of Parliamentary Committees 	<ul style="list-style-type: none"> Parliamentary Committees including PAC formed in the first session of Parliament. PAC proactively follows up on CAG reports. Full participation of committee members in proceedings Transparent, merit based and politically neutral process followed

(1)	(2)	(3)	(4)
Longer term development agenda for Bangladesh/NPRS		Outcomes influenced by the Joint Partner's Strategy and Program during the 4 year period	
Country Development Outcomes (NPRS)	Issues and Challenges	Joint Partners' Strategy outcomes that the development partners expect to influence through their interventions	Milestones/Intermediate indicators to track implementation towards expected Joint Partners' Strategy outcomes (2)
			<p>for appointment of heads of agencies</p> <ul style="list-style-type: none"> • Adequate budget allocations for each agency. • Governance and effectiveness audit of each agency to develop action plan for internal reforms • Strengthen regulatory powers of Bangladesh Bank and its capacity to enforce these effectively • Establish a fully staffed and functional BTRC, with financial autonomy and human resources
3. C. Legal and Judicial Reform			
Laying the foundation for a comprehensive reform of the justice sector	Develop Consensus on Reform Priorities and Initiate Key Reforms		
	<ul style="list-style-type: none"> • The overall performance of judiciary remains a source of concern. At any given time, approximately 800,000 cases are pending at different levels of the judicial system • Inherited colonial system of justice ensures 'certainty of expense but uncertainty of results' • While the Supreme Court 	<ul style="list-style-type: none"> • Court case backlog reduced and increasing resort to ADR • Broad consensus on strategies for reform of key justice sector agencies, including the courts and the police and measurable improvements against agreed priorities • Better understanding of the obstacles to reform in the sector, including political economy constraints 	<ul style="list-style-type: none"> • Supreme Court and selected district courts implement Case Management and Court Administration Reforms • ADR systems introduced • Independent panel of eminent jurists and lawyers established in consultation with government which carries out broad consultations and initiates debate on priorities for justice sector reforms and

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	continues to be held in high regard, perceptions about the integrity of the lower judiciary are a major concern	<ul style="list-style-type: none"> Availability of commercial justice for corporate sector at least in Dhaka and in selected regions 	<ul style="list-style-type: none"> recommends key actions and next steps Detailed reform agenda and action plans for the key justice sector agencies developed including police
3. D. Strengthen Voice/Empowerment/Participation			
Improve Access to Information			
Freedom of information law and E-governance	<ul style="list-style-type: none"> Bureaucratic culture thrives on secrecy and control over information Freedom of information is seen by NPRS as a powerful driver for building accountability 	<ul style="list-style-type: none"> Greater flow of information from government via PRS monitoring and achievement of sector program commitments to information and accountability Measurably increased use of public information to hold government accountable Better informed media monitoring of government performance 	<ul style="list-style-type: none"> Freedom of Information Act is enacted and implemented Key business processes redesigned and e-governance introduced to enhance information flows and reduce opportunities for corruption Design information dissemination strategies and address underlying financial and human resource requirements
Strengthen Participation			
Strengthening civil society and participation	<ul style="list-style-type: none"> Civil society needs to adapt itself to its enhanced role by increasing its professionalism and accountability, and becoming stronger in its advocacy functions There is a need for greater clarity roles as service providers and contractors, versus advocacy and accountability 	<ul style="list-style-type: none"> Measurably more effective advocacy on governance reforms by civil society, media More responsive service provision and improved customer satisfaction in priority sectors as measured in surveys Measurably increased participation 	<ul style="list-style-type: none"> Review mechanisms in place and satisfaction surveys conducted, publicized, and incorporated into future planning Gender budget analysis carried out results published and incorporated into financial management reforms Institutionalized participation in

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Longer term development agenda for Bangladesh/NPRS		Outcomes influenced by the Joint Partner's Strategy and Program during the 4 year period	
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		<p>by, and accountability to, beneficiaries in the design and implementation of government development programs</p> <ul style="list-style-type: none"> Civil society becomes measurably more accountable 	<p>expenditure tracking and budget performance analysis</p> <ul style="list-style-type: none"> Government and donor funded projects systematically require participation by and accountability to targeted beneficiaries facilitated, by civil society NGOs commission annual audits of their activities and budgets and publish these
3. E. Sectoral Governance (See Matrices on Investment Climate and Empowerment of the Poor)			
3. F. Political Governance			
Election process reform	<ul style="list-style-type: none"> NPRS recognizes that high cost of fighting elections and the nature of party finance is a major cause of corruption 	<ul style="list-style-type: none"> Code of conduct for elections monitored, adhered to, and sanctions imposed on code breakers 	<ul style="list-style-type: none"> Code of conduct developed and accepted

ACC = Anti-Corruption Commission, ADB = Asian Development Bank, ADR = Alternate Dispute Resolution, AIDS = Acquired Immunodeficiency Syndrome, BB = Bangladesh Bank, BEPZA = Bangladesh Export Processing Zone Authority, BOI = Board of Investment, BPDB = Bangladesh Power Development Board, BTRC = Bangladesh Telecommunication Regulatory Commission, BWDB = Bangladesh Water Development Board, CAG = Comptroller and Auditor General, CFPR = Challenging the Frontiers of Poverty Reduction, DFID = Department for International Development of the United Kingdom, GDP = Gross Domestic Product, HIV = Human Immunodeficiency Virus, IT = information technology, JSCs = Joint Stock Companies, MFIs = Micro-Finance Institutions, MRRU = Micro-finance Research and Reference Unit, MTBF = Medium Term Budgetary Framework, NBR = National Board of Revenue, NCB = Nationalized Commercial Bank, NGO = Non Government Organization, NPL = Non-Performing Loan, NPRS = National Poverty Reduction Strategy, PAC = Public Accounts Commission, PEFA = Public Expenditure Financial Accountability, PKSf = Palli Karma Shahayak Foundation, PRS = Poverty Reduction Strategy, QR = Quantitative Restrictions, REB = Rural Electrification Board, SEC = Securities and Exchange Commission, SME = Small and Medium Enterprise, SOE = State Owned Enterprise, TEVT = technical education and vocational training, UP = Union Parishad.

* Monitoring target.