
Country Partnership Strategy for the People's Republic of Bangladesh

2012-2015

Republic of Korea
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Executive Summary

The economy of Bangladesh has been growing strongly in recent years driven by garment exports and workers' remittances. Yet despite this, the country still faces significant development challenges. Development cooperation will continue to play an important role in the medium term to help Bangladesh deal with these challenges.

This Country Partnership Strategy (CPS) details how Korea intends to assist Bangladesh to achieve its development objectives. It outlines the volume of assistance and the sectors supported. Korea's ODA has expanded in recent years, supporting projects in economic and social sectors such as energy, transport, information technology (IT), and education.

Building on these efforts, Korea will focus 70% of its budget on four priority areas for the years 2012-2015: i) socio-economic infrastructure, ii) access to maternal and child health services, iii) human resource development, and iv) public administration.

The strategy is guided by aid effectiveness principles and anchored in strong planning procedures. Support is aligned around the priorities of the Bangladesh government, and coordinated with the approaches of other donors. To ensure this, the strategy has a strong accountability dimension, with actions monitored and outcomes evaluated.

On that basis, the strategy will evolve over the period of its implementation (2012-2015) to take into account new priorities and lessons of evaluation findings. In short the strategy provides a concise account of Korea's overall policy direction for its development cooperation with Bangladesh.

I. Introduction

1. The economy of Bangladesh has been growing strongly in recent years driven by garment exports and workers' remittances. Yet despite this, the country still faces significant development challenges. Development cooperation will continue to play an important role in the medium term to help Bangladesh deal with these challenges and implement the Sixth Five Year Plan (FY 2011-2015) to make a meaningful contribution to poverty reduction and sustainable development.

2. This Country Partnership Strategy (CPS) details how Korea intends to assist Bangladesh to achieve its development objectives. The partnership is based on mutual understanding and respect, and aims to improve development effectiveness by linking Korea's development experience and comparative strengths in development cooperation to Bangladesh's development plan.

3. Korea, as a member of the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD/DAC), strives to comply with international norms and standards in shaping its development partnership. Thus, the strategy is guided by aid effectiveness principles and anchored in strong planning procedures. Support is aligned around the priorities of the Bangladesh government, and coordinated with the approaches of other donors. To ensure this, the strategy has a strong accountability dimension, with actions monitored and outcomes evaluated.

4. The strategy will be continuously revised and updated through dialogue with the government and will take into account changing circumstances in Bangladesh. Furthermore, the strategy will evolve over the period of its implementation (2012-2015) to take into account new priorities and lessons of evaluation findings. It therefore lays out a framework for further enhancing partnership and cooperation.

5. The remainder of this strategy is organized as follows. Section II presents Bangladesh's development status and challenges. Section III discusses Korea's development cooperation with Bangladesh. Section IV identifies how programs will be implemented to maximize results.

II. Bangladesh's Development Status and Challenges

6. Bangladesh has made a peaceful transition to democratic government and achieved significant progress in poverty reduction. The country has expanded on average by 6 percent per year, largely driven by garment exports and workers' remittances. Bangladesh has made solid progress towards the Millennium Development Goals (MDGs) and is on track to meet the goals related to infant and child mortality, gender equality, and school enrolments.

7. Despite significant progress in the manufacturing sector and on many aspects of human development, the country needs to diversify its sources of exports to help guard against shocks and promote sustainable economic growth. While Bangladesh has a strong track record on growth and poverty alleviation, an unfavorable climate for foreign investment, skill shortages, and weak governance pose potential barriers to economic development.

8. The core principle of this CPS, therefore, will be to assist Bangladesh in overcoming such barriers; achieving sustainable growth and reaching middle-income country status reducing

poverty from 40 percent to 15 percent by 2021 through the expansion of socio-economic infrastructure, improved access to education and health, human resource development, and effective public administration. For this overarching goal, in line with the national development plan of Bangladesh, Korea will target efforts towards rapid and equitable growth with an emphasis on the proposed strategic priorities.

III. Korea's ODA to Bangladesh

A. Overview 2007~2011

9. Korea disbursed USD 166 million to Bangladesh between 2007 and 2011, of which - USD 126 million was provided in concessional loans and USD 40 million in grants. Korea's development assistance to Bangladesh has increased significantly during this period, as detailed in Table 1, highlighting the strengthening bilateral relationship between the two countries. These resources financed seventeen projects, which were either approved or implemented by EDCF and KOICA. Korea funded projects in energy, transportation, and governance. These three sectors account for the bulk of ODA at 87% of total ODA (Table 2). Korea invested in projects across the country with a particular focus on the regions of Dhaka, Chittagong and Sylhet.

Table 1. Korea's ODA to Bangladesh between 2007-2011

(Unit: USD millions)

Year		2007	2008	2009	2010	2011	Total
Loans	Commitments	24.87	30.6	78.91	92.50	74.73	301.61
	Net disbursements	1.39	-1.40	9.88	45.44	70.81	126.12
Grants (KOICA)		8.62 (6.88)	9.45 (8.11)	3.66 (3.25)	9.23 (8.14)	9.21 (6.31)	40.17 (32.69)
Total net disbursements		10.01	8.05	13.54	54.67	80.02	166.29

Source: EDCF and KOICA statistics.

Table 2. Korea's ODA to Bangladesh by sector between 2007-2011

(Unit: USD millions, net disbursements)

ODA		Transp -ort	Educati -on	Water & Sanitation	Health	Environment	Governance (incl. ICT)	Energy	Agriculture & Fisheries	Other	Total
Loans	Com mit.	88.16	44.60	45.75	-	-	30.60	92.50	-	-	301.61
	Net disb.	71.55	-	-	-	-	29.63	24.94	-	-	126.12
Grants		0.32	11.28	-	2.84	-	7.03	4.98	4.24	2.0	32.69
Share (%)		45	7	-	2	-	23	19	3	1	100.00

Source: EDCF and KOICA statistics (grants only include contributions from KOICA).

10. This strategy aims to build on these existing efforts and contribute to the implementation of Bangladesh's midterm development plan. This will be accomplished through predictable financing, technical assistance and knowledge and technology transfer for the years 2012 to 2015. With these measures, Korea will help unlock the economic potential of Bangladesh and contribute to economic growth and poverty reduction - strengthening bilateral relations and promoting mutual growth.

11. The CPS and its priority areas were established through close collaboration between the governments of Korea and Bangladesh with regular consultations and policy dialogue. A wide range of factors such as Bangladesh's development strategy, Korea's ongoing development projects in Bangladesh and Korea's comparative advantage were reflected in the process of establishing the CPS.

12. Korea will focus 70% of its budget for development cooperation in Bangladesh on the four priority areas described below, as agreed for the years 2012-2015:

- Promoting economic development and social welfare through the expansion of energy, water supply and drainage infrastructure.
- Improving accessibility and quality of maternal and child health services.
- Enhancing national competitiveness through human resource development.
- Enhancing productivity and transparency of the public administration through e-Government and capacity building.

13. The delivery of the strategy will be guided by aid effectiveness principles and reflect international norms and standards including the MDGs, Busan Partnership Agreement, and DAC recommendations. Korea will pursue three values - efficiency, sustainability, and harmonization - to enhance effective implementation.

B. Priority Areas 2012~2015

B.1 Socio-economic infrastructure – electricity, access to water and sanitation

Promoting socio-economic development and social welfare through the expansion of energy, water supply and drainage infrastructure
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B.1.1 Expansion of electricity infrastructure

14. This program aims to upgrade the quality of life of the local people and contribute to reducing income disparities by expanding access to energy through grid-based electrification and renewable technologies. Better access to electricity will alleviate social inequalities and unleash the potential for Bangladesh's electricity production. The specific details of Korea's contribution are as follows:

- **Expanding electricity infrastructure:** Korea will contribute to rural electrification by providing support to grid-extension and technical assistance in the most needed areas. The proposed program, combined of both grants and concessional loans, will be aligned with Bangladesh's development plan in the energy sector and reflect the growing demand for access to electricity.
- **Public and Private Cooperation:** Korea will promote public and private cooperation through which businesses can also contribute to energy infrastructure projects by offering financial and technical support. This will provide opportunities to enhance synergies between the public and private sector and to use aid as a leverage to maximize development effectiveness.

B.1.2 Water resources management

15. While Bangladesh has always been vulnerable to natural disasters, climate change projections suggest that they are likely to intensify. This program aims to tackle climate change and natural disasters for the sustainable benefit of communities by expanding access to clean water and sanitation through the development of water management infrastructure and capacity to respond to extreme weather water events. The specific details of Korea's contribution are as follows:

- **Enhancing water supply and drainage infrastructure and capacity building:** Korea will provide support to water supply and drainage infrastructure and other facilities in the most needed areas. In addition, Korea will provide the needed analytic and advisory support for the sustainable management of their water resources from water resource infrastructure feasibility studies, development planning to technical assistance.
- **Public and Private Cooperation:** Korea will promote public and private cooperation through which businesses can also contribute to water management infrastructure projects by offering financial and technical support. This will provide opportunities to enhance synergies between the public and private sector and to use aid as a leverage to maximize development effectiveness.

- Protecting the environment and affected poor people: Korea will integrate environmental and social consideration into the decision-making process of projects by conducting environmental and social assessments in order to protect the environment and avoid adverse impacts on the affected people.

B.2 Access to health services and enhancement of maternal and child health system

Improving accessibility and quality of maternal and child health services

16. This program aims to improve access to and quality of maternal and child health services by promoting adequately trained medical staff and enhancing the maternal and child health system. Korea's support to the health sector will contribute to the reduction of maternal and child mortality, and help achieve the Millennium Development Goals (MDGs) directly related to health. The details are as follows:

- Promoting trained health workers: Health services must be medically appropriate and of good quality. Korea will contribute to training and professional development of health workers through the establishment of training centers and human resources management strategies.
- Access to maternal and health services: All health facilities and services should be affordable and within the reach of poor across the country. Therefore, Korea will improve the facilities of primary health care centers and necessary equipment and materials to reduce mortality rates and improve the health status of the country.
- Public and Private Cooperation: Given the increasing role of the private sector in development, Korea will seek to involve the private sector to ensure that health services benefit the most disadvantaged people, especially in rural areas.

B.3 Human resource development

Enhancing national competitiveness through human resource development

17. This program aims to promote knowledge and information based economy in Bangladesh by upgrading the quality of technical and vocational education, and enhancing e-learning systems in primary and secondary education:

- Strengthening capacities of technical and vocational training institutes: Korea will provide support to upgrade educational facilities and equipment for technical and vocational training institutions in targeted areas. Assistance will also be given to develop proper curriculum materials and training programs for trainers.
- Enhancing ICT infrastructure: Korea will promote ICT for human resource development by expanding ICT infrastructure to improve the quality of technical and vocational training institutes.

- E-learning system: Korea will develop e-learning systems in primary and secondary education and provide the necessary IT equipments as well as programs to enhance capacity building in management activities of teachers.

B.4 Public administration

Enhancing productivity and transparency of the public administration through e-Government and capacity building

18. This program aims to enhance the productivity and transparency of the public administration through the improvement of e-Government, institutional reforms and capacity building of public officials. This will be achieved by putting in place effective public systems and enhancing the capacity of government to innovate. The details are as follows:

- Institutional Reform: Technical assistance will be provided to support sectoral reform strategies around government's policy for public sector reform and innovation, anti-corruption, participatory administration, public sector restructuring, and e-Government related policies.
- E-Government System: Korea will help establish sectoral architectures and public online service systems to promote efficiency, transparency of administration, and user participation.
- Capacity Building: Korea will provide various types of capacity building programs in the public sector to reinforce administrative skills and promote ICT experts in the field of administrative reforms, government innovation, public finance, human resources management, performance evaluation, emergency management, and e-Government.

C. Other Modalities

C.1 Training programs

19. As a measure of capacity building in our cooperation on the priority areas, various types of training programs will be included in program implementation modalities. In order to improve the quality of trainings, multi-year programs will be supported and a short-term training as a one-off event will be refrained.

20. In line with the development needs of Bangladesh, comprehensive and long-term training strategy will be designed to build capacity of each different target at individual, organizational and institutional levels. In addition, the issues of sustainable environment and gender equity will be integrated in certain training courses as cross-cutting filters.

21. In order to assure the quality of training programs, monitoring and evaluation system will be enhanced, with full utilization of the data base system of the training institutions and professionals in each sector. Linkages and coherence between training programs provided by each relevant

authority in Korea will be also strengthened to maximize the effectiveness and impact of each program.

C.2 Dispatch of experts & volunteers

22. Sector experts will be dispatched to provide technical assistance in the priority areas of our cooperation, as well as to strengthen technical dialogue with the government of Bangladesh and other relevant stakeholders. The number of experts to be dispatched will be decided through mutual discussions and agreement between the two governments. The period of dispatch will be extended to over six months in order to provide technical assistance in more systematic and sustainable approach.

23. Through the World Friends Korea program, volunteers will be mobilized to support program implementation in each priority area of cooperation and to ensure the sustainability of completed projects.

C.3 Development of research and policy advisory services

24. Technical cooperation in the form of consultancy services, such as development research and policy advisory services will be gradually extended by 2015. To ensure the development research outcomes are put into practical uses and that the research projects do not overlap, the information provided by Korea's ODA agencies will be shared with the relevant authorities and other development partners in Bangladesh.

25. Based on need analysis, experts will be dispatched to explore potential development projects in the priority areas and to map out development research that could have a practical impact in Bangladesh. Institutions in Bangladesh will jointly take part in these research activities for capacity building and knowledge sharing purposes.

D. Cross-Cutting Issues

26. Environmental sustainability and gender equality are both cross-cutting challenges in Bangladesh, limiting the government's capacity to design and implement its programs. The achievement of each priority area will require some strengthening of environmental management and woman empowerment, which make the core and unifying themes of this strategy.

27. Changing climatic conditions and increasing pressure on resources leads to environmental degradation. Therefore, Korea will help identify ways to develop environmentally friendly strategies which would lead to sustainable development. Moreover, Korea will conduct strategic environment assessment and environment impact assessments for projects that could have negative effects on environmental sustainability.

28. Disparities between men and women adversely affect the quality of life for society as a whole, hindering development and poverty reduction. Korea will adopt a two-track approach to enhance gender equality as both a cross-cutting issue and development objective in its own right.

Mainstreaming gender equality in the priority areas of the CPS will provide opportunities to enhance synergies between them and to find common approaches to ensuring gender issues are addressed in poverty reduction policies and plans.

IV. Program Implementation

A. Aid allocation

29. At least 70% of Korea's ODA will be allocated to priority areas of bilateral cooperation, while some flexibility will be allowed to respond to urgent humanitarian demands and socio-economic changes in Bangladesh. Through dialogue between the two countries and midterm review in 2014 (to be defined), the proportion of budget allocation to priority areas can be discussed and adapted accordingly.

30. Synergies can be created when project linkages between concessional loans and grants are strengthened, as well as linkages between feasibility studies, projects, and technical assistance. Starting from the initial stage of policy dialogue and project selection, possibilities will be explored for such linkages with the Government of Bangladesh.

B. Coordination among Development Partners

31. The main areas of cooperation with development partners in Bangladesh will be aligned with Bangladesh's development strategies and priorities of the CPS. Korea is committed to improving aid effectiveness and supports the use of country systems wherever possible.

32. For better aid coordination, Korea will consider participating in the donor coordination meeting and thematic working group particularly in priority areas of the CPS. Additionally, Korea intends to increase local staff numbers in field offices to enhance aid harmonization with other donors as well as the government of Bangladesh. If necessary, sector experts for CPS priority areas will be dispatched to assist the field office to improve project management and strengthen technical dialogue with other donors.

C. Monitoring and Evaluation

33. A comprehensive monitoring system to manage ODA activities in Bangladesh will be established by designing a risk matrix for each of the main areas to effectively respond in case of internal or external emergency. If necessary, strategies will be revised accordingly. Korea will consult with Bangladesh and participate in consultative group meetings to help anticipate and respond to potential risks.

34. To strengthen post project monitoring and evaluation, the outcome will be jointly reviewed between Korea and Bangladesh. This will result in effective and comprehensive follow-up measures which will enable Bangladesh to fully utilize the assistance provided under the development program.

C.1 ODA Integrated Monitoring System and Risk Management

35. An integrated monitoring system for ODA was established by the Korean government to manage Korea's overall ODA activities and will be used to monitor Korea's ODA projects in Bangladesh. The monitoring system utilizes a risk matrix to analyze internal and external risks related to the management of projects. This ensures that the implementation strategy can be adapted to respond to emerging risks. Korea will also hold consultations with Bangladesh to prevent and detect any possible risks involved in the implementation and management of projects through policy dialogue, field office dialogue with relevant ministries and project executing agencies, and consultative group meetings.

C.2 Evaluation of Projects/Programs and CPS

36. Korea's evaluation of development projects and programs will be divided into three main categories— performance evaluation including mid-term assessment, ex-post evaluation, and thematic evaluation- to reflect the extent to which activities and outputs contributed to reaching the desired outcomes and impacts. Joint evaluation with Bangladesh will also be conducted to reinforce its participation and ensure ownership.

37. Conducting evaluation of the CPS will allow assessing the achievements and serve as a basis to validate the findings and reflect them in the next strategy. A joint mid-term review with the government of Bangladesh is proposed in 2014 (to be defined) to increase its participation in the evaluation process and share the results. This will enable both the Korean and Bangladesh governments to assess the effectiveness of Korea's ODA programs under the CPS. The final CPS review will be carried out in 2015, six months prior to the expiration of the current CPS by Korea's relevant authorities in consultation with Bangladesh.

APPENDIX 1. Summary of Korea’s Partnership Strategy with Bangladesh

The Sixth Five Year Plan (2011-2015)	
Strategic Goals	<p>I. Acceleration of economic growth and employment;</p> <p>II. Benefiting from higher labor force growth (the demographic dividend) and ensuring labor quality;</p> <p>III. Improving factor productivity through information technology;</p> <p>IV. Reducing the growth of population;</p> <p>V. Ensuring food security;</p> <p>VI. Addressing the land constraint;</p> <p>VII. Managing the spatial dimensions of growth;</p> <p>VIII. Reducing income inequality;</p> <p>IX. Ensuring social protection for the under-privileged population;</p> <p>X. Ensuring Gender Parity;</p> <p>XI. Ensuring environmental sustainability;</p> <p>XII. Improving governance;</p> <p>XIII. Enhancing administrative capacity;</p> <p>XIV. Strengthening the civil service;</p> <p>XV. Establishing strong local governments;</p> <p>XVI. Strengthening Public Private Partnership (PPP);</p> <p>XVII. Improving the planning and budgetary processes;</p> <p>XVIII. Establishing a results-based Monitoring and Evaluation (M&E) system</p>



Korea’s Country Partnership Strategy (CPS) to Bangladesh (2012-2015)	
Goal	Provide strong basis for economic development and contribute to sustainable growth and poverty reduction through the improvement of public administration service

Objectives	<i>Strengthening socio-economic infrastructure</i>	<i>Improving accessibility and quality of maternal and child health services</i>	<i>Promoting human resource development</i>	<i>Enhancing productivity and transparency of the public administration</i>
Priority Areas	<ul style="list-style-type: none"> - Access to electricity - Water supply and drainage system 	<ul style="list-style-type: none"> - Maternal and child health system - Quality of medical staff 	<ul style="list-style-type: none"> - IT education - Capacity building of trainers and trainees 	<ul style="list-style-type: none"> - E-government - Efficient public administration system



Programs	<ul style="list-style-type: none"> - Expansion of infrastructure - Technical cooperation 	<ul style="list-style-type: none"> - Training of health workers - Improvement of primary health care center facilities 	<ul style="list-style-type: none"> - Enhancing ICT infrastructure - Capacity building of human resources 	<ul style="list-style-type: none"> - Institutional Reform - Technical cooperation
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Basic Principles	Efficiency	Sustainability	Alignment and Harmonization
	<ul style="list-style-type: none"> - Predictability - Selection and concentration - Connection to existing projects 	<ul style="list-style-type: none"> - Reinforcing performance evaluation - Reinforcing follow-up management - Reinforcing monitoring 	<ul style="list-style-type: none"> - Coordinating aid efforts among donor countries - Aligning with the recipient country's development strategies