



Kingdom of the Netherlands

Multi-Annual Strategic Plan

2014 - 2017

Bangladesh

Ghana Ethiopia Horn of Africa South Sudan Kenya Rwanda Burundi Uganda Grote meren Mozambique Palestinian Territory Yemen Afghanistan Bangladesh Indonesia



EMBASSY OF THE KINGDOM OF THE NETHERLANDS

DHAKA, BANGLADESH

MULTI-ANNUAL STRATEGIC PLAN 2014-2017

Mission statement

"From productive aid to responsible trade"



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In this revised Multi-Annual Strategic Plan (MASP), the principles of the policy paper "A world to gain: a new agenda for aid, trade and investments" have been elaborated. The MASP applies for a period of four years (2014-2017), but interim adjustments are possible: for example, in the case of major political or other changes, or to improve alignment of Dutch initiatives with the EU Joint Programming.

Section 1 Management summary

1.1 Introduction

This multi annual strategic plan (MASP) 2014-17 builds on the Netherlands' productive cooperation with Bangladesh and focusses on the transition from a more traditional aid relationship between the Netherlands and Bangladesh towards a broad trade and investment relationship.

The Netherlands' development cooperation with Bangladesh helps to improve living conditions of the poor, particularly in three areas: water, sexual and reproductive health and rights and food security. A new priority is labour conditions in the Ready Made Garments (RMG) sector. Planned contributions and activities will align with national policy and development plans. The Embassy of the Kingdom of the Netherlands in Bangladesh (referred to as "the Embassy" or "EKN" in this document) will continue existing partnerships and complement technical assistance with investment funds from international financial institutes (IFIs). Furthermore, the Embassy will continue to promote and broker Dutch contracts with IFIs, especially in the water sector. The Embassy will proactively communicate lessons learned and successes achieved to all stakeholders. Cooperation between the Netherlands and Bangladesh will be reinforced by research institutes in both countries.

There will be on-going emphasis on boosting the trade and investment relationship between both countries by providing services to the business community. Services will include, for example, proactively providing information about business opportunities in targeted sectors and serving as a matchmaker and bringing companies together. In order to sustain Bangladesh's economic growth, social responsibility and combatting environmental pollution will be emphasized.

1.2 Priority sectors

1.2.1 Water

Climate change, population growth, urbanisation and their adverse effects on the quality of life for the poor and vulnerable population of Bangladesh will drive the Embassy's Water Programme over the next four years. The aim of the Programme is to contribute to a healthy living environment and wellbeing that supports economic growth in a country where more extreme rainfall is anticipated, higher sea water levels, increasing industrial pollution and further slum development. Bangladesh, as one of the five delta countries included in the Water Mondiaal Programme¹, continues to have high expectations for close bilateral cooperation in the area of water management, an area that faces significant challenges. These challenges include: climate change adaptation, the formulation of a delta vision over the longer term, providing protection against storm surges along the coast, preventing floods in cities, and ensuring a sustainable water supply in light of groundwater depletion, arsenic and industrial contamination, and saline water intrusion along the coast.

While building on the programme developed within the framework of the MASP 2012-2015 and taking into consideration a substantial reduction in available funds in the years to come, the Embassy's Water Programme for the period 2014-2017 will focus on the formulation of a Bangladesh Delta Plan and Framework (BDP) 2100 which will in turn provide the basis for on-going and new activities in the areas of (i) participatory water management in the existing polders and in the reclaimed land of the coastal zone, (ii) river management, (iii) drinking water and sanitation in rural and urban areas and (iv) skills development and institutional strengthening.

1.2.2 Food security

The Embassy started the food security programme in 2012. A number of interventions have been undertaken to increase and diversify agricultural production, to develop value chains enabling small farmers to get access to markets in an effective manner, and to improve nutrition and food safety. Special attention is given to women as these are relatively more food insecure. Interventions in the area of agricultural production are closely connected with the Embassy's activities in the water sector, capitalizing on improved water resource management. Nearly all food security interventions focus on the private sector and involve Dutch enterprises and knowledge institutes, thereby giving shape to the transition from aid to trade. In order to accelerate this

¹ The Water Mondiaal Programme is based on chapter 6 of the Dutch National Water Plan, the formal water policy of the Netherlands.

transition and maximize results, the strategy for the next four years will be: (i) consolidation of on-going development interventions in food security and ensuring that these will reach their objectives; (ii) intensification of the efforts to stimulate the involvement of Dutch enterprises and Dutch knowledge institutes in development programmes, and (iii) enhancing local economic governance to support activities in food security and business development and make them sustainable.

1.2.3 Sexual and Reproductive Health and Rights (SRHR)

Sexual and reproductive health and rights (SRHR) started its programme in 2011 as a continuation of the health sector programme. A number of activities were on-going with a focus on increasing awareness, demand and utilisation of services as well as sexuality education of youth and reduction of violence against women. The Embassy continued the programme with adolescents as a target group, with activities related to the involvement of men, an intervention research on delaying child marriages to develop more evidence based knowledge and a programme to improve the SRHR and in particular Menstrual Regulation (MR) services in public and private hospitals. New activities were located in the South to create synergy in the field with the Water and Food security programme and where possible the private sector was involved.

The coming years the Embassy will continue to improve and increase awareness of sensitive topics such as MR and medical abortion, youth sexuality and violence against women (VAW) and will promote related private sector initiatives. It will brand SRHR as a business case in the garment industry through the provision of reproductive health information and services for employees. The Embassy will also look for ways to develop more evidence based knowledge related to SRHR to better support policy dialogue and decisions as well as to promote new strategies for effective implementation by sharing knowledge and expertise.

1.2.4 Women's rights and gender equality

Women's rights and gender equality has been a policy priority for Dutch development cooperation since long. The Netherlands are respected because of its work related to women's empowerment by government and donor partners. The coming years the Embassy will continue this policy and integrate gender issues in all its programmes as well as support organisations working on the improvement of women's empowerment and gender equality, in particular violence against women and child marriage

1.2.5 Trade and Economic development

The Embassy seeks to link development cooperation activities with efforts and investments undertaken by the Dutch private sector. By creating partnerships among the client, the contractor and the community, the Embassy can help further developments in the areas of water, environmental protection, labour standards and food security, areas where the private sector will be providing investment support. Commercial objectives are as such connected to promoting sustainability. The importance of Corporate Social Responsibility (CSR) in a transition country such as Bangladesh will further be underlined, where economic and political interests are closely intertwined. Special attention will be given to improve labour conditions in the RMG sector, which is in line with the priorities as set out by the Minister for Foreign Trade and Development Cooperation.

Section 2 Review of 2012-2013 and Overview

2.1 Introduction

Since 2012, the Embassy's goal to share the costs in development cooperation activities with the private sector saw progress. A unique partnership with the Nyenrode Business University began and an office to support these efforts opened in the Embassy. In terms of trade and investment over the last year, the Netherlands became the third largest investor in Bangladesh. The private sector voted the Embassy the third best among Dutch embassies worldwide for service delivery (Fenedex Export Award). Receiving this prestigious award is further encouragement for the Embassy team which is working hard to foster links between development cooperation and trade and investment. Embassy staff is now co-chairing two donor coordination groups on water and on private sector development. The latter is focusing on improving working conditions in the readymade garment sector (RMG). Minister Ben Knapen for Development Cooperation in 2012 and the Minister for Foreign Trade and Development Cooperation, Ms Lilianne Ploumen in 2013, had successful missions to Bangladesh.

2.2 Water management, drinking water and sanitation

Apart from the possible support to an Asian Development Bank (ADB)-funded riverbank protection project all planned activities for MASP 2012-2015 have started.

Most of the activities are well in line with and/or are closely linked with the current Government of Bangladesh (GoB) priorities while at the same time building on past projects and lessons learned (e.g. Blue Gold (Programme for Integrated Sustainable Economic Development by improving the Water en Productive Sectors in selected polders), and WASH II of the Bangladesh Rural Advancement Committee (BRAC). The existing portfolio may be considered a well-balanced, integrated and coherent mix of projects and programmes which contribute to social and economic development and at the same time provide opportunities to use and showcase Dutch knowledge, expertise and technologies.

Integrated programmes such as the Formulation of the Bangladesh Delta Plan 2100 and the Blue Gold programme, developed under the present MASP, provide platforms for water-based development models, policy dialogue, innovation, increased synergy with other thematic areas (especially food security and business development but where relevant also SRHR) and for mainstreaming cross-cutting issues such as (water) governance, skills development, climate change adaptation and (environmental) sustainability. With programmes such as the "Partnership for Clean Water" programme with the International Finance Corporation (IFC/PaCT) on industrial water use, private sector participation, business case and the Water Operator Partnership (Dhaka Water Supply and Sewerage Authority/Vitens Evides International) on urban drinking water and drainage (VEI-DWASA WOP), the Embassy furthermore expects to explore and demonstrate the possibilities and effectiveness of building partnerships between public and private sector parties in promoting (investments in) CSR and, ultimately also, in developing more long lasting economic and trade relations between the two countries.

The recently initiated gender and water programme will help further strengthen gender mainstreaming and contribute to the empowerment of women in some of the on-going water and food security programmes and more broadly within the water and food security sectors.

Participation, demand and ownership are key requirements for programmes to succeed. While developing and initiating programmes, in particular with the Bangladeshi authorities, has taken considerable effort and time, it has helped to increase ownership and relevance and will ultimately also increase the chances of sustainability of programme approaches and outcomes.

2.3 Food security

From the 1970s until 1996, agriculture and food security was a constant theme of development cooperation between the Netherlands and Bangladesh. In 2012, food security became a policy priority again. In the past two years a diverse but coherent programme has been formulated, paying attention to the three dimensions of food security: availability, access and the use of food. The programme is aligned with Bangladesh's Plan of Action under the National Food Policy as well as the Perspective Plan 2010-2021 and the sixth Five Year Plan 2011-2015. The Embassy has used two entry points for positioning the food security programme. These are: (i) connecting food security interventions to the water sector, an area in which the Embassy has a strong reputation and deep experience in Bangladesh and (ii) food security in relation to private sector development and trade (import and export). In line with Bangladesh's Country Investment Plan, which serves as a road map towards investment in agriculture, food security and nutrition, a number of interventions have been started in the form of projects.

Six projects in EKN's portfolio contribute to the availability of food and access to food using various approaches and in partly different geographic areas. Blue Gold, Char Development and Settlement Project IV (CDSP IV) and South-West Area Integrated Water Resources Planning and Management Project (South-West) are water management projects, funded from the water budget, but strongly geared towards agricultural production and food security. The Sustainable agriculture, Food security and Market linkages project (SaFaL), the Profitable Opportunities for Food Security project (PROOFs) and the Market Infrastructure Development Project in Charland Regions (MIDPCR) on the other hand, focus primarily on improving agricultural practices and linking farmers to markets. All six projects are gender-sensitive and have integrated climate change and disaster risk reduction into their approaches. SaFaL and PROOFs also have special nutrition components ('use of food'). Four projects started in 2012 or 2013; the other two are older. The six agricultural production projects are complemented by two projects focusing entirely on nutrition and food safety: (i) a rice

fortification project carried out by World Food Programme (WFP) and Royal DSM. This project will not only have a direct impact on the nutritional status of poor women and their families, but will also empower women through social mobilisation and income generation; the second project (ii) assists the country in establishing a food safety control system to ensure the use of healthy food by the population and to improve possibilities for export. It is implemented by the Food and Agriculture Organization (FAO).

SaFaL, PROOFs, Blue Gold, and the projects on rice fortification and food safety all require strong involvement of the private sector and will make good use of the expertise and know-how of Dutch enterprises and Dutch knowledge institutes, a first step in the transition from aid to trade. The Netherlands Initiative for Capacity Development in Higher Education (NICHE) programme carried out by the Netherlands Organization for International Cooperation in Higher Education (NUFFIC) has become a valuable ally in food security by developing the capabilities of post-graduates in the sector. One NICHE project, on integrated crop-fish-water management, has started and a second one, on value chain development, is in preparation. Late 2013 first steps were taken in joint programming with the European Union.

2.4 Sexual and Reproductive Health and Rights

The new Sexual and reproductive health and rights (SRHR) programme started in 2011 with the continuation of the activities which were started under the Embassy's Health sector programme. The focus of these activities was on increasing awareness, demand and utilisation of Mother Neonatal Child Health services in remote areas, comprehensive sexuality education and youth friendly services, improvement of information on and service delivery of Menstrual Regulation (MR) and the reduction of violence against women in Dhaka slums. The past two years the Embassy programme was extended with activities related to the involvement of men, an intervention research on delaying child marriages and a programme to improve the SRHR and in particular menstrual regulations services in public and private hospitals. The new activities were located in the South to create synergy in the field with the Water and Food Security programmes. The policy dialogue with the Bangladesh Ministry of Health and Family Welfare (MoHFW) took place in the Health working group of the Local Consultative Group (LCG) focussing on the implementation of the new Health, Population and Nutrition Sector Development Programme (HPNSDP, 2011-2016). The Netherlands is known for raising questions related to SRHR and adolescents and over the last few years, the Embassy has gained a wealth of experience in regards to the implementation of SRHR related activities. During these years the Embassy tried to involve the private sector where possible in new SRHR activities related to the concept from Aid to Trade. To achieve this non-governmental organizations (NGOs) and the Bangladesh government bodies have to turn their development orientation into a more corporate one to be able to fit in this way of thinking. Also NGOs have to cooperate more with other NGOs, private business and the government to create more innovative, sustainable and effective business oriented interventions. And due to Bangladesh's culture and institutional functions CSR related to SRHR has difficulties to develop as what it truly stands for. Embassy's partners experienced that the private sector has problems to link their business with SRHR: sexuality is a taboo and a sensitive topic surrounded with a great diversity of myths and misconceptions and a huge lack of knowledge. Health creates a more acceptable entry in the private sector.

2.5 Women's rights and gender equality

The Netherlands is one of the most active and long-standing partners in the area of women's rights and gender equality, violence against women and SRHR in Bangladesh. Its work is well regarded by the government and in development partners' forums. The Embassy has a long track record for gender issues as it was active in the field of Violence against Women and an active participant in the LCG Women and Gender Equality Working Group. Gender has been a cross cutting issue in all the Embassy's programmes for a long time and still is. This means, besides the use of sex segregated data, that special measurements to create opportunities for active women participation and decision making in the projects (meeting locations, transport arrangement, negotiation skills) have been included as well as measurements to provide women with access to information and resources and to eliminate violence against them. The Embassy kept in 2011 the special budget line for gender issues, recently changed in women's rights and gender equality, and decided that this will be used to support and strengthen gender issues in the three priority areas Water, SRHR and Food security, through stand-alone activities. In this way the Embassy makes its contribution to this important policy priority visible.

2.6 Private sector development

During 2012-2013, the Embassy's goal to share the costs of the development cooperation programme with the private sector saw significant progress. In 2013 five initiatives became operational which will work towards enhancing business relations: the IFC/PaCT, the Blue Gold programme (Water Production and Food), the FAO programme to improve food safety, SaFal implemented by Solidaridad on value chain development in aquaculture, livestock and horticulture and PROOFS carried out by Interchurch Organisation for Development Cooperation (ICCO) and International Development Enterprises (iDE).

The recent disasters in the RMG sector (Tazreen fire and Rana Plaza collapse) brought the issue of unsafe labour conditions to the foreground. The Dutch government took on a lead role in addressing improvement of labour conditions in the RMG sector, which provides for 80% of the Bangladesh exports. Minister Ploumen came to Bangladesh (16-17 June 2013) to co-chair the LCG-PSD (Private Sector Development) meeting of donors and the Government of Bangladesh (GoB). It has been decided to allocate 9 mln EUR from the PSD budget for safe working conditions. A major part of this budget has been committed by co-financing the International Labour Organization (ILO) 2013 - 2016 Programme for improving working conditions in the RMG. The programme will have five elements: support for building and fire safety inspections, strengthening the labour inspection, training programmes for workers, trade-unions and management on occupational health and safety, rehabilitation of victims, and the implementation of the Better Work Bangladesh compliance programme. Starting in 2013, massive inspection programmes, partly private, partly public will take place in the RMG sector with the support of international buyers and donors such as the Netherlands. Some additional programmes for safe labour conditions in the RMG sector are being developed. The Embassy hosted a round table on living wages in the RMG, followed by a study that gave input to the Minimum Wage Board for the garment sector.

The Embassy's objectives in the area of trade and economic development are to link trade between Bangladesh and the Netherlands to the development cooperation priorities, boosting productivity and increasing trade and investment with Bangladesh in a responsible manner, incorporating values of CSR. A unique partnership with Nyenrode Business University (in-house offices) was created and Nyenrode staff forms part of the Embassy team. This partnership is aimed at promoting sustainable bilateral business-to-business cooperation in water, food processing/safety, IT (outsourcing) and logistics, while having a positive impact on the volume of trade and investments, generating employment (especially among women), encouraging innovation and disseminating general economic information relevant to these subsectors widely. In this regard 2013 saw information on business cooperation opportunities being disseminated through a digital trade platform as well as through business events in the Netherlands. One Dutch trade mission visited Bangladesh and one will take place before the end of 2013 to the Netherlands, both focusing on the sectors water and agribusiness. To ensure synergy in the 'from aid to trade' transition the Embassy-Nyenrode programme ties into the Dutch development cooperation focus, linking the Embassy's development cooperation activities as well as broader initiatives such as the Dutch Topsectors Water and Logistics to private sector partnerships.

In the last five years IFI tenders were awarded to Dutch companies such as Royal Haskoning, Kema International BV, Ecorys, Euroconsult Mott MacDonald and Grontmij. In 2012 for example Ecorys was commissioned by the World Bank to deliver Technical Assistance to the Planning Commission in Bangladesh. The Embassy is active through amongst others the IPI (Implementation Platform IFI-tenders) initiative to provide information and help with matchmaking. Currently four Dutch companies are involved in tender projects in Bangladesh with the support of the Embassy.

2.7 Governance and human rights

The Embassy's support for reform programmes, such as strengthening public finance management and a programme to encourage civic engagement, will be phased out in conformity with the decision to discontinue the good governance programme.

The human rights situation has been and continues to be a joint concern of the GoB and development partners. Through the human rights facility, human rights organisations are being supported on a small scale. Human rights diplomacy is first and foremost a topic that is dealt with on the European Union/Heads of Missions agenda. Specific concerns have been expressed regarding the Rohingya refugees and the people of

the Chittagong Hill Tracts, as well as other minorities (sexual, religious and ethnic) and violence against women.

2.8 Exit from the education sector; skills development

The Embassy is phasing out from the Education programme which is planned to be completed by 2015. To make use of the expertise in the education programmes, the Embassy guided to shift focus towards skills development for capacity building in the field of the three priority areas and to concentrate more on the private sector and economic development. Strategically, skills development is a cross cutting theme for all the priority areas.

In addition to the Embassy's programme, the NUFFIC will continue the NICHE programme in Bangladesh for the coming years aligning with the Embassy's priorities.

2.9 Platforms for policy dialogue

The Netherlands has continued to play a pro-active role in the general and sectoral/thematic policy dialogue between the GoB and development partners. Despite progress, the GoB still has a long way to go to assume the lead in matters of aid management and coordination. The Embassy is co-chair of the LCG-Water Management. In 2013, the Embassy also became co-chair of the LCG-Private Sector Development, which in the coming years will focus on the improvement of labour standards in the garment sector. In its capacity as co-chair of this LCG, the Embassy is part of a high level dialogue at ambassador level, jointly with the USA and the EU on monitoring the commitments made by the GoB for improving labour conditions in the garment sector, following the Rana Plaza collapse.

Section 3 Country analysis

3.1 Bangladesh-Netherlands relations

Bangladesh and the Netherlands' relationship is transitioning from a traditional aid relationship to a responsible trade relationship. Practically, this means that the Embassy's development cooperation programme more and more links trade and investment to the three priority areas: water, food security and sexual reproductive health and rights. Bangladesh's goal is to be a middle income country by 2021; the transition relationship between Bangladesh and the Netherlands aims at phasing out development cooperation in the run up to middle income status for which 2025 seems to be a more realistic date for achieving that. The projects funded by the Netherlands will contribute to increasing trade and investment. Corporate social responsibility, improving working conditions, addressing sexual harassment, and improving the tender system are integral to this. After the period of this MASP the Embassy will explore the feasibility of handing over business related services to a self-financing Dutch trade office.

3.2 Private Sector Development

3.2.1 Macroeconomic Policy

The macroeconomic stabilization policies in place foster economic growth and poverty reduction. However, the budget deficit and low tax revenues hamper economic and private sector development as does the inability of the government to effectively tackle the main bottle-necks in the areas of energy, infrastructure and transparency. A concerted effort to enforce reforms is vital to improve the enabling environment for the private sector and social economic stability.

GDP growth in FY2014 is projected down at 5.8% (from 6.0%) as exports and consumer and investment demand will not be as buoyant as expected earlier. Industry growth is expected to slow down because of weaker domestic demand largely, driven by cautious spending amidst political instability, and, slower export growth, driven by weak demand in the Eurozone, unfavourable buyer reactions to factory accidents and labour unrest. Inflation projections were also raised to 7.5% for FY2014 from 7.0% due to expected increases in domestic fuel and electricity prices, likely supply disruptions, higher public sector wages and wage increases in the garments sector. The main determinants of private consumption growth will be the performance of the

agricultural sector, remittances from Bangladeshis working overseas and expected increase in wages in the RMG sector.

The International Monetary Fund (IMF) is seeing progress under the implementation of its Extended Credit Facility. International reserve levels doubled since 2011 and there has been significant progress in structural reforms including strengthening banking supervision.

The World Bank views the RMG sector as being at a crossroad. More emphasis needs to be placed on compliance with labour rights and workers' safety and with the appropriate national policy measures, the RMG sector can grow significantly.

3.2.2 Economic Governance

The governance situation in Bangladesh shows a mixed picture. The Sixth Five Year Plan (SFYP 2012-2016) presents an ambitious reform agenda as well as a public administration capacity building strategy to strengthen reforms. However, reforms have so far been modest and many institutional weaknesses remain. Much work remains to improve transparency and to combat corruption. Strengthening local governance is an important theme on the GoB's agenda. The explicit involvement of local government in the Embassy's priority programmes will help strengthen its capacities.

Inadequate revenue collection may be the single biggest constraint to accelerated growth. Stagnating at around 10% of GDP for almost a decade, total revenues in Bangladesh have been largely unresponsive to changes in economic activity. Although tax revenues have recorded a modest increase, with the tax-to-GDP ratio improving from 8.6% in FY09 to 9.2% in FY10, this ratio is still among the lowest in the world. The GoB is addressing this issue in the SFYP. A package of tax policy and administration reforms is planned. The new value added tax law has now moved to the implementation phase. Moreover, the National Board of Revenue (NBR) has shown commitment to modernize and become more transparent.

Efficient public investment management (PIM) is sorely missing in the area of physical and social infrastructure that is needed to accelerate economic growth and social development. The current public investment-to-GDP ratio of 4.5% is low; to meet current and future needs, the ratio should be 7-8% per annum.

The GoB budget operates through two separate and unrelated components, prepared independently by two separate central agencies, the non-development budget (or revenue budget) by the Ministry of Finance and the development budget (or capital budget) by the Planning Commission (PC). The introduction of the Medium Term Budget Framework has opened a window of opportunity to gradually address this fragmentation.

3.2.3 Trade and Investment Bottlenecks and Risks

The main obstacles related to energy are a shortage of gas (the main fuel for electricity-generating plants in Bangladesh) and a large stock of old, inefficient power stations, leading to increasing fuel prices. The government hopes to boost power supplies in the short term by buying power from several independent firms. Load shedding could affect business and investment decisions. However, the government has declared power supply to be a priority. Contracts are being signed for rental power supply infrastructure in order to relieve short-term shortages, and longer-term expansion of capacity is being reviewed; for example, contracts have been concluded with Russia in the area of nuclear energy and India for coal-powered factories.

Transport infrastructure in Bangladesh requires sizeable investment and large improvements in different areas, which in turn can be translated into increasing business opportunities. Cases in point are the supervision and construction of the Padma Bridge, the financing of which still remains in doubt; the Dhaka elevated highway (contract awarded in December 2010 to an Italian-Thai consortium); the Dhaka-Chittagong highway; plans to upgrade railroads, inland waterways and the construction of a deep sea port. The government has committed to address these issues as a priority but implementation continues to be hampered as a result of limited political will to effectively tackle the main bottle-necks, including corruption.

The OECD-guidelines on CSR are not yet well known, thus interpretations of the concept differs. CSR is frequently viewed as being corporate charity although international buyers are now increasingly addressing CSR from the perspective of compliance with labour and environmental standards. In this regard, they are now taking efforts to compensate for the lack of enforcement in regulations by the public sector in countries from which they source. Dutch companies are often frontrunners when it comes to strategically incorporating

CSR and responsible business in their economic activities; in their view CSR is good business sense. The recent disasters in the RMG sector (Tazreen fire and Rana Plaza collapse) brought the issue of unsafe labour conditions to the foreground. A few interesting CSR initiatives are coming from the private sector, including the establishment of the CSR Centre (a multistakeholder platform including companies, financial institutions and think tanks), the launch of the United Nation's (UN) Global Compact in Bangladesh (which supports businesses that align with universally accepted principles in the areas of human rights, labour, environment and anti-corruption), as well as a range of social businesses. Introduced by Prof. Muhammad Yunus, Bangladesh's micro-finance pioneer, social businesses operate as companies but aim to achieve social goals.

3.3 Priority areas of development cooperation

3.3.1 Water

The complexity of Bangladesh's river systems and the challenges posed along these rivers and coastal areas are enormous. Annual flooding inundates up to 60% of the country, frequent storm surges from the Bay of Bengal, cyclones and heavily polluted surface water sources are demonstrations of the country's fragile relationship vis-à-vis water resources. Disasters and climate change increases both the unpredictability and intensity of such events as do the longer-term consequences of the predicted higher sea water levels and thus more salt intrusion, together with longer dry periods. To support sustainable economic growth, effective water resources management is essential.

Water resource management for adequate food production is absolutely vital for Bangladesh. Sixty per cent (60%) of the rice in Bangladesh is produced during the dry season mainly using irrigated groundwater. Competing water claims/demands are emerging. Overexploiting groundwater leads to declining groundwater levels and results in arsenic contamination, creating an additional risk for a safe and adequate supply of drinking water. In the coastal area with its tidal flows, water management in and around the low lying land must be drastically improved to develop the "productive" potential of this area. In these areas, the percentage of the hard-core poor is far above average.

The delta is in constant flux and its management is challenging, partly because of the dynamics of the three main rivers: the Ganges, the Brahmaputra and the Meghna. River training, river bank protection, and dredging should help control the risk of flooding and erosion which is threatening vast areas of the country. Innovations in water management have demonstrated that by using natural systems, safety measures to counter flooding (for example) can be combined with additional functions that contribute to food security, often at a lower cost than traditional methods.

Bangladesh's overall sanitation coverage stands at 55% (not including the estimated 27% coverage provided by shared, two-family, latrines) and 80% of Bangladeshis have access to drinking water (Joint Monitoring Programme/UNICEF 2011). The two main challenges are (i) the 20% who lack access to these services are in difficult to reach areas and represent the hard-core poor and (ii) technical solutions are needed to combat high arsenic content, salinization, falling levels of groundwater (drinking water) and to prevent pollution in areas with a high groundwater level (sanitation). Behaviour change and maintenance of the facilities remain areas that require continuous attention. Urbanisation is one of the consequences of the rapid economic growth over the past 10 years. About 5% of the population is living in urban slums, where proper water supply and sanitation facilities are limited.

In its present stage of development, Bangladesh has neither the financial means nor the organizational capacity to develop the management of its water resources in a sustainable and effective way. The policy framework for the water resources management sector is based mainly on the National Water Policy of 1999. The Policy is considered to be reasonably well developed, but lacks effective implementation. The main constraint is the functioning of the government in general and the public water institutions in particular.

Bangladesh has a limited number of internationally recognized water institutions. They include the Institute of Water Modelling and the Center for Environmental and Geographic Information Services which are capable of in-depth analysis and show interest in developing sustainable solutions. The NGO BRAC has made a major contribution towards achieving the Dutch MDG 7 pledge and demonstrated that it is a very effective partner. The participation of communities in combined water management and crop production programmes has proved to be effective.

The renewed cooperation in the water sector between the Netherlands and Bangladesh, as part of the Water Mondiaal Programme, offers possibilities to further develop relationships at both the governmental and sectoral levels. By combining development and private sector efforts in these growth areas, their impact will hopefully be magnified, creating mutually beneficial results for both private sector development as well as private business interests, as discussed above. The initiative by the Bangladesh and Dutch government to jointly develop a long-term Delta Plan for Bangladesh based on the ideas of sustainable and climate-proof water management as elaborated in the water Mondiaal Programme will further strengthen these ties.

3.3.2 Food security

Despite rapid population growth, Bangladesh has achieved impressive progress in food production and poverty reduction over the past two decades. However, food insecurity and undernourishment remain at unacceptably high levels for a large part of the population. The Monitoring Report 2013 of the National Food Policy Plan of Action and the Country Investment Plan shows that a large part of the population suffers from a lack of food security. In 2011/12 16.8% of the population was found to be undernourished; 36,4% of all children under five were underweight and 41% were stunted, which not only greatly impairs their physical and intellectual development, but will also act as a severe impediment to the economic and social development of the country.

In the coming years, the challenges in improving food security in Bangladesh continue to be the increase in production of nutritious and safe food, increase in employment and income, and awareness of proper nutrition. To address these challenges, national food policies need to be implemented effectively, technologies developed and applied, value chains enhanced, farmers organized, and investments in processing, logistics and infrastructure made. In this, the government, the private sector and civil society need to play their respective roles.

Dutch companies and knowledge institutes can effectively contribute to the provision of technology and know-how required for achieving food security. Presently, the level of involvement and investment by Dutch small and medium enterprises in the agro-food sector in Bangladesh is still small and has little bearing on food security, but this is expected to increase over time as a result of development cooperation projects and trade missions. Trade in the agro-food sector with the Netherlands largely consists of the export of shrimp from Bangladesh and the import of seed material e.g. for potatoes, from the Netherlands. Further development of these and other sectors will also provide opportunities to improve food security in Bangladesh. In general, development cooperation interventions in food security are expected to have positive effects on Dutch business, primarily because it will increase the demand for Dutch knowledge and technology. In the short run, these effects will only be modest, however.

3.3.3 Sexual and Reproductive Health and Rights

Overall, Bangladesh has made good progress in regard to maternal and child health. The maternal mortality rate declined by 40% in recent years to 194 deaths per 100,000 live births in 2010. However, every day, nearly 60 women in Bangladesh die from complications of pregnancy or childbirth and reduction of maternal mortality becomes more difficult.

Bangladesh is now Asia's fifth and the world's eighth most populous country with an estimated population of about 160 million. Although the fertility rate declined substantially since the 1960s from over 7 till 2.3 in 2009. About 21% of the total population are adolescents between 10 and 19 years old. Adolescent fertility in Bangladesh is one of the highest in the world with one-third of adolescent married women having a child before the age of 19, which made them very vulnerable to death in child birth. Fertility among adolescents is higher in rural than urban areas and higher among those with no education than those with education. A main reason for the high fertility among adolescents is early marriage: 64% of women between 20-24 years were married before the age of 18.

The urbanisation creates growing population living in slums where many women suffer from reproductive and sexual health problems, experience violence and a lack of basic public services. Nevertheless many develop survival strategies, they find a job, mainly in the garment factories, and without social control from their families they start an independent life. Some garment factories provide day care and health care services for their employees; some provide also information about SRHR and offer sanitary napkins for reduced prices.

Contraceptive use for married adolescent girls is still low: only for modern methods 21%. Bangladesh, despite having a restrictive abortion law, does allow for menstrual regulation (MR). MR is available on request until 10

weeks after the last menstrual period by a certified doctor. The government does not feel that this service conflicts with current abortion laws as it provides MR as a medical health service. However a leading cause of maternal death in Bangladesh is still bad practices related to MR. The gaps in contraceptive security contribute to high discontinuation rates among users and a high incidence of unintended and unwanted pregnancies, resulting in menstrual regulation and abortion. Three in ten births in Bangladesh are either unwanted or mistimed.

The Ministry of Health and Family Welfare (MoHFW) is implementing the Health, Population and Nutrition Sector Development Programme (2011-2016) which is aligned with the Sixth Five Year Plan 2011-2015. The programme has a strong focus on population growth and sexual health and rights receive moderate attention; here is a clear opportunity for the Embassy to integrate SRHR more in health policies and the healthcare system.

To achieve a reduction of maternal mortality more access to SRHR information and services for adolescents and adults are needed irrespective if they are married or not. In particular the prevention of unwanted pregnancies needs more attention. Because SRHR is still a very sensitive issue in Bangladesh and teachers, policy makers and service providers do not feel comfortable talking about it, innovative strategies should be proposed.

3.3.4 Women's rights and gender equality

Despite important progress towards women's empowerment, the society and the home, particularly in rural areas are still dominated by men. Traditional attitudes on the part of husbands, religious and community leaders hamper women to seek and acquire education, information, services and to develop their full potential. The extended family is at the heart of social identity: care, support and kin-based solidarity, and honour and shame are all linked to this social identity centred on the family.

A clear example is the food insecurity of women in Bangladesh. Women and child under nutrition is closely related to a lack of women's empowerment. The patriarchal family structures provide women with inadequate decision making power and lack of control of resources. Often girls and women are relegated to eating only whatever is left over and limiting food intake causes health problems. Women with poor nutrition (and also their households) are caught in a vicious circle of poverty and under nutrition. Early pregnancies aggravate the nutrition status of both mothers and children.

Gender-based violence is still widespread, an additional cause of health complications and an important hindrance for women to participate in society. Approximately 60% of women have suffered from some type of violence. It is estimated that 14% of maternal mortality is the consequence of domestic violence and that Bangladesh loses approximately 2% of its GDP annually because of domestic violence. Sexual harassment is a major cause for girls' dropping out of school and sometimes even leads to suicide. It is also a burden which women experience on the way to and from and during her work. Nevertheless Bangladesh is benefiting from a growing female labour force, with almost 3 million young rural women as significant contributors to the ready-made garment industry. And though they are mainly represented in the low income jobs with poor working conditions they are the motor behind the country's economic growth.

Section 4 Objectives, results, activities and risks relating to each of the chosen priorities and relating to economic development/foreign trade.

4.1 Water

4.1.1 Objective

"To create a healthy living environment for sustainable economic development by improving water management related to coastal protection, rivers, polders and food production and by ensuring access to drinking water and sanitation facilities, through strengthening water sector institutions in partnership with their Dutch counterparts."

4.1.2 Results

- A Bangladesh Delta Plan (BDP) and Framework 2100 available and fully integrated in the national 7th Five Year Plan;

- Increased, improved and sustainable access to safe drinking water supply and sanitation, and improved hygiene behavior;
- Improved, participatory and sustainable water management in selected polders and chars in the coastal zone;
- Increased protection against water and climate induced disasters in selected polders and chars in the coastal zone;
- Increased productivity and business development in agriculture, and, hence, increased income for men and women in programme areas;
- Improved river management resulting in reduced risks such as flooding and erosion and, with time also, in the further development of water corridors in support of economic growth;
- Improved management of the Dhaka urban water supply and drainage systems;
- Reduced water use and water pollution by the textile industry;
- Improved gender (mainstreaming) action plans and strategies in the sector in general and in the EKN-funded programmes more specifically;
- Increased local knowledge of, appreciation for and use of Dutch knowledge, expertise and technology in the water sector.

4.1.3 Activities

Emphasis in the next two years (2014-2015) will be on monitoring and where necessary further strengthening the on-going water activities described earlier (Formulation of BDP 2100, Blue Gold, IFC/PaCT, BRAC WASH II, VEI-DWASA Water Operator Partnership, Max Value for WASH, UNICEF, UNDP, FAO and, not least, the Gender and Water Programme). As indicated earlier, another important programme will be the ADB-funded river management programme which the Embassy intends to co-finance from 2014 onwards.

New activities to be developed for the period beyond 2016 should in principle be fully coherent with and support BDP 2100 implementation.

A key element of the Embassy's efforts in the years to come will be to closely align with the BDP 2100 project and to ensure that the envisaged delta plan, delta framework and delta act will have been developed in a fully participatory way. This means actively engaging both the ruling and opposition parties and civil society, research/academic institutions and professional organizations, securing the commitment of governmental and non-governmental institutions and also obtaining the full, long-term, support of all the development partners including in particular also the IFIs, global (e.g., climate) funds, etc.

For WASH, it is evident that the Embassy is now in the final set of projects, in which increasing "access/coverage" is basically the main aim (BRAC WASH II, Max Value for WASH, UNICEF). Future interventions under the WASH budget line will have to be more selective, strategic, i.e. designed more like the type of projects currently in operation, such as the formulation of the Bangladesh Delta Plan 2100, VEI-DWASA WOP (on urban drinking water and drainage), and the IFC/PaCT (on industrial waste water). Ground water management and water quality monitoring and surveillance, activities already identified in the National WASH Sector Development Plan and which would also fit well within the BDP 2100 framework, are among the topics considered for future support.

The Embassy will look at reviewing/broadening the scope and increasing the budgets for key activities such as Blue Gold and the River Management Programme, activities which apart from contributing to water and food security and safety and, hence, social and long-term economic development, also provide opportunities for innovative pilots and small studies on niche topics for a broad representation of the leadership of the Netherlands in the water sector.

As discussed in section 3.3.1, on-going and future programmes will address, more explicitly than before, sustainability, climate change, disaster risk reduction, the empowerment of women, skills development and opportunities for sustained economic development and bilateral business/trade relations. The recently started Gender and Water Programme, but also close consultation and cooperation with institutions such as Netherlands Water Partnership (NWP), AgentschapNL (AgNL), Nyenrode, the Dutch Sustainability Unit (DSU) and the like are expected to play an important role in further strengthening the programme in the above areas.

Capacity building continues to be vital in Bangladesh's water and productive sectors. Knowledge exchange not only between government water institutions but also between research institutions, the private sector and

NGOs, will be encouraged. The dynamics and scale of Bangladesh's water systems creates circumstances under which the Netherlands' levels of expertise can be improved. The Dutch government has a great number of tools (PSI, NICHE, ORIO, NWO) to facilitate cooperation among the different stakeholders; not only universities and NGOs but also between the Dutch and Bangladeshi business community. The Embassy will promote and facilitate the optimal use of these facilities. To ensure the effectiveness of this capacity building, the Embassy will be engaged in a permanent dialogue with the government and its development partners to ensure that the institutional setting and its organizational capacity are geared towards the optimal performance of the water sector. Specific support will be provided upon request to ensure an effective institutional setting, capable of dealing with the challenges of the water sector. The Dutch Water Boards will play an important role in the coming years in contributing to enhancing (water) governance and to further institutional strengthening of the Water Management Organizations and contributing to the stakeholder participation and interactive planning within the BDP2100.

In order to efficiently manage the portfolio in the Embassy's water section and taking into account the foreseen reduction of staff, it is envisaged that future programming and design of activities will hinge around the BDP 2100, that the number of activities will be further reduced and that, following the examples of CDSP, South West and the River Management Programme, further efforts will be made to utilize joint programming and/or co-financing possibilities. Under Blue Gold and BDP 2100, modalities are being created for pilots, innovations, and contributions of the Dutch water sector to be administrated and handled through a hired consultant under the guidance and approval of the Embassy. This will lessen the Embassy's administrative workload. At the same time, it is also important to maintain a minimum level of flexibility for the Embassy, e.g., through the "water support fund", to commission studies, reviews, evaluations and the like.

As "water" is a public good and as water safety and water security are seen as being among the most important responsibilities of the government, the role of the private sector is currently generally limited to providing development/investment-related technical services, equipment and contracting works.

Bearing in mind the interest of the Netherlands' business community (including SMEs), and to further facilitate the transition towards 2017, the strategy for the next few years would contain the following elements:

- Using the current set of programmes, in particular the BDP 2100, Blue Gold and the upcoming River Management Programme, to continue to strengthen and showcase the Netherlands' knowledge and expertise in the area of water and, where possible, develop business cases within the context of those programmes (e.g., on using renewable energy and on agro-food in Blue Gold);
- Using the Embassy's position as co-chair of the LCG Water Management and using the BDP 2100 development, the intergovernmental committee and, ultimately, the Bangladesh Delta Plan and 7th FYP itself, as a platform to further strengthen the dialogue with the GoB and major development partners, to increase allocations for the water sector and, more specifically, the water-based integrated development models, thereby achieving multi-dimensional results;
- Carry out and/or update market scans and closely monitor (and share information on) opportunities for Netherlands' enterprises to provide consulting, supply and contracting services in on-going and new investment programmes (NL-funded and otherwise);
- Continue to explore and exploit the possibility, within the Embassy's water programmes, to enter into PPPs for new social and/or CSR-type projects and explore and actively support the development of business cases within these programmes;
- Assess future NL-funded programmes, whether funded by the Embassy or otherwise on their potential for a sustainable business case.

It is evident that actions or activities in this particular field can only be successful if they are designed, executed and monitored in close collaboration with the other sections in the Embassy, and in particular the food security and economic sections (including the colleagues from Nyenrode). Guidance and concrete assistance in exploring and exploiting opportunities is furthermore expected from NWP and AgNL.

4.1.4 Risks

Weak governance structures in the water sector pose a challenge to the Embassy's programme. The current planning and public finance management process is another risk for delayed implementation of activities. Integrated plans and activities are essential but inter-ministerial coordination is lacking. Disasters could seriously hamper the process of any implementation in Bangladesh. A lack of proper pricing policies for cost recovery for water supply and treatment may hamper the large scale introduction of well managed systems.

Bangladesh's traditional struggle with transparency and corruption may prove too much of a barrier for the involvement of Dutch water sector organizations and investors outside ODA.

Mitigation Measures

Most of the risks are political in nature: implementation of a reform agenda and improved public finance management can only be applied if backed firmly by the government. Dialogue between the GoB and their development partners can help to implement these important changes. The Embassy will be engaged in a policy dialogue to emphasise the need for an enabling environment as a basis for the bilateral cooperation. The Embassy will be directly involved in promoting Bangladesh as a country for Dutch investment and cooperation in the water sector. The maritime and textile industries have already established strong bilateral relationships and their (positive) experience can also be used to support other sectors.

4.2 Food security

4.2.1 Objective

The strategic goal for food security will remain: "Increase food security for the most food insecure households by enabling them to get access to sufficient and balanced food throughout the year on the basis of strengthened livelihoods."

4.2.2 Results

- Increased sustainable production of nutritious foods
- Enhanced use of water resources for agricultural production
- Effective research – extension linkages
- Developed value chains, notably in aquaculture, dairy production and horticulture, with effective linkages between smallholder producers, producer organisations, entrepreneurs and markets.
- Increased access to adequate financing for small farmers
- Increased availability of nutritious foods at local and national markets
- Increased export opportunities for agro-food commodities
- Increase in farmer income and employment in the agro-food sector, particularly for women
- Increase in economic activity and business in geographic target areas
- Improved local economic governance in geographic target areas
- An operational national food safety control system
- Improved awareness of nutrition among target populations
- Improved access within households to a balanced diet, in particular for women and children
- Increased involvement of Dutch enterprises and knowledge institutes in the agro-food sector

4.2.3 Activities

The main strategy of the food security programme will be (1) consolidation of existing development interventions and ensuring that they will reach their objectives; (2) intensification of the efforts to stimulate the involvement of Dutch enterprises and Dutch knowledge institutes, particularly in addressing food security challenges; and (3) enhancing local economic governance.

(1) Consolidation of existing development interventions:

Most of the Embassy's development interventions in the area of food security have only started recently. Consolidation of these interventions is now required. The projects focusing on agricultural production and inclusive economic growth have to ensure that smallholders adopt sustainable farming practices and are effectively and profitably connected to local, national and international markets and that small (female) entrepreneurs will benefit from agri-business and will contribute to it at the same time. It will also be a challenge to ensure that all interventions indeed result in improvements in nutrition of the population. Within the projects, particular attention will be given to, among other things, capacity building of extension services, strengthening farmers' cooperatives and access to finance, animal health services, development of business cases for value addition, agro-processing and logistics.

Consolidation rather than expansion will be a priority of the programme. The food security staff is also heavily involved in water projects that have a strong food security focus and with the Economic Affairs cluster in matters of trade and private sector development in the agro-food sector. New food security interventions – with the exception of local economic governance (see below) – will not be considered until 2016 when a number of the present interventions have been completed.

(2) Intensifying involvement of Dutch enterprises and knowledge institutes:

Value chain development and improving chain efficiency will require investments in new technologies. To get these technologies in place, efforts to involve Dutch companies and knowledge institutes will be intensified. At the same time, this will further accelerate the transition from aid to trade. There are already some promising examples of private sector involvement in the food security projects, including the Dutch private sector, e.g. the involvement of Aftab Bahumukhi Farms Ltd in PROOFs and the Food Safety project, WAB Trading International in SaFaL, the partnership between WFP and DSM in food fortification and the partnership between SaFaL and the Dutch Agricultural Economic Institute/Wageningen University & Research Centre (LEI/WUR) on aquaculture practices and trade. Wherever this will prove relevant, other financial instruments as well as the NICHE Programme will be used to further stimulate such involvement. Trade missions facilitated by the Embassy's Economic Affairs cluster and Nyenrode Business University are also expected to contribute to this. Areas where Dutch enterprise and expertise from the top sector agro-food can play a role are, amongst others: sustainable farm technology, input supply, crop wastage reduction, storage, transportation, quality control, packaging, retail, co-operatives, etc.

(3) Local economic governance:

The capacity for local economic governance needs strengthening to support food security interventions as well as water management interventions geared towards food security in the south-west of Bangladesh where the interventions of the Embassy in agricultural production are concentrated. The capacities of local government institutes in this region in coordination, facilitation, regulation and the provision of public economic services are indispensable for making food security interventions more effective and more sustainable and are key to local economic development in general. This activity would involve VNG International, the development agency of the Association of Dutch Municipalities, which has much expertise in this area.

Many development partners are active in the field of food security. Donor harmonization, coordination and joint learning are urgently required. At the national level, the Country Investment Plan serves as a rallying point for donors active in food security, while the FAO Masterplan for the Southern Region will serve this purpose for south-west Bangladesh, where most of the Embassy's interventions in agricultural production and water management are taking place. At the national policy level, the Embassy will continue to actively participate in the working group Agriculture, Rural Development and Food Security under the Local Consultative Group (LCG). The EU has also started a consultation process with member states for the formulation of a new EU food security programme taking into account the interventions of the member states, notably the United Kingdom, Denmark, Germany and the Netherlands. This will provide a starting point for joint programming and the achievement of policy coherence for development.

4.2.4 Risks

Risks at the programme level include: potential growth in the fisheries sector leading to exports at the expense of local food security, for instance through usurpation of fishing rights by local strongmen. Land and water distribution rights and disputes issues are risks that are directly linked to those mentioned above. Development programmes that undermine private sector development, such as asset transfer (distribution of assets for free) is also a risk. Other risks include a lack of rules for business, corruption and weak governance. Fiduciary risks will be a function of modalities and partners. Inflation is increasing at a high rate. Cyclones, floods and political unrest may also cause considerable setbacks in agricultural development.

4.3 Sexual and Reproductive Health and Rights

4.3.1 Strategic goal: "Contributing to the implementation of Bangladesh's Health Population Nutrition Sector Development Plan (HPNSDP), in particular to those aspects which impact family planning and adolescents and youth's sexual and reproductive health and rights with the aim to reduce maternal mortality"

4.3.2 Results

- Strengthened SRHR within the government's health policy and system
- Improved knowledge among men and women about menstrual regulation/unsafe abortion, better access to improved GoB services
- Improved comprehensive sexuality information and education and more demand and utilisation of SRHR related services for young adolescents run by the GoB and NGOs
- Reduction of violence against women and improved working circumstances for women with access to health and legal services for women in selected slums

- More involvement of men and other stakeholders such as service providers, law enforcers, RMG management in SRHR related activities
- More respect for the sexual and reproductive rights of young and unmarried people and for sexual minorities
- Production of pro-poor accessible SRHR related products (sanitary napkins, contraceptives, medical abortion) through social marketing organizations
- Married adolescent girls are able to delay first pregnancy, employ birth spacing and ensure their sexual and reproductive health rights

4.3.3 Activities

A comprehensive programme which is in line with the Government of Bangladesh's post 2015 agenda, the 6th 5 Year Plan, the Health Population Nutrition Sector Development Programme (HPNSDP) and the Adolescents Reproductive Health Action Plan will be further developed in the coming years. The programme will follow the Dutch policy 'What the world gains' as well as the Netherlands' priorities for the post 2015 agenda: SRHR and women's rights. In the Embassy's programme, the priority target group is adolescents: in school, drop outs, working, married and unmarried young people. Where possible, the private sector will be an important stakeholder. This will include social marketing companies, private clinics, employers, garment factories and pharmacies. The Embassy is working closely with telecommunication and social media companies to create awareness and to provide fundamental information on SRHR. The private sector as well as the government plays important roles in sustaining the interventions.

Special attention in the Embassy's SRHR programme will be given to prevent child marriages, as Bangladesh is one of the countries in the world with the highest percentages of child marriages. The Balika intervention research is developing an evidence based model to delay marriages and a new activity will start to provide opportunities to young mothers to go back to school and to generate income. They will get livelihood and life skills training as well as family planning services. The results of the action research programme Growing Up Safe and Healthy will be applied in a new service oriented gender programme in Dhaka slums, in which legal services will provide guidance to mainly female garment factory workers on how to improve their working circumstances. Experience gained through on-going activities in the garment factories to provide female workers with information on SRHR will be used in an innovative programme in the garment industry where SRHR will be transformed into a business case. Both programmes will work closely with the Embassy's ILO Programme on, among others, improving working circumstances. Through a new social marketing programme, the pharmaceutical industry will be involved in the production and dissemination of medical abortion, the production of sanitary napkins and the production of cheaper and more attractive contraceptives for young people. Knowledge development will take place through a conference on SRHR where the Embassy's partners will share their evidences gained during the last couple of years.

Through the support to the HPNSDP and its membership of the Task Groups for Maternal Neonatal Child and Adolescent Health and Family Planning (MNCAH&FP) and Gender, Equity Voice and Accountability (GEVA) under the LCG Health, the Embassy will continue its contribution in policy dialogue at the country level to provide continuing emphasis on adolescents' reproductive health and rights, and the importance of comprehensive sexuality education and family planning. This will be improved at the local level by the Unite for Body Rights programme which will continue to support the need for more respect for the sexual and reproductive rights of young and unmarried people. This will be achieved by the use of electronic and social media to change mindsets and by engaging men and boys. The Generation Breakthrough programme will engage boys and young men by promoting healthy relationships. Gender- based violence will be a crosscutting issue in all programmes. All interventions will be integrated through community support approaches where possible and through strengthening the (local) government to provide more youth friendly SRHR services.

The Embassy works in close cooperation with a number of Dutch and other international NGOs as well as with multilateral organizations, including UNFPA, UN-Women and UNICEF, that play an important role in the field of SRHR. The main bilateral partner in this area for the Embassy is the Embassy of Sweden.

The NICHE Programme provides interesting women's empowerment opportunities linked to the Embassy's SRHR programme. Two programmes have been tendered so far. One aims to improve SRHR in government and provide NGO training programmes for service providers, while the other aims to support the development of a curriculum for counsellors in the field of SRHR. Such a curriculum does not exist today.

The SRHR subsidy programme, supported by Headquarters, together with Dutch partners carry out three programmes in Bangladesh: combatting HIV/AIDS; HIV/AIDS services for sexual minority and SRHR in garment factories. The involved NGOs keep the Embassy informed about their progress related to more respect for sexual minorities and the Embassy includes these as project partners.

4.3.4 Risks

Based on 2011 figures, there is a risk that the GoB will not take the necessary actions related to adolescents' SRHR to address the enormous need for information and services. There is a risk that the increasing influence of social media may negatively impact adolescents' sexual health.

Mitigation measures will include partnerships with other donors, knowledge development and dialogue and advocacy with local and national government officials, as well as with religious leaders to promote SRHR in education. Involvement with the private sector, such as the ready-made garments industry, will grow as evidence begins to show that investing in workers' health benefits production. The two annual sharing meetings with the Embassy's partners' programme directors will identify political obstacles to SRHR interventions and will look to identify ways to support advocacy and lobbying efforts that can help overcome these obstacles.

4.4 Trade and economic development

4.4.1 Objective:

"Strengthening commercial ties between the Netherlands and Bangladesh in a responsible, and thus sustainable, manner, ensuring social and environmental compliance and supporting the improvement of the Bangladeshi business environment with a spill-over effect that improves the lives of the poor."

4.4.2 Results

- Enhanced exchange of market information in sectors which represent opportunities for Dutch and Bangladeshi businesses, as well as match-making through the partnership with Nyenrode.
- Positive impact on the volume of new trade and investment relations, employment generated (specifically employment of women).
- Economic diplomacy used to positively position Dutch entrepreneurs and Dutch knowledge and expertise in Bangladesh.
- Dutch business community facilitated in pursuing tenders offered through international organizations (the World Bank and the Asian Development Bank are the largest donors in Bangladesh).
- Strengthened links between development cooperation priority areas (water, SRHR and food security) and private sector partnerships. The Embassy's development programmes can function as a gateway for Dutch entrepreneurs. The Embassy can link public and private parties while enabling Dutch knowledge and expertise to contribute to important development issues in Bangladesh.
- CSR and compliance with international labour and environmental standards and tripartite social dialogue enhanced.
- Enhanced networks and linkages established with knowledge institutions such as NUFFIC to improve expertise in the areas of private sector development and CSR.

4.4.3 Activities

The Embassy, with Nyenrode, will pro-actively liaise with Dutch entrepreneurs to support their efforts to pursue potential market opportunities in Bangladesh, including by organising networking events. Sector studies will identify 'quick wins' aiming at targeted interventions in a number of growth sectors where Dutch entrepreneurs have added value. Nyenrode will execute four sector studies in total as well as organize sector meetings in the fields of water, agribusiness, logistics and IT, with the aim to brand Bangladesh economically in the Netherlands.

These sectors have been targeted in view of the Topsector policy and the great potential for Dutch-Bangladesh business opportunities in these industries. Identified business opportunities will be highlighted with the aim to mobilize the Dutch community towards Bangladesh. Based on the sector studies and linked to the Embassy's development projects, relevant Dutch businesses will be targeted. They will be encouraged to participate in missions to Bangladesh and/or to receive Bangladeshi business delegations in the Netherlands. Brokering of Dutch commercial interests including sharing information on procurement opportunities for companies and assistance to secure tenders, as well as effective Holland branding and setting up user-friendly communication

and information systems are on-going. Businesses in the Dutch private sector will be linked to local partners and projects, such as the development of a Deep Sea Port in Bangladesh. Efforts will be made to stimulate CSR awareness and behaviour throughout all activities, with special attention for CSR in the RMG sector. Through a pool funding arrangement, the Embassy will support the major ILO programme for improving labour conditions in the RMG sector, as well as some additional programmes for safe labour conditions in RMG that are being developed by other organizations.

Satellite activities to enhance CSR such as the FMO's initiative to promote environmental and social standards in the ship recycling industry will be supported. Dutch private sector development (PSD) efforts, promoting synergies and continuing to leverage the impact of Dutch PSD instruments (PSI, ORIO, Dutch Good Growth Funds, PUM) in Bangladesh will be facilitated. The Embassy will provide support to strategic interventions, through economic diplomacy as well as targeted activities which focus on strengthening small and medium businesses and tackle critical constraints that need to be addressed to create an enabling environment. Further on-going services include the provision of market information, validation of agents/potential partners, key market players or potential customers, establishing the interest of such contacts in working with the company and arranging relevant appointments for the Dutch and Bangladeshi business communities.

4.4.4 Risks

The political instability expected in the run up to and aftermath of the elections to be held late 2013/early 2014 are not conducive to the trade and investment climate in Bangladesh and can pose a serious challenge to the implementation of the development programmes as well as Nyenrode's trade promotion activities. Besides political unrest, the inadequate state of infrastructure (especially in the supply of electricity); inadequate access to finance and widespread corruption, pose bottlenecks for the trade and investment climate. Lastly, Bangladesh faces considerable challenges in the field of CSR as was clearly exposed by the recent accidents in the RMG sector.

It is expected that the political situation will normalize by the second quarter of 2014 allowing both trade and PSD missions to be rescheduled and planned accordingly. Notwithstanding the current political turmoil, it has been possible to organize in the last six months, two sector studies, a PSD mission and a trade mission. Although economic downturn may hamper results due to mentioned bottlenecks, the impact of proposed activities should still show a significant increase in trade and investments between Bangladesh and the Netherlands. Dutch companies and entrepreneurs are consistently apprised of the challenges and risks of conducting business in Bangladesh particularly with regard to weak CSR, infrastructure and governance (primarily corruption related) and are supported extensively in their activities. Corruption risks are included in the sector studies and in presentations on business opportunities in the private and public sector in Bangladesh prepared by Nyenrode. Furthermore, promotion of integrity and corporate governance according to OECD guidelines is a key area of expertise of Nyenrode University, in which it closely cooperates with Transparency International and Bureau Integriteitsbevordering Openbare Sector (BIOS). Responsible and sustainable business forms the core aim of all activities encompassing the Embassy-Nyenrode partnership. Lastly, the Netherlands are contributing to the improvement of Bangladesh's CSR image through intense political and diplomatic involvement in the RMG industry and its financial support to various programmes for the improvement of labour conditions.

Section 5 Other foreign policy instruments

5.1 Political work

The Embassy will follow and analyse political developments directly relevant to bilateral relations between the Netherlands and Bangladesh. The political work will strongly focus on elections, governance, related to the priority areas in the cooperation agenda, and trade/economic relations and public diplomacy.

5.2 Culture and sports

Culture and sports activities will not be a priority. Activities in this area will be carried out with the Dutch business community and it is proposed to implement one activity, benefitting from the presence of the Dutch coaching staff of the national soccer team.

5.3 Consular affairs

Since June 2012, Schengen visas are issued by the Swedish Embassy in Dhaka. There is intense cooperation and communication with the Swedish Embassy to provide "orange carpet" treatment for legitimate frequent travelers and to help enhance and increase economic ties between the Netherlands and Bangladesh. A "blue carpet" policy is introduced for seamen. Long term visas can still be applied for at the front office of the Embassy and will be processed by the back office of RSO Kuala Lumpur. The number of registered Dutch citizens in Bangladesh is relatively small (250), with the majority based in Dhaka. This makes the Dutch community easy to reach in case of calamities. Requests for consular assistance occur occasionally. The front office is offering other consular front office services (interviews, DNA-tests, civic integration exams, verifications, Dutch passport applications and consular declarations).

Section 6 Financial implications

Financial ODA implications 2014-2017 in € (budget-code, description of the policy area)

Budget 2014-2017		
1.3	Stronger private sector and better investment climate in developing countries	12.000.000
2.1	Improved food security	22.550.000
2.2	Improvements in water management, drinking water and sanitation	95.370.000
3.1	Sexual and reproductive health and rights for all; stopping the spread of HIV/AIDS	20.400.000
3.2	Equal rights and opportunities for women	10.530.000
3.4	More professionals, institutions for higher and vocational education strengthened; promoting research with policy relevance	6.372.000
4.3	Developing the rule of law, reconstruction, peacebuilding, strengthening the legitimacy of democratic structures and combating corruption	2.800.000
Total		170.022.000

List of Acronyms

ADB	Asian Development Bank
BDP 2100	Bangladesh Delta Plan and Framework 2100
BRAC	Bangladesh Rural Advancement Committee
CDSP IV	Char Development and Settlement Programme IV
CSR	Corporate Social Responsibility
DSU	Dutch Sustainability Unit (NL)
EU	European Union
FAO	Food and Agriculture Organization
FMO	Nederlandse Financierings Maatschappij voor Ontwikkelingslanden (NL)
FY	Fiscal Year
GDP	Gross Domestic Product
GEVA	Gender, Equity Voice and Accountability
GoB	Government of Bangladesh
HPNSDP	Health, Population and Nutrition Sector Development Programme
ICCO	Interchurch Organisation for Development Cooperation (NL)
iDE	International Development Enterprises
IFC	International Finance Corporation
IFI	International Financial Institutes
IMF	International Monetary Fund
IPI	Implementatie Platform IFI-aanbestedingen (NL)
LCG	Local Consultative Group
LEI/WUR	Landbouw Economisch Instituut/Wageningen Universiteit & Research Centrum (NL)
MASP	Multi-Annual Strategic Plan
MDG	Millennium Development Goal
MIDPCR	Market Infrastructure Development Project in Charland Regions
MNCAH&FP	Maternal Neonatal Child and Adolescent Health and Family Planning
MNCH	Maternal, Neo-Natal and Child Health
MoHFW	Ministry of Health and Family Welfare
MR	menstrual regulation
NBR	National Board of Revenue
NGO	Non-governmental organization
NICHE	Netherlands Initiative for Capacity Development in Higher Education institutions (NL)
NUFFIC	Netherlands Organization for International Cooperation in Higher Education (NL)
NOW	Nederlandse Organisatie voor Wetenschappelijk Onderzoek (NL)
NWP	Netherlands Water Partnership (NL)
ODA	Overseas Development Aid
OECD	Organisation for Economic Cooperation and Development
ORIO	Facility for Infrastructure Development (NL)
PaCT	Partnership for Clean Water
PC	Planning Commission
PFM	Public finance management
PfW	Partners for Water (NL)
PIM	Public investment management
PPP	Public Private Partnership
PROOFs	Profitable Opportunities for Food Security project
PSD	Private sector development
PSI	Private Sector Investment program (NL)
PUM	Netherlands Senior Experts Program (NL)
RMG	Ready Made Garments
SaFaL	Sustainable agriculture, Food security and Market linkages project
SFYP	Sixth Five Year Plan
SME	Small Medium Enterprise
South-West	South-West Area Integrated Water Resources Planning and Management Project
SRHR	Sexual Reproductive Health and Rights
UN	United Nations
UNDP	United Nations Development Program
UNFPA	United Nations Population Fund
UNICEF	United Nations International Childrens Emergency Fund
VAW	Violence against women
VEI-DWASA WOP	Vitens Evides International-Dhaka Water Supply and Sewerage Authority Water Operators Partnership
VNG	Vereniging Nederlandse Gemeenten (NL)
WASH	Water, Sanitation and Hygiene
WFP	World Food Program