

ActionAid Bangladesh

Country Strategy Perspective
(1999-2003)

Dhaka, Bangladesh
July 1998



Terms and Abbreviations

AAB	ActionAid Bangladesh
AAN	ActionAid Nepal
ADAB	Association of Development Agencies in Bangladesh
ADB	Asian Development Bank
AIDS	Acquired Immune Deficiency Syndrome
AMOD	Aid Management Office Dhaka (of the British High Commission)
ASA	Association for Social Advancement
BAKSAL	Bangladesh Krishak Sramik Awami League
BAT	British American Tobacco
BAWPA	Bangladesh Agricultural Working People's Association
BBS	Bangladesh Bureau of Statistics
BNP	Bangladesh Nationalist Party
CARE	Coordinating American Relief Everywhere
CD	Country Director
CIRDAP	Centre for Integrated Rural Development in Asia and the Pacific
COAST	Coastal Association for Social Transformation
CSP	Country Strategy Perspective
DA	Development Area
DCU	Disability and AIDS Coordination Unit
DFID	Department for International Development
EU	European Union
FMTU	Financial Management Training Unit
HAU	HIV/AIDS Unit
HIV	Human Immunodeficiency Virus
HKI	Helen Keller International
HRD	Human Resources Development
IMF	International Monetary Fund
INGO	International NGO
JJS	Jagrata Jubo Shangha
LDC	Less Developed Countries
M&E	Monitoring and Evaluation
MIS	Management Information System
MTR	Mid Term Review
NFPE	Non-Formal Primary Education
PTU	Participatory Training Unit
RAP	Research and Advocacy Plan
RCU	REFLECT Coordination Unit
REFLECT	Regenerated Freirean Literacy through Empowering Community Techniques
SAARC	South Asian Association for Regional Cooperation
SANMFI	South Asian Network of Micro-Finance Institutions
SAP	Structural Adjustment Programme
SUS	Sabalamby Unnayan Samity
SWOT	Strengths, weaknesses, opportunities and threats
UAU	Urban Adolescents' Unit
UNDP	United Nations Development Programme

UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WB	The World Bank
WFP	World Food Programme
WTO	World Trade Organisation

Foreword

Writing a Country Strategy Perspective is a statutory requirement of ActionAid and is an exercise that comes along every five years. This Country Strategy Perspective is the fruit of seven months of dedicated work with the involvement of close to fifty staff. I am confident it reflects the process and content of the discussions in the field, the workshops, and the meetings at which many points were finalised.

This CSP provides the reader with a clear sense of direction for ActionAid in Bangladesh. We wish to become an organisation that supports NGOs on a long term basis, often with an integrated approach and a geographical focus, and we will continue to strengthen many, mostly small organisations that initiate work on development themes where we believe we have a distinctive competence. These approaches will enable us to play a modest, though innovative and stabilising role for partner organisations in the fast paced development sector in Bangladesh. Important to note is that we will contribute to reduce poverty and to reduce the inequality in society with which specific groups of the poor and the vulnerable are confronted.

ActionAid Bangladesh will further grow, both in volume and in the diversity of its activities. Given high and persisting poverty levels in the country and following our mission we are prepared, and particularly seek to contribute to changes with lasting benefits for the poor.

The following colleagues have made important contributions at various stages of this CSP process for which I wish to thank them specially: Naheed Ahmed, Humaira Aziz, Subrata Chakrabarty, Robert Chambers, Zia Choudury, Navaraja Gyanwali, Bhuvana Krishnan, Tricia Lustig (lead consultant), Ravi Narayanan, Moushumi Nasser, Nafees Rahman, Shameem Siddiqi and Shoaib Siddiqui.

Ton van Zutphen
Country Director

Dhaka, July 1998

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BANGLADESH

Poverty and Vulnerability At a Glance

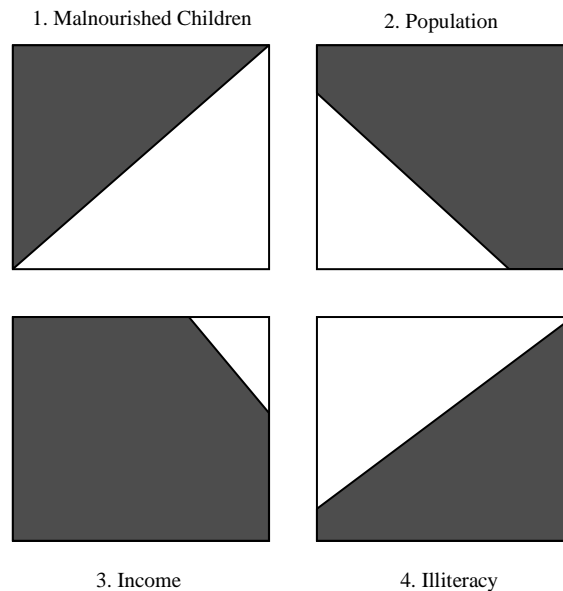
Demography			
Total population †:	124 million	Urban population in slums ©:	50%
Population density †:	861 / sq km	Urban population growth †:	6%
Population growth rate †:	1.8%	Life expectancy*:	58 years
Population in urban areas †:	20%	Fertility rate*:	3.3%
Poverty and Income			
Incidence of poverty (basic needs)*:	35.6%	Per capita income*:	265 US\$
Population below poverty line ©:	64 million	Economic growth rate †:	5.5%
Population in absolute poverty*:	23 million		
Health, Food and Nutrition			
Access to basic health services †:	50%	Child immunisation DPT/Polio (3 doses)*:	70%
One doctor per †:	5,000	Per capita annual health expenditure*:	3US\$
people		Contraceptive prevalence rate †:	49%
Iodine deficiency †:	69%	Under-five deaths for malnutrition ©:	100 /
Anaemic women and children †:	70%	1,000	
Water and Sanitation			
Access to safe drinking water*:	97%	Use of sanitary latrine*:	44%
Use of safe drinking water*:	67%	People affected by arsenic contamination †:	50 mil.
Education			
Adult literacy rate*:	43%	Attendance in govt primary schools*:	60%
Children net enrolled (6-10 yr)*:	79%	Children out of primary school ©:	29 mil.
Not attending school (6-10 years)*:	15%		
Status of Women			
Women as proportion of population †:	48.8%	Women as directly elected MPs †:	2.3%
Women economically active ©:	62%	Quota for top civil service †:	10%
Female share in total income ©:	<25%	Maternal mortality rate*:	449 / 1,000,000
Status of Children			
Infant mortality rate:	77 per 1,000	Urban children under work †:	15%
<5 malnutrition rate*:	55%	Child (12-16 yrs) labourers †:	15 mil
<5 children with disability*:	5.1%	Underweight birth ©:	50%
Underweight children †:	57%	Children forced into prostitution ©:	10,000
Rural children under work †:	20%	Infant mortality rate*:	75/1,000

Legend: * = figures from 1998 † = figures from 1997 © = figures from 1993

- Sources:**
1. *Bangladesh: Economic Trends and the Policy Agenda*, The World Bank and The Asian Development Bank, 1998.
 2. *Bangladesh: From Counting the Poor to Making the Poor Count*, The World Bank, 1998.
 3. *The Dancing Horizon: Human Development Prospects for Bangladesh*, The World Bank, the UN and The Asian Development Bank, 1997.
 4. Haq M, *Human Development in South Asia 1997*, HDC/UPL, 1997.

A word of caution: In the geographical areas where ActionAid Bangladesh works, most of the above figures on poverty and vulnerability are far worse than the national average.

South Asia: The Most Deprived Region in the World



The four squares dramatically capture the various dimensions of human deprivation in South Asia. The lighter area in

- the top right hand square shows that the region contains 22 per cent of humanity;
- the bottom left hand square indicates that, despite this vast human potential, South Asia's share of global real income is a meagre 6 per cent;
- the bottom right hand square shows the region's massive share of world's total illiterate population (46%)-over twice as high its share of the world's population;
- the top left hand square represents the shocking fact that 50 per cent of the world's malnourished children live in South Asia

The overall extent of this human deprivation is simply colossal: the deprivation of human capabilities far exceeds the deprivation of income alone and affects over 500 million people in South Asia of which around 70 million people in Bangladesh.

Adapted from 'Human Development In South Asia' by Mahabub ul Haq, HDC/UPL, 1997.

1. EXECUTIVE SUMMARY

ActionAid came to Bangladesh in 1983. The first Country Strategy Paper (CSP-I) was completed in 1994 and laid the foundation for the changes to come. This meant less direct operations and more support oriented work in co-operation with NGOs, government and specialised institutions to enhance networking, and to research on new and innovative development themes. The country programme took these recommendations at heart, expanded on them, and introduced a number of extra elements to the programme.

AAB has grown within the competitive development sector in Bangladesh, both in volume and in diversity. We have now reached a stage whereby work with over sixty partner organisations receives the bulk of the attention. From an INGO perceived by stakeholders to do development, we are now seen by most as an organisation that supports capacity building in the sector and that is known for its active and creative stand on specific development issues.

The Changing Context

Bangladesh is without doubt one of the very few countries in the world where a visitor is confronted with extreme levels of poverty wherever he or she goes. While the majority of the population will remain poor during the next five years there are many ongoing changes and some of these may start having an impact in the first decade of the next century. Silent revolutions are happening in the areas of safe water provision, immunisation, primary education, and access to micro finance whereby millions of poor people and in particular women and children are covered.

The society continues to open up and the country plays a more assertive political role in the South Asian region. If a conducive climate could be installed there is good opportunity to develop (export oriented) business and create national wealth by exploiting the immense oil and gas fields. In spite of these positive notes and opportunities there remain serious limitations that hinder progress: the social fabric keeps women in a disadvantaged position with little decision making power, the quality of public services continues to deteriorate and the government remains far too inert to lead the country towards pro-poor change.

Major Players

Government's role is not changing fast enough: in a society where access to information technology, restructuring of business and speedy decisions are becoming the norm, the government continues to lag behind and has become in the eyes of many a partner to avoid. This is a general feeling in business and even in some quarters of the development sector, including bilateral and multi-lateral aid organisations. However government sets not only the frame but also directs how work is implemented; so far results continue to be mediocre. The short history of poverty alleviation teaches us that policy makers are not prepared to make significant changes in the system to allow for more accountability, streamlined decision making or simply to consider what the majority of the population can contribute.

The aid sector remains diverse with international donors promoting their strategies to push developments; a positive sign is that emphasis is shifting towards direct poverty reduction and towards more co-ordination, also with the NGO sector. Bangladesh offers most likely the most professional and dynamic array of NGOs in the world. Numbers and variety are large with a recognised contribution to development by all players. In this context and compounded by high numbers of poor and vulnerable people, we anticipate that aid to Bangladesh will only slowly reduce, if at all, and that NGOs remain in a good position to strengthen their

initiatives.

In future and well within this CSP period it is likely that the corporate sector and institutions that are part of civil society will become distinctive contributors to development. The corporate sector is dynamic with excellent links to companies in the north. Numbers of organisations that stand for humanitarian issues such as women's and children's rights are increasing. There are opportunities for AAB to becoming involved here.

Analysis of Poverty

There are two basic causes of poverty in Bangladesh: societal and natural. Societal causes include the fatalistic view of life that most of the poor hold, *Shomaj* and the class system, inappropriate application of religion, the vicious cycle of poverty which is very hard to break, deterioration of the environment and inappropriate and corrupt administrative structures. Some of this is changing due to the trends mentioned above, e.g. the *Shomaj* system is loosening somewhat and there has been some education of the poor in what their basic rights are, but most has remained the same. Natural causes seem to worsen: cyclones and flash-floods continue to strike Bangladesh with a high frequency causing negative impact to the lives of all, but most especially the poor who have nothing to fall back upon.

We have calculated that in 1995 out of a total population of around 122 million there were 63 million poor people and that reduction in the number of poor people is statistically insignificant. Poverty is distributed throughout the country with the worst urban areas in the north and the coastal areas, and with rural poverty being most pronounced in the north, central-north and western coastal belt. We have reviewed major groups to work with and these now include: Poor and vulnerable women and their children, Disabled people, Adolescent girls, Urban slum dwellers, Poorest of the poor.

Review of AAB

Since 1995 we have moved into working in partnership with organisations instead of doing direct implementation ourselves. From three direct, operational DAs, we now have eight DAs of which five are in partnership with NGOs; in the thematic areas we work exclusively on a partnership basis. We have developed a three-way monitoring and evaluation system to help partners and ourselves to better implement, and assess progress, utilising tools that measure results in quantitative and qualitative ways.

While there has certainly been much progress on the programmes side we realise that the structure of AAB continues to have difficulty to adapt to changing situations. In terms of staffing there certainly is commitment although high turn over of senior managers can to some extent be linked to lack of further career prospects and international training. There is also evidence that ongoing change leads to feelings of insecurity, an aspect well known within the South Asian context. We believe that we can address this appropriately in the years to come and a human resources development project to improve the situation is proposed in the CSP.

Future strategies

After a review of our vision and mission statement the latter now reads: "We work with the poor and vulnerable to help them improve their lives and to achieve and sustain their basic needs and rights". We then positioned AAB in the national context as an enabling organisation supporting partners while at the same time we realise that we have to renew our options constantly because of the fast paced NGO environment. We wish to attend a critical

mass so we can be heard, seen, critiqued and appreciated. We have determined our optimum size to ensure that our development efforts are cast in an efficient and effective frame.

We propose to emphasise three strategic themes:

1. Consolidate strengths and set priorities based on criteria; in the coming five years we will move to work with partner organisations only, except in the rare situation where we can display a clear comparative advantage. We expect that the areas and organisations selected as DAs will have some geographical focus.
2. Restructure the organisation so it will respond well to further growth and the changing environment; this requires a gender sensitive human resources development plan including opportunities for career development. This is expected to lead to better retention of staff and a higher level of institutional memory. The proposed organogramme provides for a limited number of new senior staff positions while some of the units will receive a larger mandate.
3. Share what we know and learn; in line with crucial elements in the ActionAid corporate strategy and based on our limited, though positive experience we will become more active in promoting best practice and enable organisations to learn from each other. We are member of all major networks and will support close to hundred organisations in a few years from now; we have expertise and first hand experience on relatively new or neglected development issues such as disaster management, adolescent girls, disability and adult literacy. In addition we are engaged in research that can break new ground and we can advocate for change and influence others, whereby we envisage in particular the larger Bangladeshi NGOs.

Financing

The proposal is to grow further but at a reduced pace with a yearly average of 10% over a five year period. There will be an increase in project costs, a decrease in support costs and very modest fundraising costs. This should lead to optimum size by the year 2003. There has been a healthy financial situation throughout the past with realistic income projections and expenditure figures, and a balanced income portfolio with funds generated from (child) sponsorship, from the corporate centre and from initiatives in Bangladesh. This CSP suggests a funding strategy which builds on the existing one and may foresee only extra income from the corporate sector in Bangladesh in the medium term. From an agreed budget of UK£ 1477K for 1998 we plan to reach UK£ 2399K in the year 2003.

We look forward to implement the CSP-II document and pledge to do so with enthusiasm, creativity and engagement

2. INTRODUCTION

ActionAid came to Bangladesh in 1983. The first Country Strategy Paper (CSP-I) was completed in 1994 and has guided AAB's work since then.

2.1 First Country Strategy Paper

The Country Strategy Paper (1994-1998) was the product of a first, all encompassing and systematic attempt to put AAB in the context of the country's development. It presented an excellent poverty analysis on which the second CSP has drawn considerably. It already included a SWOT analysis to which the input from the staff had been crucial and it defined a mission statement that has now been reviewed and re-set in the context of the changes that marked the last five years. The first CSP provided the ideological and theoretical basis for the changes ahead. Strong in analysis and with a wealth of information it can now, with hindsight, be said that the first CSP presented an opinion which was perhaps too modest about the potential for AAB to redirect major aspects of its work and to become a more proactive player in development in Bangladesh. In addition to this, the pace of increase in £UK budget expenditure has, in reality, been faster with an annual average of 19%. It was felt that with existing poverty levels, the country programme was under resourced and we recognised that in order to achieve greater coverage and impact, partnerships with Bangladeshi NGOs and possibly the government should be pursued. We diversified into new themes and these are now firmly rooted within many projects that we support. The concept which held that the programme should become less operational, has been followed although results have not come as quickly as expected. On the other hand, our work in partnership with NGOs on thematic aspects, in the DAs and, indeed, with a number of networks increased each year and we now work with over sixty organisations. There seems to be a trend away from financial support for the conventional field activities to more emphasis on support for capacity building. In terms of income, expenditure and reserves, the country programme has continued in a healthy position.

The broad strategic approaches of the CSP-I were to follow several different programme interventions. These were: continue direct implementation in DAs, work with other institutions and the government, networking, advocacy, identification and promotion of special issues, and research and policy work. To do this we needed to target staff development and have a constant exchange of information and findings throughout the organisation and the rest of ActionAid worldwide.

2.2 Country Strategy Perspective II Methodology

A CSP core group consisting of senior managers, the lead consultant and the country director was formed to provide guidance and motivation for the entire CSP-II preparation process in December 1997. Three outside consultants were brought into the process; besides the core group, three AAB teams of each 6 staff collected data and information in the field through PRA exercises with staff and beneficiaries; these were then analysed and discussed together with learning points from other ActionAid CSP processes. The three teams reviewed the first CSP and analysed what had changed and what needed to be included in the CSP-II document.

A further analysis was done of views of stakeholders and of trends which would affect AAB. These reports served as input to the first CSP-II workshop end of March 1998. We included 32 staff members from different levels from AAB and from partner organisations. There were representatives from the 7 DAs and representatives from the Country Office. Using a participatory, 'Appreciative Inquiry' approach we produced the information needed for the CSP-II which included the trends and constraints surrounding us, the vision statement and the strategy we would need to follow to achieve that. The framework of the document was then

produced and production began using the content generated by the workshop. In June, the larger team reconvened for further work together to fill in gaps. A final workshop early June formulated ActionAid Bangladesh's comparative advantage and priorities for future work.

3. THE CHANGING CONTEXT

3.1 Social Context

Although the majority of the Bangladeshi population will remain poor during the next five years this does not mean that the country is not changing fast. Silent revolutions are ongoing in the provision of safe water and immunisation, of female education, and of employment of women in the industrial sector, and eventually their voices will be heard. Rapid urbanisation, and increased poverty for lack of employment in the rural areas contribute to a break down of feudal and archaic systems. The country has opened up to import and export products of a variety not seen elsewhere in South Asia; this leads to urban employment opportunities for non skilled labourers and has contributed to growing inequality between the rich and the poor. While these changes are taking place fast involving tens of millions of people, the structure of government, party politics and a simply inefficient administration with its links to the local elites all over the country, hampers the development of a dynamic people.

3.2 Political and Historical Context

Pre-Bangladesh Politics: Bangladesh has a history of exploitation centuries long by Moguls, British and Pakistanis. During British rule in India, Bengali Muslims were less active in the demand of India's partition into separate states for the Hindus and Muslims compared to other parts of India. However, during the Second World war the Muslim League established itself as a political party and was instrumental in the partition of India in 1947 with the province of East Bengal becoming East Pakistan. With power and resources concentrated in West Pakistan there has always been a very unequal relationship with East Pakistan. This was compounded by forcing Urdu as the national language (a language of a small section of the total population, even in West Pakistan) denying the Bengalis the expression of an essential element in their culture. Gradually discontent grew among middle classes in East Pakistan fuelled by not meeting the demand for separation of Pakistan into two parts with equal representation in parliament. A nationalist movement emerged in the form of a new political party, the Awami League, led by Sheikh Mujibur Rahman. In 1970 this party gained a majority of votes in local elections after which Sheikh Mujibur Rahman demanded to be appointed Prime Minister of East Pakistan and that the two regions be governed separately in all matters except for those regarding foreign affairs and defence. The refusal to both propositions, coupled with the failure to aid in severe flood situations by central government in the same year, led to a general strike in East Pakistan. In March 1971, the Awami League declared independence and started the liberation war. This short but atrocious war in which over 3 million Bengalis were killed ended with the intervention of the Indian army. Pakistan surrendered and Bangladesh achieved independence in December 1971.

Politics in Bangladesh : The new constitution provided for democratic elections which were easily won by the Awami League; Sheikh Mujibur Rahman became Prime Minister. Unfortunately his government failed to bring about the desired political and economic stability in what was already one of the poorest nations in the world. Anarchy became rampant in all sectors while the decision to create a one party state, led to the assassination of Mujibur Rahman in 1975 by the military. Two successive military regimes of Ziaur Rahman (Bangladesh Nationalist Party) and Hossain Ershad (Jatiya Party) heightened the use of Islamic ideology and rhetoric while the development of the country remained fairly stagnant. In 1991 the country organised a fair election under a neutral caretaker government. The BNP,

with support of a small fundamentalist party, the Jamat-e-Islami, formed a majority government but was ousted in 1996 by the Awami League after a second round of relatively fair elections. This government has initiated acts and policies of which the important ones are: the Ganges Treaty with India on water allocation; the Peace Accord about the Chittagong Hill Tracts area, and the revised Local Government Act which allows for direct elections at local level.

Existence and use of a number of ‘black laws’, such as “The Vested Property Act”, “The Special Powers Act”, and the newly adopted “Anti-Terrorism Act” gives government the power to detain people without citing the cause; this certainly raises questions regarding the true establishment of democracy in the country. Bangladesh is a People’s Republic. The political system is based on four principles of Democracy, Nationalism, Socialism and Secularism. In 1977 both Socialism and Secularism were replaced by Islam. The 1972 Constitution has been kept under suspension since the promulgation of martial law which lasted from 1982 to 1995.

3.3 Women, Poverty and Equity

Women in Bangladesh play are the driving force in improving the quality of life in poor households. Much of their contribution, however, remains unseen, unrecognised and unaccounted for in relevant statistics. Women begin their lives in a gender biased environment, spend their working lives with a heavier burden than men, and live shorter. Single or married, poor women carry the double burden of looking after the family and working inside and outside home. Labour force statistics reveal longer hours with less pay for women than men in virtually all agricultural and non-agricultural activities. The gender aspect of mortality is confirmed by differentials in male-female infant and child mortality rates which establish a life-long pattern of higher mortality and morbidity for women. Women’s role and participation in household decision making is limited as can be read from the figure below:

Decision making in families

<u>Children’s schooling</u>	<u>Rural</u>	<u>Urban</u>
Wife	6	7
Husband	33	23
Joint	62	70
 <u>Family Planning</u>		
Wife	7	9
Husband	26	20
Joint	67	71

Note: even when men and women make a joint decision we estimate that the influence of the man dominates¹.

Even in middle-class Bangladeshi society a woman does not get equal opportunities when entering the job market or when wishing to make decisions as to how to live her own life. The dominant party in any relationship is always the man which is reinforced by the role society plays.

3.4 Global Trends

¹ BBS, 1994

Economy: There is some evidence that increased globalisation of trade, in particular in the short term, does not favour a very poor country like Bangladesh. Most trading blocks still maintain measures to protect their economies, some of which are linked to issues of quality and governance. The economy of the SAARC region remains unstable heavily influenced and hampered by the ongoing and recently escalating problems between India and Pakistan. Fall out of the South East Asian economic and political woes has so far been limited, partly because export trade of Bangladesh is focused on countries in the North while revenue in US\$ from guest-workers in the Gulf region contributes to the relative stability of the national currency.

Environment: Scientists are about to prove that a climatic change is underway that could seriously affect Bangladesh over the next 10 to 25 years. Perhaps some of the very early signals already influence our work such as the frequency of storms over the Bay of Bengal which seems to increase. The intense pre-monsoon heat and out of season rains in 1998 are said to be caused by the 'El Nino effect'. With the ongoing deforestation in parts of Nepal and India there is a process of deposition of sediments which has a negative impact on river trade but allows for the creation of new lands in the Bay of Bengal. This, in combination with a possible rise in sea level could result in more vulnerability of livelihoods in these frontier areas which continue to attract high numbers of landless immigrants.

Feminisation of Poverty: There is a global trend of families becoming smaller and less dependent on larger family or kinship ties. While this process in some richer countries is reasonably well managed with laws protecting women and children, this is not the case in large parts of the South and in particular in Bangladesh. Women are clearly disadvantaged by certain laws, through wrong interpretation of Islamic law and by the social fabric of society. As a result the discrimination, exploitation and trafficking of women and children, the violence against them and female infanticide is now documented and has become the concern of many organisations in the Asian sub-continent. Governments have been accused for lack of interest in such issues and we know that in many cases government staff has become part of violating the basic rights of women and children.

Aid: There is a new global paradigm that aid should promote change which leads to better governed institutions which should then become more sustainable. During this process, the participation of the majority of the world's citizens, which are the poor, is to be mainstreamed. Additionally, aid does not belong anymore to the traditional players such as governments and development institutions. There will fairly soon be new major players that will take a responsibility towards poverty reduction such as the private sector and a growing number of institutions in civil society. With aid levels falling world wide the challenge is to anticipate change and to venture ahead with new stakeholders. Bangladesh will be relatively well positioned here as it has a vibrant industrial sector, many NGOs of high quality and upcoming actors in civil society such as pressure groups on issues such as democracy, human rights and the status of women.

3.5 National Trends

Economy: The motor that propels the economy has always been agricultural productivity. All experts have now come to realise that although land redistribution remains an important issue it will not lead to a significant rise in productivity levels. In the context of soils becoming depleted and fertilisers becoming less subsidised there is little elasticity in the production of the millions of tonnes of rice needed. With a growing national population of around 7 million people each year we believe that the national cake can only grow by expanding the industry and service sectors and by enhanced employment of people in these sectors. NGOs do play a role here with making micro-finance available to the poor, by

providing increasingly for high quality education so to ensure that millions of poor families, in particular women and their children can improve their lives. In spite of the perception of the government that there is a high potential for foreign investment figures prove otherwise: in 1996 only US\$ 9 million came in as direct foreign investment, a figure irrelevant in the national context. Some of the major reasons are lack of confidence in the political situation, the pervasive bureaucracy and corruption. There is a possibility that in the coming 5 years the state's coffers may benefit from revenues generated from the large gas and oilfields that will be exploited. This could push national growth figures up from the 4.5% average for the past three years to over 7% which is needed to bring a statistically significant number of people out of poverty.

Environment: Our work in the coastal areas links up with major elements that impact on the environment. Amongst these are the accretion of low lying sandbanks which are unprotected against nature; the destruction of the remaining mangrove ecology and the unbridled expansion of the shrimp industry. We will position ourselves with programmes that support land entitlement rights for the poor, that promote sustainable development and that advocate for a more environment friendly fish/shrimp cultivation industry. Urban pollution, caused by industrial waste products and traffic, has a negative impact on the health of millions of people and levels of pollution have no doubt crossed all danger levels everywhere in Dhaka and Chittagong.

Feminisation of Poverty: Nearly a fifth of the total slum and squatter households are headed by women and three quarters of those female headed are either divorced, deserted or widowed as opposed to only 2 percent of male headed². In 1997 we assessed that around 10 to 15% of the women in the Dhaka/Tikkapara slum project were in charge of female headed households, the majority with children. Already socially disadvantaged, women exert hardly any influence at all levels of decision making from national politics down to household level. While the situation in rural areas for women only slowly deteriorates and in some cases actually improves (higher education, higher income) in the urban areas where there are less rules and control women more easily become victims of lawlessness paired with extreme acts of violence. An important development takes place in the garments industry which is export oriented and which employs well over one million women: although income increases this is not matched by improved levels of health, living conditions and security. Certain aspects of poverty may well decrease while the vulnerability of these women remains high because of insecurity in the cities³.

Government: The vast majority of the people and in particular the poor have little confidence in the government. True, for millions of people government does provide a minimum standard of living and monetary security. But trust in government and its services is so bad that even low paid civil servants utilise private education and private health clinics for their families. Major plans that were aimed to change style, efficiency and governance have so far come up against a wall of inert bureaucracy which has an influence on the party that is in power. As such government cannot become a major partner of AAB during the coming 5 years; however there will be opportunities, mostly at local and regional level, where we can work together bring about pro-poor changes. Besides, the possibility to advocate for new policies generated by our experience remains.

4. MAJOR PLAYERS

² Afsar, R. 'Onus of Poverty on Women in Poorer Urban Agglomerations in Dhaka City' in Women and Poverty, Dhaka: Women for Women, Research and Study Group, 1997

³ *Poverty, Work, Health and Sexual Behaviour of Women and Men in Garments Factories in Dhaka, Bangladesh*, ActionAid Bangladesh and UTPS, 1998.

4.1 Government

“The continued absence of the poor and the exploited classes from the political process leaves room for doubt as to the real objectives of the political parties. For both the government and the opposition parties, the poor appear as an important symbolic and social constituency which is not so much to be courted but rather to be used as a tool to state that poverty is the fault of “the other party”.⁴ This perception of government still holds and the rhetoric remains in official speeches. There is, however, an initiative that promotes participation of the poor in local government and allows for direct election at union *parishad* level; hundreds of poor women and men who are supported by NGOs have now become elected members of these local councils. Overall, though, changes in the role of (local) government are hardly noticeable. The way the government operates and the way it fails to provide essential services becomes ever more evident in the context of more access to information even by the poor. The limitations of government in the power supply sector, urban infrastructure, education and health are well documented and the reasons for these are many, having to do with bureaucracy, corruption, and the general state of the civil service - which is characterised by hierarchy, party politics, and large numbers of people without meaningful jobs - to name but a few. The short history of poverty alleviation in Bangladesh shows that policy makers are not prepared to make significant changes in the system to allow for more accountability, streamlined decision making and simply to listen to and have the majority of the population participate at various levels.

Allocations to the Annual Development Plan of the government increase every year but then have to be adjusted downwards because the income from taxes does not match expectations. Raising taxes is traditionally considered as a last option because it is seen to play into the hands of the opposition. It is fair to say though, that in particular the education and health sectors receive increasing financial support although much of this concentrates on infrastructure and salaries (education) while support for the quality of rural health projects runs counter to the active stand the government takes to send doctors to the Gulf and East Asia as guest workers on contract.

In the primary education sector of the government, construction of more schools and the Food for Education Programme contributes to greater access and attendance - in particular of girls - for whom primary education has been made free of any cost. However, attending primary school does not ensure literacy and an estimated 30% of school-going children aged 11 or higher in 1996 do not meet the required standards. Lack of quality in government schools means that drop-outs and repeats are frequent. The major target for the year 2000 of - 70% of all children entering the first grade of primary school eventually reach grade five - will most certainly not be achieved as it stood at 44% in 1992⁵. On the other hand, non-formal primary education provided by NGOs tells a very successful story of quality education combined with cost efficiency. Hundreds of NGOs operate thousands of schools with financial support from donors and most recently with funding from government itself. In the health and sanitation sector, important achievements close to targets were made in immunisation (80% in 1997) and safe water provision (90% in 1997); the government, UNICEF and NGOs have played a key role and co-operated with one another. But, infant mortality and nutrition rates, and the uptake of latrines are lagging behind targets.

The Fifth Five Year Plan (1997-2002) is sure not to attain its targets because of serious fund constraints; over 50% of the necessary total investment is to come from the private sector which has very limited access to credit and capital after the crash of the stock market in 1997.

⁴ CSP-I, 1994

⁵ Progotir Pathay, BBS 1997

The above description of the drawbacks of the government's development efforts has a major effect on how other players, in particular NGOs, view co-operation. Rare are success stories of projects whereby government and other development partners speak of significant progress for the poor. There is recognition of the important role the government needs to play but there is growing support from the public and from our beneficiaries, for a pronounced presence of a strong NGO sector, and off late, a call for the private sector to take up a responsibility to participate in the social aspects of the economy. The relationship between the government and NGOs continues to improve, illustrated by a formalised consultative forum that regularly meets on major issues concerning poverty.

4.2 Bilateral and Multi-lateral Aid

The donor landscape remains, to a large extent, the same. The major donors are The World Bank, the Asian Development Bank, USAID, UNDP and UNICEF, Japan, E.U., Great Britain, the Netherlands, Canada and Germany. The multilateral donors in particular, have strong links with government projects and seem, therefore, to have some influence in formulating better domestic socio-economic policies. Traditionally some of these have given much support to large infrastructure works. While each of these donors follow their own strategies, there is a trend towards more co-ordination, more direct poverty alleviation and towards increased support for the NGO sector. Annual aid commitments remain stable (\$ 1.9 billion for 1998) and are discussed at the Bangladesh Development Forum which is presided over by the World Bank. However, available funds in the pipeline continue to grow (\$ 4.7 billion in 1998), therefore the problem is not one of quantity of funds available but of absorption, capacity and quality output.

Government departments are well known for slow implementation of projects both with external funds and with funds committed to its Annual Development Plan. Some analysts note that Bangladesh will have to accept a reduction in aid commitments in the years ahead in the context of the international aid squeeze. We believe that given the extreme poverty levels, the case for large donor support can easily be argued and should result in continuing to receive aid money at present levels.

4.3 NGO Sector

Bangladesh is well known for its large and diversified NGO sector. It is home to several of the largest NGOs in the South and it is one of the few countries in the world where this sector is not dominated by the international NGOs. Official registration numbers are as follows:

NGOs in Bangladesh⁶

Month	Registered with NGO Affairs Bureau (and can access foreign funds)		Registered with Directorate of Social Services	
	Bangladeshi NGOs (national and local)	International NGOs	National NGOs	Local NGOs
December '90	238	91	Not available	Not available
December '97	1070	150	36	22,745

Notes:

- Further growth is expected in the number of Bangladeshi NGOs, while the number of international NGOs probably remains fairly stable
- Registration with the Directorate of Social Services is not required for international NGOs

⁶ Source: NGO Affairs Bureau, 1998

There is a steady growth in NGO activities; the large national NGOs have expanded enormously during the last 5 years (BRAC in 1998 has a budget expenditure of more than \$US 125 million, excluding its outstanding revolving loan funds). This has been made possible because of two interrelated factors: 1) the quality of work of many of the NGOs has been proven, well documented and accepted by all funding agencies; 2) the international donors have become disappointed by the government and increasingly agree to support the NGO sector.

Almost all NGOs operate on the micro-finance market where the poor can save and borrow small sums of money. An important aspect of this activity is that NGOs have started to levy service charges for greater financial sustainability of their organisations. We estimate that over 60% of the NGOs work with a basic service delivery package which consists of micro-finance, education, health and sanitation projects as core activities. There is also a trend towards bidding for contracts offered by government and international donors, and a search for links with the private sector. The landscape is dominated by a bank with an NGO approach, the Grameen Bank, and the national NGOs BRAC, Proshika and ASA. Some of these focus on micro finance while others are involved in a range of activities including (not for profit) private enterprise, aspects of governance, influencing and advocacy. Of the international NGOs, it is CARE that is by far the largest, mainly implementing contracts for international donors.

It is not a surprise that there is competition and sometimes overlap between NGOs with some of the smaller NGOs being squeezed (out of the market). Although there is the national NGO platform, ADAB, alongside other specialised umbrella organisations for micro-finance, education and others, questions on co-ordination are difficult to treat. This is because of the fast moving pace of the larger NGOs that wish to increase their coverage first and foremost through a standardised and packaged set of activities. It is in the remote areas, where communication continues to be a problem, that local and regional NGOs can compete better. Those NGOs that propose specific agendas and are capable of swift adjustments and change are likely to further develop. NGOs continue to impress donors for their efficiency and effectiveness. In 1997 about 16% (approximately \$265 million per year) of all committed external funds were disbursed through NGOs.

4.4 Corporate Sector

The corporate sector is quite well developed in Bangladesh. There are multi-national and global companies such as oil and recently gas companies (Shell, Mobil, Cairns), chemicals and pharmaceuticals (Novartis, Glaxo-Wellcome, Rhone Poulenc), international banking and finance, BAT (tobacco), the large consultancies (KPMG, Arthur Anderson, etc.), Proctor & Gamble, Unilever, the airlines and the shipping industry. There are also regional and national industries and organisations such as Bata, BEXIMCO and Monno Ceramics which have become large exporters. The garment industry, private clinics, hotels, jewellery, media, tea, import/export, agro-industry, paper and others continue to grow and diversify their business. At present few, if any, of these have great impact on our work with the poor. We receive no funding yet from the corporate sector. We intend to lobby and influence them to work together and we will prepare for this.

4.5 Media

In the context of today's globalisation, the media plays a crucial role in disseminating new and innovative ideas quickly around the world. It should therefore become an important player in the field of development. In Bangladesh, both the electronic and printed media, if mobilised and used effectively, can be a formidable partner in all our advocacy and

influencing work. Also important to note is that a part of the media representing the fundamentalist section of the country will most probably remain hostile to NGO activities while the progressive section of it will more readily ally itself with us.

4.6 Social Groups

Bangladeshi society does not have any distinct social groups capable of influencing major decisions for the nation. However, professional and other guilds can, at times, have some influence on major issues. Professional groups like teachers, journalists, intellectuals, artists, etc. do influence and mould public opinion. While we can expect considerable support from the progressive section of the professionals, we must at the same time remain prepared to counter the opposition from the conservative and fundamentalist sections. While there are fundamentalist and Islamic organisations, led by imams, they are fragmented enough at present, not to influence national decision making. We should, however, bear in mind that they could unit in the future and would then be a force which would affect our work in a negative way.

5. ANALYSIS OF POVERTY

Raising living standards of the vast majority of the poor is the prime objective of development efforts in Bangladesh. The Bangladesh Bureau of Statistics, with support from the World Bank, has now adopted the cost of basic needs method of estimating poverty incidence. The incidence of the very poor declined from 43% of the population in 91-92 to 36% in 95-96; the incidence of the poor declined from 59% to 53%. Rural poverty is still higher than urban poverty. Reducing the poverty of the very poor living in rural areas - still at 40% of the rural population in 95-96 - remains a massive challenge, while inequality within the rural and urban sectors and between these sectors has increased.⁷

WFP measures the poverty level based on a standard intake of 3000 calories for an adult. Some 23 million out of an estimated 126 million people are the 'poorest of the poor' because they live on a daily intake which is less than 1800 calories.⁸ This compares with a calorie intake of 3,149 for Britain and an average intake of 2,100 calories for Bangladesh⁹.

In absolute numbers, the picture clearly shows that progress is statistically insignificant: based on an extrapolation of the World Bank's figures the number of poor people declined only from 65 million in 1991 to 63 million in 1995.

5.1 Causes of Poverty

Fate and hierarchical view of life: The particular communal specificity that has structured Bangladesh society has led to the almost universal acceptance of fate and a hierarchical view of life. For 1,000 years before the arrival of Islam, the society had been structured by Hindu philosophy and the caste system and its influence has continued to exist ever since. Therefore, there is a strong propensity to accept everything which happens as the 'will of God'. The poor's view of the rich is that they were rich because God willed it. Such fatalistic views help to perpetuate unequal and exploitative relationships, based along economic and gender lines and helps to explain why the poor remain poor.

⁷ Bangladesh, *From Counting the Poor to Making the Poor Count*; The World Bank, 1998

⁸ WFP Seminar on Food Assisted Development in Bangladesh, Dhaka 1998

⁹ Asiaweek, May 1998

Shomaj and class system: Due to highly unequal distribution of land, lack of income opportunities, lack of access to capital, and the hierarchical nature of society, both patriarchal kinship and patronage ties are regarded as a means of ensuring security as well as of gaining access to resources. Economically, kinship ties appear to cut across various layers of landholding groups, which means that kinship and patronage ties are in many cases the same. Bearing in mind the hierarchical nature of social and family grouping, and the lack of opportunities and access to resources for the poor, they are forced to maintain their kinship/patronage ties either due to economic necessity or due to kinship obligations. Socially, the elders and the kin/patrons impose a code of conduct for the kinsfolk in general, including matters such as the disposal of assets. Their actions are most negatively felt by female members of the kin group. With regards to patron/client ties, it is normally between surplus farmers/rich traders and the landless labourers/deficit marginal farmers. The patronage group is known as the *shomaj* and the members may include the leader, his kin and members of the extended household as well as tenants and share-croppers who seek security, protection and favours.

Economically disadvantaged sections in rural society belong to more than one *shomaj*: one based on kinship and the other based on patronage ties. In the event of a conflict between two *shomaj*, the clientele has to choose between the *shomaj* factions, resulting in it being ostracised by either its kin group or its patron. The *shomaj* also adjudicates on disputes which are normally not based on abstract notions of justice but are influenced by personal, factional and patronage considerations, leaving the women and poor in a vulnerable position. A number of recent trends are likely to lead to a weakened *shomaj*; the most influential include:

- Continued fragmentation of land, and income source decentralisation render families less dependent on kinship and patronage; this leads to larger numbers of marginal farmers and landless;
- A family's natural and inherited sources of income are decreasing; family size reduces and people become more dependent on physical labour to earn their livelihoods and become more mobile;
- People are more aware of their rights and position in society; dependence on local elites and on money lenders is decreasing;
- Moral values change and less respect for traditional setting and leadership is the result; this includes a weakening of religious conservatism;
- Incidence of the dowry system in rural society is on the increase.

Inappropriate application of religion: The most significant problem with religion in terms of poverty is not what the state and authorities believe, or what the holy book says, but what ordinary Muslims believe and what the religious leaders say at village level. The imams, maullanas and madrasa teachers exercise influence over their followers and pupils. However, they are often illiterate and limited in their knowledge of the religious teachings, hence rational arguments bear less weight than cultural dogmas, unsubstantiated assertions and emotional appeals. This is made worse by the low level of education and awareness among the poor, and also by the fact that most religious teachings are in Arabic. Thus, various Islamic laws relating to basic rights, inheritance, marriage, and divorce and women's role in society are twisted and shaped in a way so as to create and perpetuate the vulnerability of the poor. We know that religious leaders depend upon the rural elites for supporting their work and this often forces them to serve as a mouthpiece of the powerful.

Causes related to the lack of services / vicious cycles: The poor are caught up in never ending cycles of low income, bad health, limited education, large numbers of children etc. If a

poor family is to increase its standard of living, it has to break out of these vicious cycles. One of the major constraints is undoubtedly the geometrical increase in population. Although population growth has dropped to 1.8% in 1995 and is expected to reduce further with an increasing contraceptive prevalence rate, the country will nevertheless have an estimated 130 million citizens by the middle of the year 2000. Maternal malnutrition, infection during pregnancy, anaemia and closely spaced pregnancies are the main causes of low birth weights for one third of new born babies which further contributes to infant mortality and child malnutrition. Incidence of malnutrition (stunting and underweight) is three to four times more among the children of mothers having no education as compared to children of mothers with secondary education.

Causes related to the deterioration of the environment: Increased utilisation of limited resources leads to compounding the poverty situation. During the last few decades, introduction of flood control and drainage structures and the sinking of deep and shallow tube wells have contributed to lowering the ground water table, blocking natural drainage channels, blocking up of fish migration routes and replacement of indigenous varieties of crops with high yielding varieties that need fertilisers and pesticides. There is a shortage of water in the river system during the dry season, notwithstanding the renewed Ganges treaty with India which allows for more seasonal water uptake by Bangladesh; the saline belt steadily moves north reinforced by the unregulated expansion of the shrimp-industry. Recently, arsenic contamination in ground water has led to the closing of hundreds of tube wells and endangers the availability of safe drinking water, in particular for the women who are responsible to fetch water. Other aspects of water pollution include faecal, agrochemical and industrial pollution which are all on the increase, in particular in the cities. Although historically very fertile because of annual flooding, recent data proves that the chemical composition of the soil has deteriorated a great deal because of high cropping intensity, improper cropping sequences and inappropriate use of fertilisers and pesticides.

Forestry and fishery reserves, in particular in the coastal belt, have come under strain: government regulations, even if these do exist, are not followed and sanctions are not applied because of corrupt practices. The 'Sundurbans', a world heritage site and the globe's largest mangrove reserve is indiscriminately plundered of its trees; over fishing has become the norm and no counter measures are taken.

Inappropriate and corrupt administrative structures: Respective governments have proposed many times (on paper) to decentralise to local government structures. However, results have been minimal and little has changed since British colonial rule. The lowest level of administration is the union, of which there are 4,010. The head of the union, the chairman, and the other eleven members are all elected, although almost all are local influential people (rich farmers and businessmen). Two other members are nominated and must be women, invariably drawn from the same kin or economic group. The following implications can be drawn from this:

- Economically and socially advantaged groups gain control over the formal power structures in rural society; they wield influence over the appointed civil servants and are all linked to political parties;
- The role women play in reality is minimal and tends to reinforce their traditional roles;
- Administrative boundaries cut across traditional village community boundaries thereby weakening social cohesiveness, identity and the power of communities.

All this leads to a severe lack of governance; it invites corrupt practices such as graft and vote rigging; violence is often organised by powerful *shomaj* against the landless and, increasingly, against those projects which specifically target the poor and vulnerable. The

latter has clearly been our experience in projects we directly managed on Bhola Island and in the *thanas* of Dewangonj and Islampur in the north of the country.

Natural causes: Bangladesh's location, in the largest delta of the world, results in annual floods, while natural disasters such as cyclones and flash-floods yearly kill hundreds of people, make thousands homeless and contribute to local food shortages. It is important to stress that the annual floods have a positive impact on soil fertility and agricultural production: people cope with these. It is the cyclones, tornadoes and flash-floods that have a negative and destructive impact on the lives of the people, and in particular of the poor, because they do not have land or other assets to fall back on. Storms and flash-floods occur so regular that emergencies at local or regional level in the coastal belt of the Bay of Bengal take place every year.

5.2 Major Vulnerable Groups

In the first CSP, we identified women, children, resource poor, urban slum dwellers, disabled people, street children, and adolescent girls as the major vulnerable groups. Thematic units were set up to work with disabled people and adolescent girls. We continue work with poor women (not women in general) as most work has a primary focus on poor women and their families. We also address the children of those families (along with some children from the community) through child education and immunisation programmes. The resource poor are covered by working with the poor and vulnerable. Although we do not directly work with street children (in the proper sense of the term) we work with some of the poor working children in urban slums on a limited scale. Based on the experience during the first CSP and the Country Review for this CSP, we have identified the following segments of population as the major vulnerable groups to focus on:

- i. *Poor and vulnerable women and their children*
- ii. *Disabled people*
- iii. *Adolescent girls*
- iv. *Urban slum dwellers*
- v. *The poorest of the poor*

Poor women and children will be identified based on a set of primary indicators (e.g. ownership of cultivable land, sale of physical labour to earn livelihoods, etc) which may vary from one location to another. Work with the disabled, adolescent girls and urban slum dwellers will continue but new is to target very specifically the poorest of the poor: each DA, thematic unit and project is allowed to target some of its programme budget to spend on interventions for the poorest of the poor. The exact amount for each DA/Unit/project will be fixed on a case by case basis during the annual planning and budgeting exercise. To work with this group, we can't expect the same extent of outcome/impact as other groups and the same rigour of monitoring may not apply. Simultaneously, the type of operation for this group will be decided on a case by case basis and we will try to avoid 'pure giving'. In practice most development programmes in the country do not work with the poorest of the poor, the extreme poor, the destitute or the indigent as a separate category. This will give us the opportunity to research on and gain experience of work with this largely neglected group.

5.3 Distribution of Poverty

Bangladesh is without doubt one of the very few countries in the world where a visitor is confronted with extreme levels of poverty wherever he or she goes. The World Bank suggests that there is little difference in the concentration of poor households but that geographic differences in poverty are largely explained by different area characteristics; for example

households living in urban Chittagong or the rural areas of Sylhet district are better off than otherwise identical households living elsewhere. Determinants of inequality are education, landownership and location; these could be further broken down into elements such as access to and quality of primary schools and health centres, availability and affordability of land and road infrastructure. Gradually a picture develops whereby poverty in urban areas is stark in the north and in the coastal areas, while rural poverty is most pronounced in the north and centre-north and in the western coastal belt.¹⁰

6. REVIEW OF ActionAid Bangladesh

6.1 Organisational Change of AAB

Programmes: In the first CSP opportunities for programme development were put forward. A new horizon of working in partnership with local NGOs was explored. Most importantly, the CSP framework provided us with a multidimensional focus on poverty. From three direct, operational DAs, we now have eight DAs of which five are in partnership with local/regional NGOs. Long term, integrated development programmes which encompass Health, Education, Micro-Finance, Water and Sanitation were introduced in all DAs. Working with partner organisations tested our adaptability and flexibility in shifting from the role of being a direct implementor to that of becoming a facilitator and capacity builder. The quality of work which has been achieved through the partner organisations leaves no doubt that it was the right avenue to explore. In 1997, the oldest and largest of the DAs phased over into an independent Trust, which proves that we have generated some capacity to transform technical assistance into a different form of organisational set-up with the objective to ensure more sustainability for the communities and the partner organisation. It further indicates progress in policy and strategy formulation for developing various programmes compatible with the needs and strategies of partner organisations.

We also pledged to reduce vulnerability. Through the Disability Co-ordination Unit and the Urban Adolescents Unit, we work with disabled people and adolescent girls to improve their education, rights and skills.

Recently, we introduced a three point monitoring and evaluation system which will help both the partner organisations and ourselves to better implement and assess the impact of programmes (see Chapter 8). There is now a foundation to facilitate our future role of micro and macro policy influencing as we have become active in a number of highly relevant studies and experiments. We have also made a significant contribution in both AA regional and international initiatives.

Approach: We work towards designing more impact oriented programmes. Through different evaluation reports it became evident that it was impossible to reach many of the poorest of the poor through integrated programme where the focus is on micro-finance. Reaching the poorest families requires a different approach. We also discovered that since we work in many remote areas, any development intervention will not be effective unless it gives special emphasis to emergency interventions. Focus group discussions with the beneficiaries also revealed the significance of emergency interventions to their lives, in addition to our normal activities, and they appreciated a prompt response during emergencies. A start has been made to address issues of good governance and transparency with partner organisations, rather than being confined to providing only technical assistance in monitoring and evaluation and programme design. Workshops with partner organisations point out that raising such issues is becoming acceptable; we are perceived by these to be a democratic,

¹⁰ Bangladesh, *From Counting the Poor to Making the Poor Count*; World Bank 1998 / see also maps in Annexure-A..

non-directive and flexible development agency.

Our perception is that if women are made primary stake holders, the existing gender gap in the society will shrink. MTRs of different DAs reveal that micro-finance provides women with access to alternative financial institutions and resources and have a positive effect on their status and behaviour. However, in order to achieve gender sensitivity in all programme components, we need to make modifications and encourage men in the family to come to awareness raising programmes, give women opportunities for employment and legal aid, and design gender sensitive tools for monitoring and evaluation.

6.2 Analysis of AAB's Organisational Effectiveness (SWOT)

HRD: Over the first CSP period, we developed our staff from field to country office by arranging internal training. We also brought in specialists with experience of the development sector in Bangladesh. As a result, staff background knowledge and training has become more heterogeneous. The newer generation of staff bring not only youthfulness and enthusiasm to the organisation, they also bring new experience and different perspectives. Compared to the position at the beginning of CSP-I, of having slightly more than 10% of staff with a bachelor's degree, most of our staff, as from mid-level now have bachelor's degrees. However, it remains difficult to find skilled staff, especially those with skill in written and spoken English, in the remoter areas of Bangladesh. Our staff's commitment, at times passion and willingness still constitute significant strengths.

Retain staff proved to be difficult as indicated by a high turnover rate. Through different workshops with staff we found that we compared negatively - in terms of salary and other facilities - with other development organisations and that this was one of the factors that led to this high turnover rate. Our salary structure has been very recently revised. Staff also observed that we have not yet developed a policy for development and career planning which would make the opportunities of promotion, secondment, transfers and job security clearer; trust in the organisation is limited. The capacity of mid-level staff has not been sufficiently developed due to this lack of a staff development plan. Even if such a plan existed, it would be difficult to execute because of the continually increasing workload. The statutory reporting requirements have grown without a matching growth in staff capacity, resulting in s increasing workloads. Our strategic framework, therefore, includes investment in the area of human resource development in accordance with our expected growth and an HRD policy that caters to provide succession planning and train potential staff. A need for a systemic mode of communication was identified to encourage and support the sharing of learning within the organisation. The underlying threat, however, is that if human resources development cannot keep pace with programme expansion and diversification, staff communication may be hampered and the decision making processes may become more bureaucratic and top-down.

The steps taken to mainstream gender in AAB, its partners and beneficiaries include making sure that all our documentation and policies are gender sensitive and correct, assessing gender participation and needs in our programmes, forming a gender working group within the organisation and contribution to the Asia region gender working group. We promote gender training throughout the organisation and within our partner organisations and now see gender as a recurring theme across all sectors of work.

Programmes:

<i>Strengths</i>
AAB gives services to the poor and vulnerable addressing their basic socio-economic

needs through innovative and diversified programmes which are based on clear plans and strategies; it has considerable experience in emergency work. All these are possible largely because of experienced and committed staff. We are flexible and open with partner organisations and open to criticism. Child sponsorship provides for a regular funding base.

Capacity to develop partnerships with NGOs based on quality support and mutual trust.

Establishment of programmes in remote and hostile areas (e.g. disaster prone areas in the south) has received high recognition from communities, donors, and other NGOs. This and participatory planning (e.g. extensive use of PRA techniques) adds to programmes addressing real needs of people.

Weaknesses

The time bound dominated (and perhaps not enough objective oriented) nature of phasing over long term programmes poses fear in the minds of many staff. This, and inadequate co-ordination/communication and experience sharing among DAs, leads to different parts of the organisation becoming complacent.

Senior staff have to give a lot of time to statutory planning and documentation work, which hinders programme development support for the field. Lack of planned and need-based training and insufficient support for partner NGOs, may lead us to becoming a mere 'donor', while we wish to be more than that.

Opportunities

The new DAs provide good opportunities for more focused programmes, local organisational capacity building and learning. This is further facilitated by our shift from an operational to a facilitating role. Presence of a large number of local and regional NGOs adds to our ability to achieve successful partnerships.

The international stature of ActionAid gives opportunities for advocacy at regional and international level. It creates opportunities for inter-country and inter-continental learning. Funding will not a big problem because of innovative and challenging programmes, coupled with diversified ways of fund raising. If we identify something which needs doing, we will find a way to get funding and do it.

As most NGOs do not address the 'poorest of the poor', we (with our comparative advantageous position in terms of funding) have a vast 'needy' population to address over many years to come.

Threats

Young staff who do not yet have adequate/relevant programme experience may lead us to inefficient or inappropriate programmes. Also expansion of programmes without maintaining quality may affect credibility somewhat.

Lack of employment security and trust in the organisation may result in high turn over rates .

If micro-finance is implemented (particularly by partner organisations) mainly to attain financial sustainability, it could result in some programmes that do not address social needs and leave out the poorest of the poor.

Achievements: We have taken great strides in achieving programme objectives. We now cover over 90,000 direct and around 400,000 beneficiaries indirectly. We continue to work through five long term partner NGOs in DA-style and more than sixty short term partner NGOs. We have led the process of transforming one of our projects into a regional NGO. We have undertaken emergency interventions during cyclones, fire incidents in the slums, severe

cold etc. We have been quite active in advocacy work. In the last local government election 22 beneficiaries in DA1 alone were elected. We also worked on a self sustaining embankment maintenance project and immunisation programmes in collaboration with ADB and the government respectively. With limited resources, the thematic units are attaining optimum coverage. We support many programmes through our partner NGOs. By the end of 1997 there were 5,358 children in the sponsorship programme itself, starting with only 1,177 children at the beginning of this period.

Most importantly, over the years, we have built an asset base of committed and young staff with strong national as well as developmental values. They are open to accept challenges, sometimes risk their lives for their work, and are ready to accept and learn from failures. For a development organisation it is a strong foundation which, if managed properly, can achieve the very best of development work.

Our stakeholders think that INGOs such as AAB should increasingly focus on capacity building, rather than direct implementation. We should, therefore, also become more active in the area of policy research and influencing. Most stakeholders unanimously agree that INGOs can add real value in the fields of cross-fertilisation of learning and the spreading of best practice because of their international presence and experience. Overall, what emerges is that we are seen as having an established credibility as INGO working at the grassroots level, and that we have expertise in the use of participatory methodologies and in building the capacity of NGOs. This credibility is seen as an asset in the areas of policy, influencing and advocacy.

6.3 Constraints / Staff, Skills, Structure, Strategy, System, Style, Shared Values Staff and Skills

In developing skills of staff, a limitation is the lack of appropriate training opportunities and the lack of implementation strength of the HRD unit. A further constraint is the labour market itself where people with the skills and attitude we need are not abundant. It remains difficult to recruit senior female staff for work outside the capital Dhaka; there is also a drain of accomplished staff towards organisations with a higher profile as embassies and the UN. Although training is an integral part of our strategy quality courses for mid and senior level staff remain scarce, even in the Asian sub-continent.

Structure, Strategy and System: The lack of defined, systemic processes and methods to ensure sharing of learning and experience among staff and the lack of a defined communication policy, reduces organisational effectiveness with respect to internal and external affairs. Sharing of learning and experience will be more effective if we also consider incorporating issue-based long term and short term projects rather than only the integrated long term DA approach. The existing communication lines need tightening for making strategy, values and culture clear to all concerned parties and to ensure better uniformity of treatment towards all DAs while recognising that the partner organisations have their own mission and organisational cultures.

Progress is made in the areas of awareness, credibility and respect by other development organisations. However, the development sector in Bangladesh is highly competitive and diverse and there is a clear understanding of this phenomenon. With an increasingly complex (international) mission we must continue to build profile by doing things differently and doing different things. In the future, we will increase involvement with stakeholders. However, we must be aware of, and plan for the time consuming nature of such.

Even though the first CSP laid down a strategy of forming partnerships with local NGOs, the

availability of suitable partners was, and will always remain, a constraint and at the same time our biggest challenge. Capacity development for the partners is difficult due to differences in organisational culture. Withdrawal from direct implementation may lead to lack of specific knowledge and understanding of the needs of the poor. There is every intention that future strategies use participatory processes in a systematic manner. In addition to that we will promote accountability, transparency and other aspects of good governance with the objective to strengthen the institutional and management capacity of partner organisations and ourselves.

Style and Shared Values: We have always nurtured the values of participation, professionalism and mutual trust and respect for each other. Several workshops have pointed out that it has sometimes proved difficult to uphold these values. Causes were both situational and due to flaws in various systems. The situational causes were the perceived attitude of senior management, the lack of bottom-up approach in decision making and the lack of sufficiently experienced staff at senior levels. Mutual respect and trust cannot be nurtured if the organisational environment lacks professional acceptance of diversity. Gender insensitivity also contributes to a lack of mutual trust. Most importantly, organisational values and style must be shared with staff at all levels so that they become part of a positive organisational paradigm of AAB.

7. FUTURE STRATEGIES

Since mid 1995 we started pursuing following guidelines:

- Reduce the number and size of activities in operational DA's so that direct management by AAB will become the exception;
- Work towards a better balance between rural and urban programmes;
- Develop a more selective/thematic approach to DA selection;
- Focus on capacity building of partners;
- Influence policy through leading Bangladeshi NGOs;
- Explore opportunities for special projects/contracts.

7.1 Core Values

- ◆ ***“We are committed to reach our goal of attaining sustainable, high quality development, justice and equity for the poor.”***

We believe that it is better to teach fish management than to give people fish. We want to give of the best that we can and we wish to foster social justice and equity for all. We believe that sustainable development is possible and will do everything in our power to achieve this.

- ◆ ***“Transparency is the core of our dealings to ensure accountability within the organisation through effective participation at all levels.”***

We wish to be authentic and honest in dealings with others. We have nothing to hide and wish to share and participate with our learnings.

- ◆ ***“We actively encourage diversity and cultivate an environment in which creativity, professionalism and learning are encouraged, recognised and rewarded.”***

We believe in diversity and creativity and know that this gives a competitive edge over other organisations in the ability to influence and facilitate change. Without learning, we cease to innovate and innovation is a key factor in what makes us special and unique, enabling us to participate in the transformation process of society.

- ◆ ***“We respect national culture, values, and heritage to promote our national interest.”***
Our national culture is important to us and most of what we do is done in its context.
- ◆ ***“Equality and equity between men and women is the main focus of everything we do.”***
Equity is fairness and equality for all, in choices and opportunities. We do not believe that a person’s choices should be constrained or limited by others. We will do all to facilitate the abolition of such constraints.
- ◆ ***“We are an integral part of the process of facilitating improvements that bring lasting changes in the lives of the poor.”***
We actively take part in the process of change in the lives of the poor. Such change affects all and without our active participation, motivation and engagement we will not achieve the expected results.

7.2 Vision

ActionAid International's mission statement is: ActionAid exists to help children, families and communities in some of the world's poorest countries to overcome poverty and secure lasting improvements in the quality of their lives". Our country specific vision, which was developed then, now reads:

We will bring about positive change in the lives of the poor and their environment, leading towards a capable, resourceful, self-reliant, and balanced society

We believe that we can help the poor to overcome the root causes of poverty and break the cycles of poverty and marginalisation by providing support, empathy and solidarity.

AAB recognises that it is a modest contributor to the NGO sector with its wide variety of partners in Bangladesh, and one of many on the national stage. We look forward to continue to work with other organisations to help bring about the changes necessary to improve our beneficiaries’ lives and to establishing new and closer links with other NGOs and the government through networks and alliances.

7.3 Mission

We work with the poor and vulnerable to help them improve their lives and to achieve and sustain their basic needs and rights.

7.4 Institutional Identity of AAB

We are moving towards a more assertive national identity. We have credibility within the national context and raise profile there as well. We cannot do everything and we prefer to be a specialised organisation with selective development approaches. We work for impact for our beneficiaries. We are a gender sensitive organisation. The diversity of staff and the regional and international organisation around us allows for a broad perspective for adapting to change. We see ourselves as facilitators and catalysts for change. We advocate and influence where possible to get pro-poor policies developed and implemented by government. We promote local capacity and local organisation development. We mediate between the resource rich and the resource poor and vulnerable to help them define and articulate legitimate demands.

7.5 Stakeholders

AAB selected the major vulnerable groups as the primary stakeholders in its first CSP and many changes have been brought about since then. In this CSP, more focus is given to primary stakeholders presented as major vulnerable groups. Anti-poverty programmes, emergency and advocacy work will continue to emphasise primarily following stakeholders: poor and vulnerable women and children including street children and adolescent girls, urban slum dwellers, the disabled and the poorest of the poor. We will implement our programmes for these primary stakeholders in a participatory manner on the basis of their vulnerability. Most stakeholders, including the large aid agencies, perceive us as an organisation involved in the capacity building of partners, while only some see us now in a more directly implementation role. The general consensus, in either case, is that INGOs such as AAB are increasingly to support capacity building, rather than direct implementation.

Secondary stakeholders (e.g. local government, local leaders) will be influenced to encourage more collaboration and we will exert more influence on them to achieve support and resources for the sustainable development of the primary stakeholders. Local professional groups will be asked for their support and resources. We will work in co-ordination and collaboration with local organisations to ensure optimum use of services and to avoid programme duplication.

7.6 The Strategic Framework

In the CSP-II we are aware that we need to focus carefully on what we are doing in order to do it well. We wish to become even more proactive in our work and in order to do this we have to be very clear about who our stakeholders are, what we will and will not do and what our priorities are. We need to focus on *Human Resource Development* due to the organisation's need for highly competent staff as it grows further. We believe that we should continue to allow potential staff for promotion and in order to do this we will set out career paths. We also need to keep *Organisational Learning* and memory in our awareness in order to share learning through the organisation and its partners and to help us to utilise and institutionalise our learning.

Strategy: Over the next 5 years we will concentrate resources on developing long term, as well as short term, partnerships with local and national NGOs. Objectives are to build people's individual and organisational capacities, to support their welfare and to help them to assert their demands and rights for themselves. We will also utilise our human and physical resources to bring about structural changes in government and in the market for the benefit of the poor. In building such partnerships with people's organisations, attention will be paid to geographical areas which are marginalised and where the communities have no access to any kind of services. For the last few years, we concentrated on the coastal belt of Bangladesh as NGO presence and the (quality of) public services in this region are relatively absent due to recurrent cyclones in the region, geographical isolation and the expense of working in this area. We intend to continue to expand in this region owing to its vulnerability if our funding mechanisms permit us. It will be rare that we work in direct implementation, however, we could maintain some operational activities (e.g. coastal areas and emergencies) and have a laboratory in which to innovate so that we can spread learning.

We wish AAB to grow steadily though at a slower rate than before with an annual average of 10% in £UK during the CSP-II period. We will expand geographically to cover more organisations in order to attain a critical mass for optimum size, profile and credibility. Major indicators that define optimum size include:

- partnership with 100 NGOs with emphasis on capacity building
- direct coverage of 125,000 poor people
- leadership and active participation in a number of change oriented networks
- capacity to influence leading national NGOs and government at regional/local level
- innovative, assertive and diverse programme with sharing and spreading as focus
- budget of £UK 2,400K in 2003

We believe that we can impact a greater number of (indirect) beneficiaries by following this strategy of facilitation and capacity building and this is of prime importance.

Themes across all of our programmes: Across all work and through all programmes, the following themes will be kept in clear focus. They will be used as criteria to help us to choose the areas in which we work and as a focus to help us to decide on the priorities of our work.

Poorest of the Poor: Experience in working with communities for the past 15 years leads us to think we have been unable to reach the poorest of the poor, much as we would have liked to do so. The main reason was that our programme was centred on savings and credit. In order to reach the poorest of the poor more effectively we wish to design services for the poorest of the poor and incorporate these initiatives as a separate activity in plans and budgets. To that end, we will allocate a portion of yearly budgets for work with the poorest of the poor. This is a new challenge and each programme will look for innovative ways to reach and improve the lives of the poorest of the poor.

Gender: Gender is a cross-cutting theme for the organisation and its projects. It has top priority and we will continue efforts to influence and bring balance in the work that we do.

Mainstreaming Thematic Units: We will work towards incorporating the thematic units across all DAs. The units will grow until they have enough critical mass and expertise to become NGOs in their own right. We will then support them for a number of years, provided we can share their vision.

Urban/Rural Balance: During the process of growth we continue to strive for a balance between urban and rural programmes. We will continue to work on the thematic issues e.g. REFLECT, Disability, HIV/AIDS and Adolescent girls as some of this work is concentrated in urban areas.

Below is a matrix which we will use when deciding where we will work. We wish to impact the landless so will use the lack of land as a criteria. We will look at the cost effectiveness of programmes except in the cases where there are no other NGOs working in that geographical area, in which case the weighting for this criteria will be increased. We would like to utilise our expertise in dealing with emergencies, so we will use emergencies as a criteria and finally, we will always look to build upon the experience which we could gain by working in an area and assess whether there is sufficient scope for learning, networking and sharing there. Finally, we need to keep in mind that it is necessary to have direct implementation work - as we have with emergencies and in exceptional projects - as a laboratory for innovation in interventions. The following matrix helps to decide upon the geographical location of future DAs. It will be a weighted selection, weightings may vary with time.

Selection Matrix

<i>Criteria</i>	Urban	North	Central	South	Coastal	Tribal	Riverine
Poorest of the							

Poor (degree not number)							
Rural vs. Urban balance							
Cost Effective/ Other NGOs there?							
Number of landless							
Emergencies?							
Scope for learning, networking, sharing							

7.7 Focus

Partnership: The first CSP gave some principles to guide us in the process of initiating partnerships. Working with five long term partner DAs, we have been able to set some standards of what we expect from partner organisations and vice versa. Apart from considering the geographic vulnerability in which each partner organisation works, we look for compatibility with each partner with respect to organisational structure, ingenuity of programmes and links with primary stakeholders. We have decided to give more attention than before to good governance, transparency, accountability and gender sensitivity along with programme performance when assessing each partner organisation. Besides funding of field activities our point of entry within the partner organisation may include technical and management assistance and/or strengthen organisational development. Phase over plans may be made more flexible as the experience of the ActionAid Bangladesh Bhola project has taught us.

DAs: We will continue our activities in our DAs, looking to add 3 to 5 new DAs to the number already existing, while phasing 3 DAs (DA2, DA3 and DA7) over during this CSP period. The criteria for choosing the geographical location of DAs are shown above.

Thematic Units: We will continue the work of our thematic units, working with Adolescents (UAU), REFLECT (RCU), Disability (DCU) and HIV/AIDS which will become a separate unit in 1999. We will add a new unit for PRA Training (PTU) within the next six months and foresee the addition of a further training unit which could initially start off as part of the PTU, to train on Finance Management for partner organisations. Within the period of this CSP we foresee that some of these units will be spun off as an independent NGO.

Emergencies: We will continue to work with emergencies, consolidate knowledge and work towards increasing experience and sharing learnings across the NGO section, in Bangladesh, in the Asia Region and beyond. This is an area of specialisation in which we have great opportunities, both to learn and to have impact, therefore it is of critical importance to us to continue and expand upon it, using it as a learning laboratory. The majority of our work takes place in one of the most cyclone prone areas in the world. This means that annually, in fact seasonally, people have to prepare for disasters. Therefore, cyclones and tidal waves are an integral part of life in the coastal belt. Given the high population density, poverty levels and the morphology of the Ganges and Jamuna Delta Basin, there is ample scope to enhance activities, learn from these and improve communication and co-ordination. We have contributed in the past to over forty small and medium sized disaster related projects; some directly managed by AAB, others in collaboration with other NGOs, through co-ordination

with regional and local government and with specialised agencies. The focus has been mostly on rehabilitation. The country programme has gained experience and built capacity in the 'Central Disaster Zone' of the coastal belt and has assisted communities living on the bank of the Jamuna which is prone to river erosion. Our prime strategy is to introduce and to mainstream the complete range of cyclone and flood related activities in the development approach of partner organisations: research / disaster preparedness / mitigation / relief / rehabilitation / documentation and learning. We intend to play a more active role in the existing networks and to contribute to such activities in the coastal belt. We have a 'cyclone fund' which stands at £UK 74K in June 1998. This fund is to be utilised in case of any disaster (including the minor ones in the Dhaka slums). In our planning we have included 5% of the annual budget expenditure and set this aside for emergencies; experience shows that most of these expenditures will be matched with funds from donors during the post emergency period.

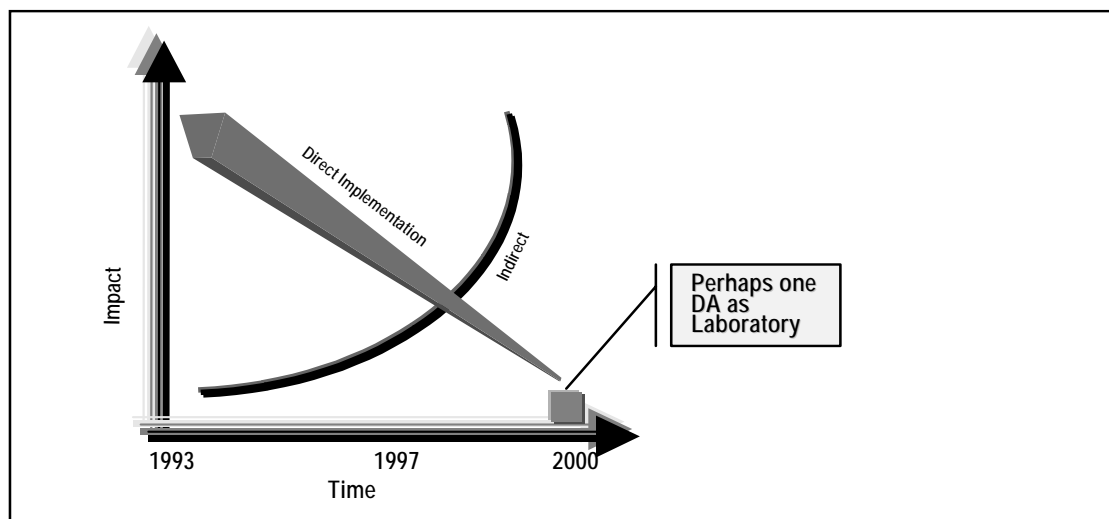
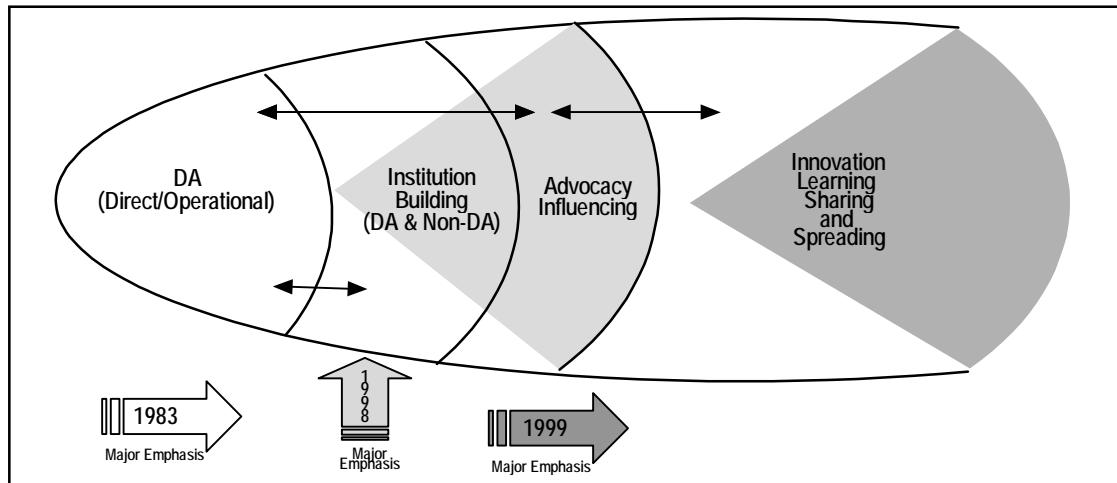
Advocacy and Research: This activity needs to be strengthened. As we move towards being an institution building organisation, advocacy and research becomes an increasingly important activity. As a first priority we will work on land entitlement issues, in line with our theme of helping and working with landless people. We will also concentrate on influencing the corporate sector as we believe they will become more important to our funding. As a secondary priority, we will work in the areas of human and legal rights, gender and possibly the environment. We will increase participation in national and international research studies. We will use participatory research and will integrate our findings in our advocacy work and in our programmes/interventions. We take part in the corporate initiatives e.g. on Food Security and Education and will continue to play a prominent role in issues on Micro-Finance, HIV/AIDS and Disability.

Organisational Culture: We understand that the key to realising any of our objectives is our staff. We intend to work on developing an ever more positive organisational culture by the year 1999-2001 and build trust in the organisation. During this time, we will also initiate a process of developing specialists amongst the mid level staff. The areas of development of in house expertise are Emergency Interventions, Adult Education through the REFLECT programme, macro and micro policy influencing and advocacy, NGO capacity building, programme development, research, monitoring and evaluation etc. We will institutionalise the learning process and the sharing of learning. During this CSP period we intend to move all potential staff up one level in ability as we tackle our new challenges of expanded facilitation and capacity building.

Funding: Most of the DAs are currently funded through the child sponsorship mechanism which allows for long term planning and agreements with partner organisations; we believe this to be a quality distinction from most other development organisations and this is without doubt one of ActionAid's strengths worldwide. In future we will continue to diversify our funding mechanism by including official donor agencies and the corporate sector, while fixing the number of child sponsors per programme to a maximum of 1,000. We also wish to encourage partner organisations to build local fund raising capacities from the corporate sector and to develop enterprises with their *shomiti* members. We will attempt to co-ordinate the actions and resources of our partner organisations who have multiple donors. We also want to ensure a nominal administrative burden and an effective method of allocation for all DAs.

Networking: An international development agency like AAB can play a role in influencing micro and macro level policy formulation and implementation. Networking will further help to improve our profile and establish relationships with various professional groups. We must be sure that we only 'spend' our resources on a small, optimum number of critical networks. The

selection criterion for the networks is compatibility with our values, orientation towards change, the quality of management of the networks and our strategic themes. We value networks as one of the sources of organisational action and learning. Networks may also be used as a mechanism to synchronise the resources and efforts of different donor agencies. Our role in any network will be that of an active provider and contributor and a good listener and disseminator of learning. Such networks of which a growing number of our partner organisations are assumed to become a member will be the prime entry-point to spread learning and follow this up. It is possible that in the context of Bangladesh our impact can be better here than in the area of advocacy as is shown in the figure below:



Relationship with the Government: In Bangladesh, development agencies are socially appreciated and legally recognised which leads us to believe that there are ample opportunities of collaboration with the government and that we should take advantage of these. At the same time, the government is notoriously bad at implementation of programmes and dissemination of funds (and this is likely to remain so for the next five years). We will not provide services as a substitute for the government. Rather, we will shift our attention towards policy level lobbying, grassroots mobilisation, and creation of local interest groups as well as any capacity building which is appropriate. In the DAs we will capitalise on our experience by focusing on key decision makers at the local level in our work to influence and help them to help our beneficiaries.

8. MEASUREMENT OF OUTCOME / ASSESSMENT OF IMPACT

In 1997 we developed a three-component monitoring and evaluation mechanism which studies a) the present from AAB/partners' point of view, b) the past from the ex-beneficiaries' points of view, and c) the past and present from the existing beneficiaries' point of view.

- *Input-output/outcome monitoring:* Based on the information needs of DAs/partners and AAB, a set of core outcome indicators are selected. These indicators are monitored on a quarterly basis. Efforts will be made to capture both quantitative and qualitative information. One purpose will be to look at the present/ongoing work from a relatively conventional point of view. This mechanism informs how programmes achieve against targets and thereby help in decision making along with programme planning in immediate terms and in mid-course (with corrections). It also contributes to the annual/periodic coverage calculation.
- *Tracing:* This tool looks back at the past which in turn helps with further programme planning and modification. This will also help look at (partial) impact of programmes on the lives of beneficiaries. The target audiences of the study are ex-beneficiaries (who left programmes at different time periods), existing beneficiaries who joined around the same time with the ex-beneficiaries, and poor non-beneficiaries from the same community. Possible areas of investigation are: a) reasons for ex-members' leaving the programmes; b) what happened to them after they left the programme; c) what arrangements could have kept them with the programmes; and d) views of non-beneficiary poor people in the same community about DAs/partner's programmes along with reasons for their not joining the programmes. In the course of three to five years each major programme will implement a tracer study.
- *Participatory evaluation/appraisal:* This will be done on an annual basis to look at achievements, effectiveness and (to some extent) impact from the points of view of the beneficiaries. The beneficiaries will identify expected areas of change for their well being, indicators to measure whether (and how far) changes have taken place, and measure/assess those. This will help in the mid and long term programme planning.

The methodology for impact assessment will combine qualitative and quantitative indicators. A set of economic and social development indicators will be selected by the beneficiaries and their communities before we conduct the impact assessment in any DA. These indicators and their priorities will vary from one area to another, as they are decided by communities. PRA will be used for the selection of outcome and impact indicators.

We will further conduct organisational audits on a regular basis (at least every two years) to assess how well we as an organisation work and how we can improve. We will use a participatory approach to assess strategy, structure, system, staff, skills, shared values and style.

9. ORGANISATIONAL IMPLICATIONS

This section informs on how to redesign, strengthen and enhance ActionAid Bangladesh in order to implement the proposed strategies. We shift from being a direct implementation organisation to becoming a facilitation and support organisation (except in rare cases where direct implementation is necessary due to remote locations and lack of other implementing NGOs). This means that we will become a poverty focused, capacity building development organisation or, in other words, an organisation which develops institutions for the poor. At the same time, we need to retain the flexibility to redefine and enhance our strategy as the organisation transforms itself in response to its environment. This, together with the change in our funding structure has the following organisational implications:

9.1 Organisational Structure

A possible structure of the organisation to work towards during this CSP and one which matches what we need from the current organisation's structure in order to achieve our strategic plans is described below. We must keep in mind, however, that we care to respond in a flexible manner to the needs of our beneficiaries and their organisations, so this structure must be seen as dynamic, continually developing and improving with time.

DAs: The DAs will report to the Head of Programmes who reports to an Operations Director. The process of recruitment for this new position is expected to start in the first months of 1999. In 1998 there are 8 DAs and we foresee that there will be 10 or 11 DAs by the end of this CSP-II period, all with local partners. The conversion process of operational DAs into partnership organisations will be completed before the end of this time period, preferably by 2001. Besides facilitating the work of the Head of Programmes, the Operations Director's role is to coach, support and build capacity as he/she prepares the DAs and thematic units for a more independent future. The Operations Director reports to the CD and he/she will have a small team to support the operational work. This team will include the Head of Programmes and at a later stage the Head of Thematic Units. All programmes will report to this person, enabling him/her to ensure that they are matrixed and integrated across the organisation and that learning is shared at all levels. This person will be largely responsible for the day to day running of the organisation, freeing up the CD.

Thematic Units: The thematic units (DCU, UAU and RCU) are matrixed across the organisation and across the DAs and could start to report to a Head of Thematic Units who reports to the Operations Director once the new thematic units of PTU and FMTU are well established (possibly at the end of 1999). We will split the DCU into a unit for Disability and one for HIV/AIDS early 1999. The Head of the Thematic Units is mainly charged with managing the growth of the units and promote the learning and sharing throughout Bangladesh.

Knowledge: The fundamental importance placed on communication, research, monitoring, evaluation, advocacy and information dissemination (including IT) within AAB requires that the mandate of the Knowledge Unit be enlarged. This unit, reporting to the CD, is responsible to develop and implement a communications plan which will include all aspects of communication and most public relations, both internal and external. Sponsorship will also become part of this unit as it is the most crucial part of communications. The research and advocacy sides will become increasingly important as the organisational transformation proceeds. This process of organisational change is expected to start by the end of 1998.

Finance: The Head of Finance reports to the CD. As with all other units in AAB, the finance unit's remit will change slowly from that of direct implementation towards a more developmental role, facilitating and developing capacity in those who are away from the centre.

Human Resource Development and Administration: The Head of HRD and Administration reports to the CD. The Administration Manager reports to him. The HRD Department will work on some key initiatives during the next few years in order to support the needs of the CSP-II. A major organisational transformation needs to take place during this time frame, along with the subsequent role transformation for the staff. The proposed projects to support this include: design career development plans for all potential staff; design and implement a performance management system, initiate processes such as action learning to enable the sharing of learning across the organisation and our partner organisations. This process is

expected to start from the beginning of 1999.

The most important part, therefore, of the development work which needs to occur is that which helps us to move our staff into their new role as facilitators and capacity builders. Staff will need teaching, coaching, facilitation, analytical and supporting skills and the HRD team will design and implement the programmes to develop these skills in our staff.

Internal Auditor and CD's Personal Assistant: The internal auditor and the CD's PA will continue to report to the CD.

Country Director: By decreasing the number of direct reports to the CD gives him/her a manageable top team with which to steer the organisation. It leaves him/her free to tackle some of the broader strategic issues which face us and it allows time for increased fund raising and profile raising activities. It allows the CD to travel outside the country and contribute to assignments that are required by the Asia Region and are of a more corporate nature. Obviously the CD's first responsibility is to direct and develop the strategy of the country programme further.

An implication of the organisational transformation we are championing is that we will need more senior level of people within the organisation displaying the attitude that is required to contribute in a committed way to the achievement of our mission.

9.2 Staff

In order to address the issue of frequent staff turnover, several HRD initiatives will be implemented (see above). It is foreseen that the number of regular staff will decrease from 303 end 1997 to approximately 60 or 70 by the end of 2003. Since staff will move into partner organisations which may or may not be part of the larger ActionAid Bangladesh family. We will continue to provide them with support and capacity building for as long as the partnership lasts. The gender balance within AAB is expected to get close to 50:50 and a realistic and pro-active gender sensitive personnel policy will be put in place. We expect flexibility from staff, innovation, creativity, loyalty and an inquiring mind. Dependent upon the level, we expect excellent results in formal education and an ability to learn fast. All staff are expected to be continually learning and applying their knowledge and enthusiasm in their jobs. Age is not a limiting factor, lack of flexibility and speed of reaction is.

9.3 Staff Competence

As AAB moves towards less and less direct operational work within DAs, the skills and styles needed to be successful are changing. We intend to do this via:

In the "Soft Skills" area we need to find and develop staff in the areas of leadership, motivation, mentoring and coaching, facilitation. The following tools are needed:

- Competences System
- Performance Management System (based on the competences)
- Career Development System
- Time for training and development and time for reflection. This must come from the top. Without the acknowledgement that this is important, it will receive a lower priority than urgent, everyday tasks.

Courses such as Facilitative Leadership and Coaching Skills for Managers will also be extremely useful, as they are organisational development skills which can be used both

internally and externally.

In the “Hard Skills” area, we need to find and develop staff in the areas of IT, communication and language skills (which includes improving English and helping those with poor English), Training, Negotiation and Fundraising, Research and Analytical Ability. To enhance and train in analytical ability an action learning programme can be implemented, combined with coaching from line managers to help staff understand not only the importance of analytical thinking, but also to understand what is analytical thinking.

9.4 Gender

The rationale for incorporating gender into the AAB organisation is not only that it is extremely important in terms of diversity, creativity and equity, but also that it is a main theme in our strategy. AAB took its first initiative to incorporate gender issues and balance the positions equally in 1995, in response to the growing awareness and recognition of the extensive inequities faced by women.

At present, it is tough and time consuming. “Gender” is widely interpreted as women’s development. But we have to believe and understand that “gender” means developing the balance and value of men and women both. To get to a position of equity between men and women, we need to make things happen and to understand “gender awareness”. In the communities where men and women live, we need to continue to raise questions on reducing gender inequities in their lives. In AAB, the process has begun and will continue. We will continue to take part in the Asia Gender Working Group and promote our own internal AAB groups.

9.5 Relations with Larger ActionAid Family

We fully support the corporate centre by actively taking part in ActionAid activities at all levels. Apart from a functional reporting structure, we also firmly believe in and actively support the corporate strategy. Our strategy fits neatly into both regional and corporate strategy. We will also contribute to strategy and value discussions whenever and wherever possible, including when relevant and appropriate with the sister organisations of ActionAid.

ActionAid Corporate Centre: We will engage in dialogue with our colleagues in areas of strategy and policy. We will share information and best practises and we will encourage sharing of information with us. We will respond to requests in a timely, efficient and effective manner and we will actively promote the advocacy projects of food security and education. Finally, we encourage staff exchanges and visits to promote understanding and share learning.

ActionAid Asia Regional Office: We support the regional office and contribute to the regional team’s growth, learning, knowledge and stability. We look forward to participating in discussions on all areas of strategy and policy. We are especially interested in the sharing of learning and best practise and in using what others have learned in the region, here, in Bangladesh to enhance our interventions. We will seek joint projects with the region and will contribute to research and advocacy on a regional front wherever possible. We encourage staff exchanges and visits to promote understanding and share learning and best practises.

ActionAid Country Programmes: We involve (and will continue to do so) other country staff in our important procedures, such as the design and development of the country strategy, to share and to learn. We encourage staff to contribute and participate in other country’s significant events wherever possible.

10. FINANCING THE CSP

10.1 Funding

Currently AAB's fund-raising activities are limited to sponsorship and the non-sponsorship, official donor circuit. Apart from regular sponsorship activities we are active and successful in obtaining funds from bilateral and multi-lateral donors. We are not yet active in seeking funds from government agencies and efforts to involve the corporate sector in business partnership are being developed as part of the strategy for the next five years. Considering this, future fund-raising activities will be adopted in line with the following objectives:

- | | |
|----|---|
| 1. | Allocate the number of regular sponsors to the desired level |
| 2. | Recruit new sponsors for new DA initiatives |
| 3. | Funding by official donors for long and short term initiatives |
| 4. | Initiate business partnerships with the corporate sector |
| 5. | Facilitate fund-raising activities of our partner organisations |
| 6. | Attempts will start with government of Bangladesh |

Income sourcing will attempt to achieve a diversified portfolio; sponsorship income is estimated to be between 45 and 60% of total income. As direct access to government finance will be more difficult for an international NGO, we will assist our partner organisations to gain access to these funds. There is now real potential to participate in bidding/tenders which the government and other development organisations put out; if such projects fit in our strategies, then we should do this.

Traditionally AAB has been under-resourced and we still are, in comparison to what needs to be done (poverty levels in the country are amongst the highest in the world/ the percentage of poor/very poor is also extremely high), even in comparison to other countries such as India and some in Africa.

10.2 Sponsorship

Sponsorship income (especially child sponsorship) is an important contributor, albeit not the major contributor, to ActionAid Bangladesh's share of the total income and this trend will continue through out the CSP-II period. This income is very steady and regular, usually consisting of monthly donations from individuals, families, schools and others in the UK (where the majority of our sponsors live) and Italy. In 1998 we have started to work with Spanish sponsors. The sponsorship income is expected to increase during the whole CSP-II period coming in particular from Italy and Spain at a rate of 500 per year and a maximum of 1,000 sponsors per DA.

10.3 Bilateral / Multilateral Donors

The contribution of official income is gradually increasing and AAB plans to raise funds from both inside and outside (through AA UK) of the country. Currently this income group includes EC, DFID, HKI, ADB, the Netherlands Embassy, Japan Embassy.

Funding from these sources is mostly used in short-term initiatives and emergency interventions. In future we will continue our efforts towards raising more funds for a growing number of shorter term initiatives (e.g. adolescent girls project, HIV/ AIDS awareness etc.), emergency interventions as well as for specific DA activities.

10.4 Income and Expenditure Projection for 1998-2003¹¹

Expenditure Projection 1998-2003¹²

DA/Unit	Amount (in 000£) by Year ¹³					
	Y1998 ¹⁴	Y1999	Y2000	Y2001	Y2002	Y2003
DA1: Bhola Island (COAST) ¹⁵	175	82	72	0	0	0
DA2: Dhaka Tikkapara ¹⁶	75	90	80	70	60	50
DA3: Jamalpur ¹⁷	175	160	145	120	110	90
DA4: Netrakona (SUS)	110	130	140	150	150	150
DA5: Khulna (JJS)	65	90	130	130	130	130
DA6: Chittagong (Ghashful)	57	95	130	130	130	130
DA7: Bhola chars ¹⁸	100	130	150	150	150	150
DA8: Galachipa (BAWPA)	53	70	80	100	120	140
DA9	0	25	60	80	100	130
DA10	0	15	45	70	90	115
DA11 ¹⁹	0	0	30	55	70	100
DCU ²⁰	100	100	135	150	150	150
HAU ²¹	0	50	75	100	100	125
UAU	100	120	150	150	150	150
RCU ²²	175	175	170	170	170	170
PTU ²³	0	20	45	65	75	75
FMTU	0	20	45	65	75	75
Emergencies ²⁴	40	45	53	53	56	59
NF/FF ²⁵	200	225	230	270	300	325
Fundraising Costs	46	52	60	65	70	75
Primary School Endowment Fund	6	10	10	10	10	10
Total	1477	1704	2035	2153	2266	2399

¹¹ All the projected income and expenditures are subject to availability of funds.

¹² All the expenditures (particularly DAs) in the table exclude statutory reserves.

¹³ Except DA4, maximum number of sponsors for each DA will be 1,050, and the growth in total number of sponsors is 500 per year.

¹⁴ Calculation is based on the 1998 budget, actual expenditure calculation and projection for the rest of the rest of the year (done in June 1998).

¹⁵ 1998 and 1999 (March) are the last years of EU and DFID/JFS funding (respectively) for DA1. As from 1999 all the official funding will be handled by COAST Trust. 2000 is the last year of AAB funding to DA1.

¹⁶ Phase over of DA2 will be completed by 2004.

¹⁷ Phase over of DA3 will be completed by 2003.

¹⁸ The current funding agreement of DA7 with EU will end in 1999; however, renewal of contract is expected.

¹⁹ DA11 is planned to start only after DA1 is completely phased over (ie. in 2000)

²⁰ DCU, UAU and RCU will phase over into new independent specialised NGOs by 2003 while technical and funding relationship with AAB is expected to continue further.

²¹ The HIV/AIDS component of DCU will be split into this separate Unit in 1999.

²² RCU's funding contract with DFID will end in March 1999. However, renewal of contract is expected as from April 1999.

²³ PTU and FMTU are expected to phase over into new independent specialised NGOs by 2003.

²⁴ Emergencies expenditure has been calculated as 5% on the total annual expenditure of each DA as from 1999.

²⁵ Expenditures of networking, research, communication, advocacy, operations, finance, and administration are included in NF/FF. While the expenditures for networking, research and advocacy will increase over time, expenditures for finance and administration will decrease gradually.

Summary of Projected Expenditure 1998-2003 (figures in 000£)

Nature of Expenditure	1998	1999	2000	2001	2002	2003
Project costs	1,138 (77.05)	1,354 (79.46)	1,649 (81.03)	1,744 (81.00)	1,845 (81.42)	1,964 (81.87)
Support coast	293 (19.84)	298 (17.49)	326 (16.02)	344 (15.98)	351 (15.49)	360 (15.00)
Fundraising costs	46 (3.11)	52 (3.05)	60 (2.95)	65 (3.02)	70 (3.09)	75 (3.13)
Gross expenditure	1,477 (100)	1,704 (100)	2,035 (100)	2,153 (100)	2,266 (100)	2,399 (100)

Note: Figures in parentheses are percentages.

Trends of Reserve 1998-2003 (figures in 000£)

	1998	1999	2000	2001	2002	2003
Opening reserve	166	290	348	373	397	424
Income	1,601	1,762	2,060	2,177	2,293	2,425
Expenditure	1,477	1,704	2,035	2,153	2,266	2,399
Closing reserve	290	348	373	397	424	450
Reserve in months expenditure	2.04	2.05	2.08	2.1	2.12	2.15

Income Projection 1998-2003 (figures in 000£)

	1998	1999	2000	2001	2002	2003
Sponsorship ²⁶	1,000	1,125	1,150	1,350	1,500	1,625
Non-sponsorship: UK/Ayuda	51	62	145	130	130	140
Official: EU/DFID	290	290	373	360	328	325
Official: local	200	220	315	292	290	290
Local others	20	25	35	35	35	35
Cyclone Fund ²⁷	30	30	32	0	0	0
Primary School Endowment Fund	10	10	10	10	10	10
Total	1,601	1,762	2,060	2,177	2,293	2,425

²⁶ Growth of sponsors per year is 500.

²⁷ Includes the 'emergencies' portion of DAI seed money which was brought back in end of 1997.

ANNEXURES

Annexure-A: Maps of Bangladesh

Annexure-B

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Annexure-C

MIS Analysis

The information needed to steer the organisation in the proposed directions needs to be generated and managed and there are a number of Units in the country office, most of which accountable to the CD, to do this.

- The HRD/Admin Unit (3 staff) is under resourced to respond adequately to the aspirations of (staff requirements in) a changing organisation; however, the administrative procedures have firmly been established and have proven to provide a workable framework in which decisions about the day to day running of offices and the administration of personnel take place. This unit will require some re-engineering in order to play a more active and leadership role in managing the high level of human resources and planned re-organisation that is scheduled to start in 1999.
- The Finance Unit (4 staff) advises in planning and monitoring the utilisation of resources but does also play a role in the area of checks and balances. Monthly fund utilisation statements for each budget holder allow for timely adjustments if necessary. This unit also facilitates the (yearly) audits with KPMG, corporate centre, and the NGO Affairs Bureau. Interface with the programmes has remained good and this unit contributes to the financial analysis for the many reports that have to be prepared for the donors.
- The Internal Auditor (1 staff) operates throughout AAB and its many partners; there are routine tasks with some 'spot visits' which cannot always be announced in a timely manner. A major challenge for this crucial assignment is to build trust and combine this with advising and training finance and non-finance staff.
- The Knowledge Unit (6 staff) assists on request from the DAs, thematic units and the CD and has achieved a strong acceptance rating within the organisation. Involved in a wide range of research, in producing quality information for donors and the NGO Affairs Bureau; in disseminating it and in producing reports to prepare the ground for policy change and influencing, this unit is the sounding board for measuring how the quality of information is managed.
- The Sponsorship Unit (4 staff) manages the relations with the UK Supporter Development Department and ensures with success that the content of sponsor linked information meets the required standard.
- The Information Technology Unit (2 staff) ensures that information flows within AAB and that this meets the standards recommended by the Asia region IT group.

Annexure-D

Logframe