



PRESS INFORMATION NOTICE

Dhaka, 24 June 2021

The European Union contributes to strengthen the education system in Bangladesh with EUR 46.12 million

Today, the European Union (EU) transferred EUR 42 million (423 crore Taka) to the Government of Bangladesh to support key national reforms in the education sector. With this grant, the EU recognizes and supports the Government's commitment to the development of human capital, the eradication of poverty and inequalities, along with its commitment to achieve the Sustainable Development Goals.

This is the second disbursement under the EU sector budget support 'Human Capital Development Programme 2021', which focuses on strengthening the education and skills sector of Bangladesh with specific focus on primary, as well as on technical and vocational education and training. In line with the National Education Policy and National Skills Development Policy, the EU support aims to contribute Government of Bangladesh's own reform agenda and institutional capacity towards a comprehensive education and skills development approach.

"Education is fundamental for the economic growth of a country and remains at the core of EU's development cooperation. Reaping the maximum benefit of Bangladesh's demographic dividend will largely depend on an inclusive and equitable quality Primary Education and Technical and Vocational Education system designed to cater for the future job market and employment generation," said the Ambassador of the EU, Rensje Teerink. "The EU is concerned, however, about the continued school closure as a result of the COVID-19 pandemic. Once the pandemic situation allows it and when effective precautionary measures can be taken, the re-opening of schools must proceed as soon as possible, in particular because access to alternative distant schooling solutions remains a challenge for a large number of students, especially the marginalized ones," she added.

The programme of support to education reforms intends to provide a total of EUR 217 million as budget support linked to jointly-agreed performance indicators. The programme addresses core elements of system strengthening and policy development. Technical assistance is also available to support the cluster of institutions responsible to coordinate and deliver education reforms.

The disbursement of this second payment comes after a positive decision of the Budget Support Steering Committee of the European Commission's Directorate-General for International Cooperation and Development in May 2021.

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The European Commission is the EU's executive body.

"The European Union is made up of 27 Member States who have decided to gradually link together their know-how, resources and destinies. Together, during a period of enlargement of 50 years, they have built a zone of stability, democracy and sustainable development whilst maintaining cultural diversity, tolerance and individual freedoms. The European Union is committed to sharing its achievements and its values with countries and peoples beyond its borders".

Background information

What is budget support?

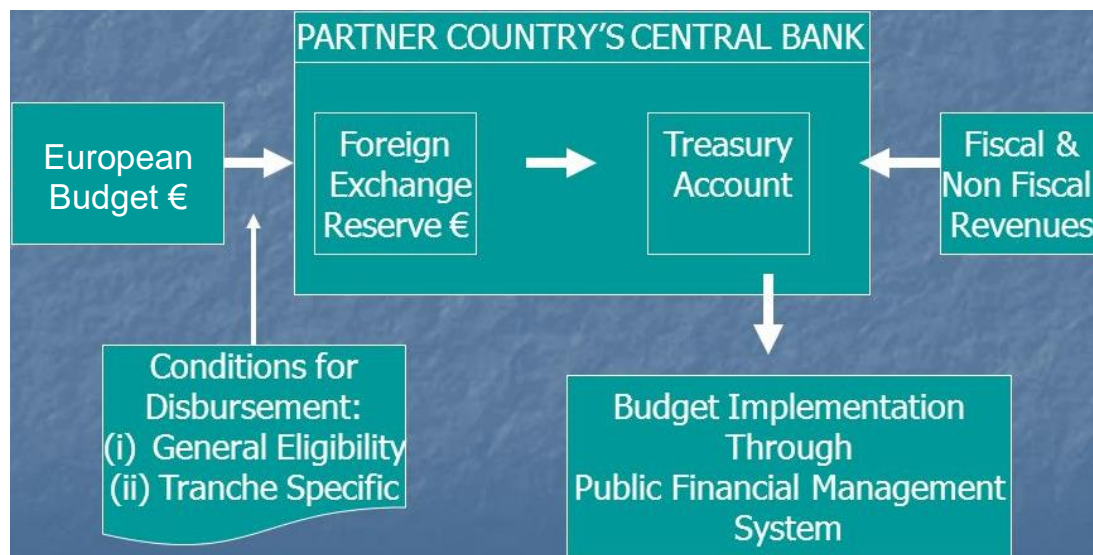
Budget support is a means of delivering aid and results in support of EU partners' reform efforts and the Sustainable Development Goals (SDGs). It involves (i) dialogue with a partner country to agree on the reforms or development results which budget support can contribute to; (ii) an assessment of progress achieved; (iii) financial transfers to the treasury account of the partner country once those results have been achieved; and (iv) capacity development support. The use of budget support is subject to conditions. Eligibility criteria have to be met before signing a contract and maintained during its implementation before payments are made.

Budget support offers a platform for dialogue with the partner country (Government, national oversight bodies, civil society, private sector, and other stakeholders) on policies and their financing, objectives and results, consistent with the principles of ownership, transparency and accountability.

Budget support involves the transfer of financial resources to the National Treasury of a partner country, following the fulfilment by the latter of the agreed conditions for payment set out in the contract. Transfers are made in euros (€) to a Government account held at the Central Bank and then converted into local currency to the National Treasury Account.

Once the transfer has taken place, budget support funds are used in accordance with the partner country's own public financial management (PFM) systems. The responsibility for the management of these transferred resources rests with the partner Government. EU Delegations and HQ monitor PFM systems closely as part of the general conditions and through the risk management framework.

Budget support is directly linked to reforms and developmental results. This implies the existence or building of effective country systems to collect information and statistics on results, to monitor progress, and evaluate impact. Performance monitoring systems should be further developed by the Government with the support of international partners if needed. Clarity on the choices of indicators, realistic targets, resource requirements and institutional set up, are all important elements for the reliability of the system.



Watch the video: https://europa.eu/capacity4dev/macro-eco_pub-fin/discussions/budget-support-explained-1-minute-18-seconds-0 (1 minute and 18 seconds)
