

	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>BUDGET INFORMATION</b>				
<b>12. Amounts concerned</b>	Budget line(s) (article, item): 14.020131 (NDICI South and East Asia) Total estimated cost: EUR 30 000 000 Total amount of EU budget contribution EUR 30 000 000 <sup>1</sup> of which EUR 28 000 000 <sup>2</sup> for budget support and EUR 2 000 000 <sup>3</sup> for complementary support.			
<b>MANAGEMENT AND IMPLEMENTATION</b>				
<b>13. Type of financing</b>	<b>Direct management</b> through: Budget Support: Sector Reform Performance Contract Procurement			

## 1.2 Summary of the Action

Despite notable progress in human development and poverty reduction in the last decade, underpinned by high economic growth, Bangladesh still faces some critical challenges to achieve inclusive and equitable socio-economic development. Creating sufficient employment for the youthful workforce of the country is one of the most critical concerns to be addressed, particularly in the context of the changing nature of jobs and employment driven by new technologies. A special focus on the education system and enhancing relevant skills and competencies of people have become an imperative. By one estimate, among 28 countries of the Asia-Pacific region, Bangladesh has the second largest educated unemployment rate (ILO, 2018).

Almost 28% of the country's population is currently youth. According to numbers from ILO, the unemployment level amongst youth is an estimated 14.7%, which is more than three times the estimated 4.4% for the overall unemployment rate. A high unemployment rate paired with high poverty levels puts the youth in vulnerable situations and can carry long-term socio-economic inequalities. Moreover, even among the ones employed, the majority of this group of young population is engaged in low waged and vulnerable employment with low or no education background or proper training.

With an aim to utilise this huge number of young population, there is no alternative to quality education and training, as well as greater gender equality. Furthermore, it is crucial to eradicate poverty and build an inclusive society. At the same time the education and training also need to respond to the labour market needs at national and global level. Burdened by already low quality, the education system of Bangladesh was further impacted by the Covid-19 pandemic, in particular due to the long closure of the primary schools and Technical Vocational Education and Training (TVET) centres. Thus, it is critical that this young population is well equipped to avail the opportunities and access to quality jobs created by the 4th Industrial Revolution and address the challenges posed by LDC graduation. This will also be fundamental for addressing inequalities.

The proposed action of the EU will continue and build up on the ongoing developments of sector budget support both in primary education and TVET through additional financing/ top up (EUR 28 million) along with complementary measure (Technical Assistance EUR 2 million) and extension of the implementation period by one year. Education and skills development sector has been reaffirmed as the key priority also for the MIP 2021-2027 (specific objectives 1 to 3). This action will support the GoB to address the gaps in education sector created due to the impact of the pandemic and progress towards the policy commitments.

While the ongoing support to primary education and TVET supports the SDG 4, it will also be closely linked to the SDG 10, on social inclusion and reduction of inequalities. Overall, the proposed action aims to support the Government of Bangladesh (GoB) in the implementation of its development policies aiming at a better-educated,

<sup>1</sup> proposed top up on the existing total EUR 223,970,000

<sup>2</sup> top up to budget support of EUR 217 million

<sup>3</sup> Top up to the existing complementary support of EUR 5 million (direct management)