



Minutes from the Bangladesh Development Forum 2010

Date and Venue: 15-16 February 2010, Bangabandhu International Conference Centre.

Opening Session: 09:30 – 10:30 hrs, Monday 15 February

- Welcome remarks by Mr. M. Musharraf Hossain Bhuiyan, Secretary, ERD & Co-Chair, Local Consultative Group
- Welcome remarks by Mr. Chris Austin, Country Director, UK Department for International Development & Co-Chair, Local Consultative Group
- Introductory statements by representatives of development partners
- Introductory statements by Mr. Kazuo Sunaga, Deputy Director General, International Cooperation Bureau, Ministry of Foreign Affairs of Japan
- Introductory statements by Mr. Sultan Hafeez Rahman, Director General, South Asia Regional Department, Asian Development Bank (ADB)
- Introductory statements by Ms Isabel Guerrero, Vice-President, South Asia Region, World Bank.
- Address by H.E Mr. Abul Maal A. Muhith, MP, Hon'ble Finance Minister, Government of Bangladesh
- Inaugural address by H.E Sheikh Hasina, MP, Hon'ble Prime Minister of the Government of Bangladesh

BDF Business Sessions: 11:00, Monday 15 February until 15:30 Tuesday 16 February

- Development Strategies, Governance and Human Development;
- Energy and Power;
- Agriculture, Food Security and Water Resources;
- Environment and Climate Change;
- Transport and Communications; and,
- Digital Bangladesh and ICT Development

Summing-up Session

- Summing-up and Next Steps, including "BDF Agreed Action Points".

Bangladesh Development Forum – Opening Session

Background of Bangladesh Development Forum 2010

The first high level Bangladesh Development Forum (BDF) since 2005 was held on 15-16 February 2010 at the Bangabandhu International Conference Centre. The objective of the BDF was for Government to share its strategies, reforms and priorities with development partners (DPs), civil society and the private sector and discuss how to work together to realize the plans. In total, 44 international development agencies and missions and 66 civil society and private sector representatives were present.

All business sessions including the inaugural session was chaired by the Hon'ble Finance Minister, Mr. Abul Maal A. Muhith. ERD Secretary, Mr. M Musharraf Hossain Bhuiyan (LCG Co-chair) and DFID Country Representative Mr. Chris Austin (Chair, LCG DP Excomm) assisted the chair in the business sessions. H.E Sheikh Hasina, MP, Hon'ble Prime Minister of the Government of Bangladesh inaugurated the forum and opened the "Development Fair", in which 28 Government agencies and ministries presented their work, side by side with stalls from 13 development partners, 03 NGOs and 04 Private Sector Organisations.

Welcome remarks, Introductory Statements and Inaugural Addresses

Welcome remarks by Mr. M. Musharraf Hossain Bhuiyan, Secretary, Economic Relations Division, Ministry of Finance and Co-Chair Local Consultative Group

Mr. Bhuiyan welcomed the participants to the Bangladesh Development Forum (BDF) 2010. He was honoured by the presence of the Hon'ble Prime Minister. Mr Bhuiyan pointed out that the main objective of the BDF 2010 was to share the Government's vision 2021 to make Bangladesh a middle-income country and discuss the national strategy for poverty reduction.

Mr. Bhuiyan commented on Bangladesh's substantial progress in reducing poverty, accelerating the pace of socio-economic development and in achieving most of the MDGs. Bangladesh has also dealt successfully with external shocks such as the international food crisis, fuel price hikes and the global recession. He also thanked the development partners for their support. He urged all development partners to work together with the Government in its efforts to put Bangladesh on a higher trajectory to growth and further poverty reduction. Collaborative actions must be undertaken to minimise transaction costs, secure stronger coordination and thereby enhance aid effectiveness.

Mr. Bhuiyan pointed out that the Government strongly feels that there is scope for deeper and broader collaboration to make the Paris Declaration and the Accra Agenda for Action real in Bangladesh. Mr. Bhuiyan informed the Forum on the good progress made on the Joint Cooperation Strategy (JCS), in which Government and development partners agree on how to work more effectively together for improved development outcomes.

Welcome remarks by Mr. Chris Austin, UK DFID and Co-Chair Local Consultative Group

Mr. Chris Austin, on behalf of the development partners, commended Government's commitment to making poverty reduction a reality. Development partners looked forward to discussing and agreeing what we – development partners and Government - can do together to make this vision happen. Mr. Austin emphasised that the forum was about vision, and about delivery.

Mr. Austin stressed that development partners came to the table fully committed to continuing long term financial and technical assistance and to continue to build and strengthen the partnership with Bangladesh. The Forum will formally endorse the Joint Cooperation Strategy process; highlighting the mutual commitment of Government and donors to improve significantly aid delivery and thereby the prospects for sustained growth and poverty reduction. The results framework will set concrete targets for all to deliver against.

Greater innovation in adaptation and sustainable solutions to Climate Change will mean safety and survival for the women, men and children living in vulnerable coastal areas, flood plains and slums. Inclusive local government will help build more responsive and effective basic services for citizens across the country. Mr. Austin emphasised the need to make these processes work for real people.

He suggested that the forum should be called the “Bangladesh *Delivery* Forum”. Delivery on the Joint Cooperation Strategy and aid effectiveness commitments. Delivery on commitments to provision of finance and implementation. Delivery of the effective safety nets, basic services, sustainable livelihoods, and infrastructure that will help the poorest and most vulnerable people in Bangladesh lift themselves out of poverty. Delivery of real results for the poorest women and girls in the towns, cities and countryside of Bangladesh. Delivery of the ambitious but achievable vision the Government is setting out today: “Steps towards change”, to accelerate poverty reduction.

Introductory statement by Mr. Kazuo Sunaga, Deputy Director General, International Cooperation Bureau, Ministry of Foreign Affairs of Japan

Mr. Kazuo Sunaga congratulated the Government of Bangladesh for holding the BDF. He hoped that the Government would show strong political commitment to realise the Vision 2021 as well as the NSAPR-II. He stressed that Bangladesh plays an important role in addressing various global development issues, such as climate change. Bangladesh has also been making good efforts to promote regional cooperation within SAARC and elsewhere.

Japan welcomed the steady progress on the Joint Cooperation Strategy. Mr. Sunaga emphasised the need to jointly monitor and evaluate the JCS actions as well as the development results. Mr. Sunaga appreciated the earnest supports and collective efforts by the Government and the members of the Local Consultative Group.

Mr Sunaga commended the Government's efforts to achieve macroeconomic stability, sustainable economic growth, poverty reduction as well as the health and education MDGs. He welcomed Government's commitment to implement the national strategy with strong ownership and political leadership.

In support of the Government's efforts, Japan has three pillars for its assistance to Bangladesh; poverty reduction through economic growth; social development with human security and good governance. Based on this policy, Japan will continue to support Bangladesh with a focus on infrastructure and social sector development.

A day before the BDF, Japan pledged a new Yen Loan Package amounting to US\$ 433 million to Bangladesh, which includes projects relating to a new power plant and further development in the south-west area.

Introductory statement by Mr. Sultan Hafeez Rahman, Director General, South Asia Regional Department, Asian Development Bank (ADB)

Mr. Sultan Hafeez Rahman welcomed the Government of Bangladesh for holding the BDF after more than four years. He added that the presence of the Hon'ble Prime Minister underscored the seriousness that the Government attaches to the country's development.

The strategic priorities in the national strategy need to be addressed for the vision to become a reality. Higher private sector investment is crucial for achieving growth and poverty reduction. Mr. Rahman stressed the importance of a better enabling economic environment for investments to take place. In addition, governance - the law and order situation and the functioning of the civil service - must improve.

Mr. Rahman was encouraged by the Government's initiative to launch a new Public Private Partnership (PPP) scheme for attracting infrastructure investments. He also stressed the importance of tackling climate change through delivery of the Government's multi-sectoral climate change action plan.

Mr Rahman welcomed the various initiatives under the Joint Cooperation Strategy, including attempts within the development partners to harmonize their assistance and align their support within the framework of the national strategy for poverty reduction. Within this framework, ADB will continue to play a major role in assisting the Government in energy, transport, education, urban health, urban infrastructure, and urban water supply and sanitation sectors.

ADB was also pleased to be a major partner supporting the construction of the Padma Multipurpose Bridge. Mr. Rahman emphasized that ADB stands ready to support other priorities of the Government, including improved regional connectivity in line with broader Pan-Asian initiatives. ADB is in the position to significantly increase its assistance to Bangladesh over the coming years, to over \$1 billion annually.

Improving project implementation will be extremely crucial for achieving the envisaged development results. ADB and other development partners stand ready to work with the Government of Bangladesh to deliver on the strategic priorities in the national strategy.

Introductory statement by Ms. Isabel Guerrero, Vice-President, South Asia Region, World Bank

Ms. Isabel Guerrero remarked on the good progress that has taken place since the last Forum was held in 2005. Peace and stability were maintained with an orderly return to democratic government. Macroeconomic stability has been maintained and economic growth averaged 5-6 percent per annum, resulting in declining poverty. Bangladesh is on track to meet the MDG on halving extreme poverty by 2015. Human development shows measurable improvements in most areas. Bangladesh is on track to meet MDGs for infant and child mortality and school enrolments. And, this past two years, the country's resilience to global crises has been remarkable, buoyed by private industry and private remittances.

Ms. Guerrero pointed out that there are four challenges in going forward: first, accelerating growth. Bangladesh needs eight percent growth per annum to achieve its targets for poverty reduction and to reach Middle Income Country Status by 2021. Second, infrastructure gaps. Energy shortage has become the biggest obstacle to growth, and urban congestion discouraging investment and reducing quality of life. Third, vulnerability to natural disasters. Bangladesh is a most-affected nation on climate change. Fourth, growing labour force requires strategies for youth employment, skills development and labour mobility.

Ms. Guerrero suggested that there were five priorities for addressing these challenges. First, strong Governance and Better Public Service Delivery. More revenues to finance public investment in health services, nutrition programmes and rural electrification. Better services for strong public management at all levels of government and empowering communities to improve accountability at local levels.

Second, attracting private investment. The public - private sector dialogue helped improve the climate for doing business. There are massive investment needs from multiple sources in infrastructure, particularly the power sector. A clear framework for public-private partnerships and expanding current initiatives will further help. Third, tackling urban planning. There is a need for improved urban planning as an investment destination; Dhaka needs to move towards a "liveable city" and secondary cities need to become growth poles for Bangladesh's rural areas.

Fourth, adapting to climate change. Bangladesh has demonstrated pro-active global leadership, including adopting a Climate Change Strategy and Action Plan and establishing a Climate Change Trust Fund to spur innovative programmes. Fifth, fostering regional cooperation. Greater collaboration among South Asian nations could accelerate growth by an additional two percent per annum through increased trade in goods and services and reduced input costs. Initial steps like cross-border power transmission line are significant. The Government has succeeded in leading on historic overture to India—and it will have the

support from partners like the World Bank with regional presence.

Ms. Guerrero concluded: "Working together, under the government's leadership, we can support development results in Bangladesh".

Address by Mr. Abul Maal A. Muhith, MP, Hon'ble Finance Minister, Government of Bangladesh

The Finance Minister welcomed the participants, especially the Prime Minister and representatives from the headquarters of the development partners. He hoped that the Forum would be a good platform for finding common grounds on development issues of mutual concern.

The Minister pointed out that the Forum bears an added importance due to the global recession and other international events. A number of high level consultations have taken place, e.g. the G-20 meetings in London and Pittsburgh and the UN conference in 2009. Other important events have been the annual meetings of the IMF, the World Bank and the Asian Development Bank.

The dialogue and coordination mechanisms for foreign aid have changed over the last twenty years. Today, we talk more about the content and quality of development efforts and what it means in real development outcomes for the people of Bangladesh. The Government has a new Vision 2021 and it is committed to development through our new national strategy.

To realise its vision, the Government will implement the 6th Five Year Plan (2011-2015), which will be published in June 2010. The critical concern of the plan is to achieve higher growth in such a manner that the poorer sections get a proportionately greater share of the benefits, which will move them out of poverty.

The Minister informed the Forum about the following five priority sectors: Energy and Power; Agriculture and food security; Environment and climate change; transport and communications, and, finally, "Digital Bangladesh" and ICT Development. These are the main issues for the forum, together with a discussion on Good Governance and Human Development. The Minister pointed out that by working together, Bangladesh can overcome the development challenges. He concluded that he was "confident that we will continue to receive full support of our development partners in this endeavour".

Inaugural address by H. E. Sheikh Hasina, MP, Hon'ble Prime Minister of the Government of Bangladesh

The Prime Minister welcomed the participants to the BDF 2010. She stressed that the forum is important for Bangladesh and that she expected that all development partners would contribute to the development of the country, including its goal to become a middle-income country by 2021. She mentioned the history of independence for Bangladesh and the importance of the elections in December 2008 as it restored democracy. She also emphasised

that Bangladesh has been successful in food security, law and order, containing terrorism and restraining corruption. The economy has also been stable, despite the global recession.

The Prime Minister outlined the development goals of the Government, including “Digital Bangladesh” and further strengthening of democratic process at the national and local levels. She stressed the need for women’s equal involvement at all levels of society. Another priority area for the Government is social safety-nets. She mentioned that the Government has initiated cash and food transfer programmes and special programmes for minorities, marginalised and the disabled.

She also pointed out the importance of globalisation - “cooperation, collaboration, communications and connectivity” with all countries in the world, especially within the region. Her recent visits to India and Bhutan were examples of new initiatives to connect Bangladesh more with its neighbours.

The Prime Minister emphasised the climate change challenges for Bangladesh and the new, Government led, initiatives to tackle climate change. She stressed that Bangladesh needs quick disbursement of funds promised in COP 15 in Copenhagen last December for both adaptation and mitigation.

She concluded by hoping for positive outcomes from the Forum as regards better mechanisms for effective coordination among development partners and stronger alignment with the vision and priorities of the Government.

Business Session-I: Development Strategies, Governance and Human Development

GoB presentation of the NSAPR-II by Professor Dr. Shamsul Alam, Member, General Economic Division , Planning Commission

Dr. Alam gave a broad presentation of the revised National Strategy for Accelerated Poverty Reduction – II (NSAPR FY 2009-2011). Elimination of poverty and inequality is at the forefront of the Government’s priorities. The thrust has now shifted to putting Bangladesh into a trajectory of high performing growth, stabilising commodity prices, minimising income and human poverty, securing health and education for all, enhancing creativity and human capacity; establishing social justice and inclusion, reducing social disparity, achieving capacity to tackle the adverse effects of climate change, and firmly rooting democracy.

The long-term vision (2021) of the Government would be realised initially through the NSAPR II ending in June 2011, and through the implementation of the 6th Five Year Plan (FY 2011-2015) and the 7th Five Year Plan (FY 2016 – 2020).

Dr. Alam highlighted the following aspects of development in Bangladesh: macroeconomic resilience, progress in poverty reduction, progress in achieving MDGs, particularly in health and education; return to democracy, promoting good governance (reforms), ensuring efficient delivery of public services and promoting gender equality.

Dr Alam presented the following points for the “way forward”:

- Implementing the NSAPR with ongoing review and monitoring,
- Increasing revenues and ensuring quality of public investments,
- Partnering with private sector,
- Making public expenditure more effective,
- Increasing regional cooperation,
- Building a better governed Bangladesh through improved accountability framework and civil service reforms,
- Bringing “services to people’s doorsteps” by decentralising services, strengthening local government and enhancing local accountability mechanisms,
- Increasing focus on results in order to improve access to and utilisation of quality education, health, nutrition and social protection services,
- Providing skills training and enhancing employment opportunities, particularly for the youth and women,
- Implementing Bangladesh’s climate change strategy and action plan,
- Strengthening planning and implementation monitoring by planners.

He concluded by requesting development partners to increase support for development results, align with the NSAPR II and the Five Year Plan and implement the Joint Cooperation Strategy for improved aid effectiveness.

Comments from Dr. Sadiq Ahmed, Vice-Chairman, Policy Research Institute, Bangladesh

Dr. Sadiq praised the NSAPR II and mentioned that the targets are realistic and achievable though formulation of right policies relating to implementation of NSAPR II is a big challenge. He emphasised the importance of preparing medium and long-term strategies with a specific time frames for their implementation. He further opined that Bangladesh has a good potential for economic development because of its huge low-cost labour and geographic location. Bangladesh can play a significant role by using its sea ports as a gateway for the neighbouring countries to generate a sizable amount of revenue. The country can be put into a trajectory of high-performing growth by increasing productivity of labour, improving service delivery of the administration, liberalizing trade, developing infrastructure, bringing about long-term reforms in the financial sector, increasing domestic tax collection by enhancing tax bases and national savings, and strengthening the local government.

Comments from Ms Renata Lok Desallien, UN Resident Coordinator & Mr Dirk Meganck, Director Asia and Central Asia, European Union

DPs commended GoB for revising the NSAPR-II and for submitting it to Parliament.

The joint UN intervention focused on development strategies, economic issues, human development and governance. It was observed that national development strategies and plans work best when they are anchored in country specificity, linked with budgetary processes and backed by strong implementation and monitoring systems, and based on

strong human resources in the planning field. In this regard, the UN welcomed the Sixth Five Year Plan and suggested that the Government could benefit from bringing in more intellectual capacity.

On economic issues, the UN welcomed the Government's determination to become a middle income country but reminded that per capita income measures should be supplemented with measures of human resource development and economic vulnerability. The UN highlighted the need for export diversification including regular energy supply and good infrastructure, the need for skills development including rapid implementation of the National Skills Development Policy, the need for increasing the tax/GDP ratio, and the need for increased focus on the lagging southern and western regions of the country. It was suggested that many of the above concerns could find answers through regional integration, which could add an estimated 2% to annual growth rates, create jobs, and reduce regional disparities.

On human development, the UN recognised Bangladesh's considerable progress towards the MDGs. The UN also suggested that progress was threatened by population growth and movement; that the quality of health and education services was of concern and required capacity strengthening; that social safety nets needed better targeting, monitoring, evaluation and coordination to minimise leakages and maximise impact; that high rates of internal and external migration created both challenges and opportunities; and that malnutrition was prevalent amongst children and women.

On governance, the UN highlighted that Bangladesh's democratic experience has not always been smooth and not always delivered on people's expectations, and that sometimes the decisions of democratically elected government have undermined the process of state building and constitutionalism. In this regard, the UN stressed the importance of upholding the rule of law and welcomed the formation of Judicial Reform Committee and the passing of important acts, such as the Right to Information Act, the Human Rights Commission Act, and the Electoral Acts. Also, the UN encouraged the Government to continue in this vein and to pay special attention to ensuring high professional calibre and integrity in its judicial appointments and promotions. The UN highlighted that Bangladesh's democracy has been hampered by excessive competition between the country's two major political parties and encouraged the political parties to engage constructively. In this regard, the UN commended the majority party for offering chairmanship of two parliamentary committees to opposition MPs but suggested that these measures might not be enough to change qualitatively the tenor of inter-party relations. Finally, the UN expressed concerns with the state of local governance since the adoption of the Upazila Act, and support to the Government's commitment to the full implementation of the CHT Peace Accord and to resolving the Rohingya refugee concern in particular.

To achieve GoB's development vision, the EU intervention underlined the importance of increased revenue collection and a broadening of the tax base to increase budget allocations to key sectors for poverty reduction. More precise geographic targeting in government and donor programs to reach the most vulnerable populations was mentioned as another key to accelerate poverty reduction, as was the use of non-governmental actors as service providers

at the grassroots level. The EU member states are looking forward to signing the Joint Cooperation Strategy before in June 2010, and to implementing the proposed JCS Action Plan. In addition, they urge that a realistic but ambitious joint development results framework be put in place.

Three factors were mentioned as impediments to fully, effectively and speedily realise results for the population of Bangladesh. First, corruption hurts the poor first and foremost, which is why a sound public finance management system is required. Second, slow government project approval procedures hinder the effective and timely delivery of government programs. Third, effective delivery is undermined by the excessive rotation of government staff. Finally, it was mentioned that good governance is essential for a country to move out of poverty, that democratic institutions are essential for checks and balances, and that good governance is also about human rights protection.

Key comments from floor discussion

DPs expressed concern over the weaknesses in implementing the Annual Development Programme (ADP) and different projects, particularly those in infrastructure and power. They stressed the need for greater efficiency in the implementation of development projects as well as prioritisation. Many floor discussants highlighted the need for Bangladesh to broaden its tax base in order to raise more revenues for pro-poor spending. Strengthening local governance by bringing services to people's doorsteps was raised repeatedly. Participants also stressed the need for a civil service reform. Questions were raised about recent changes to the ACC, and several DPs expressed their support for a well functioning ACC while highlighting the positive developments related to the Bangladesh Election Commission and the newly formed Human Rights Commission. An emphasis was also put on gender equality.

DPs expressed endorsement of the JCS for greater aid effectiveness in Bangladesh. Several DPs also underlined the need for developing a joint development results framework to measure progress against the NSAPR-II.

Response from the presenter

The Presenter thanked DPs for all the good suggestions which will be considered in the development of the Five Year Plans. He agreed with many of the suggestions and highlighted in particular the comments from the civil society representative. Questions related to the ACC and the NIS were deferred to the Finance Minister.

Remarks from Guests of Honour: (1) Dr. Masihur Rahman, Hon'ble Economic Affairs Adviser to the PM (2) Mr. H T Imam, Hon'ble Adviser to the PM on Establishment and Administrative Affairs & (3) Air Vice Marshal (Retd.) A K Khandker, BU, MP, Hon'ble Minister, Ministry of Planning

Participants were informed that the Government is planning to set up information centres in all unions to disseminate information to the public. Various programmes in the Government would be available in the information centres where people could lodge their

complaints. Access to information will improve the quality of running the Government by reducing the scope for corruption. GoB also informed that civil service reform is continuous, and the GoB is working closely with World Bank, UNDP and other development partners.

Final comments from Ms Ellen Goldstein, Country Director, World Bank

Development partners recognised that Bangladesh has made good economic and social progress since the last BDF. Peace and stability are the *sine qua non* of all development and Bangladesh has enabled this through an orderly return to democratic government. In order to achieve the poverty reduction objectives and achieve middle-income status by 2021, Bangladesh needs to accelerate growth to around 8 percent per annum. In order to grow faster, Bangladesh needs both more investment and more effective investment. More effective investments requires to reinforce public financial and expenditure management, decentralisation of service delivery and strengthening of local government, and enhancing domestic accountability by increasing peoples' voice and participation in decision-making at local levels.

Development partners stressed the importance of ensuring the rights of all citizens and fostering a vibrant debate of public policy options. Progress on human development can be further improved through a greater focus on results and evidence-based decisions, particularly in critical areas of persistent weakness such as nutritional status and targeted social assistance to those most in need. For most priority areas Bangladesh could benefit from greater collaboration within the South Asia Region. Government was asked to work with its development partners on an annual performance assessment framework based on the priorities of the NSAPR and Five-Year Plans. This would provide Government with a simple, straightforward tool for dialogue with partners about progress on the ground and performance-related aid flows. GoB and development partners were also asked to endorse the Joint Cooperation Strategy aimed at enhancing aid effectiveness in Bangladesh.

Concluding remarks by the Chair

In his concluding remarks, the Chair summarised the main points raised during the discussion:

- Increase implementation capacity
- Raise revenues
- Promote skills development
- Transform huge labour force in agriculture to jobs in manufacturing and organised services
- Start civil service reform
- Improve quality of statistics
- Achieve progress on nutrition indicators
- Design measures for good governance / anti-corruption
- Strengthen local governance
- Finalise Joint Cooperation Strategy by June 2010.

Business Session-II: Energy and Power

GoB presentation by Mr. Md. Abul Kalam Azad, Secretary, Power Division

Government has a vision to make electricity available for all by the year 2020, overcoming the on-going shortfall. Government has adopted short (530 MW rental), medium (820 MW peaking) and long (1100 MW combined cycle, 200 MW peaking and 2000-2600 MW coal fired) term initiatives to deal with growing power demand. Government has also adopted medium (300 mmcf/d by drilling new and repairing existing wells) and long (300-500 mmcf/d from new exploration) term measures to improve the gas supply, largely to meet the fuel need for power generation. Government has plans to establish terminal to import LNG and ensure regional energy security through mutual cooperation and energy import, and make SEDA functional to expand and facilitate investment in renewable energy.

Participation of private sector including public-private partnership (PPP) has been emphasised to develop the cross border pipeline and the base load including coal fired power generation. Bibiyana-2 (300-450 MW), Meghnaghat-2 (300-450 MW), Bhola-2 (150-225 MW), Savar (100 MW) and Kaliakoir (100 MW) were identified as projects for private sector, including 2000-2600 MW coal fired power generation.

Government will improve the sector efficiency by strengthening the regulatory capacity and ensuring transparency and good governance. Government, however, finds the financing of capital intensive projects challenging, and estimates over \$9.5 billion for investment in power generation, transmission and distribution and another \$9.5 billion for gas exploration, production, transmission including LNG terminal.

Comments from Prof. Dr. Iraj Hossain, BUET

Dr. Hossain commended the Government plan to overcome the energy crisis, however emphasised the need for adequate analysis to back up the plan. Expressed concern on the availability of project financing and the Government ability to continue to provide large subsidy. He emphasised cross border energy trading, establishment of SEDA to expand renewable energy, efficient and prioritised use of gas, and re-visit CNG operation to minimise traffic congestion. Indicated that the captive power has low efficiency and perhaps the sub-critical (not the super-critical) boiler will be right choice for coal fired power generation. LNG may be a future option as the country has gas and coal that remain unexplored and untapped.

Comments from Dr. Sultan Hafeez Rahman, ADB

Dr. Rahman mentioned that the presentation has highlighted the key challenges Bangladesh faces in closing the power gap and forging energy security. It is reassuring that the Government has prepared a work plan to achieve the targets. Key points on proposed way forward are stated below.

The power generation could be made more reliable and efficient, by implementing the pipeline of public sector projects, and reviving the Independent Power Producer (IPP) Program. A more focused and efficient effort (also transparent and competitive) was necessary to draw the private sector to build and operate base load power plants. Cross-border power trading needs to be fully exploited and power exchange infrastructure developed. Gas import (by pipeline and LNG) will secure longer-term energy supplies for power generation.

Gas supply bottlenecks could be eased by prioritising supply to power plants with high efficiency, and by limiting allocations to small industrial users and households. Exploration and production drilling could be accelerated by reforming the commercial basis of the industry to attract more private capital. Coal fired power could reduce the burden on gas as the primary input for power generation. Renewable energy needs to be expanded in both grid and off grid areas, building on the success of the solar energy program, and SEDA needs to be fully functional.

Bond market needs to be expanded for PPP to work. BERC needs to be empowered to make timely adjustments in gas and power prices, and the financial restructuring plans of the government agencies need to be advanced. Institutional development of sector entities and restructuring of BPDB, REB and Petrobangla are also required to face new challenges. More competitive compensation packages needed to recruit and retain professionals in key sector entities.

Points from the floor

Mr. Franz-Joseph Vetter, EIB, emphasised the need to pursue projects from the perspective of climate change, improve energy efficiency and expand renewable energy. He expressed the willingness of the Bank in financing projects for the power and energy sector. Mr. Nakahara of JICA informed that they would continue to provide assistance and engage with the Government in developing a policy for the sector, especially focusing on energy use having impacts on climate change mitigation. Efficient management of gas supply could be a measure to address the problem of fuel crisis for the power sector. The Government might take long-term plan in addition to the short-term ones. Mr. Stefan Priesner, UNDP pointed out that the Government has managed well the irrigation power for food production during past season, and emphasised the need to expand renewable energy and any programme to take into consideration the social and economic issues for adequate compensation.

Mr. Richard Moore, AusAid, emphasised the need to have right prices for gas and electricity, and the private sector participation in future projects. Japan underscored the need for maintenance of old power plants to improve efficiency, and accelerate further development of renewable energy. The Japanese Ambassador in his deliberation mentioned that the development of the power and energy sector was crucial for Bangladesh to attain the status of a middle-income country by 2020. The demand and supply gap could be improved by minimizing losses through proper maintenance. The use of biogas should be promoted alongside natural gas. Ms. Dennis Rollins, USAID stressed the need to create an investment friendly climate for public-private partnership (PPP) for planned projects, and

make bidding process fully transparent. Mr. Faruq-uz-Zaman, IDB commended the Government efforts to overcome the power crisis, and emphasised the public-private partnership (PPP) for new projects.

Dr. Fouzul Kabir Khan, NSU stressed on all out effort for more power generation. Improve efficiency of old power plants, port facilities for coal import not there, and use local coal for new generation. Mr. Mohammad Mesbahuddin, Secretary, Energy and Mineral Resources Division informed the forum that the Government has plans to add 300 mmcf/d gas by 2012. Dr. Nazrul Islam, IIFC, encouraged public-private partnership (PPP), and to undertake energy audit to improve efficiency and lower demand.

Response from the presenter

Mr. Azad mentioned that Government will fast track implementation of all projects to realise timely outcomes, and looked forward to concerted efforts from all quarters. LNG was an option to ease gas supply shortfall.

Remarks from the Guests of Honour

Brigadier General (Retd.) Muhammad Enamul Huq, MP, Hon'ble State Minister for Power, Energy and Mineral Resources pointed out that Government has plans for additional gas supply and new power generation, and indicated that the support of DPs in implementing this plan is important.

Dr. Towfiq-e-Elahi Chowdhury, BB, Adviser to PM on Power, Energy and Mineral Resources informed all that Government has geared full efforts to go ahead with action plan that require substantial investments, largely in the private sector. Government intends to launch an 'Energy and Power Fund' to enable new sources such as Bangladesh Diaspora and domestic capital to invest in the sector, and urged the DPs to assist in the way forward.

Final comments from H.E. Mr. Holger Michael, Ambassador, Germany

H.E. Mr. Michael summed up the discussions as indicated above. He concluded on a note of optimism that Bangladesh will succeed in its efforts to overcome the power shortage with support from DPs.

Concluding remarks by the Chair

The lack of adequate and reliable power supply is a major impediment to Bangladesh's economic and social development. Keeping this in mind the Government has prepared action plan to graduate from power crisis. Reforms will continue to proceed with unbundling of the sector, and adjustment of tariffs. The establishment of SEDA and cross-border trading of energy will have priority. DPs are welcome to help the Government in implementing the action plan.

Business Session-III: Agriculture, Food Security and Water Resources

GoB presentation by Mr. CQK Mustaq Ahmed, Secretary, Ministry of Agriculture

Mr Mustaq Ahmed began by presenting the achievements of Bangladesh in the sectors of agriculture, food security and water resources. He spoke of a real success story in agriculture with rice production having tripled over the last three decades. He also spoke about the encouraging steps that had been taken, for example with crop production gradually being transformed from subsistence to commercial farming; the increasing role of the private sector in input distribution; the approval of the National Food Policy; the increase in safety net allocation; the use of poverty maps to define safety nets; the initiation of river restoration; and the practice of Integrated Water Resource Management.

He went on to list the many challenges that remain in these three sectors and proposed a way forward for each. He concluded by suggesting areas in which DPs could contribute. Among these, he mentioned adaptation and mitigation to climate change; research and human resource development in the agriculture sector; food safety, building of storage space for grain; the implementation of the National Food Policy; capital dredging; and river bank protection.

Comments from Dr. Mahabub Hossain, BRAC

Dr. Hossain agreed with the points that had been made so far, but felt there was a real need for prioritisation so as to mobilise resources efficiently. He went on to list the areas which, in his opinion, focus was needed right now. These included the improvement of the country's agricultural statistics, with the construction of a benchmark of available natural resources, without which proper planning for agriculture is difficult. Scarcity of resources compounded with population growth called for technological advances to increase productivity. For this, scientific research needed to be stimulated and adequate human resources developed, taking into account the need for new competences such as biotechnology. DP support was essential in this area.

Among other important areas needing fast attention was the need to shift from crop based planning to system based planning. Regarding water, Dr. Hossain felt that we had reached a limit on the use of ground water resources and the right approach was to switch to widespread surface water use. Adequate pricing was essential to ensure more efficient use of this resource. Price variability of non-rice crops was also an important issue and steps to ensure that the variation can be contained within a certain range should be taken. Production of vegetables and fruits using home gardens was also an area that could be invested in, as it would go a long way in improving the country's nutritional status. He concluded by stressing that population control should be an essential component of this Business Session as, unless population growth is contained, Bangladesh will not be in a position to meet its food requirements, whatever the progress in productivity.

Comment from Development Partners by Mr. Ad Spijkers, FAO

Mr. Ad Spijkers, FAO, congratulated the GoB on its determination to develop agriculture and felt that a new Green Revolution could realistically be envisaged. He felt that the National Food Policy (NFP) and the Poverty Reduction Strategy Paper provided the GoB and the DPs a good framework to work on with a clear direction. The National Nutrition Program could be scaled up in parallel with the implementation of the NFP. Regarding priority investments, efforts needed to be made to allow sustainable development of fishery resources. Bangladesh was the fourth rice producer in Asia but given the increasing needs, agricultural productivity needed to be fostered and investments made in this regard, taking into account the evermore present effects of climate change. Efforts in research were essential to respond to existing and emerging challenges. Mr. Spijkers concluded on an optimistic note, stating that Bangladesh could potentially become a model of development for the rest of the world. The renewed interest in agriculture by the development community and DPs in particular over the last 24 months was encouraging, and 2010 could potentially make a difference.

Mr. Spijkers recommended a few priority interventions that include: the implementation of the National Food Policy Plan of Action in achieving and sustaining food security for all sectors of society; investments towards master plans for the southern delta and the impoverished north-east; investments for technological innovation through research, education and extension to foster farm productivity and efficiency towards diet diversification and climate change adaptation; institutional and human capacity building from the policy level to the farmers' field schools; and full exploitation of synergies between agriculture and water sectors to ensure efficient use of land, water and other inputs, and to facilitate implementation of integrated planning.

Key comments from the floor

There was an overall consensus over the commendable achievements of the GoB in the field of agriculture. Although Bangladesh was on the right track, population growth meant productivity needed to increase.

Denmark felt emphasis should be given to agricultural research. Advisory/extension services targeted to farmers were also needed to transfer existing knowledge to them. The possibility of a Sector Wide Approach for this sector was suggested. Switzerland felt that although the strategic frameworks in place were sound, the roles of different actors were not always clear. The private sector also needed to be given space. In this regard, IDB felt that the potential of Private Public Partnerships needed to be harnessed. The IDB concluded its intervention by announcing its will to introduce crop insurance in Bangladesh. Japan emphasised the importance of food security as well as the improvement at the capacity of food storage. The Netherlands insisted on the need to strengthen institutions dealing with water and suggested that river transport be given more emphasis. ADB concurred with the need for institutional development and pointed out that recruitment in the water related GoB bodies was urgently needed. The World Bank stressed the need for cross ministerial collaboration to deal with the complex phenomenon of under and malnutrition. Renewed

attention to urban areas was needed. On the other hand, ADB insisted on the need to invest in rural connectivity to improve access to markets and enhance local participation. Japan is also concerned about the improvement of rural infrastructure.

Dr. Shahabuddin, ex-DG of BIDS, agreed that a technological breakthrough was needed to shift the yield frontier. But he warned that a second Green Revolution, though dearly needed, would be difficult to achieve as resources were fewer and challenges greater than before. Rapidly declining support from international research organisations was also a real issue in this regard. He concluded by calling for a real exploitation of global opportunities, for example by taking advantage of exemptions from WTO clauses Bangladesh enjoys.

Remarks from the Guests of Honour

Dr. Mohammad Abdur Razzaque, MP, Hon'ble Minister, Ministry of Food and Disaster Management began by reiterating the GoB commitment to making the people of Bangladesh food secure. Tremendous progress had been made in agriculture but in last 10 years but the support from the DPs in this sector had declined. Describing the food price crisis of 2008, he felt there was a lack of a coordinated response from donors. Faced with such increase in food insecurity, in "Monga" areas for example, safety net programmes had been reinforced, with Vulnerable Group Feeding almost doubling. But in order to do so, compromises had been made in other sectors, such as infrastructure. Help was required from the DPs: the l'Aquila Summit and the Obama Administration have given encouraging signals in this regard.

Begum Matia Chowdhury, MP, Hon'ble Minister, Ministry of Agriculture commended the broad consensus between the GoB and DPs which contrasted with the last Bangladesh Development Forum. Thus, a number of areas for collaboration had been identified on this occasion. She reminded the audience of the GoB target of reaching self sufficiency in food grain by 2030. She hoped that the DPs would extend their assistance on a number of issues including irrigation management; research and extension; adaptation and mitigation; soil inventory; mechanisation; seed certification; knowledge gap minimisation; storage; establishing markets; etc. She concluded by stressing that technical and financial assistance needed to be strengthened and hoped the donors would respond to this appeal.

Final comments from the development partners by Ms. Denise Rollins, USAID

Ms. Denise Rollins began by congratulating the GoB for its great accomplishments: notably in increasing production and running substantial safety nets. The launch of the National Food Policy Plan of Action (NFP PoA) and the development of the Agriculture Policy and Water Policy, reflected the will of the GoB to move forward. However, population was putting pressure on the already scarce resources and climate change will make the situation worse. Thus, resources needed to be used more efficiently and the country needed to grow more food, and more nutritious food in particular. Ensuring the food security of its people was one of the main challenges in Bangladesh and we must act now. The NFP PoA and the PRSP identified the relevant actors and recommend standards for tracking change. This was a good start but we all needed to concentrate now on implementation of these plans. The

DPs stood behind the GoB to help. Ms. Rollins underscored the US President Obama's commitment to America's Global Food Security and Hunger Initiative (known as *Feed the Future*). She commended the excellent partnership that exists between GoB, DPs, civil society and the private sector as the key in achieving sustainable food security.

Concluding remarks by the Chair

The Chair applauded the very lively nature of the discussion that had taken place. Before closing he highlighted a few points including the fact that privatisation had at no time been mentioned during the discussion. He also stressed the fact that it was clear that research and technology were essential in developing agriculture, the fisheries and livestock sector, and in combating food security. It was clear that Bangladesh needed to shift from crop-based agriculture to system-based agriculture. Regarding water management, he fully agreed that river dredging should be completed by participative management as suggested by the Netherlands.

Business Session-IV: Environment and Climate Change

GoB presentation by Dr Mihir Kanti Majumder, Secretary, Ministry of Environment and Forests

Bangladesh has adopted a two-prong approach to deal with climate change - vigorous international negotiations and domestic action. Major achievements included BCCSAP 2009 and setting up a GoB financed trust fund (\$100 million). Climate change issues were to be incorporated in the sixth FYP. Sectoral policies were being reviewed and updated. Two key priorities included building human and institutional capacity building, and prioritisation and implementation of the Action Plan.

Certain programmes have been highlighted - integrated water resources management including river dredging; rehabilitation of coastal and flood defence; community based disaster preparedness; promotion of climate resilient crops; and community based co-management of natural resources. Other environmental concerns included pollution due to industrialisation; loss of biodiversity; and arsenic contamination in groundwater. A climate change unit has been set up in the MoEF to build capacity and facilitate the implementation of the Action Plan. The financing gap was huge - about \$3 billion per year for adaptation and mitigation.

Comments from Dr Qazi Kholiquzzaman Ahmad, President, Bangladesh Economic Association

Referring to the recently held COP 15 Conference, Dr Ahmad noted that the major share of the dedicated fund would be allocated in favour of the LDCs who were seriously affected by the impact of climate change. Therefore, in principle, Bangladesh was likely to derive significant benefit out of the fund. To avail of this opportunity, Bangladesh should exert efforts to maximise its share both in terms of technical and financial support.

He emphasised the special needs and vulnerability of the coastal communities affected by cyclones, tidal surge and sea level rise. He called for ensuring 'habitat security' to these communities to prevent large scale out-migration. Dr Ahmad also stressed the importance of population management and building capacity at the local level. He asked for new and additional funding for climate change. He also suggested that the government should 'create a new vehicle' for managing climate finance. Dr. Ahmad urged the government to take the lead, and if needed, to seek help from the UN and he called for a binding agreement in Mexico.

Comments from Mr. Jim Drummond, Director, South Asia, UK DFID

Mr Drummond commended Bangladesh for its successes to date. He welcomed the provision for both adaptation and mitigation in the BCCSAP and recognised building human and institutional capacities and rapid implementation of the Action Plan as key priorities. He stressed the importance of setting up a high-level coordination mechanism and effective, transparent and accountable institutional arrangements for managing climate finance. Having such systems in place would allow Bangladesh to access more resources, including the Fast Track money committed in Copenhagen.

Mr. Drummond commended Bangladesh's role as a lead LDC voice and urged the government to demonstrate similar leadership domestically by utilising the resources already committed. The proposed governance arrangement for the multi-donor fund would give the government full control over the policy and allocation decisions and address fiduciary risk through technical assistance from the World Bank.

Comments from the floor

Many development partners participated in the discussion and most of them appreciated Bangladesh's achievements and the challenges ahead. A wide range of issues and topics were discussed or commented on: introducing climate resilient crops; repairing breached embankments in Aila affected areas; promoting energy efficiency; adopting integrated water resources management; linking water and agriculture LCG sub-groups; considering urban impacts; considering ecosystem impacts; keeping poverty and gender focus; building institutional capacity; reforming institutions; building more multi-purpose shelters and shelter homes; strengthening local governments; providing high level coordination; introducing climate change in educational curricula; and conducting research to address knowledge gaps.

Development partners supported the proposed governance structure for the multi-donor trust fund that would allow the government to be in full control of the fund while keeping the World Bank as the financial administrator.

Mr Hajime Ueda, Principle Deputy Director, Ministry of Foreign Affairs of Japan, congratulated the government's initiatives in global agenda such as International Climate Change Negotiation and Climate Change Strategy and Action Plan. He also recognised GoB's initiative in implementing both adaptation and mitigation related development

activities. To this end, the Government of Japan had extended cooperation through establishing 117 cyclone shelters, early warning flood forecasting system, construction of coastal embankments, roads, culverts, power plants, solid waste management among some others. Japan was also considering Climate Change Programme Loan.

Referring to the Netherlands as a standing partner in the Water sector, the Ambassador emphasised the need for capacity building for integrated water management system of the country; and for earmarked resources including in particular for food and agriculture. Given the good track record of Netherlands in coastal management, the Netherlands would be happy in providing assistance in Integrated Coastal Zone Management, if required. Given the importance of local level participation in managing the climate change related activities, the need for strengthening the local government system was strongly recommended.

The World Bank noted that the major thrust of the Bank was stated as mobilising additional resources for implementing the BCCSAP regardless of the GoB's decision of MDTF. Referring to the establishment of MDTF, it was mentioned that the ownership would lie with the government and utilisation of the fund would be driven by the choice and decision of the government for implementing priority activities. As the World Bank has long experience in administering different Trust Fund, the administration of fiduciary part of MDTF was recommended to be carried out by the WB at least at the initial stage. However, as clarified by the WB Country Director, GoB might decide to adopt some other method other than the proposed role of the World Bank as an administrator. Regardless of GoB's decision on MDTF, the World Bank would always like to be a strong partner of the government in addressing climate change.

UNDP noted that poverty reduction would be the prime concern in managing the impact of climate change; and the centre of the effort would be to implement adaptation and mitigation programs, where the risk reduction linkage should be meticulously established. To do that, a comprehensive risk reduction plan along with plan for capacity building for both, human and institutional, needed to be developed. Moreover, non-climatic issues such as, land degradation should also be taken into account for the economic growth in longer term.

The climate change related issues were suggested by ADB to be integrated appropriately in the planning process of development. The speaker emphasised the need to mobilise additional funds to narrow the gap between the actual need and available resources. The attention of international community was also drawn to come forward to contributing to the development efforts of the country.

On this point adaptation measure, Dr Atiq Rahman drew the attention that 50 % of the adaptation is linked with water, e.g.: drought, flood, salinity, arsenic or wrong type of water and even wrong timing of water. Planned adaptation was required to address all these. Local Government tier should be strengthened to address climate change more effectively at the local level.

Dr. Asaduzzaman (BIDS) mentioned that Safety-net type of expenditure was required to reduce the climate change impacts. Along with that, it was important to institutionalise climate change education by incorporating it in the syllabus of the university education, introducing a department of Climate Change.

Response from the presenter

Dr. Majumder urged the donors to come forward and help Bangladesh to tackle the disastrous consequences of climate change. People of Bangladesh were not interested in leaving their ancestral homes behind and they wanted to combat climate change from staying where they are. However, adaptation had its limits and a binding agreement on mitigation must be reached to avoid the dangerous climate change.

Remarks from the Guests of Honour

Dr. Hasan Mahmud, MP, Hon'ble State Minister for Environment and Forests, highlighted Bangladesh's economic growth despite all adversities. He specifically mentioned pollution caused by industrialisation and the geological problem of arsenic concentration. Sea level rise and glacial melts will impart significant hardships on the vulnerable communities. Dr. Mahmud thanked the development partners for their assistance. Bangladesh had started to build institutional capacity, has set up a climate change unit in the MoEF and Bangladesh will identify and implement projects to tackle climate change.

Mr. Ramesh Chandra Sen, MP, Minister for Water Resources mentioned that climate change was a global problem and it required a global solution. Bangladesh was an active delta with more than 300 rivers. There were 125 polders and 49 face sea tide. Many were damaged by Sidr and Aila and the government needed aid to repair and renovate coastal structures. Mr. Sen urged donors to invest in the water sector as most difficulties facing Bangladesh were water related.

Final comments from the development partners by H.E. Einar Jensen, Ambassador, Denmark

The Danish Ambassador summed up the discussions as indicated above. He mentioned that resources will come from three sources - national (e.g. GoB's CC Fund), increased bi-lateral/multi-lateral allocations, and new and additional funds in the coming years. He endorsed the MDTF as a 'good model' for an 'interim period' and indicated that more donors would join this once it comes into operation.

Concluding remarks by the Chair

The Hon'ble Minister referred to Bangladesh Climate Change Strategy and Action Plan (BCCSAP) as an important tool of the government for addressing climate change in the coming years. Referring to session discussion, the Minister agreed to the country's need for population management, research and access to new technologies would be useful for addressing many of the issues.

Responding to the discussion of the session about the Multi-Donor Trust Fund (MDTF), the Hon'ble Minister reiterated the decision of the Government about the management of MDTF saying that the fund would be administered by the Government. While saying so, he also assured that the Government would dispel the 'value for money concern' of the development partners by working out an arrangement within the framework of MDTF, ensuring a robust fiduciary risk oversight mechanism satisfactory to the DPs. He also indicated that the World Bank or any other Development Partner would provide technical backstopping and assist transfer of skills for managing the MDTF to the Government as early as possible and surely within a period of five years.

Business Session-V: Transport and Communications

GoB presentation by Mr. Md. Mozammel Haque Khan, Secretary, Roads & Railways Division

In order to develop a robust and balanced road network, there were a good number of policy and planning documents at present. National Land Transport Policy was approved in 2004. Road Master Plan 2007 was prepared for future development and expansion of road network. 20 Year Strategic Transport Plan (STP) for Greater Dhaka has already been approved. Integrated Multimodal Transport Policy, Railway Master Plan, Inland Water Transport Plan and Road Fund are awaiting approval of the Government.

Construction of Padma Bridge is Government's utmost priority. Bangladesh has acceded to the Asian Highway Network recently. Intergovernmental Agreement on Trans-Asian Railway network has been accorded by the cabinet. Dhaka Transport Coordination Board reconstituted as Dhaka Mass Transit Authority. In order to provide better access as well as cheaper mode transport, the Government expressed renewed interest in Inland Water Transport.

The 2nd Padma Bridge, MRT & BRT system in Dhaka, widening of National and Regional Highways, Deep Sea port, Capital dredging of inland waterways were some of the future priority projects of GoB.

He urged the DPs to expedite the construction of the Padma Bridge and requested the DPs to finance the mentioned projects. He also emphasised financing technical assistance for capacity enhancement and feasibility/ design study of investment projects.

Comments from Dr. Jamilur Reza Choudhury, Vice Chancellor, BRAC University

Inland Water Transport (IWT) could make significant contribution in transport sector. Added emphasis needed to be paid to inland water transport to revive its lost traffic. Adoption of Integrated Multimodal Transport Policy was important. The Prequalification Document for Padma Bridge had been circulated to co-financiers. Co-financiers needed to take quick action for P/Q Document for timely implementation of Padma Bridge. All the future plans of Dhaka Urban Transport should be done in conformity with Strategic Transport Plan (STP). Any changes from STP should be looked at carefully. For proper

maintenance of roads it was necessary to start the operation of Road Maintenance Fund as soon as possible. New Railway bridge over the river Jamuna was important to run the railway with full speed and axle load. He proposed to shift gradually from meter-gauge to broad-gauge railway track. Incomplete bridges and approach roads under LGED should be completed on priority basis.

Comments from Mr. Tamotsu Shinotsuka, H.E Ambassador, Embassy of Japan

An adequate and effective transportation system was key to the further development and prosperity of Bangladesh economy and consequently poverty reduction. Closer coordination among relevant ministries and Dhaka City Corporation should be further encouraged. Adoption of an Integrated Multimodal Transport Policy (IMTP) would contribute to effective coordination and ensure a right balance between the different modes. Many transport policies and plans had been developed but rarely brought into force or executed. The establishment of the Road Fund was urgent to ensure adequate and quality maintenance of the primary and the secondary road network. There was still room for improvement of transparency in some executing agencies. Progress of implementation of the Government's railway reform agenda was delayed and urgent action was necessary. It was very important to address the road safety issues and to develop disaster-resistant transport infrastructure in climate change issues. Regional transport infrastructure needed to be developed to encourage the connectivity with neighbouring countries such as through SAARC initiative. In addition to the on-going railway sector development project and bridge improvement project, Japan will support bridge and road construction continuously. And rural road development in south-west undeveloped area was contained in the 31st Yen Loan Package pledged a few days ago.

Key comments from the floor

Many development partners including the World Bank, JICA and IDB participated in the discussion and most of them appreciated Bangladesh's achievements and the challenges ahead. World Bank is now coordinating the Prequalification Document for Padma Bridge in consultation with other co-financiers IDB, ADB and JICA. For implementation of Padma Bridge quality is very important. The IDB made commitment to finance for Padma Bridge. For improvement of Dhaka urban transport, not only hard infrastructure but also soft components like traffic management, institutional arrangements were very important. Institutional Reform was the key word for the executing agencies involved in transport sector. And expeditious implementation of on-going projects was most important. They also emphasised the key priorities of Inland Water Transport and suggested sustainable maintenance of the water channels after dredging.

Mr. Mosharraf Hossain Bhuiyan, Secretary, Bridges Division, Urged donors for assistance to a successful implementation of Padma Bridge. The quality will be taken care for implementation of Padma Bridge. Emphasised expediting the process so that the Padma Bridge could be completed within the stipulated time.

Mr. Mannan Howlader, Secretary, Ministry of Shipping, stressed that Bangladesh being a riverine country, Inland Water Transport (IWT) could still make significant contribution to providing cost-effective transport system and to reduction of poverty. The length of navigable waterways has drastically reduced in last 35 years. To regain the navigability Donor assistance is required.

Dr. Mosihur Rahman, Adviser to the Hon'ble Prime Minister, mentioned that setting reference of rail connectivity through the Padma Multi-purpose Bridge needs much care. Suggested looking into the design and setting up the railway track through the middle of the Bridge and emphasised that all activities should be done simultaneously. Railway reforms from meter-gauge to broad-gauge needed to be made and connectivity with India needed to be endorsed by the DPs.

Remarks from the Guest of Honour

Mr. Syed Abul Hossain, MP, Hon'ble Minister for Communications Requested all the DPs to co-operate with the Government to improve the transport system of Bangladesh. The Government is ready to identify the priority areas with the help of DPs and others. Urged the DPs to continue assistance and donors' cooperation for timely implementation of Padma Bridge. The Railway Reform, IMTP, Railway Development Plan, Road Maintenance Fund will be placed for cabinet approval. Urged donors to invest in the transport sector as most crucial sector for economy. He mentioned that all major procurement documents in transport sector were sent to TIB for ensuring transparency. Assured that all the pending policy papers would be disclosed soon and Bangladesh would be in a position to give result soon.

Final comments from the development partners by Mr. Paul J. Heytens, Country Director ADB, Bangladesh Resident Mission

Mr Heytens summed up the discussions as indicated above. Adopt and implement the Integrated Multimodal Transport Policy (IMTP) and the constituent modal policies prepared earlier without delay. Establish the proposed Road Fund to ensure adequate and quality maintenance of the country's primary and secondary road network. Accelerate progress on the Government's railway reform agenda, which has long been delayed. Attract greater private investment in transport infrastructure through promotion of PPPs. Take full advantage of the historic agreements reached with India to enhance regional transport connectivity.

To get the process started a PPP cell could be established in the Ministry of Communications and the Ministry of Shipping to encourage private participation in the provisions of transport infrastructure and a program put in place to build up its capacity.

Concluding remarks by the Chair

Priority would be given for approval of IMTP, Railway Development Plan, Inland Water Transport plan, Road Maintenance Fund and Parking Policy. Government has already

approved the project for some half done bridges. Strategic Transport Plan will be the benchmark for Dhaka Urban Transport Development. It was urgent to start the prequalification process of Padma Bridge for timely implementation of this long dream. Emphasis has been given on the building of human resources and institutional capacity. Expected necessary resources for the development of transport sector could be obtained from the GoB, PDs and PPPs, and the Government would explore all sources of resource to bring transport sector viable and sustainable.

Business Session-VI: Digital Bangladesh and ICT Development

GoB Presentation on Digital Bangladesh by Mr. Mr. Abdul Karim, Principal Secretary to the Prime Minister

The Government's Vision 2021 is of Bangladesh transformed into a middle-income country with an accountable and transparent governance system delivering the services to the people as they need them. ICTs were an essential element of this vision. There was at present strong leadership and national ownership of the ICT for development agenda at all levels of government, illustrated powerfully by the personal championing and guidance of the Prime Minister. The key driver for the Digital Bangladesh vision was the Ministry of Science and ICT, but focal points had been established across all ministries securing ownership and responsibility right down to field level government representatives.

It was recognised by all stakeholders that the Digital Bangladesh vision was not a technological one, but rather a transformative process of addressing socio-economic agenda - facilitated by ICT tools - aimed at poverty eradication, strengthening good governance and increasing social equity through the provision of and access to quality services in healthcare, education, law enforcement and climate and disaster risk management. It was fundamentally linked to the second NSAPR and the 6th Five Year Plan.

The 2009 ICT Policy and ICT Act provide the legal framework within which ICT for development activities will be encompassed. This had so far translated into plans of action across 10 government sectors and 306 action items across government agencies. A number of successes have already been recorded (i.e. the 50+ Quick Wins) and up-scaling is planned and being implemented. The role of the private sector, and in particular private-public partnerships, was stressed as essential to the Digital Bangladesh vision. Further strengthening of the legal frameworks, streamlining of business processes, and the enhancement of ICT business opportunities must be pursued. The DPs were requested to extend their support for a number of areas including i) human resource development; ii) industry development; iii) legal reform for business and consumers; iv) infrastructure and connectivity; and v) reliable and continuous power supply.

Development of Quick Wins and pilot development undertaken by different ministries were also stressed in the forum, like use of ICT in land management, police case management, online tax return, human development TV channels and disaster warning.

Comments from Anir Chowdhury, Policy Adviser, A2I Programme Project, PMO

Digital Bangladesh was not a vision requiring full literacy (general or computer), but rather about discovering and implementing new ways of delivering services in Bangladesh using existing prevalent technologies like mobile phones, community radio etc., that are faster, more accessible and closely aligned with what citizens need. There existed great potential to tap into the growing youth demographic as both early adopters of ICT for development services, and as drivers of the agenda (as software engineers, for instance, or as technicians). National investment was needed to shape this potential, particularly at secondary and higher secondary levels.

It was important to strike the correct balance between equity and growth, and successfully to negotiate Bangladesh's own path. Developed country models may not provide the right model for Bangladesh. In all Digital Bangladesh decisions, the positive results for the common man in Bangladesh must be kept prominently in mind. Connectivity remained a key issue, but was not simply about hardware: improved inter-operability between current islands of connection (across government agencies and private sectors) should be the goal and this agenda item should be reflected in the civil service roadmap.

Comments from Mr. Stefan Priesner, Country Director, UNDP

UNDP mentioned that Digital Bangladesh should be and is already building on many DP priorities (as witnessed with the highly successful photographic voter list prepared prior to the 2008 election). Central to the ICT for development agenda was a clear elaboration of the way the vision was embedded in the NSAPR, the powerful leadership shown by the government (as witnessed by the PM's BDF opening remarks), and the tailoring of ICT for development solutions that were driven by the owners of the solution, rather than a focus on back-office capacity or hardware. Keeping this in mind would be a challenge not only in planning but also in implementation. Lessons may be drawn from other countries, but Digital Bangladesh should continue to be locally owned. This way, the truly transformative nature of the vision could be realised, by ensuring that ICTs are a *means* to the development ends of poverty eradication, enhanced service delivery and combating of corruption.

There were 5 priority areas as seen by the Development Partners:

1. The institutional framework (roles of various ministries, communication and coordination between these; private sector involvement)
2. A digital innovation fund to stimulate and provide the incentives for innovative ICT solutions for development challenges
3. Clear alignment between e-governance and the civil service reform roadmap
4. A select number of 'big ticket priority' items possibly including the national ID card, the digital administration of land and the one-stop service centres
5. The nurturing of the fledgling ICT industry with a focus on both tapping the youth demographic as adopters and drivers, as well as establishing the correct enabling environment

Key comments from the floor

ICT infrastructure remained a key challenge. In order to develop the ICT sector, technology/idea developed in the private sector should be flexibly introduced. The 'human ware' infrastructure, such as IT Skill Standard was similarly an area requiring further development. If delivered upon, this could make Bangladesh more productive and a target for future investment.

Private sector leadership was central to the delivery of the Digital Bangladesh vision. The use of ICT to streamline and make more efficient government processes would assist this process, but an ongoing, sustainable and solid legal and regulatory framework is critical, given the speed with which new developments in the ICT sector emerge. A systematic process to identify problems, carry out reviews and deliver policy and legal commendations is required.

The changes that the ICT for development agenda will bring (particularly around the automation of service delivery) were likely to face resistance from some vested quarters. Strong political leadership would be required to deal with such resistance.

The IDB was fully supportive of the Digital Bangladesh vision and wished to express its willingness to consider all concrete programme proposals.

Digital Bangladesh played key role in strengthening good governance (through increased transparency and anti corruption efforts), but the need to develop national capacity should also be considered. The ICT sector was likely to grow rapidly and thus education and industry support would be needed.

Both private sector and public sector entry points should be considered (for instance in the national ID system linked to healthcare or driving licensing systems). The World Bank opined that instead of creating the same database repeatedly, the national ID database could be linked to all relevant departments for retrieving authentic basic data from the verified database for various service deliveries like driving licence, passport, etc.

It was important to ensure that the Digital Bangladesh agenda did not create a two-tiered system of access structured around literacy. Ways to include all - including those outside formal education system - were needed as part of planning and implementation of Digital Bangladesh. The Canadian High Commissioner warned that the Digital Bangladesh should ensure access to information by all, older generation without ICT background and young ICT savvy populations, and educated and less educated people including the illiterate. He said that no discrimination should be made through the use of ICT between Digital-lead and Non-digital-underclass.

The Korean experience suggested that it was also important to consider ways to support the development of ICT manufacturing in Bangladesh, a precedent established by the success of the garment industry.

Given the transformative element of the Digital Bangladesh vision, the government would require support in skilling the population, and the DPs were requested to assist in this matter, e.g. through the provision of computer labs at primary and secondary levels.

The infrastructure required for a Digital Bangladesh was recognised by the government as key, and work was already underway. The Planning Commission was leading part of this, broadband policy targets have been set, and fibre optic connection up to Upazila level highlighted as a priority.

The private sector saw 4 key areas of bottlenecks (HR development; access to finance; infrastructure support; and access to markets). Bangladesh stood to be a considerable provider to the global ICT industry (already facing a skills shortage) if skills capacity nationally could be developed. The Digital Bangladesh agenda needed to be private sector-led, implemented through PPP, covering hardware, software and human-ware. The sustainability of this agenda however, would require sweeping changes in governmental processes and structures and was tied to civil service reform roadmap.

Response from the presenter

The Government recognised the considerable contribution from private sector, as well as the key role played by the DPs (as witnessed in the role of ICT in the successful 2008 elections). The commitment to the socio-economic development of Bangladesh utilising ICTs was re-affirmed through ICT. The presenter extended an invitation to all DPs present to attend the ICT Innovation Fair in early March.

Remarks from the Guest of Honour

Architect Yeafesh Osman, Hon'ble State Minister, Ministry of Science and Information & Communication Technology told the meeting that partnership in the Digital Bangladesh vision was highly valued as is the vision itself, which is central to the development of the nation. It was the human element that mattered the most: preparing citizens is vital and the people stand ready to take up ICTs for development. The importance of youth targeting was recognised, as was the development of the ICT industry. The role of DPs in providing technical and financial support to build the institutions that will develop HR capacity and technical support in reforming the Civil Service was appreciated.

Final comments from the development partners by Mr Milko van Gool, Head of Cooperation, European Union

Various DPs and GoB representatives rightly warned against putting the horse before the cart, that ICT is a means, not an end in itself. It was the systems of ICT, and the effective usage of ICT *for* development, as well as the institutional structures that encompassed ICT and the Digital Bangladesh agenda that were important. There was clearly tremendous agreement and support from all. Every DP expressed deep interest in supporting ICT development in Bangladesh. This, coupled with strong leadership and commitment of the government, would create a synergy that will feed the vision and take the country to Middle Income status by 2021.

Concluding remarks by the Chair

Digital Bangladesh was not a promise of a different world but a promise for this world that was faster, more accessible and more closely aligned to the needs of people. It was also a recognition that the concept of Digital Bangladesh meant different service-products to different people. It meant a specific ICT service package delivery to various service-seeking population like e-learning environment for students, updated agricultural information to farmers, or telemedicine to patients. To all, it is services to all who expect service delivery at their doorsteps.

Summing-Up and Next Steps, including BDF Agreed Action Points

Concluding remarks by Mr. Abul Maal A. Muhith, MP, Hon'ble Finance Minister, Government of Bangladesh

The Minister of Finance thanked all present, and those who participated at some point or other, for their valuable contributions to the Forum. In terms of attendance, he noted, it was a pleasure that so many representatives of the Development Partners, both from headquarters and missions in Dhaka, as also leaders of the local private sector as well as the NGOs had participated in the deliberations.

The Minister noted that the debate had been lively and wide-ranging. The discussions addressed the most important priorities of Bangladesh development enterprise, equally of interest to the Government and the Development Partners. The Forum had for the first time benefited from the inputs of members of the civil society and the private sector. And the Minister was glad that the media had taken such a close and positive interest.

The Forum had allowed the Government to share its plans and specific action programmes for achieving faster growth, more poverty reduction, and greater prosperity for all men, women and children in the country. And the Forum had allowed Development Partners to share their concerns, queries and views, and reaffirm their long-term support for Bangladesh, for which the Government and people of Bangladesh were very grateful.

The Minister noted that the BDF had been a great venue for debate, for challenge, for innovation and for agreement. The following were the agreed action points from the BDF.

1. The BDF will become a **regular event**: a high level forum for the Government and Development Partners to review achievements and progress over the previous year, and confirm the priorities and reforms for the coming period. The Minister mentioned that we shall make the Local Consultative Group much more active and discuss sectoral programmes and priorities now and then.
2. The **NSAPR-II** was commended by the Development Partners. It provided a platform for monitoring the programme and for aligning DPs' assistance with Government's priorities. GoB and DPs expect the high level of financial and technical assistance to continue, and hopefully rise in the coming period.

3. Government will finalise the 6th Five Year Plan by the end of June 2010. The plan will run from July 2010, incorporating the final year of the NSAPR. The Government will align the budget allocations with the Five Year Plan and as already announced MTBF will hereafter cover five year periods.
4. We have been considering the Joint Cooperation Strategy (JCS) drafted by the Development Partners and the inter-ministerial consultation was now being finalised. The Minister of Finance hoped that the JCS would be formally agreed by June 2010. The main purpose of the JCS was to provide a forum for Government and Development Partners to hold each other accountable for making concrete and measurable progress towards greater aid effectiveness. Currently there were nineteen parties to the JCS; others were most welcome to join.
5. As part of the JCS process, Government and Development Partners will agree on a detailed Development Results Framework, setting out the key indicators and means by which the objectives in the NSAPR, and in due course the Five Year Development Plan, will be pursued, monitored and measured.
6. As part of the JCS, Government and Development Partners would also agree and implement a "Joint action plan" on Aid Effectiveness. This will cover areas such as improved aid management capacity, streamlining project approval and implementation processes, and further harmonising DP support for sectoral programmes, such as health and primary education and other potential areas.
7. The Minister of Finance mentioned during inaugural session that domestic revenue collection is very poor in Bangladesh and we wanted to improve it. It was agreed that we shall emphasise domestic resource mobilisation by broadening the tax base, improving collection system and strengthening public financial management. The Development Partners have underlined this weakness and assured collaboration for improving the situation. Some specific proposals hopefully will be included in the budget for Fiscal Year 2010-11.
8. The Government was determined to strengthen the key democratic institutions and was encouraged by the interest of the DPs in this enterprise. It was agreed that Parliamentary Committees as well as independent agencies, for example, the Anti-Corruption Commission, the National Human Rights Commission and the Election Commission, will be strengthened for the sake of enhancing transparency and accountability of these institutions as well as of the Government. The separation of Judiciary was a step towards better governance and further action would be taken to adequately institutionalise this separation. Improvement in governance and tackling of corruption enjoyed highest priority in the agenda of the Government. The Government was also committed to rule of law, human rights and gender equity. The DPs had recommended the revision of "Domestic Violence Bill" and the Government declared its intention to undertake such an exercise.
9. The Government will strengthen local government through decentralisation of service delivery and gradual devolution of power. It will introduce a new Civil Service Act in 2010 to strengthen and reform the civil service. Development Partners will provide

substantial support to capacity strengthening of the civil service as part of a GoB led comprehensive programme.

10. The Government indicated its preference for sectoral programmes in health and education despite initial difficulties in implementing such programmes. Once the current PEDP and NHSP expired, a smooth transition will be attempted to place new programmes in position by mid-2011. These programmes will be a key test of the new Joint Cooperation Strategy's ways of working towards aid effectiveness, underpinning national ownership, management for shared results, DP alignment to national systems and harmonisation among the DPs, and, above all, strengthening Government capacity.
11. The Government was giving special importance to Public-Private Partnership (PPP) projects and they have identified energy and power as well as health, housing and education sectors for special investment under PPP. The Government had estimated that by 2013 power generation capacity should reach 7000 MW, requiring investments of USD 9.5 billion. This target was endorsed by the DPs and hopefully the required investment will be mobilised by inputs from public sector, development cooperation and private capital.
12. The Government was committed to broadening the energy mix instead of relying so heavily on gas and petroleum products. The Government will take early steps on domestic coal exploration and expand measures already taken for promoting renewable energy. The Development Partners recommended setting up a sustainable "Energy Development Agency" to facilitate investments in renewable energy which the Government will seriously consider.
13. The Government realises that electricity prices should be adjusted to reflect supply and demand. In order to attract private investment the price should be increased, but a balance has to be maintained between the price for the investors and the price for the poor consumers. The BERC will be enabled to adjust prices maintaining a proper balance. The Government also intends to launch an "Energy and Power Fund" to enable new sources such as Bangladesh Diaspora and domestic capital to invest in this sector and contribute to growth and poverty reduction.
14. The Government gave high priority to a social security system moored around food security. National Food Policy sets out a clear inter-agency strategy for improving food security and nutrition. The Government, with Development Partners, will focus on implementing key priorities in the short and medium term. Key issues were investments for the Southern delta and the impoverished North-East; overall technological innovation and research; and institutional and human capacity building.
15. The Government gave high priority to management of water resources, including dredging of silted rivers and climate change adaptation. It will, together with Development Partners, implement water related programmes in a participatory and comprehensive manner, involving all concerned parties.
16. The Development Partners congratulated Bangladesh for its Climate Change Strategy

and Action Plan and its proactive global leadership, for example in Copenhagen. Government and DPs will work together as negotiations move towards the high level meeting in Cancun, Mexico.

17. **Climate change is an urgent issue** for Government; it is “here and now”. Capacity is a major issue and DPs are committed to providing further support. Government is committed to use its own funds and mainstream climate change issues into all development programmes, helping the poor and vulnerable, especially women. Government aims to increase support to research on climate change and address population growth, urban issues and environmental degradation, for example, rivers drying and air pollution. The Government was concerned that global warming may displace millions of its people from their home and work. For the rehabilitation of these people new agricultural practices, heightening of coastal embankments along with training of manpower for immigration, will be urgently required for which DPs’ support is solicited.
18. Government confirms that the **Climate Change Multi-Donor Trust** Fund will be set up under Government leadership, with the World Bank providing technical back-stopping and the administrative and fiduciary arrangements will be worked out shortly acceptable to all. Development Partners will provide substantial grant funds.
19. Good progress in implementation will make Bangladesh a strong **candidate to receive additional funds**, including from “Fast Start” funding announced in Copenhagen allowing Bangladesh to address climate change issues comprehensively including disaster management and environmental degradation.
20. The Government and DPs agreed to have an **integrated multimodal transport strategy and action plan, with necessary institutional arrangements**; taking a holistic view on transportation in the country including roads, waterways and railways. Government confirms that it will implement urgent projects with the DPs, such as the Padma Bridge, as soon as possible. The Government’s target is to start construction of the bridge towards the end of 2010 for which it requested the DPs to complete their examination of tender document and allow floating of tenders in February.
21. The Government will seek further ways to **connect Bangladesh to the neighbouring countries** - India and Myanmar – and allow for Nepal and Bhutan to take advantage of Bangladesh’s geographical location as a natural transit country. Government expects DPs to support this process.
22. Delays in the design, approval and implementation of infrastructure projects are unfortunate. The Government and DPs agree that **institutional strengthening and reforms** are essential for the transportation and communication sector, especially for the railways. Timings of major reforms will be part of the 6th Five-Year Plan.
23. **Maintenance of transport infrastructure** was vital. As a key part of that, Government will set up the proposed “Road Maintenance Fund” as soon as possible. Restructuring of the railways sector would also be considered with the DPs.

24. There were three sources of investments: public, DP funds and private sector. Government will seek **private sector investments** in transport and communications, through PPPs and other innovative forms of financing. DPs were committed to assist government to strengthen capacity to plan, implement and follow up transport and communication projects.
25. On "**Digital Bangladesh**", government will strive to mainstream new technology (ICT) as a pro-poor tool for Bangladesh development goals using creative ways of delivering vital information and services to common citizens even in remote areas. It intended to use a universal ID system, and access to information as tools for good governance and eradication of corruption. The government was committed to expanding the interconnectivity available to citizens living in rural and remote areas. The government also believed that the authority of local government should be enhanced and PPP system should be invoked to move to fulfil the dream of "Digital Bangladesh". The institutional framework for providing digital service and innovative funding for it will go hand in hand with promotion of ICT industry and indigenous software developments.
26. **To sum up, we will deliver better livelihoods, better quality of life and better security, especially to the poorest and most vulnerable in Bangladesh.**

End of minutes