

**Bangladesh Development Forum
Dhaka**

15-16 February, 2010



**CONCLUDING STATEMENT OF CHAIR
WITH
AGREED ACTION POINTS**

**Economic Relations Division
Ministry of Finance
Government of the People's Republic of Bangladesh**

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BDF- Concluding Statement with Agreed Action Points:
Finance Minister (Chair)

Distinguished participants, Ladies and Gentlemen,

First of all I would like to thank all of you present here, and all those who participated at some point or other, for your valuable contributions to this Bangladesh Development Forum. In terms of attendance it is a pleasure to note 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, have participated in the deliberations.

We have had a lively and wide-ranging debate over the past one and a half days. We have addressed the most important priorities of Bangladesh development enterprise, equally of interest to the Government and the Development Partners.

The Forum has for the first time benefited from the inputs of members of the civil society and the private sector. And I am glad the media has taken such a close and positive interest.

The Forum has 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 has 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 are very grateful.

The BDF has been a great venue for debate, for challenge, for innovation and for agreement. I believe it has been a success. The Development Partners suggested that the BDF should be an annual event. We shall consider it. But what we shall ensure is that it meets on a regular basis. In 2010, of course, we shall have one meeting to consider the Sixth Five Year Plan when its draft is at the finalization stage.

The rapporteurs will produce a detailed record of proceedings in due course. This will be agreed and published by the co-chairs of the Local Consultative Group, Messrs Bhuiyan and Austin.

Below is a summary of what, I believe, are matters on which we have reached some understanding and also some agreements. They will, I am sure, be confirmed by the co-chairs when they produce the final record of proceedings.

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. I am sure 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 provides 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 is now being finalized. I hope that the JCS will be formally agreed by June. The main purpose of the JCS is 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 are nineteen parties to the JCS; others are 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 will 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. I mentioned during inaugural session that **domestic revenue collection** is very poor in Bangladesh and we want to improve it. It is agreed that we shall emphasize domestic resource mobilization 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 is determined to **strengthen the key democratic institutions** and encouraged by the interest of the DPs in this enterprise. It is 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 from the Executive is a step towards better governance and further action will be taken adequately to institutionalize this separation. Improvement in governance and tackling of corruption enjoy highest priority in the agenda of the Government. The Government is also committed to rule of law, human rights and gender equity. The DPs have 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 has indicated its preference for **sectoral programmes in health and education** despite initial difficulties in implementing such programmes. Once the current PEDP and NHSP expire, 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 is giving special importance to **Public-Private Partnership** (PPP) projects and has identified energy and power as well as health, housing and education sectors for special investment under PPP. The Government has estimated by 2013 power generation capacity should reach 7000 MW, requiring investments of USD 9.5 billion. This target is endorsed by the DPs and hopefully the required investment will be mobilized by inputs from public sector, development cooperation and private capital.
12. The Government is 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 of a sustainable "Energy Development Agency" to facilitate investments in renewable energy which the Government will seriously consider.
13. The Government realizes the **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 gives high priority to a social security system moored around food security. The **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 are investments for the Southern delta and the impoverished North-East, overall technological innovation and research and institutional and human capacity building.
15. The Government gives 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 congratulate 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 is 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. 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 agree 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 documents 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 railways. Timings of major reforms will be part of the 6th 5 Year Plan.
23. **Maintenance of transport infrastructure** is 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 will also be considered with the DPs.
24. There are three sources of investments: public, DP funds and private sector. Government will seek **private sector investments** in transportation and communications, through PPPs and other innovative forms of financing. DPs are 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 intends to use a universal ID system, and access to information as tools for good governance and eradication of corruption. The Government is committed to expanding the interconnectivity available to citizens living in rural and remote areas. The Government also believes 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.**

A.M.A. Muhith, MP
Honourable Finance Minister
Dhaka, 22 February 2010