



South-South Cooperation for Financing SDGs

Economic Relations Division
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Ministry of Finance
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Author : **Dr A. K. Abdul Momen**

Former Bangladesh Permanent Representative to United Nations and
National Consultant, K4DM Project.

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Abul Maal A. Muhith MP

Minister, Ministry of Finance

Message

This study report titled ‘South-South Cooperation for Financing SDGs’ commissioned by the Economic Relations Division, and supported by the Knowledge for Development Management (K4DM) Project of UNDP is a commendable initiative of exploring opportunities of South-South Cooperation for attainment of SDGs. Bangladesh has been adopting and implementing an ambitious development vision for the last decade. Attainment of SDGs has added a new dimension in the development paradigm across the world to attain the challenging targets in the specified time frame and manner following specified indicators. This study report can be useful for Bangladesh in exploring opportunities for resource mobilization and technical cooperation from the Southern countries.

In spite of several initiatives, still we are not in the position to capitalize the optimum benefits of South-South cooperation. Bangladesh needs to explore the ways and means of further cooperation to attain the long cherished development goals. The huge amount of resources that will be required to attain the SDGs in economic, social and environmental areas cannot be met from the Official Development Assistance (ODA) alone. Southern technology, experience, expertise and supports can help supplement to the existing process of development.

At the same time, Bangladesh can also help other southern countries in the areas, where we have attained excellent progress. Bangladesh’s achievements in agricultural development and innovation, food production, rapid expansion of ICT, women development, disaster management, local adaptation strategies to mitigate climate effects, micro-credit and poverty reduction etc. can help another south country to overcome a similar challenge. This study has undertaken an effort to highlight Bangladesh’s development solutions and best practices for replication in other Southern countries with similar socio-economic context.

I appreciate the initiative taken by Economic Relations Division to establish a South-South Cooperation Cell at ERD to deal with the Cooperation issue in a dedicated manner. I think, this study report will generate knowledge on South-South cooperation and support ERD in developing future plan of action. My sincere thanks to Dr. A. K. Abdul Momen for producing such an informative document.

UNDP Bangladesh also deserve thanks for supporting this study through its Knowledge for Development Management (K4DM) Project. UNDP’s experience of promoting South-South and Triangular Cooperation across the world can make additional values to our work.

A handwritten signature in black ink, appearing to read 'Abul Maal A. Muhith'.

Abul Maal A. Muhith, MP



Kazi Shofiqul Azam

Secretary, Economic Relations Division

Foreword

South-South cooperation has emerged as a significant instrument in the global development discourse. It is treated as an important modality of development cooperation which can influence the scenario of global aid architecture to a large extent, if we can utilize it effectively. In the context of reducing official development assistance (ODA), the southern countries, including Bangladesh, need to explore their own way of development by fostering cooperation with the similar other countries to supplement the gap.

South-South cooperation offers viable opportunities for developing countries and countries with economies in transition in their individual and collective pursuit of sustained economic growth and sustainable development. The basic objective of the South-South Cooperation is to foster the self-reliance of developing countries by enhancing their creative capacity to find out solutions to their development problems in keeping with their own aspirations, values and specific needs.

The southern countries holds 40% of the world's resources. The changes in the South is rapid. New pattern of trade, investment and other economic linkages among the global south are emerging rapidly, although every country has knowledge, resources and experience. Some southern countries have their own way of development which are worth sharing and replicating in other countries. Some of the middle-income economies of the South have become outstanding sources of development assistance and providers of technical support for institutional and human capacity building. The South's potency as an economic force with ability to complement the traditional North-South mode of Cooperation has started to get global recognition. Expanding economic opportunities of southern countries can improve hundreds of lives of people of global South.

Against this backdrop, Economic Relations Division realizes the need for strengthening South-South Co-operation for furthering socio-economic development of Southern countries with special focus on achieving the SDGs. From this realization, ERD initiated the study on South-South Cooperation for Financing SDGs. I congratulate Dr. A K Abdul Momen, former Permanent Representative of Bangladesh to the United Nations and National Consultant of K4DM Project for conducting this study. This study would be very much supportive of our forthcoming activities, particularly to identify scopes for furthering South-South cooperation and to understand the critical resource gap to meet the SDGs.

I thanks UNDP Bangladesh for supporting ERD through the 'Knowledge for Development Management (K4DM) Project' to conduct the study. Finally, I will urge to work together for better life and livelihood keeping in mind that, we are living in a global village and inclusive development efforts can move the globe to a better position.

A handwritten signature in black ink, appearing to be 'Kazi Shofiqul Azam', written in a cursive style.

Kazi Shofiqul Azam



Acknowledgement

Jalal Ahmed

Additional Secretary (UN), ERD
and National Project Director, K4DM Project

Economic Relations Division (ERD) is happy to publish this important document as a part of its efforts towards expansion of connectivity and exploring best practices of South-South Cooperation. This cooperation has emerged as an alternative development agenda in the backdrop of continuous reduction of Official Development Assistance (ODA) across the world. This publication will contribute in better understanding of different aspects of South-South cooperation as well as its challenges and opportunities and the possible strategies for reaping out its optimum benefits. The book has also focused on the need for adoption of South-South cooperation as an alternative approach of financing for attainment of SDGs.

The main objective of conducting the study is to enhance ERD's capacity in coordination of South-South cooperation initiatives both in the national and global context. It is a collection and compilation of best practices of South-South cooperation and Bangladesh's successful development solutions to showcase those in different national and global fora was also an objective.

We are grateful to Dr. A. K. Abdul Momen, former permanent representative of Bangladesh to the United Nations for his sincere contributions towards presenting relevant information and important facts in a single document. We also acknowledge contributions of respondents at home and abroad who were interviewed for this study.

ERD appreciates UNDP's usual supports for ERD in promoting South-South and Triangular Cooperation through K4DM project. I also express my thanks to my colleagues at ERD and K4DM Project for their cooperation in organizing two consultation sessions for collecting feedback for finalization of the report.

Finally, we look forward to your further cooperation in fostering our efforts towards promotion of South-South and Triangular cooperation by using the information and strategies contained in the book.

Jalal Ahmed

Author's Note

The report is an attempt to provide a general background on South-South, the traditional North-South, and Triangular Cooperation and to understand the critical resource gap to meet the goals of Sustainable Development (SDGs) that the UN adopted in 2015. The resolution '2030 Agenda: Transformative World' that all 193 heads of states and governments have adopted with consensus on 25th September, 2015 aims at a pro-people, pro-planet, more inclusive, more equitable, more peaceful sustainable world for all where 'no one is left behind' requires resource mobilization not in terms of billions but in trillions per annum. The traditional development partners instead of increasing their flow of resource to Southern Countries (SSCs) merely accounts for around 3.17% of the estimated \$5-\$11 trillion that is needed to achieve SDGs are finding difficulty even to meet their commitments that they repeatedly promised and only six countries could actually meet their 0.7% of GNI as promised. The need for increasing resource mobilization both funds and technology transfer or 'means of implementation' or Goal 17 is imperative to achieve SDGs.

In recent years, both trade and reserve funds in the SSCs are growing fast and newer technology and successful programs have been developed in many SSCs. Many countries of the South are now capable of sharing their best practices and also assist other SSCs even in financing. Unfortunately full potential of such SSCs cooperation and resource mobilization have not been fully achieved nor explored yet. In order to fully explore the critical issues of the South and also to devise ways and means to mobilize resources both money and appropriate technology transfer, a Forum of South-South Countries is recommended in the report.

The report identified many best practices and lessons learned of the Southern countries that are beneficial, cost effective, and successful to help reduce poverty and hunger and improve life and living of people. These practices are replicable and adaptable in other countries of the South. Therefore, the report presented cases of few good practices and lessons learned.

The First Section (Section I) of the report discusses what is South-South and Triangular Cooperation, its history, how much is the resource requirement for achieving SDGs and how to mobilize it. It also talks about the success of Bangladesh, a LDC in achieving MDGs. The second section (Section II) briefly focuses on aid effectiveness and efficiency while Section III provides an overview of the Global economy and its current trend. It highlights situation in major donor countries, USA, Euro area, Emerging Market Developing Economies (EMDEs), low income countries and also China. This section also discusses Intra-South and Global Trade and Aid, and recent policy uncertainty in USA and UK (after Brexit) and rise of protectionism.

As discussed, the Section IV identifies cases of ‘Lessons Learned and Best Practices’ of Bangladesh that are cost effective and replicable in other Southern countries. It highlights cases of best practices in private sector, public sector and NGOs. And Section V includes cases of ‘best practices’ in other South-South countries and also cases of successful ‘regional cooperation’ in the countries of the South.

Section VI summarizes the issues and submits a Draft Declaration and a Draft Resolution for the UN General Assembly to form a ‘Forum of Southern Countries’ to explore and realize the fullest potentials of the countries of the South and Triangular Cooperation with North-South countries.

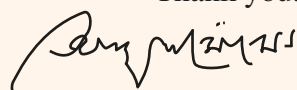
The report would be worth if the best practices of SS countries could be replicated across Southern countries and a Forum for South-South countries could be established to discuss, dialogue, explore and understand the critical issues of the South in order to realize and make best use of the potentials of the SS Countries. Therefore, a draft resolution for establishing such a Forum under the UN is also included in the report.

A high-level meeting of the Heads of States and Governments is scheduled to be held on March 20-22, 2019 in Buenos Aires, Argentina and they would discuss the “role of South-South and Triangular Cooperation towards achieving Sustainable Development Goals in the framework of the 2030 Agenda” and initiatives should be taken seriously to establish the proposed Forum of the South-South countries and Bangladesh in collaboration with G-77 and NAM should take a lead in it.

While the efforts of the SSCs cooperation could act as ‘complementary’ to that of North-South cooperation, it is not enough to mobilize adequate resources both money and technology and therefore, the UN Secretary General should call for a Summit meeting to help mobilize resources or means of implementation of the SDGs. Otherwise, we are afraid, the aspirational yet achievable goals and targets of SDGs could be derailed and the ‘Future We Want’, a poverty and hunger free world could remain as an unfinished agenda.

I feel gratified that former Additional Secretary (UN) Ms. Shamima Nargis and UN Resident Coordinator Mr. Robert Watkins offered me the assignment of presenting this report. I am thankful to Mr. Kazi Shofiqul Azam, Secretary, Economic Relations Division, Mr. Jalal Ahmed, Additional Secretary (UN), ERD and NPD, K4DM Project for their cooperation. I am also thankful to Mr. Anir Chowdhury of a2i, Policy Advisor at Prime Minister's Office. Needless to say that I am grateful to those institutions that allowed us to use their publications, especially BRAC, PKSf, World Bank, OHRLLS, ERD and the UNDP. However, I am responsible for all omissions and commissions.

Thank you.

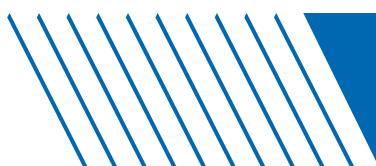

Dr. A. K. Abdul Momen

ACRONYMS

ACR- Annual Confidential Reports
a2i - Access to Information Programme
ADB- Asian Development Bank
AIIB- Asian Infrastructure Investment Bank
ASA- Association of Social Advancement, a local NGO of Bangladesh
ASEAN- Association of East Asian Nation
BADC- Bangladesh Agriculture Development Corporation
BAPA- Buenos Aires Plan of Action
BDT- Bangladeshi Taka
BIMSTEC- Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
BINA- Bangladesh Institute of Nuclear Agriculture
BPPS- BRAC Pre-primary schools
BRAC- Bangladesh Rural Advancement Committee, a NGO of Bangladesh
BRICS- Brazil, India, China and South African Bank
BRRI- Bangladesh Rice Research Institute
BTCA- Better Than Cash Alliance
CAR- Central African Republic
CARD- Coalition for African Rice Development
CBDC- Community Based Health Care
CBO- Community Based Organization
CC- Community Clinic
CCCP- Community Climate Change Project
CG- Community Group
CGAP- Consultative Group to Assist the Poorest
CHCP- Community Health Care Provider
CLMV - Cambodia, Laos, Myanmar and Vietnam
CLTS- The Community-Led Total Sanitation in Bangladesh
DAC- Development Assistance Committee
DC- Deputy Commissioner
DFID- Department for International Development (UK Aid)
DFS- Digital Financial Services
ECOWAS- The Economic Community of West African States
EMDE- Emerging Market and Developing Economies
EPI- Expanded Program on Immunization
ESCAP- Economic and Social Commission for Asia and the Pacific
EU- European Union
FAO- Food and Agriculture Organization
FCI- Food Corporation of India
FDI- Foreign Direct Investment
FYP- Five Year Plans
FHI- Food Hardship Index
GDP- Gross Domestic Product
GoB- Government of Bangladesh
GNI- Gross National Income
HHs- House holds

HP- Hope for the Poorest, a local NGO, Bangladesh
 HPNSDP- Health, Population and Nutrition Sector Development Program
 IAPP- Integrated Agricultural Productivity Project, Ministry of Agriculture Government of the People's Republic of Bangladesh
 IBSA- The India, Brazil, South Africa Dialogue
 ICT- Information Communication Technology
 IDB- Islamic Development Bank
 IDCOL- Infrastructure Development Company Limited
 IDE- International Development Enterprises
 IFAD- International Fund for Agricultural Development
 IFC- International Finance Corporation
 IGMRI- Indian Grain Storage Management and Research Institute
 IPA- Innovations for Poverty Action
 IMCI- Integrated Management of Childhood Illness
 IMF- International Monetary Fund
 IPU- Inter-parliamentary Union
 JICA- Japan International Cooperation Assistance
 KGF- Kuwait Goodwill Fund
 LDC- Least Developed Country
 LGD- Local Government Division
 LGSP-II- Local Government Support Program-II
 MDB- Multilateral Development Banks
 MDG- Millennium Development Goal
 MFI- Micro-finance Institute
 MFS-Mobile Financial Service
 MMC- Multimedia Classrooms
 NAFTA- North American Free Trade Agreement
 NAM- Non-aligned Movement
 NGO- Non-Government Organization
 NRB- Non-residence Bangladeshi
 ODA- Official Development Assistance
 OECD-Organization for Economic Cooperation and Development
 ONBS- Open Nucleus Breeding System
 OWG- Open Working Group
 PCRD- Post Conflict Reconstruction and Development
 PFA- Performing and fine arts
 PDO- Project Development Objective
 PKSF- Palli Karma-Sahayak Foundation
 PMUK- Padakhep Manabik Unnayan Kendra, a local NGO of Bangladesh
 PO- Partner Organization
 PPAF- Pakistan Poverty Alleviation Fund
 PROSPER- Promoting Financial Services for Poverty Reduction
 PRIME- Programmed Initiatives for Monga Eradication
 PSP-Payment Service Providers
 RCHCIB- Rural Community Health Clinics in Bangladesh
 RDRS- Rangpur, Dinajpur Rural Service, a local NGO of Bangladesh
 RMDC- Rural Microfinance Development Centre in Nepal
 SAARC- South Asian Association of Regional Cooperation
 SACOSAN- South Asian Conference on Sanitation
 SCA- Seed Certification Agency of the GoB

SDG- Sustainable Development Goal
SHGs- Self-help groups
SHS- Solar Home System
SIF- Service Innovation Fund
SPS- Service Process Simplification
SS&TC- South-South and Triangular Cooperation
SSC- South-South Cooperation
SU-SSC- Special Unit for South-South Cooperation
SWF- Sovereign Wealth Funds
TCV-Time, Costs and Visits
TERI- The Energy and Resource Institute, India
UDC - Union Digital Centres
UISC - Union Information Service Centers,
UK- United Kingdom
UNCTAD- United Nations Conference on Trade and Development
UNDP- United Nations Development Program
UNGA- United Nations General Assembly
UNO- Upazila Nirbahi Officer
UN-OSSC- United Nations Office of the South-South Cooperation
UPGP- Union Parishad Governance Project
USA- United States of America
USAID- United States Agency for International Development
VO- Village Organization
WAHO- West African Health Organization
WAMA- West African Monetary Agency
WB- World Bank
WHO- World Health Organization
WSP- The Water and Sanitation Program
WTO- World Trade Organization





EXECUTIVE SUMMARY

South-South cooperation is a broad framework of collaboration among countries of the South in political, economic, social, cultural, environmental and technical domains and it is a manifestation of solidarity among peoples and countries of the South that contributes to their national well-being, their national and collective self-reliance and the attainment of internationally agreed development goals, including the 2030 Agenda for Sustainable Development. Recent developments in South-South cooperation have taken the form of increased volume of South-South trade, South-South flows of foreign direct investment, movement towards regional integration, technology transfers, sharing of solutions and expertise, and other forms of exchanges.

In 2015, in order to have a world free of hunger and poverty without harming the environment, the global leadership adopted four UN resolutions and these are (1) Sendai Disaster-Risk Reduction, (2) Accra agreement on Financing for development, (3) Sustainable Development Goals and the (4) Paris agreement. These goals and targets are aspirational yet achievable and these would require massive mobilization of resources and technology transfer. To have a pro-people, pro-planet, more inclusive, more peaceful and a sustainable world for all where 'no one is left behind', it is imperative to have a rock-solid partnership and political commitment. Unlike MDGs, these goals are for all countries of the world both rich and poor alike.

The development partners (DPs) agreed in 2002 to provide 0.7% of their GNI as ODA. Unfortunately, only six countries are able to keep their promise while others are far behind. However, the total ODA is around \$141 billion annually (average of last 10 years) to the developing countries (DCs) which is only 2.8% of the funding requirement of SDGs. As per various estimates, it will require \$5 to \$11 trillion annually to achieve the SDGs. The contribution of DPs to 48 LDCs is around \$38-\$42 billion which is less than 1% of the requirement. The scenario to receive more funds from the DPs is not very bright either. Rather, since the election result in USA and Brexit in UK, the scenario is bleak and uncertain.

However, the picture is not that dismal as there are many innovative ways of financing the SDGs. For example, carbon pricing, tax on billionaires, and a reallocation of funds from defense expenditure could easily provide couple of trillions of dollars. In addition, a percentage investment of the global \$23 trillion bank savings, a proportion of \$400 trillion private sector resources and a redistribution of wealth from those 85 people who own the wealth equivalent to that of the half of global population could easily come up with the needed funding. Recently, a \$100b BRICS and a \$40b AIIB have been set up and these are newer additions to mobilizing funds in the southern countries.

The trade and investment within the South-South countries have dramatically increased in recent years vis-a-vis others and it is time to explore and make best use of these potentials. Bangladesh, in order to explore these potentials suggested to form a Forum of Development and Finance Ministers of the Southern countries in the context of SDGs. In March 2019, the leaders of the Southern countries will celebrate their 40th anniversary in Buenos Aires and Bangladesh with the support of NAM may take lead to establish such a Forum of SSCs to discuss, debate, and explore the critical issues of the South and also to make best use of the unexplored potential of SSC.

In addition, because of uncertainty in the US, the largest economy in the world, the spill-over effect on other economies including UK and EU and the rising protectionism may force many advanced countries to shy away from their historical commitments to finance SDGs and EMDEs. In contrast, the economies of the emerging countries including China and the BRICS are relatively good. Given the scenario, it may be prudent and realistic to promote South-South cooperation. However, South-South cooperation cannot be a substitute; it can only be a complement to North-South triangular cooperation. Good news is, there is scope for South-South and Triangular cooperation for a 'win-win' situation for all, for example, the case of CAR and Sierra Leone.

Although there has been debate and skepticism on aid effectiveness, however, in case of Bangladesh, its utilization and effectiveness resulted in the reduction of poverty from 56.7% in 1991 to 23.2% in 2016 and in addition, unlike other LDCs where achieving MDGs remained an 'unfinished agenda', in Bangladesh, most of the MDG goals have been achieved. Nevertheless, there is room for improvement.

For achieving the SDGs and also to meet Bangladesh Prime Minister's Vision 2021 for transforming Bangladesh into a middle income country and Vision 2041 to turn into a develop country, Bangladesh estimated an amount of Tk 4,98,90,000 crore (\$6.23 trillion) to achieve SDGs that translate into constructing 1,800 Padma bridges. GoB proposes to realize 85% of this fund domestically and 15% from external sources. It also postulates that 42% of it will come from private sector. It means, the GoB has to spend Taka 33 lakh crore (\$5.3b) each year till 2030. To achieve SDGs, most of the resources have to be managed domestically through innovative financing. Naturally, it is a daunting task indeed. Good news is, Bangladesh has taken the challenge seriously and it has created a very powerful new position titled 'Coordinator' of the SDGs Affairs' in the Prime Minister's Office and in addition, it formed a 16-member "SDGs Implementation and Monitoring Committee" consisting of senior bureaucrats representing all relevant departments/ministries. It also assigned 40 Ministries/Divisions plus another 61 Independent Institutions who would do what or mapping in terms of 17 SDGs, 169 targets and 230 indicators.

In chapter IV, paper highlighted a total of 48 select cases of 'Lessons Learned and Best Practices' of Bangladesh and other Southern countries that are replicable in other Southern countries. These cases include replicable, innovative and successful approaches developed by public, private and non-government organizations in the area of poverty reduction, energy security, healthcare management, educational achievement, financial inclusion, digital application, people's participation to save rivers and environment, reducing bureaucratic red tape and cost,

and digital banking and remittance. They also include cases of South-South collaboration and partnership in other Southern countries such as Chile's successful program of 'Fund Against Hunger and Poverty', Africa's CARD (Coalition of African Rice Development), Solar Lantern, ECOWAS, MERCOSUR, China, ASEAN, BIMSTEC, and IBSA's successful initiatives of South-South Cooperation and Partnership and also SAARC Food Bank. These cases are dealt with at length so that others can replicate them easily. Secondly, since 'digitization' can help achieve better governance, reduce bureaucratic red tape and corruption, cost of service delivery and time constraint, plus could help to have cost-effective and quality education, therefore, cases belonging to digitization have been emphasized.

Finally, a draft Political declaration for the South-South and Triangular Cooperation (SS& TC) and a draft resolution for setting up of a Forum of South-South Finance and Development Ministers have been added in the report. It may be necessary to underscore that since achieving Sustainable Development goals (SDGs) is for all nations, rich and poor, and resource requirement for it is massive, therefore, it may be recommended for the UN Secretary General to arrange a Summit of the Heads of the States and Governments and the signatories of the four resolutions including SDGs and the Paris agreement to debate 'means of implementation' of the SDGs at the earliest. Otherwise, we are afraid that the lofty ideals and aspirations of the global leaderships and people may remain as an 'unfinished agenda' even beyond 2030.

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Contents

SOUTH-SOUTH COOPERATION FOR FINANCING SDGs	25
SECTION 1: INTRODUCTION AND BACKGROUND OF THE STUDY	25
1.1 South-South and Triangular Cooperation	27
1.2 SDGs and Resource Mobilization	31
1.3 Resource Requirement for SDGs	34
1.4 International Financing: Essential for achieving SDGs	35
1.5 Internal Resource Mobilization	42
1.6 MDGs: Success Uneven, an Unfinished Agenda	44
1.7 Bangladesh: A Success Story of MDGs	45
1.8 Bangladesh: An Emerging Economy	47
1.9 Bangladesh: Leadership Role in SDGs	49
SECTION 2: EFFECTIVE AND EFFICIENT UTILIZATION OF RESOURCES	51
2.1 Aid Effectiveness and Efficiency	51
2.2 Aid effectiveness in Bangladesh	52
SECTION 3 : GLOBAL ECONOMY AND ITS CURRENT TRENDS	55
3.1 Global Outlook: Current Scenario in Major Donor Countries	55
3.2 Euro Area	60
3.3 Current Economic Trend in the Emerging Countries	61
3.3.1 Low-income Countries	63
3.3.2 People’s Republic of China	63
3.4 Intra-South-South and Global Trade and Investment	64
3.4.1 Financial Markets	66
3.4.2 FDI: Foreign Direct Investment	66
3.4.3 Heightened Policy Uncertainty Amid Mounting Protectionist Pressures	67
SECTION 4 : SOUTH SOUTH AND TRIANGULAR LESSONS LEARNED AND BEST PRACTICES	69
4.1 Public Sector Success Stories	69
4.1.1 Union Parishad Governance Project (UPGP)	69
4.1.2. Palli Karma-Sahayak Foundation (PKSF)	70
4.1.3 Pathway out of Extreme Poverty- The PRIME Experience	72
4.1.4 Providing access to renewable energy to people off the grid	74
4.1.5 Biogas Plants	76
4.1.6 Community Based Health Care	76
4.1.7 EPI: Expanded Immunization Prog in Bangladesh: a Success Story	79
4.1.8 NASVAC: Novel Nozzle Vaccine for Treatment of HBV	81
4.1.9 ORT: a Life Saving solution of ICDDR’B, Bangladesh	82

4.1.10 One Family, One Farm (Akti Bari, Akti Khamar)	83
4.1.11 Sanitation in Bangladesh	84
4.1.12 Alternative Micro-credit Initiatives for the Extremely Poor of Haor Areas	87
4.1.13 Land Lease Loan Project for Ultra Poor	88
4.1.14 Production, Processing and Marketing of Saline-Tolerant Rice Propagating in the Coastal Area	90
4.1.15 Generation of Employment and Income through Contract Dairy Farming and Market Linkage	92
4.1.16 Genetic Conservation and Improved Rearing of Black Bengal Goats at Farm and Family Levels funded by PKSF	95
4.1.17 Integrated Agricultural Productivity Project (IAPP), Government of the People's Republic of Bangladesh	97
4.1.18 National Web Portal	98
4.1.19 Innovation Management by Public Sector	102
4.1.20 Innovation through Social Media and Resulting Green Revolution in Trishal: Go-Green Initiative	110
4.1.21 Status of Digital Financial Inclusion in Bangladesh	111
4.1.22 Empathy Triggered Innovation Journey	124
4.1.23 Private Entrepreneurship Model	125
4.1.24 The Solution: a2i's Service Innovation Fund (SIF)	129
4.1.25 Social Media in Public Service Innovation	134
4.1.26 Teachers' Portal	135
4.1.27 Access to Information (a2i)	139
4.1.28 Case Study: Leveraging Social Media to Mobilize Citizens' Collective Action for Reclaiming Rivers:	144
4.2 NGO Success Stories	145
4.2.1 Financial Inclusion through Microfinance Programme of BRAC	145
4.2.2 BRAC Targeting the Ultra Poor (TUP)	148
4.2.3 Increasing Food Security through Ensuring, Manufacturing, Supply and Use of Urea Super Granule	148
4.2.4 BRAC's Pre-Primary Schools (BPPS)	149
4.2.5 BRAC primary schools	150
4.2.6 BRAC's Boat School	152
4.2.7 School for dropped out children	153
4.2.8 Bridge course	154
4.2.9 Performing and fine arts (PFA)	155
4.3 Private Sector Success Stories	156
4.3.1 Bkash Limited: Mobile Banking	156
4.3.2 Mobile Banking in Bangladesh	158

SECTION 5: OTHER SOUTH-SOUTH BEST PRACTICES 161

5.1 Chile Fund against Hunger and Poverty	161
5.2 ECOWAS	165
5.3 IBSA	167
5.4 Coalition for African Rice Development (CARD)	172
5.5 SOLAR LANTERN PROJECT IN RURAL SIERRA LEONE	174
5.6 China's One-stop Service Centre Model Designing Government Services for Urban Bangladesh	181
5.7 MERCOSUR	184
5.8 SAARC Food Bank	187
5.9 ASEAN Economic Community	188
5.10 BIMSTEC	191

SECTION 6: SOUTH-SOUTH & TRIANGULAR COOPERATION AT THE UN 195

6.1 Political declaration on strengthening amity through South-South and Triangular cooperation	196
6.2 Structure of the Proposed South-South Forum of Finance/ Development Ministers	197
6.3 Draft Resolution on the South-South Forum	198
6.4 Challenges Ahead and Way Forward	202
6.5 Conclusion	203

List of Box

Box 1: UN Events: Historic 2015	25
Box 2: South-South Cooperation deals with	27
Box 3: Resource requirement for SDGs	35
Box 4: Bangladesh GoB estimates for SDGs	43
Box 5: Bangladesh Civil Service: A Potentially Powerful Enabler of Development	102
Box 6: Definition of 'TCV'	106
Box 7: Daniel Pink's 'Mastery, Autonomy, Purpose' Mantra	107
Box 8: a2i's Digital Centres	108
Box 9: Requirement for digital payments	115
Box 10: DFS Lab+'s Social Safety Net (SSN) Programme Management & Payments Digitization Pilot	118
Box 11: Empower Civil Servants	125
Box 12: UDCs at a Glance	127
Box 13: Ma o Shishu Mobile application (Mother and Child Mobile Health Application) by Md. Rayhan Hossain, a local innovator.	132
Box 14: Digital Plants Problems Identification System (DPPIS) by Md. Abdul Malek, Agriculture Extension Officer, Fulbaria, Mymensingh	132
Box 15: Multimedia Digital Talking Books by Young Power in Social Action (a local NGO)	133

Box 16: Redress Citizen’s Grievances	134
Box 17: Teachers Portal: at a glance	136

List of Tables

Table 1: Basic Objectives of the South-South Cooperation according to BAPA, 1978	31
Table 2: 17 SDGs adopted a set of goals to end poverty, protect the planet and ensure peace and prosperity	33
Table 3: Official Development Assistance (ODA) by country (in % of GNI and absolute amount) in 2015	37
Table 4: Total Flows by Donors, 2006-2015 in Billion US \$	39
Table 5: Funding requirement to achieve 17 SDGs	39
Table 6: Likely Sources of SDGs Funds	41
Table 7: Comparative Analysis of Selected MDG Goals in LDCs, 2015	44
TABLE 8: Real GDP (percent change from previous year)	56
Table 9: Status of important services of CC from 2009-March, 2016	79
Table 10: Net annual income of beneficiary household after implementation of char land lease programme	89
Table 11: Improvement in household rice availability of char land lease loan beneficiaries due to programme intervention	90
Table 12: Overall progress of Saline-Tolerant Rice seed Propagation initiative against the target	91
Table 13: Overall progress of Saline-Tolerant Rice seed Propagation initiative against the target	93
Table 14: Status of Sustainable Income and Employment Generation for the Poor Engaging Them in Rearing Black Bengal Goats at Farm and Family level project as on June 2014	96
Table 15: Project Implementation	97
Table 16: Progress towards to the Project Development Objective (PDO) as well as Key Performance Indicator (KPI) of the Project	98
Table 17: Service wise reduction in TCV	128
Table 18: Digitization of Services in Bangladesh	142
Table 19: BRAC microfinance in Bangladesh	146
Table 20: BRAC microfinance around the world	146
Table 21: BRAC’s Bridge course for School for Dropout Children	155
Table 22: IBSA’s Project Development Impact Across the World	169

List of Figure

Figure 1: Bangladesh Prime Minister Sheikh Hasina receiving South-South Leadership Award, 2013	30
Figure 2: 5Ps strategy of the SDGs	32

Figure 3: 10 Mega projects to dramatically improve infrastructure	48
Figure 4: Deceleration of growth of Labor Productivity, Potential Output, GDP and Long-term Inflation	58
Figure 5: Euro Area: Change in economic sentiment since Brexit vote	60
Figure 6: GDP growth, Contribution to EMDE growth, Contribution to GDP growth, Growth in EMDE, EMDE Investment and Share of EMDEs	
Investment growth below its long-term average	62
Figure 7: Growth of Global goods trade, Global capital goods trade and investment, Global Value Chain and Import volume	64
Figure 8: Immunization served by the nurse	80
Figure 9: Salt-sensitive rice variety Binadhan8	92
Figure 10: Cattle bearing and fodder cultivation an integral part of contract diary farming	94
Figure 11: Schematic diagram of WAVE Foundation Goat rearing activity	95
Figure 12: Black Bengal goat rearing: changing fortunes of extreme poor	96
Figure 13: Story of Asma Begum and Digital Birth Certificate and Maternal allowance	103
Figure 14: Infographic 1. Before the Innovation	104
Figure 15: Infographic 2. After the Innovation	105
Figure 16: Financial Inclusion: Sarbati's story of Digital banking to reduce her inconvenience and cost	112
Figure 17: Mobile banking and ease of Remittance	113
Figure 18: Financial inclusion	114
Figure 19: Components of Digital Financial Services (DFS) Lab+	116
Figure 20: Estimated benefits to citizen-beneficiaries in terms of reductions in 'TCV' – the time (T), cost (C) and number of visits (V) – required for them to receive payments from 14 social safety net programs across several ministries; and savings for the Government of Bangladesh in terms of reductions in administrative, overhead, human resource and transaction costs.	117
Figure 21: Digital Centres as DFS Access Points can enable rural poor and unbanked to access formal banking.	120
Figure 22: Digital Centres as DFS Access Points can enable the rural poor and unbanked to pay fees for a host of public and private services, collect government allowances from all ministries as well as receive foreign remittances.	120
Figure 23: Assisted Rural E-Commerce not only drives the usage of digital financial services by those currently unbanked and underserved but also enables rural, nano-entrepreneurs, particularly women, to access larger markets through Assisted Rural E-Commerce.	123
Figure 24: The SIF process flow.	130
Figure 25: Number of innovative proposals on major aspects of society	131

Figure 26: Digitization of Bangladesh Public and Private services	142
Figure 27: Boat School	152
Figure 28: School for Dropout children	154
Figure 29: Burundi	170
Figure 30: Cape Verde	170
Figure 31: Guinea-Bissau	170
Figure 32: Haiti	171
Figure 33: Lao People's Democratic Republic	171
Figure 34: Palestine	171
Figure 35: Sierra Leone	171
Figure 36: Viet Nam	172
Figure 37: Sudan	172
Figure 38: Lighting Source in Kychom: Crude kerosene lamps, candles, torch lights (dry cell batteries).	175
Figure 39: Solar mobile phone charging system	176
Figure 40: Site visit to a solar charging station in India	177
Figure 41: Training of Local Technicians	177
Figure 42: Sierra Leoneans trained in India training Kychom residents to undertake servicing of the solar PV systems and lanterns.	177
Figure 43: Setting up of solar lantern stations by locally trained technicians	178
Figure 44: Night Classes Outside a Teacher's House	178
Figure 45: Night prayers at the Kychom central mosque	179
Figure 46: Full & Associate Members of MERCROSUR	185

South-South Cooperation for Financing SDGs

SECTION 1

1. Introduction and Background of the Study

During the last couple of years, the people of all classes and race all across the globe have been passing days of high hopes and expectations and more so in Bangladesh as its economy is doing well. However, ever since the outcome of referendum in UK and election result in USA, they are experiencing a sense of uncertainty and vacuum. No one knows for sure what is going to happen in the days to come.

The year 2015 ended up with high hopes and expectations. It is the year that adopted the Addis Ababa Action Agenda (AAAA) in July, it is the year that adopted the Agenda 2030: a sustainable world for all in September at the UN, it is the year that organized the Global Disaster Risk Reduction Conference in Sendai, Japan and it is also the year that adopted a ‘binding resolution on climate change’ in Paris, France. The global leaders adopted 4 landmark resolutions in 2015 for a sustainable world for all ‘where no one is left behind’.

They adopted these resolutions with consensus, their over-arching goal is to have a world without hunger, a world without poverty, a world that is more pro-people, more pro-planet, more equitable, more prosperous, more peaceful and that would ensure achieving a sustainable world for all. In the preamble of ‘Transforming our World: The 2030 Agenda for Sustainable Development’ or commonly known as ‘2030 Development Agenda’, it highlighted 5Ps; People, Planet, Prosperity, Peace and Partnership.

In fact, the outcome documents and consensus that emanate from these conferences pivot around one thing and it is, the global leaders agreed to work together in partnership and in unionism for achieving universal welfare, universal goals; goals those would guarantee a better future world for all.

Against this background of high hopes and expectations and an united world for a better future, ‘The Future We Want’, the election results in the United Kingdom followed by that of United States for a more protective, more self-centered nationalist spirit of protectionism and withdrawal from multilateral initiatives of universalism and globalization is a shock to many people. This is a sharp departure from a global perspective to a narrower nationalist perspective. The detail policy strategy or roadmap either of the Brexit or that of President Donald Trump’s ‘America First’ initiative have not been spelled out yet and therefore, everyone is in a state of uncertainty and vacuum. No one knows what is next.

Box 01

UN Events: Historic 2015

- 3rd UN Conference on Disaster Risk Reduction, March 18, 2015, Sendai, Japan
- 3rd International Conference on Financing for Development, July 13-16, Addis Ababa, Ethiopia, July 2015
- UN Summit on Sustainable Development Goals, September 25-27, 2015, New York, USA
- UN Framework Convention on Climate Change, Nov 30-Dec 12, 2015, Paris

After the Brexit result, the decision of withdrawal of UK from the European Union (EU), the value of pound-sterling sharply declined and more conservative retaliatory speeches are being heard in few capitals of EU. Neither Prime Minister May of England could come up with a newer roadmap for UK minus EU. Therefore, situation is still evolving. However, fact of the matter is, UK's role as a bridge-builder and its traditional role as a development partner are likely to be compromised. Chancellor Willy Brandt's Grand Europe is becoming weak and fragmented. Under the circumstances, aid flow from UK and maybe from EU to developing countries might reduce and therefore, South-South countries may have to come up with innovative ways of mobilizing resources on their own to achieve their goals of sustainable development.

With the election victory of President Donald Trump of USA, the prospect of increasing development assistance from the United States is a far cry. His 'Make America Great Again' campaign includes drastically reducing of aid abroad, imposing high tariff walls and restricting free flow of trade and capital, reducing migration to USA, withdrawing from the climate change discourse and commitment, and increasing defense spending for the US military forces. He also proposes to increase trillion dollar investment in domestic infrastructure; roads, highways, and bridges that his predecessor President Barrack Obama started. His policy of isolation and withdrawal of USA as a global partner, withdrawal from 'free trade' and 'free mobility of resources' if implemented, will be a sharp departure from the traditional American values and its long-cherished principles. Although the United States never fulfilled its ODI commitment and it was never a party to the Hong Kong Declaration of 100% Duty Free, Quota Free Market access (DFQF) of LDC products in US markets, being the biggest economy and trading partners with the Southern countries, its sharp departure from 'globalization' to 'iso-nationalism' may severely affect the goals of the global leaders of 2015, the 'Future We Want'. The euphoria and high hopes and aspirations that pervade across nations during 2015 are in the process of waning and weakening. Such gloomy picture is already affecting economies, and the prospect of a higher global growth rate is now uncertain.

Background of the Study

Since Bangladesh needs lots of additional resources both fund and technology transfer to meet the increasing needs to achieve its 2021, 2030 and 2041 Visions, and in the background of declining trend of resource flow from the DPs, and more importantly, since many emerging countries of the South are becoming more resourceful both in terms of capital and appropriate technology, and since they are in a position to complement their traditional DPs to reduce resource gap, a High-level event was organized in Dhaka under the auspicious of the UN Office of High-level Committee on South-South Cooperation and Development from 16 to 19 May 2015 and it was inaugurated by Bangladesh Prime Minister Sheikh Hasina. This conference was followed by a UN South-South and North-South Cooperation and Development Conference in Macao in 2015 to consider establishing a Forum of the Southern countries. These conferences underlined the necessity of establishing a Forum of the Southern Finance and Development Ministers to discuss, debate and to identify their critical issues, to explore potential of their cooperation and the Bangladesh Finance Minister sent out letters to Finance and Development Ministers of the Southern countries on the issue and received enthusiastic response. In order to further strengthen the proposal, it was decided to undertake a study on the topic and Ministry of Finance (ERD Division) and the UNDP jointly sponsored the study.

The study basically looked into following areas; first, the goal of the South-South and North Triangular Cooperation and Development, second, resource requirement to achieve SDGs and UN mandated goals and the possibility of resource flow from the DPs, third, potential to complement such resources from the Southern countries and fourth, it also identified best practices and lessons learned of the Southern countries with a view help improve cooperation and partnership in technology transfer, imitating models, experience, knowledge, skills of the South with other Southern countries plus potentials of North-South triangular cooperation for a win-win solution. In addition, it prepared a Draft Declaration and a Draft Resolution for the proposed Forum of the Development and Finance Ministers of the Southern countries.

1.1 South-South and Triangular Cooperation

South-South cooperation is a broad framework of collaboration among countries of the South in the political, economic, social, cultural, environmental and technical domains. Involving two or more developing countries, it can take place on a bilateral, regional, intraregional or interregional basis. Developing countries share knowledge, skills, expertise and resources to meet their development goals through concerted efforts. Recent developments in South-South cooperation have taken the form of increased volume of South-South trade, South-South flows of foreign direct investment, movements towards regional integration, technology transfers, sharing of solutions and expertise, and other forms of exchanges.

Triangular cooperation is collaboration in which traditional donor countries and multilateral organizations facilitate South-South initiatives through the provision of funding, training, management and technological systems as well as other forms of support.

In fact, the South-South cooperation is a manifestation of solidarity among peoples and countries of the South that contributes to their national well-being, their national and collective self-reliance and the attainment of internationally agreed development goals, including the 2030 Agenda for Sustainable Development. The South-South cooperation agenda and South-South cooperation initiatives must be determined by the countries of the South, guided by the principles of respect for national sovereignty, national ownership and independence, equality, non-conditionality, non-interference in domestic affairs and mutual benefit.

The basic principles of it dates back to Bandung Conference that was held in 1955 in Indonesia and was attended by all the great political stalwarts of newly independent African and Asian countries. For the first time an attempt was made by them to launch co-operation between developing countries ‘on the basis of mutual interest and respect for national sovereignty’. These countries sought to establish their own independent identity as a group opposed to neo-colonialism by either of the USSR, the United States or any other imperialistic nations of the world. The Conference aimed at restoring economic and cultural links within the South while strengthening further the links between the North and the South.

Box
02

South-South Cooperation deals with

1. Political
2. Economic
3. Trade
4. Social
5. Cultural
6. Environmental
7. Technical, technology transfer

The Final Communiqué of the Conference underlined the need for developing countries to provide technical assistance to one another through the exchange of experts, and trainees; pilot projects and provision of equipment for demonstration purposes as well as the exchange of know-how and the establishment of regional training and research institutes. The Communiqué further recommended the need for ‘collective action’ for stabilizing international prices and the demand for primary commodities, the diversification of export trade; the promotion of intra-regional trade fairs amid a review of freight rates. It also agreed to encourage the establishment of national and regional banks and insurance companies.

The Bandung Conference laid the early foundation of non-alignment and issues raised by the Bandung Conference were strengthened by the NAM (non-aligned movement) in 1961. By 1960s a larger number of new and developing states who had joined the United Nations and begun to use NAM as a forum to voice their discontent with the international economic and social system. A landmark of this period was the Joint Declaration made by developing countries at the 18th Session of the General Assembly in New York in November 1963. They declared that in order to reach basic agreement on a new international trade and development policy, the General Assembly of the United Nations should adopt concrete measures including:

- Creation of conditions for the expansion of trade between countries at a similar level of development, at different stages of development or having different systems of social and economic organization;
- Progressive reduction and early elimination of all barriers and restrictions impeding the exports of the developing countries, without reciprocal concessions on their part;
- Increase in the volume of exports of the developing countries in primary products, both raw and processed, to the industrialized countries, and stabilization of prices at fair and remunerative levels;
- Expansion of the markets for exports of manufactured and semi-manufactured goods from the developing countries;
- Provision of more adequate financial resources at favorable terms so as to enable developing countries to increase imports of capital goods and industrial raw materials essential for their economic development and better co-ordination of trade and aid policies;
- Improvement of the invisible trade of the developing countries, particularly by reducing their payments for freight and insurance and the burden of their debt charges;
- Improvement of institutional arrangements, including, if necessary, the establishment of new machinery and methods for implementing the decisions of the Bandung Conference.

The Declaration further stated that, the developing countries are looking to more stable and healthy international economic relations in which they can increasingly find from their own resources the means required for self-sustaining growth. The declaration was to bring about fuller international co-operation so that greater progress could be made towards the attainment of 'collective economic security' of the newly independent countries vis-a-vis the developed countries.

Under the UN Decade of Development (1960-70), a programme was envisaged to have economic growth of at least 5 per cent per year in the developing countries. This proposal was studied by the Conference Secretariat of UNCTAD-I which found that the realization of this target was beyond reach, unless the prospects for the growth of export earnings of the developing countries were increased. Against this background, a broad coalition known as the Group of 77 emerged. It consisted of Afro-Asian countries and included some Latin American and Caribbean countries. It was established on 15 June 1964 at the conclusion of the first United Nations Conference on Trade and Development. Its founding was the result of a collective perception on the part of developing countries that they shared their most common problems and of the recognition of the need for joint action in accordance with the principles and objectives of United Nations Charter, in the face of the inequitable pattern of international economic relations. Today G77 has nearly 133 members.

Since its creation in 1964, the Group of 77 has sought to promote economic co-operation among the developing countries and resolve to work towards the attainment of collective self-reliance. Such resolve was recommitted at the Caracas Programme of Action of G77 on economic co-operation among developing countries, adopted in May 1981, was an expression of the aspirations of developing countries and a reflection of their desire to promote such co-operation as a complement of North-South co-operation and as an integral part of the collective action of the Group aimed at restructuring of international economic relations and establishment of new international economic order. It marked the beginning of a new phase of such co-operation. Unfortunately, the activities of the Programme have suffered as a consequence of the financial and economic structural obstacles faced by developing countries and of imbalances affecting international economic relations. Bangladesh when elected as the Chair of G77 in 1981-82, played a critical role for South-South and Triangular Cooperation. During its Chairmanship, China became a member of G77. Despite many difficulties encountered in its implementation, the programme remains an essential tool for the promotion of economic co-operation among developing countries.

The UNDP is the development arm of the UN and therefore, the UN Office of the South-South & North Triangular Cooperation was entrusted within the administrative domain of the UNDP. As the office of the UN South-South Cooperation was weak, the G77 demanded the UN Secretary General to upgrade it and under Bangladesh's presidency of UNOSSC, the Secretary General upgraded the position of the Director of South-South and North Triangular Cooperation as 'Secretary General's Envoy' in 2015 and a Chinese private entrepreneur donated \$3 million to the UNDP for the UN Office of SSC for taking proactive initiatives. In 2015, a new Director was appointed and the Chinese President Xi Jinping at a side event during the 70th High-level Meeting of the UNGA, committed \$1 billion to the South-South developing countries. In order to meet increasing needs of resource mobilization both technology and financing and to explore the critical issues of the South-South countries, Bangladesh's presidency of the UNOSSC also initiated a discussion for formation of a High-level Forum of the South-South countries.



*Bangladesh Prime Minister
Sheikh Hasina
receiving South-South
Leadership Award, 2013*



Since resource flow from the traditional donors are not increasing and under this scenario, it may be necessary to explore innovative mobilization of resources from the South-South countries to reduce over dependence on the traditional donors in meeting the needs of Southern countries. Secondly, it is a reality that many emerging economies and developing countries have developed newer and cost effective appropriate technologies that are easily adaptable in Southern countries and therefore, such could be replicated. Third, in order to increase South-South trade, it may be necessary to reduce barriers to trade within the South-South countries. It is also advisable to establish a Common Market of the South-South countries where goods and services could be traded giving preferential treatment to Southern countries. The basic objectives of the South-South Cooperation according to the Buenos Aires Plan of Action (BAPA) for Promoting and Implementing Technical Cooperation among Developing Countries endorsed by the General Assembly in 1978 (resolution 33/134), are mentioned in Table 01.

Table 01**Basic Objectives of the South-South Cooperation according to BAPA, 1978**

Sl. No.	Basic objectives
1	foster the self-reliance of developing countries by enhancing their creative capacity to find solutions to their development problems in keeping with their own aspirations, values and specific needs
2	promote and strengthen collective self-reliance among developing countries through the exchange of experiences; the pooling, sharing and use of their technical and other resources; and the development of their complementary capacities
3	strengthen the capacity of developing countries to identify and analyse together their main development issues and formulate the requisite strategies to address them
4	increase the quantity and enhance the quality of international development cooperation through the pooling of capacities to improve the effectiveness of the resources devoted to such cooperation
5	create and strengthen existing technological capacities in the developing countries in order to improve the effectiveness with which such capacities are used and to improve the capacity of developing countries to absorb and adapt technology and skills to meet their specific developmental needs
6	increase and improve communications among developing countries, leading to a greater awareness of common problems and wider access to available knowledge and experience as well as the creation of new knowledge in tackling development problems
7	recognize and respond to the problems and requirements of the least developed countries, landlocked developing countries, small island developing States and the countries most seriously affected by, for example, natural disasters and other crises
8	enable developing countries to achieve a greater degree of participation in international economic activities and to expand international cooperation for development

1.2 SDGs and Resource Mobilization

The leaders of the world at its 70th UN General Assembly High-level session adopted 'aspirational and transformative yet achievable' 17 goals and 169 targets in its 'Transforming the World: 2030 Agenda for Development' on September 25-27, 2015 known as SDGs or Sustainable Development Goals. The over-riding goals of Agenda for 2030 were to eradicate extreme poverty and hunger from the world. It aims at a pro-people, pro-planet, more inclusive, more peaceful sustainable world for all where no one is left behind. That was, in fact, the spirit of Prime Minister Sheikh Hasina's 'people's empowerment' resolution at the UN in 2012 which was adopted with consensus

After the end of Cold War in late 1980s, the whole world was euphoric and they believed that the global resources would be diverted towards well being of the people. There has been many global conferences after Cold War, for example, Earth Summit in 1992 in Rio de Janeiro, Population Summit in 1994 in Cairo, Climate Meeting in Kyoto in 1997, and then Millennium Declaration in 2000 at the UN followed by adoption of 8 MDGs; Millennium Development Goals. All these efforts were geared towards a better world, a poverty free world. In the process of rapid development, many countries did pretty well in terms of GDP growth rate, however, at the cost of environment.

Many did very well in terms of profitability and their corporate profits sky-rocketed, unfortunately, the inequality of income distribution and joblessness continued to aggravate. Although many countries did well in terms of growth, yet more than 860 million people go to bed without food and nearly 57 million children cannot go to school. In fact, poverty and hunger is still looming large across nations. Therefore, in 2012 the global leadership participated at the Rio+20 Conference in Rio de Janeiro and they debated the ‘Future We Want’. The overwhelming consensus was to have a world without hunger, a world without extreme poverty, and without harming the environment. Following the Rio+20 Conference, the global leadership discussed and debated the ‘Future We Want’ and finally in 2015 after series of dialogues across nations, the UN adopted 17 Sustainable development goals and 169 targets.

Bangladesh Mission to the UN adopted 4Ps strategy in 2010 and its elements were (1) Protect and (2) Promote national interest, (3) Provide global leadership and (4) help achieving global Peace. Bangladesh was very much involved with the negotiations of SDGs and in 2015, the UN adopted its **5Ps strategy** for its post-2015 Development Agenda and these are (1) People, (2) Planet, (3) Prosperity, (4) Peace, and (5) Partnership, and they are highly interlinked to achieve 17 SDGs that the global leadership proposed to achieve by 2030.

Figure 2: 5Ps strategy of the SDGs



The Millennium Development Goals or MDGs of 2000 were mainly for the developing countries but the SDGs are for all; both the developing and the developed countries. To achieve these goals, it is imperative to have more collaboration, effective partnership and most important, a rock-solid political commitment and will without which SDGs would remain as an ‘unfinished agenda’. In the MDGs, Goal 8 relevant to partnership was very weak. There was no inbuilt mechanism of monitoring and evaluation of it or means of implementation and therefore, MDGs by and large remain an unfinished agenda. Therefore, it is no wonder that SDG-17 specifically called for strengthening the ‘means of implementation’ and revitalizing the global partnership for sustainable development.

SDGs are likely to be implemented mostly by the member states and it would require trillions of dollars, not billions as in the case of MDGs and therefore, innovative ways of mobilization of resources and technology transfer to achieve goals and targets are essential. In addition, the potentials of the South-South countries are needed to be fully explored and realized. For example, the South-South countries in 2012 accounted for half of the world's GDP and its trade has almost doubled. South-South produces half of world's economic output, hold \$6.1 trillion in reserves and account for 47% of the global trade and their overall consumption by 2025 will exceed \$30 trillion. Therefore, with a view to crystallize and articulate the critical issues of South-South countries and also to monitor and evaluate the implementation of the SDGs, Bangladesh proposes to set up a Finance and Development Minister's Forum of the Southern countries at its Dhaka High-level meeting of the UN High-level Committee of the South-South Cooperation and Development on May 17-18, 2015.

Table 02

17 SDGs adopted a set of goals to end poverty, protect the planet, and ensure peace and prosperity

As a follow-up, a high-level multi-stakeholders meeting was arranged in Macau on August 25-26, 2015 under the behest of Bangladesh's presidency and the UN Office of High-level Committee on South-South Cooperation. It may be reiterated that since SDGs are for all the countries of the world unlike MDGs and arranging 'means of implementation' or resource mobilization to meet SDGs is a responsibility of all countries especially the development partners. Therefore, it may be necessary for the UN Secretary General to take special initiatives sooner the better for financing of SDGs.



1.3 Resource Requirement for SDGs

As per MDG-8, the Development Partners agreed to finance developing countries in achieving their MDG goals. They repeatedly promised since 2002 that they would give 0.7% of their GNI to the developing countries. Unfortunately, they could come up only with around 0.3% of their GNI that amounts to around \$135b annually. Out of this, 48 LDCs get around between \$38 and \$42 billion a year. As per UN Inter-governmental Task Force, to achieve SD goals, it would require \$5 to \$11 trillion a year. Only to eradicate poverty, it would require a minimum of \$66b a year, and to have healthcare and quality education for all, it would require \$37b and \$42b respectively a year. As per ADB, only to have adequate infrastructure, Asian countries would require \$8 trillion a year. As per Bangladesh Planning Commission estimate, Bangladesh will require Tk 4,98,90,000 crore (USD 6,236 billion) or alternatively, a budget of Tk 35,635.73 billion each year for next 13 years (USD 445 billion annually) to meet SDGs. While it was difficult to arrange funds for one Padma Bridge, just imagine that SDGs will require financing worth of 1,800 of such bridges. Where should we get so much resource? This will be a daunting task for global leadership. However, good news is; South-South countries are coming up with innovative ways of financing. For example, the \$40b Asian Infrastructure Investment Bank (AIIB) and the \$100b BRICS bank are coming forward. In addition, allowing DFQF market access, reduction of remittance transfer, reduction of cost of migration, return of illicit money transfer and increasing domestic resource mobilization and technology transfer can go a long way in mobilizing much needed resources. In addition, reallocation of resources away from defense expenditure to SDGs could also help. As per SIPRI, in 2013 alone, global community spent \$1,747b only for defense expenditure that did neither enhance nor guarantee human security. As per Dag Hammarskjold Institute of Sweden, the number of violence has been increasing in spite of increasing UN Security Council Resolutions, and threat of war and terrorism has not diminished either.

Nobel laureate Mr. Koilas Chakrawarthy of India argued to redirect defense spending to education and Kazakhstan participation in the Inter-parliamentary Union (IPU) Summit in Dhaka in April 2017 stated that at least 1% of defense expenditure to be committed to climate change. It was disclosed in the summit that although since 1946 after the Nagasaki and Hiroshima nuclear bombing, N-bombs were never used in any operation yet billions of dollars are being spent just to upkeep and maintain the stockpile. It was further disclosed at the 136th Inter-Parliamentary Union (IPU) meeting in Dhaka on April 1-5, 2017 that half an hour's cost that is being incurred to maintain Nuclear arsenals could easily meet the needs of 270 million out-of-school children to attend schools. Although development partners are finding difficulty (and also excuses) not to increase their contributions to help developing ones or to meet their historical responsibility, the scenario is not all that dismal. It is believed that the global savings in private banks is around \$23 trillion a year and if 20% of it could be invested for SDGs, we can get around \$5 trillion. In addition, it is reported that nearly \$400 trillion is floating in the business sector and therefore, the UN and global leadership are trying hard to entice business leaders to get involve in achieving SD goals. As per Amnesty International, only 85 persons in the world have wealth more than half of global population and if such wealth could be correctly redistributed, the transformative and robust goals of SDGs are not impossible to achieve. Moreover, global capital and bond markets have over \$270 trillion daily transactions and therefore, if there is a will, there is hope. It is the

political commitment and will of leadership that can help implementation of the SDGs. Since it was difficult for many countries to achieve MDGs due to lack of resource mobilization, therefore, the member states specifically included goal #17 in the SDGs with a view to help mobilize resources and technology transfer and emphasized partnership.

1.4 International Financing: Essential for achieving SDGs

On 25 September 2015, world leaders adopted the 17 Sustainable Development Goals (SDGs) that set ambitious quantitative objectives to be achieved by all countries – rich and poor – by 2030. The goals are underpinned by 169 targets and a yet-to-be-determined number of indicators. It is a huge, complex agenda that has been developed through an unprecedented international consultation and transparent negotiations. Now the world must embark on making the goals a reality.

Some critics charge that the targets are unwieldy and far too numerous, but member states have wisely resolved that the targets should be tailored and adapted to country circumstances. The international discussions should therefore focus on the 17 goals, which are clearly worded – or as clearly as one might hope for in an intergovernmental negotiation involving 193 states. Each goal comprises quantitative, time-bound objectives that must be taken seriously as operational milestones to be achieved in every country. This in turn raises the question of how much it might cost to achieve the goals and how the necessary investments can be financed. To meet the investment needs of the SDGs, the global community needs a paradigm shift to move the discussion from “billions” in overseas development assistance (ODA) to the “trillions” in investments of all kinds: public and private, national and global, in both capital and capacity.

Multilateral Development Banks (MDBs): African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter American Development Bank, World Bank Group, and the IMF in a statement on July 13-16, 2015 stated their desire to extend \$400 billion in next 3 years.

Box 3: Resource requirement for SDGs

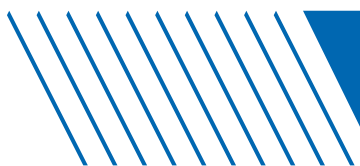
- 48 LDCs get \$38-\$42 b/year as ODA
- SDGs require \$5-\$11 tr/year, not billions
- Poverty eradication requires \$66b/year
- Healthcare requires \$37 billion/year
- Quality Education requires \$42b/year
- Defense Expenditure in 2013- \$1,747b
- Bangladesh requires \$445b/year

In fact, MDBs financing has gone up from \$50b in 2001 to \$127b in 2015. For each dollar invested by shareholders, MDBs are able to commit \$2-\$5 in new financing each year. They have increased the private sector investment 4-fold over 2001-2015. Globally, achieving the proposed SDGs will require the best possible use of each available grant dollar, beginning with \$132 billion in ODA from governments and also including philanthropy, remittances, South-South flows, other official assistance, and foreign direct investment.

To reach the needed trillions, additional flows must come from two main pillars: public domestic resources, where the most substantial development spending happens, and private sector finance and investment, the largest potential source of additional funding. It is also necessary for the business sector to understand that if the economies are not improving and people's lives become uncertain and unbearable, their business may collapse for instability and lack of effective demand. Therefore, both public and private sectors must come forward in partnership for financing the SDGs ignoring the 'Business-as-usual' approach. Jim Yong Kim, President, World Bank Group stated,

"We must cast away the stereotypes of aid and think about development differently. It's about creating opportunity for all, giving people an equal chance to succeed in life, and preparing the world to deal with the challenges of climate change and the next pandemic. We need trillions, not billions, of dollars to accomplish these goals, and the money will come from many sources: developing countries, private sector investment, donors, and international financial institutions. By working together, we can help people build better lives with good education, quality health care, clean water, and proper sanitation. Those investments in people will help end extreme poverty in just 15 years."

The SDGs are ambitious and set to build on the unfinished business of the Millennium Development Goals (MDGs) by transforming the world and moving it towards a sustainable path. However, if all the SD targets are to be achieved, the world is facing a considerable investment requirement, followed by complex issues associated with the need for international agreements. The task is made especially challenging given the failure to reach a major agreement at the Third International Conference on Financing for Development held in the Ethiopian capital of Addis Ababa in July 2015. Thus, to implement the new development agenda, the financing of the SDGs implementation has to be transformative.



Besides smarter and more efficient international development financing, governments need to mobilize domestic resources and attract private sources. The existing options for financing development that could be tailored to specific national contexts:

1: Given the high number of goals and targets, countries may need to aim for a leaner set of SDGs focusing on selected priority parameters. SDGs should be about setting priorities. Political leaders cannot be made accountable to manage, monitor and track 17 broad goals subdivided into 169 targets. In addition, based on sectoral assessments, the total investment cost of achieving the SDGs by 2030 ranges between \$5 and \$11 trillion per year at the global level, and between a total of \$3.3 and \$4.5 trillion per year for the developing countries. This implies a mid-range \$2.5 trillion yearly SDG investment need in the latter. To have an improved understanding of the real financial demands of the SDGs, countries should prepare their own assessments at least for their priority targets.

2: Traditional OECD Development Assistance Committee (DAC) donors need to fulfill their Official Development Assistance or ODA commitments and achieve a contribution of 0.7% of GNI in line with the Monterrey Consensus of 2002. ODA will remain a crucial part of post-2015 financing. Thus, traditional donors have to ensure the continuous provision of development assistance, improve the structure of provided aid, and ensure the effectiveness of aid. At the same time, emerging donor countries need to scale-up their ODA contribution up to the 0.7% level and further harmonize their activities with existing donors and development financing institutions. Both traditional and emerging donors from ASEM countries have a considerable share in providing donor assistance. The ASEM DAC donors provide more than 70% of the total net ODA, but so far, only six have fulfilled their Monterrey commitments of 2002 (Table 1 with* Red below).

Table 03

Official Development Assistance (ODA) by country (in % of GNI and absolute amount) in 2015

Country/Group	Percentage of GNI	Billion USD \$
Sweden*	1.4	7.09
UAE (non-DAC member)	1.09	4.39
Norway*	1.05	4.28
Luxemburg*	0.93	0.36
Denmark*	0.85	2.57
Netherlands*	0.76	5.81
United Kingdom*	0.71	18.70
Finland	0.56	1.29
Turkey (non-DEC country)	0.54	3.91

Switzerland	0.52	3.54
Germany	0.52	17.78
European Union	0.47	87.64
Belgium	0.42	1.89
France	0.37	9.23
Ireland	0.36	0.72
Austria	0.32	1.21
Canada	0.28	4.29
Australia	0.27	3.22
New Zealand	0.27	0.44
Iceland	0.24	0.04
Japan	0.22	9.32
Italy	0.21	3.84
United States (non-DAC member)	0.17	31.08
Portugal	0.16	0.31
Estonia (non-DAC member)	0.15	0.03
Malta (non-DAC member)	0.15	0.01
Slovenia	0.15	0.06
South Korea	0.14	1.91
Greece	0.14	0.28
Spain	0.13	1.60
Hungary (non-DAC member)	0.13	0.15
Czech Republic	0.12	0.20
Lithuania (non-DAC member)	0.11	0.04
Poland	0.10	0.44
Slovak Republic	0.10	0.09
Latvia (non-DAC member)	0.09	0.02
Israel (non-DAC member)	0.07	0.21
Russia (non-DAC member)	0.06	1.14
Croatia (non-DAC member)		0.05
Total		\$132.0 billion

Source: <https://en.wikipedia.org> --Development Aid by country donors, 2015 DAC Countries that met their 0.7% GNI contribution to ODA in 2015
• \$132b is 2.64% and \$38b is 0.76% of the estimated SDG requirement of \$5 trillion/year

ODA is not enough to meet the investment needs of SDGs and in fact, it is around only 2.64% of the requirement of \$5 trillion a year for SDGs. Therefore, ODA has to be a catalyst to attract other sources of funding to developing countries. The commitment should be gradually extended to all countries with a GNI per capita higher than \$20,000. These two measures combined would raise an additional funding of \$250 billion annually, bringing ODA to around \$400 billion per annum. However, it is argued that ODA as percentage of GNI did not meet 0.7% target, yet ODA financing has been increasing in absolute term and therefore, ODA is still a great vehicle for achieving SDGs. If past historical record of ODA is any guide, this doesn't hold much water as ODA in absolute term is also not very promising to meet financing of SDGs. ODA flows for last 10 years is given below.

Table 04 : Total Flows by Donors, 2006-2015 in Billion US \$

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
All Donors	139.5	131.1	147.2	147.5	154.6	159.6	152.6	167.5	178.6	183.0
DAC	122	113	126	127	134	133	128	135	137	146
Non-DAC	5.3	6.0	8.5	6.3	6.7	8.7	6.0	16.1	24.7	20.3

Source: OECD Stat. www.stats.oecd.org [Total Flows by Donors (ODA+ OOF+ Private)]

The total flows in 2015 were \$183 billion and that is the highest ever. This amounts to 3.6% of the expected SDGs requirement of \$5.0 trillion a year. Therefore, this is not enough. In fact, the conservative estimate of SDGs needs as per AidData is given below against each goal.

Table 05

Funding requirement to achieve 17 SDGs

Goals #	Name of the goals	billion \$
#1	End poverty in all its forms everywhere	\$134 billion
#2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	169
#3	Ensure healthy lives and promote well-being for all at all ages	248.4
#4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	205

#5	Achieve gender equality and empower all women and girls	67.7
#6	Ensure availability and sustainable management of water and sanitation for all	110.2
#7	Ensure access to affordable, reliable, sustainable and modern energy for all	157.9
#8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	59.7
#9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	132.4
#10	Reduce inequality within and among countries	153.4
#11	Make cities and human settlements inclusive, safe, resilient and sustainable	379.2
#12	Ensure sustainable consumption and production patterns	121.6
#13	Take urgent action to combat climate change and its impacts*	43.5
#14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	19.0
#15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	42.6
#16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	104.2
#17	Strengthen the means of implementation and revitalize the global partnership for sustainable development	263.7
	Total annual requirement	\$2411.5

Source: AidData: /Desktop/Project/Financing%20the%20SDGs%20_%20AidData.html, 2014

This shows that global leadership must come up with at least an additional \$2.4 trillion each year for the developing countries; their annual need is \$3.5 to \$5.00 trillion a year. Such need is not impossible to meet if there is political commitment and sincere will. It is estimated that in addition to regular ODA of \$132 billion each year, a part of the funding for SDGs should come from the following sources also.

Table 06**Likely Sources of SDGs Funds**

Source/ Country	Amount in Billions \$
USA	500
World Bank	200
EU; European Union	200
Japan	175
Germany	155
Inter-American Bank	150
France	150
U. K.	100
Andean Development Corporation	100
AFDB Group	100
Total from above countries/groups	\$1830

Source: [www.ASEF.org/images/docs.'Who will pay for the Sustainable Developed Goals?'](http://www.ASEF.org/images/docs/'Who%20will%20pay%20for%20the%20Sustainable%20Developed%20Goals?)

In addition, the South-South cooperation financing rose by 300% during 2000-15, and a similar increase for the SDGs would raise them to \$80 billion; innovative financing of \$450–\$550 billion a year, including taxes on carbon, bunker fuels and air travel (\$250–300 billion), financial transactions and currency (\$100–150 billion) and issuance of IMF Special Drawing Rights or SDRs (at least \$100 billion). Global and innovative taxes and contributions could raise development funds of \$460–480 billion revenue annually. Besides ODA, development taxes can offer innovative ways to raise additional revenues and at the same time address socially and environmentally harmful behaviors. Suggestions include:

- 1) A \$25/ton carbon pricing in OECD countries, which could raise \$300 billion annually,
- 2) Carbon pricing on aviation and shipping, which could raise \$22 billion annually,
- 3) A Financial Transaction Duty, solely imposed in the 28 member countries of the European Union, which could raise EUR 57 billion per year,
- 4) A Currency Transaction Duty on the four major currencies, which could raise \$40 billion yearly,
- 5) A 2% Billionaire Tax imposed on individuals owning a minimum of 1 billion, which could raise \$100 billion annually,
- 6) A Solidarity Air Ticket Levy of \$6 per economy ticket and \$62 per business/first class ticket, which could raise \$1–10 billion annually,
- 7) 5% tax Defense Expenditure tax could save \$90 billion,

8) Savings managed by Sovereign Investment Funds, Pension Funds, and Insurance companies are the largest potential pools of investment for SDGs. If 10% of total assets of such funds are invested toward SDGs, this would amount to an estimated investment of \$6.43 tr into sustainable activities.

It is estimated that primary institutional investors, such as pension funds, insurance companies, and Sovereign Wealth Funds (SWF) hold \$64.3 trillion in total assets (UNTT, 2013). While this money is suitable for investment in long-term projects, they instead tend to be kept in liquid instruments and are rarely invested in sustainability objectives.

1.5 Internal Resource Mobilization

There are evidences that MDG goals that are foreign funded performed better in LDCs vis-a-vis domestic funding. However, currently due to paucity of foreign financing, the government revenue normally funds 77% of spending in developing countries and such financing has been more stable, aligned with government priorities, and easy to implement than donor-funded spending that are generally embedded with myriad conditionality. The SDGs therefore require a massive step up in domestic resource mobilization, which requires: major changes in international tax rules and practices to give fair treatment to developing countries, including in current G20/OECD tax initiatives, by allocating taxation rights primarily to source countries of raw materials, redesigning tax treaties and sharply reducing tax exemptions; major reinforcement of developing country capacity to receive, analyze, audit and supply tax information, prosecute evaders and renegotiate contracts and agreements with corporations. Agreement on inclusive global governance of cooperation in tax matters, via the FfD process and a reinforced UN Tax Committee, to give developing countries equal decision-making power. However, whatever the increase in government revenue, it will not suffice to fund all the SDGs. Concessional international public finance will still be vital. We need to mobilize \$1 trillion extra a year from:

Private funds for development including private loans, foreign direct investments, portfolio investments, private grants, and remittances; together with public domestic sources, they represent the bulk of development financing. Post-2015, ODA must continue to benefit the least developed and fragile economies but one of its main roles will also be to catalyze private and public sources towards these countries.

Regional development financing institutions, such as the New Development Bank and the Asian Infrastructure Investment Bank (AIIB), will have an important role in promoting and supporting countries in attracting private funds for development.

For countries to mobilize domestic public resources for their development objectives, positive measures include better taxation, improved collection of revenues from natural resources, improved government spending, and greater efforts to tackle illicit financial flows.

Reduction of fuel and agricultural subsidies is one of the largest sources of additional funding for SDGs. It is argued that reduction of fuel subsidies and the gradual elimination of harmful agricultural subsidies are amongst the largest sources of additional funding for SDGs. For example, in low and low-middle income countries in Asia, energy subsidies can exceed up to 3% of the GDP. By cutting ineffective fuel and agricultural subsidies, by 50% and 25%, respectively, it is argued that countries could mobilize a \$395b fund annually. However, counter argument is that such subsidies are essential for agricultural growth and therefore, such are ‘not harmful subsidies’ but good investment for achieving self-sufficiency in food and also for eradication of hunger and poverty.

A tax system reform to incorporate all negative externalities would be the most efficient tool to ensure sustainable development. As long as negative externalities are not fully valued and priced and have little impact on the budgets of public entities or the financial bottom-line of companies, all efforts towards sustainability will be dwarfed by market mechanisms. Experience has proven that realistic market pricing of natural capital assets encourages sustainable use of natural capital assets and results in decreased consumption. Environmental accounting initiatives can help promote the integration of the value of ecosystem services and natural resources into national accounts, tax systems and private sector activities.

Bangladesh Planning Commission estimates that it will require an additional of \$ 928.48b or \$66.32b for 2017-2030 annually at 2015-16 constant prices. As per 7th Five Year Plan, government estimates that it would require Tk498,900b (\$6.23 trillion) to achieve SDGs that translate into constructing 1,800 Padma bridges (each Padma bridge costs Tk 28,000 cr) and it proposes to realize 85% of the fund domestically while 10% from abroad.

Box
04

Bangladesh estimates for SDGs

- Total estimate Tk 4,98,90,000 crores (\$6.23 trillion)
- Equivalent to 1,800 Padma Bridge costs
- Overall, 85% domestic while 10% funding from abroad
- 42% must come from Private sector, 10% Foreign investment, 33% from GoB and 5% from Foreign aid/grants etc.

It also postulates that 42% of it will come from private sector (Prothom-alo, July 21, 2017). In fact, to attract private resources, government, should ensure stable and predictable macroeconomic conditions and utilize blended financing mechanisms, beyond concessional loans. Such mechanisms may include public-private partnerships, risk/guarantee schemes, and performance-based instruments. However, since MDGs are a building block of SDGs, therefore, it may be imperative to have an in-depth discussion on MDGs and revitalize efforts to accomplish the ‘unfinished ones’.

1.6 MDGs: Success Uneven, an Unfinished Agenda

Although most of Least Developed Countries (LDCs) are off-track on the majority of MDGs yet the MDGs are the best framework in the 70 years history of the UN to lift our fellow human beings from abject and dehumanizing extreme poverty. The MDGs helped to lift more than one billion people out of extreme poverty and hunger, they enabled more girls to attend schools and reduced infant deaths than ever before. Yet till today 57 million children cannot go to school, still 942 million people live below the poverty level, 900 million lack accesses to clean water, and 2.6 billion do not have adequate sanitation. In addition, too many women continue to die during pregnancy or from child-birth related complications, disparity and inequalities persist all across and therefore, the progress is not enough and also uneven. Secondly, given our experience that MDGs that were publicly funded or/and donor supported appeared to have performed better, therefore, naturally, unless means of implementation or adequate resources are mobilized for achieving SDGs, these inspirational and transformative 17 SDGs, 169 targets and 230 indicators may find difficulty to be materialized within the given time frame.

Fact of the matter is, the MDGs basically remain an unfinished agenda for majority of the LDC and post-conflict countries that are most vulnerable and where majority of their population live below the poverty level. For example, most of the post-conflict countries could hardly achieve their MDG goals and out of 33 LDCs in Africa, only 4 could achieve MDG-1 (reducing poverty by half) and in

Table 07: Comparative Analysis of Selected MDG Goals in LDCs, 2015

MDG Goals	1a: Poverty	2a: Net enrolment	4a: below 5 mortality	5a: Maternal Mortality	7c: Safe drinking water	7d: Sanitation	1c: undernourished children
Achieved or on Track	16 (33%)	17 (35%)	21 (44%)	13 (27%)	20 (42%)	5 (10%)	17 (35%)
Stagnation or Low Progress	16 (33%)	11 (23%)	6 (13%)	4 (8%)	13 (27%)	32 (67%)	19 (40%)

Source: *The Millennium Development Goals Report 2015*, UN New York, 2015, ISBN 978-92-1-101320-7

Asia-Pacific, out of 14, only 3 could achieve them all. In fact, out of 48 LDCs in the world, only 16 could achieve MDG-1a (reducing poverty by half), 17 could achieve MDG-2a (net enrolment), 21 MDG-4a (infant mortality), 13 MDG-5a (maternal mortality), 20 MDG-7c (safe drinking water) and only 5 could achieve MDG-7d (improved sanitation). This is not a very bright picture. It is unfortunate that out of 48 LDCs, there has been either stagnation, reversal or low progress in 16 LDCs in MDG-1a (poverty), 11 in MDG-2a (net enrolment), 13 in MDG-7c (safe drinking water) and 32 in MDG-7d (sanitation). Till to-date the ‘undernourished children’ is pretty high-in 40% of the LDCs, either it deteriorated or slow progress (see table 07). Therefore, the global leadership cannot be complacent. The challenges are as daunting as they were before adopting the MDGs in 2000.

1.7 Bangladesh: A Success Story of MDGs

However, good news is Bangladesh, the largest LDC, a country of 160 million people with meager resources and erratic climate change plus one of the highest densities of population, is a miracle. It did pretty well relative to other LDCs. Once Western pundits termed Bangladesh as a 'bottomless basket with no hope of survival', but now under its dynamic leadership of Sheikh Hasina and through its prudent, targeted and determinate policy approaches, it not only reduced its poverty level by half-in fact, it reduced it from 57.8% in 1991 to below 22.4% in 2015, more than half, and it also achieved near self-sufficiency in food production. More importantly, it is successful to reduce the poverty gap ratio from 18.5% to 6.5% below the target of 8% through varieties of safety net programs. Currently, nearly 12% people of Bangladesh live below 'extreme poverty' which it proposes to eradicate by 2021, much earlier than that of SDG-1 that proposes to eradicate extreme poverty and hunger by 2030.

Commendable progress has been achieved in equitable access to education or MDG-2. Net enrolment ratio reached nearly 99%, dropouts rate declined, and now more girls attend primary and secondary schools vis-a-vis boys, a real reversal. This was possible due to variety of target approaches to enhance enrolment. Prime Minister Sheikh Hasina nationalized all primary schools and only in 2013, she nationalized 26,193 primary schools and jobs of 104,776 teachers were nationalized also. Under her leadership, nearly 326 million books were distributed to students free of charge on the first day of the year 2015, education up to 12th grade is made free and varieties of scholarships and stipends are being given especially for girl students. As the coverage of luncheon at the schools expanded, the drop-outs rate also declined.

MDG-3 refers to gender equality and women empowerment. This is another area where Bangladesh already achieved gender equality in both primary and secondary schools. Now the enrolment of girl students in primary and secondary schools stands at 51% and 53% vis-a-vis boys' 49% and 47% respectively. The number of jobs for girls has also dramatically increased from a single digit of 6% to 36%, a six-fold increase. For example, nearly 93% of all jobs in the nation's main export earner the readymade garments and apparel sector are women and girls. The government created 10% quota for women in government jobs and no wonder, it has female judges, vice chancellors, ambassadors, senior civil, military and police officers, and more importantly, Bangladesh is a unique country whose Head of Government, deputy leader of the government, opposition party leader, Speaker of the national parliament-all are women leaders. That's not all. Bangladesh female police officers have earned great respect in the UN Peacekeeping and there has been a silent revolution ongoing even at the grass root level on women empowerment-nearly 14,000 women got elected at the local elections. Bangladesh ranks 10th out of 142 countries in closing gender gap and it received a Global Forum Award in 2015.

In MDG-4 (reduce child mortality), Bangladesh achieved MDG targets. It reduced infant mortality rate by 72% and it achieved a successful universal immunization program. As it reached MDG-4 target, it was awarded MDG-4 Award in 2012.

Bangladesh also achieved **MDG-5** (improve maternal mortality). The Maternal mortality ratio declined from 574 per 100,000 live births in 1990 to 170 in 2013, showing a 70% decline. The births attended by skilled health personnel increased 8-folds, and antenatal care coverage increased by 79% in 2014. Such were achieved not by accident but by determinate and targeted approach. Sheikh Hasina's government set up nearly 13,800 community health clinics to expand health services to the grassroots levels in rural areas and her innovative use of Information Technology connecting each health clinics digitally was recognized and she was awarded the **South-South Award for Innovative Use of Technology in Healthcare in 2013**. It may be mentioned that only 13 countries either have achieved or on track in achieving MDG-5 and Bangladesh is one of them.

MDG-6 (Combat HIV/AIDS, Malaria and other Diseases): Bangladesh performed well in halting communicable diseases. HIV/AIDS in Bangladesh is less than 0.1% and the prevalence of malaria per 100,000 which was over 800 in 2008 has now reduced more than half. Its Tuberculosis program is also very successful.

Although it achieved most of the MDG goals and received prestigious '**South-South Leadership Award' in 2014** yet it is afraid of their sustainability mainly due to erratic climate change. If the sea level rises by one meter, it may displace and uproot 20 to 30 million of its population from their homes and from their traditional jobs and profession. Bangladesh being one of the most densely populated countries, it would be extremely difficult for it to rehabilitate them. Therefore, it is necessary for the global leadership especially those that are responsible for global warming to take responsibility and help rehabilitate these 'climate migrants' gainfully and proportionately. Bangladesh government has been trying its utmost for adaptation and mitigation. It adopted a national strategy as early as 2009 to face climate challenges and set up two Climate funds, one with its own resource and another with foreign assistance to undertake projects to tackle climate issues. However, singular effort is not enough. It needs global partnership, affordable technology transfer, green climate fund and more importantly, a global binding commitment to help reduce carbon emission and a commitment to help rehabilitate its climate migrants.

As per Sendai Conference on Disaster Risk Reduction, each year the global community is losing at least \$1.7 billion due to disasters and it cost US government nearly \$65b just for its Sandy in New York in 2012. For a country like Bangladesh, opportunity cost of climate change and disasters is around 3% loss of its GDP per annum. Therefore, climate and disaster risk reduction are highly linked to its development programs.

1.8 Bangladesh: An Emerging Economy

In addition to MDGs, Bangladesh has been doing very well in economic and social developments relative to its neighbors and context group. It has a vibrant economy that achieved over 6.5% GDP growth rate over the last 8 years. It is the second largest readymade garments exporter in the world after China and its exports increased from \$10.5b in 2006 to \$32b in 2014, its foreign remittance also increased from \$5.4b in 2006 to \$14.9b and its foreign exchange reserves increased 9.4-fold from \$3.4b in 2006 to \$32b in 2016. It also achieved a miracle in the food production. Bangladesh, a chronic food-deficit country that spent billions each year just to import food from abroad is now has achieved near self sufficiency in food. Not only that, this year it exported food grain abroad. It is the 4th largest rice and fish producing country in the world. In fact, there has been a silent grassroots revolution in the agriculture sector and it increased its food production by 3.5 times in spite of the fact that its total cultivable land area has reduced. Gone are the days of 'monga'-starvation and famine each year especially in North Bengal. It has also increased its per capita income from \$570 in 2006 to \$1,610 in 2016, nearly tripled. In fact, its achievements in social and economic areas have been remarkable and no wonder, World Bank recently upgraded its status as a 'low Middle income country'. It is now looking forward to achieve its goal of a 'middle income country' by 2021 and a prosperous country by 2041.

Bangladesh, as part of her commitment to implement the SDGs, decided to take part in the Voluntary National Review at the UN High Level Political Forum. Bangladesh has an inspiring story to tell. The country has earned many international accolades for achievements in MDGs. While embarking on the journey to implement the SDGs, it drew inspiration from the ideals of the Father of the Nation, Bangabandhu Sheikh Mujibur Rahman, who envisaged a prosperous Bangladesh with equal opportunities for all.

The country has already translated this vision, pronounced at the highest political level, into an actionable agenda by formulating Perspective Plan (2010-2021) and two Five Year Plans (FYPs) associated with this. Bangladesh integrated the 2030 Agenda in its 7th FYP (2016-2020). This offered a tremendous opportunity to implement the 2030 Agenda, while reflecting the priorities of the SDGs in the national plan. The Government has adopted “Whole of Society” approach to ensure wider participation of NGOs, development partners, private sector, media and CSOs in the process of formulation of the Action Plan and implementation of the SDGs. To spearhead the process, ‘SDGs Implementation and Monitoring Committee’ has been formed at the Prime Minister’s Office to facilitate the implementation of SDGs Action Plan. Additionally, to achieve these goals, it needs to improve its primitive infrastructure both tangible and intangible.

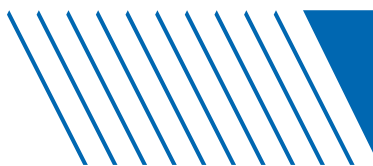


Figure 3: 10 mega projects to dramatically improve infrastructure



Tangible infrastructure such as roads, highways, rail roads, ports, airports, deep sea ports, electricity and energy supply, digital technology have to be developed. Good news is, it has undertaken a number of mega projects to help improve its tangible infrastructure (table 6). It also needs to improve its intangible infrastructure such as rules, regulations, systems, procedures, overall governance, transparency and accountability, and such would take longer time and solid political commitment to improve. Therefore, it has to commit itself in developing 'Quality Circles' and also 'Quality Teams' in every facet of the economy. Third, to achieve its visions, it needs to develop 'quality education', 'state-of-the-art' training and technology and healthy and skilled workforce. No wonder, it has to allocate more and more funds in the above areas. Besides these, it also needs to restructure and reorient its colonial administrative and political structural set up. Without dynamic administrative reform efforts and well skilled and well trained workforce, and developing a devolving type of accountable administrative structure it may find hiccups like Bangladesh Bank scandal on its journey to becoming a developed country.

Secondly, unless its governance and accountability is further improved, chances of corruption and abuse or/and misuse of national wealth may continue and the process of development may be hindered and slowed down.

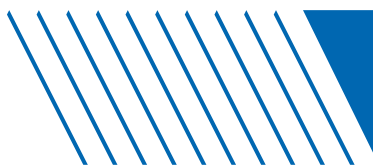
Good news is; Bangladesh achieved rapid development with a 'humane face'-income inequality is still within a limited range. Its income inequality or gini-coefficient is much less than that of its neighbors. For example, while its gini coefficient is 32.1, Sri Lanka's 49, China's 46.9, and Thailand's 48.4-much higher to that of Bangladesh (source: CIA's World Factbook, 2014). No wonder, Wall Street Journal (WSJ) termed it as a 'standard bearer of the South Asia' and Goldman Sachs considers it as 'one of the top N-11 or top 11 emerging countries of the world'. Recently Britain's "Price Water House" firm claimed it be one of the top 3 economies of the world in terms of growth and stability.

1.9 Bangladesh: Leadership Role in SDGs

It is needless to say that Bangladesh should be proud and should take the ownership of the post-2015 development agenda or the document entitled "Transforming our World: The 2030 Agenda for Sustainable Development' as all the critical issues of Bangladesh such as (1) eradication of poverty and hunger, (2) energy security, (3) food security and agricultural development, (4) migration and development, (5) climate change, (6) quality education and skills development, (7) women empowerment and gender parity, (8) industrialization, (9) infrastructure development, (10) change of production and consumption pattern, (11) trans-boundary management of water resources, (12) sustainable use of oceans or blue economy, biodiversity and desertification, (13) good governance and rule of law, (14) technology transfer, (15) effective means of implementation, etc. are included. In addition, Prime Minister Sheikh Hasina in her UN speeches demanded 'inclusivity, reduction of inequality and discrimination, technology transfer, jobs for all especially youth, higher representation of developing countries to international financial institutions, duty-free-quota-free access to markets, affordable healthcare, stronger partnership, enhancing productive capacity, caring for people and planet, etc. and the issues that Chairperson of Global Public Health Initiative Saima Hossain Wazed demanded, for example, inclusion of persons with autism and other forms of disabilities have been included in the said outcome document.

In fact, Bangladesh promoted two resolutions in 2012 and one is on "People's Empowerment' and the other on "Autism and Other Disabilities'-the spirit and elements of the resolutions have been included in the post-2015 development agenda. In addition, all the 11 goals that the Bangladesh government submitted to the Mission through a rigorous process of national dialogue and consultation have also been included in the document.

It is heartening that Bangladesh was one of the members of the Open Working Group (OWG) that through painstaking negotiations for over almost two and half years drafted the post-2015 development outcome document. Therefore, Bangladesh should take pride and ownership of the Sustainable Development Goals and the document with zeal to implement the SD goals and targets within the time-frame.





Effective and Efficient Utilization of Resources

2.1 Aid Effectiveness and Efficiency

Controversies about aid effectiveness go back decades. Critics such as Milton Friedman, Peter Bauer, and William Easterly have leveled stinging critiques, charging that aid has enlarged government bureaucracies, perpetuated bad governments, enriched the elite in poor countries, or just been wasted. They cite widespread poverty in Africa and South Asia despite decades of aid, and point to countries that have received substantial aid yet have had disastrous records such as the Democratic Republic of the Congo, Haiti, Papua New Guinea, and Somalia. In their eyes, aid programs should be dramatically reformed, substantially curtailed, or eliminated altogether. Supporters counter that these arguments, while partially correct, are overstated. Jeffrey Sachs, Joseph Stiglitz, Nicholas Stern and others have argued that although aid has sometimes failed, it has supported poverty reduction and growth in some countries and prevented worse performance in others. They believe that many of the weaknesses of aid have more to do with donors than recipients, and point to a range of successful countries that have received significant aid such as Botswana, Indonesia, Korea, and, more recently, Tanzania and Mozambique, along with successful initiatives such as the Green Revolution, the campaign against river blindness, and the introduction of oral rehydration therapy of Bangladesh.

Aid flows fell in the 1990s after the end of the Cold War and aid was widely attacked for being ineffective in spurring growth and development. However, aid began to grow again in the late 1990s and indications are that it will continue to grow, although probably less rapidly than donors have pledged. Most empirical research on aid and growth conducted during the last decade has found a positive relationship, in contrast to popular perceptions, particularly studies that have allowed for diminishing returns and have controlled for other factors that affect growth. Some studies have [“Cutting the Red Tape,” World Bank Development News Media, February 21, 2003] found that the aid-growth relationship is conditional on the policy or institutional environment, but many of those results have been fragile. Some studies have concluded that there is no relationship or even a negative one, however, many of these studies used restrictive assumptions. Recent research that has explored how different types of aid might have different impacts on growth has suggested one key reason why earlier research has reached mixed conclusions. Nevertheless, there is little doubt that aid has been less effective in spurring development than is often expected. Aid can keep bad governments in power for too long, and can undermine incentives for saving, tax collection, and private sector production.

Aid relationships are made much more difficult by a complex chain of principal-agent problems that weaken information flows, introduce myriad motivations for different actors, and make monitoring and accountability more difficult. Attempts to solve the principal-agent problem through conditionality have not been very successful. The newest wave of reform efforts aims to solve some of the weaknesses of aid and the principal-agent problem through greater donor selectivity in choosing aid recipients, increased recipient participation in setting priorities and designing programs, streamlining aid bureaucracies, increasing donor coordination, and establishing clearer goals for aid and stronger monitoring and evaluation of aid-financed activities. These ideas have been very influential in designing aid programs in recent years, but there is no systematic evidence at this point as to whether these changes will lead to greater aid effectiveness.

2.2 Aid Effectiveness in Bangladesh

In case of Bangladesh, a joint study report of Bangladesh and UNDP in 2010 postulated that it would require a total of nearly \$78 billion or nearly \$104 USD per annum per person in Bangladesh to achieve the goals of MDGs. Interestingly, Bangladesh received around \$8-9 dollars per head, not \$104 per annum to achieve most of the MDGs in Bangladesh. Such miracle is possible because of Bangladesh's innovative and targeted approaches and strong leadership commitment plus its dynamic people.

Empirical evidences support aid effectiveness in Bangladesh. A poor country once known as 'international basket case' has now become a vibrant economy and a 'model of economic development' and a 'standard bearer of the South Asia' is due to many factors in which 'aid effectiveness' is one of them. In fact, foreign aid acted as a 'catalytic agent' to provide needed seed money in Bangladesh.

There is general perception and blame-game that there is widespread corruption and bad governance in Bangladesh. Interestingly, in spite of such blame-game, the country did pretty well in terms of achieving its goals and therefore, its governance must not be as bad as it is commonly perceived. However, it is un-denying that there is room for improvement.

It is often blamed that governments take longer time to allow aid disbursement. The governments have to ensure its usefulness as well as it had to maintain transparency and follow due process of law and therefore, it's slow and time consuming. In addition to these, it is true that owing to myriad and stringent conditionalities imposed on aid disbursement, the projects that are funded by aid and grant take longer timeframe to complete the projects unlike credit or domestically funded ones. Secondly, many donor agencies prefer to disburse aid and grant money directly through NGOs or PVOs to avoid governments and also to meet their pre-designed objectives. Those disbursements at times create fear and apprehension of misuse of funds or use of funds for wrong purposes.

All said and done, it is a fact that aids and grants have been a catalytic agent in Bangladesh to reduce incidence of poverty and hunger and a sense of helplessness. A country that was known as a 'basket case with no hope of survival' has become a 'model of economic development' and a vibrant economy that reduced its poverty level from 57.8% in 1991 to below 22.4% is a testimony that 'aid is effective' in reducing its goal especially poverty and hunger. Secondly, Bangladesh has achieved most of the MDGs in spite of shortage of adequate funds is an evidence that aid utilization given its weaknesses worked efficiently as a 'catalytic agent' in Bangladesh.

Therefore, aid effectiveness and efficiency is high in Bangladesh. There is no evidence yet that aid or grant provided by UNDP or UN agencies to Bangladesh have been grossly misused or abused. However, there is scope for improvement for effective, efficient and faster disbursement, more target application and in selection of projects that are more beneficial to the public in a cohesive and well coordinated manner. Such can only be achieved through more grass-root dialogue and discussion, more openness and collaboration with the government and non-government agencies and institutions including dialogue with civil societies plus constant monitoring of use and non-use of resources.



SECTION 3

Global Economy and It's Current Trends

3.1 Global Outlook: Current Scenario in Major Donor Countries

“Subdued growth, shifting policies, Stagnant global trade, subdued investment, and heightened policy uncertainty marked another difficult year for the world economy. Global growth in 2016 is estimated at a post-crisis low of 2.3 percent and is projected to rise to 2.7 percent in 2017. Growth in emerging market and developing economies (EMDEs) is expected to pick up in 2017, reflecting receding obstacles to activity in commodity exporters and continued solid domestic demand in commodity importers. Weak investment and productivity growth are, however, weighing on medium-term prospects across many EMDEs. Downside risks to global growth include increasing policy uncertainty in major advanced economies and some EMDEs; financial market disruptions; and weakening potential growth. However, fiscal stimulus and other growth enhancing policies in key major economies—in particular, the United States—could lead to stronger-than-expected activity and thus represent a substantial upside risk to the outlook. In view of limited room for macroeconomic policy to absorb further adverse shocks, as well as subdued growth prospects, structural reforms that boost potential growth remain a priority. In EMDEs, investment in human and physical capital would help narrow unmet needs in skills and infrastructure and support growth for the long term. Rebuilding policy space, addressing vulnerabilities, and enhancing international integration by promoting trade and foreign direct investment would also boost resilience and improve growth prospects” says the World Bank Report of January, 2017. However, given the current isolationism and vacuum in policy strategy, this scenario could be worse for the global growth and prosperity.

In fact, it is still unclear how the leadership of United Kingdom will implement the Brexit and if UK gets out of EU, the European countries may find additional difficulties of economic growth and prosperity. In USA, situation is still uncertain. Already US President Donald Trump announced that he would drastically cut financing for UN climate change, peacekeeping operations, health and family programs, the US State Department funding, funds for US healthcare and social programs and will increase funds for US defense, at least by \$54 billion. Such cuts are likely to have far reaching consequences, the end result is still uncertain. Question is, will such strategies retard the growth and prosperity in the world and especially in the US itself. All said and done, one can conclude that the upbeat future of the world as postulated in 2015 is now dampened and uncertain.

The World Bank experts postulated that the future development scenario for 2017, 2018 and 2019 are positive, a real GDP increment from 2.3% of 2016 to 2.7%, 2.9% and 2.9% for 2017, 2018 and 2019 respectively. However, given the current trend, it is likely to be revised downward. Moreover, real GDP growth rate postulated in the advanced economies especially in USA and Euro area for 2017, 2018 and 2019 are 1.8%, 1.8% and 1.7% respectively, a sharp decline vis-à-vis that of 2014, 2015 and 2016 (see table 8). In contrast, the real GDP growth rate for the South-South countries especially in South Asia, BRICS, and Middle East and North Africa have been estimated to be positive and increasing. For example, real GDP growth rate estimated for South Asia for 2017, 2018 and 2019 are 7.1%, 7.3% and 7.4% respectively while it were 6.7, 6.8 and 6.8 per cent during 2014, 2015 and 2016 respectively. For BRICS, the real GDP growth rate estimated for 2017, 2018 and 2019 are 5.1, 5.4, and 5.5 per cent respectively much higher to that of 5.1, 3.8 and 4.3 per cent during 2014, 2015 and 2016 respectively. In addition, the world trade volume is estimated to be on the rise also.

The World Bank report further observed that the advanced economies continue to struggle with subdued growth and low inflation in a context of increased uncertainty about policy direction, tepid investment, and sluggish productivity growth. Activity decelerated in the United States and, to a lesser degree, in some other major economies. As a result, advanced-economy growth is now estimated to have slowed to 1.6 percent in 2016, a downward revision of 0.1 percentage point. Advanced-economy growth is expected to recover somewhat, to an average pace of 1.8 percent throughout the forecast period. In the United States, manufacturing activity is expected to rebound, contributing to a modest pickup in growth from 1.6 percent in 2016 to an average of 2.2 percent in 2017-18. This forecast does not incorporate the effects of policy proposals by the new U.S. administration, as their scope and ultimate form are still uncertain. Fiscal stimulus, if implemented could result in stronger growth outcomes than currently predicted.

Table 08 : Real GDP (percent change from previous year)

	2014	2015	2016	2017	2018	2019
			Estimate	Projections		
World	2.7	2.7	2.3	2.7	2.9	2.9
Advanced economies	1.9	2.1	1.6	1.8	1.8	1.7
United States*	2.4	2.6	1.6	2.2*	2.1*	1.9*
Euro Area	1.2	2.0	1.6	1.5	1.4	1.4
Japan	0.3	1.2	1.0	0.9	0.8	0.4
Emerging Developing Economies	4.3	3.5	3.4	4.2	4.6	4.7
China	7.3	6.9	6.7	6.5	6.3	6.3

Russia	0.7	-3.7	-0.6	1.5	1.7	1.8
Indonesia	5.0	4.8	5.1	5.3	5.5	5.5
Turkey	5.2	6.1	2.5	3.0	3.5	3.7
Brazil	0.5	-3.8	-3.4	0.5	1.8	2.2
Mexico	2.3	2.6	2.0	1.8	2.5	2.8
Argentina	-2.6	2.5	-2.3	2.7	3.2	3.2
Middle East and North Africa	3.3	3.2	2.7	3.1	3.3	3.4
South Asia	6.7	6.8	6.8	7.1	7.3	7.4
India	7.2	7.6	7.0	7.6	7.8	7.8
Pakistan	4.0	4.0	4.7	5.2	5.5	5.8
Bangladesh	6.1	6.6	7.1	6.8	6.5	6.7
High Income countries	1.9	2.2	1.6	1.8	1.8	1.7
Developing countries	4.4	3.6	3.5	4.4	4.8	4.9
BRICS	5.1	3.8	4.3	5.1	5.4	5.5
World Trade Volume	3.7	2.8	2.5	3.6	4.0	3.9

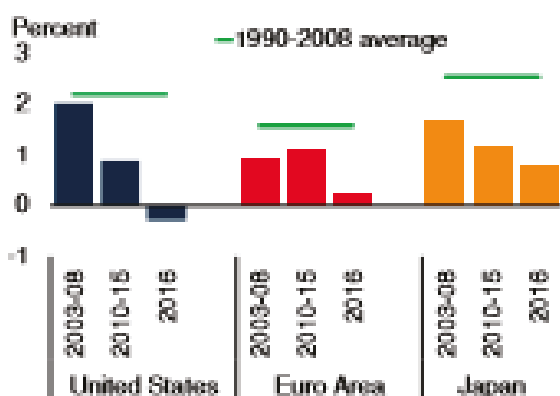
Source: World Bank. BRICS include: Brazil, Russia, India, China, and South Africa.

Across major advanced economies, the deceleration in growth in 2016 to 1.6 percent reflected renewed policy uncertainties, weak external demand, and subdued productivity growth (Figure 4). Activity is expected to regain modest momentum in 2017-19, but uncertainty associated with the policies of the new administration in USA and with Kingdom's decision to leave the European Union (Brexit) could significantly influence the growth trajectory of advanced economies. The growth projections for 2017 and 2018 have been revised down for the Euro Area and especially for UK. In USA, labor productivity of growth is negative (Fig 4-A), potential output growth is 1.5% (Fig4-B) and GDP growth rate is expected to remain below 2% (Fig 4-C) and inflation rate may show marginal upward trend in 2017 and beyond (Fig4-D).

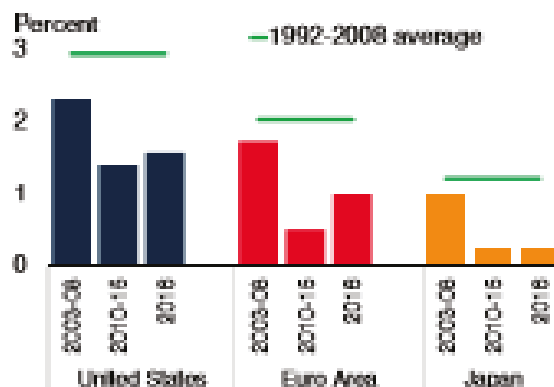
Proposals for corporate and personal income tax cuts; infrastructure spending; and shifts in trade, immigration, and regulation policies are likely to have sizable effects on the U.S. outlook—as well as spillovers on the rest of the world. Growth slowed in 2016, held back by weak exports and investment. However, the U.S. labor market remained resilient and wage growth accelerated. Policy uncertainty has increased substantially; if it persists, it could have potential knock-on effects on investment. Productivity has been stagnant in recent years, constraining potential output growth.

Figure 4: Deceleration of growth of Labor Productivity, Potential Output, GDP and Long-term Inflation

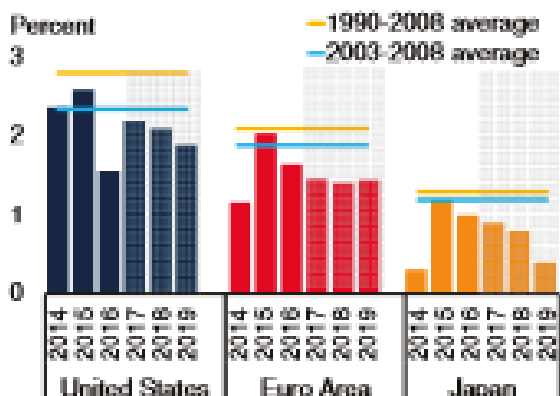
A. Labor productivity growth



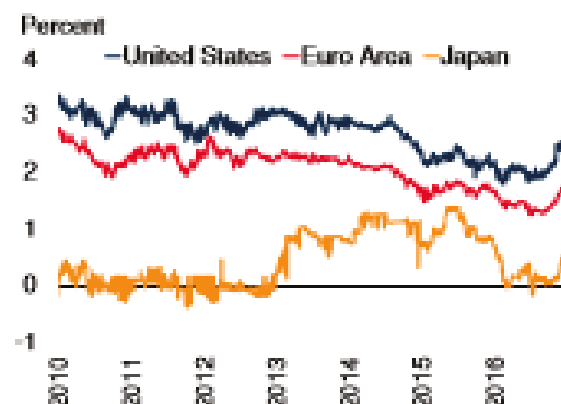
B. Potential output growth



C. GDP growth



D. Long-term inflation expectations



Sources: Bank of Japan (2016), Conference Board, Congressional Budget Office (2016), European Commission (2016), World Bank.

A. Annual growth in real GDP per hour worked, in 2015 U.S. dollars.

B. Potential growth estimates from the U.S. Congressional Budget Office (2016) for the United States, Bank of Japan (2016) for Japan, and European Commission (2016) for the Euro Area.

C. Shaded area indicates forecasts.

D. Long-term inflation expectations are derived from 5-year 5-year forward swap rates.

Last observation is December 19, 2016.

Despite generally subdued activity, unemployment and inflation continued to move closer to policy objectives, signaling further policy normalization. The unemployment rate remained slightly below 5 percent in most of the second half of 2016, and it has reduced further in First quarter of 2017. However, the new administration in US has signaled intentions to pursue more expansionary fiscal policies, including tax cuts and measures to upgrade infrastructure, which could lead to stronger growth in the short term. In general, a fiscal stimulus of 1 percent of GDP could be expected to raise U.S. GDP by between 0.7 and 1.5 percent after 2 years, depending on the amount of remaining economic slack and the reaction of monetary policy authorities.

In terms of the proposals suggested by the new U.S. administration, simulations indicate that the planned reduction in corporate and personal income taxes could—if fully implemented and without consideration for other policy changes—increase U.S. GDP growth projections to 2.2-2.5 percent in 2017 and 2.5-2.9 percent in 2018. Estimates vary depending on the timing of the tax cuts, the reaction of monetary policy authorities, and how businesses and households adjust their expectations to policy changes. Given limited details to date about the overall scope of all fiscal measures that the new administration plans to implement, including plans to stimulate infrastructure investment and cuts in other federal government outlays, it is difficult to rigorously examine their net effect on the outlook for the U.S. economy.

Changes in business regulations could also support private-sector activity, while a relaxation of environmental standards could have important sectoral implications. If implemented, plans to retreat from trade agreements or to raise tariffs and trade barriers could lead to retaliatory action and have negative effects on the outlook for the U.S. economy. The renegotiation of NAFTA could have particularly significant effects on regional trade and industrial prospects. And in recent days, President Trumps Mid-east policies particularly multi-billion dollars defense contracts with Saudi Arabia and Qatar added hope of economic stimulus in the US economy at the cost of more uncertainty in the Middle East especially in Arab countries.

The Kingdom of Saudi Arabia owing to its participation in two wars; Yemen and the Syrian Wars plus the ISIS jihadi onslaught in their backyard and low petroleum prices is facing economic hardship that forces it to cancel or postpone many of its development activities. Similar economic hardship is being faced by Yemen and soon Qatar, a tiny gas-rich economy may follow the same suit of economic uncertainty owing to blockade of its borders by its GCC countries. Uncertainty is looming around in the region with negative consequences to those developing countries, for example, Bangladesh, Pakistan, India, Nepal, Egypt, Sri Lanka, Maldives, Sudan, Lebanon, Iraq, Afghanistan, and Djibouti that normally earn remittances from their supply of labor force to these Middle East countries.

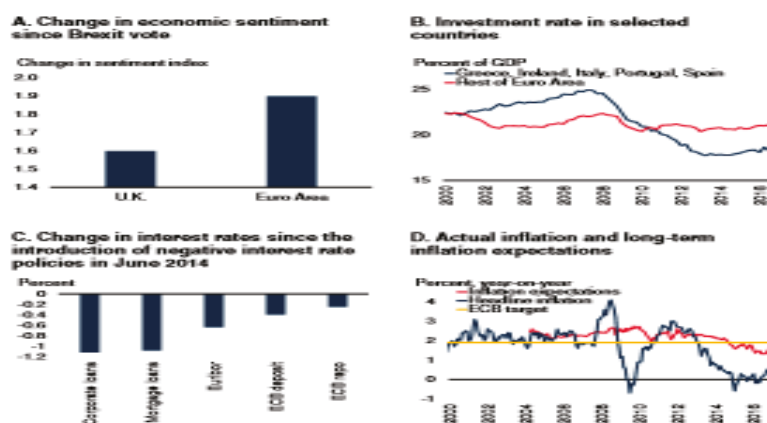
3.2 Euro Area

Euro Area growth slowed from 2 percent in 2015 to 1.6 percent in 2016, as both domestic demand and exports lost momentum. Confidence in the Euro Area has been resilient following the United Kingdom's vote to exit the European Union (EU) in June 2016 (Figure 5). The U.S. election results could also heighten policy uncertainty in Europe. A rebound in oil prices, from their trough in early 2016, implies diminished support to real income and private consumption growth. Since the Brexit

Vote in June 2016, confidence

in the Euro Area although improved (Fig 5-A), yet investment rates (see Fig 5-B) are low, particularly in countries that were most affected by the Euro Area debt crisis. Borrowing costs have eased considerably since the introduction of a negative interest rate policy in June 2014 (Fig 5-C), but concerns about banking sector profitability intensified in 2016. Despite further monetary policy accommodation, headline inflation remains close to zero, and long-term inflation expectations are still below the European Central Bank's policy target (Fig 5-D).

Figure 5: Euro Area: Change in economic sentiment since Brexit vote



Sources: European Central Bank, European Commission, Eurostat.
 A. European Commission economic sentiment is an average of business climate and consumer confidence indexes. Change from May 2016. Last observation is November 2016.
 B. Weighted average of investment rates across sub-groups of Euro Area countries. Last observation is 2016Q3.
 C. Euribor is the Euro interbank offered rate. Loan and mortgage rates are for newly originated lending. The ECB deposit rate is the rate offered to banks on their excess reserves held on deposit at the ECB. The ECB repo rate is the marginal refinancing operations rate that the ECB sets on its repurchase operations in the open market. Percentage point change since May 2014. Last observation is November 2016.
 D. Long-term inflation expectations are derived from 5-year 5-year forward swap rates. Last observation is November 2016.

[Sources: European Central Bank, European Commission, Eurostat. A. European Commission economic sentiment is an average of business climate and consumer confidence indexes. Last observation is November 2016. B. Weighted average of investment rates across sub-groups of Euro Area countries. Last observation is 2016Q3. C. Long-term inflation expectations are derived from 5-year forward swap rates. Last observation is November 2016]

Uncertainty about the Brexit process is expected to weigh on growth in 2017-18 in the United Kingdom and, to a lesser extent, in the Euro Area. Investment rates are particularly low in the Euro Area periphery, with increased policy uncertainty likely weighing further on capital spending in 2017. However, growth in the Euro Area in 2017 is projected to slow marginally to 1.5 percent, as the unwinding of the income boost associated with lower oil prices, increased policy uncertainties, and lingering banking sector concerns offset the benefit of more favorable financial conditions

3.3 Current Economic Trend in the Emerging Countries

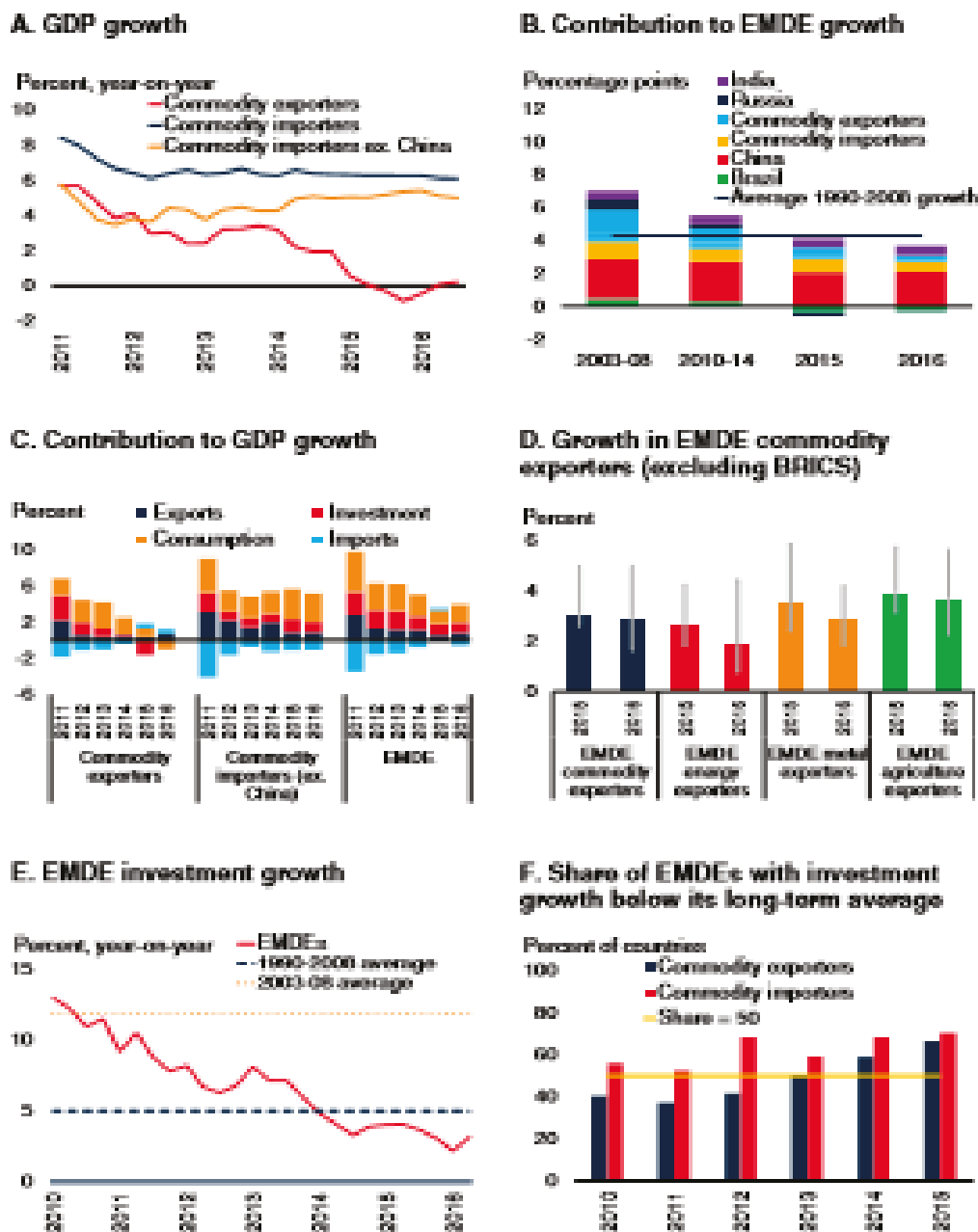
Anemic growth in advanced economies was accompanied by a further weakening of global trade in 2016. Mitigating these headwinds, commodity prices have stabilized and are projected to increase moderately during 2017-19, providing support for commodity-exporting EMDEs (emerging market and developing economies). The rise in U.S. yields since early November has led to a notable tightening of financing conditions for EMDEs, in some cases resulting in significant currency depreciation and portfolio outflows. Despite this tightening, financing conditions still remain generally benign, as major central banks maintain accommodative monetary policies.

Growth in EMDEs reached an estimated 3.4 percent in 2016, slightly below June forecasts and the subdued pace in 2015, and well below the long-term average of 4.4 percent. Weak global trade was offset by some pickup in domestic demand and, for most of 2016, by generally benign financing conditions—although the latter experienced a substantial tightening toward the end of the year, reflecting an appreciation of the U.S. dollar and a rise in global bond yields. The marked divergence between commodity exporters and importers continued, although with notable variations within each group. GDP growth especially in commodity exporting countries is negative (see Fig 6-A), contributions to EMDE growth is below the long-term average (Fig 6-B), contributions to GDP growth is low (Fig 6-C) leading to declining EMDE investment growth (Fig 6-E) and also share of EMDEs with investment growth declined sharply (Fig 6-F). Nevertheless, EMDE growth is expected to accelerate to 4.2 percent in 2017 and to an average of 4.7 percent in 2018-19. EMDEs are forecast to contribute 1.6 percentage points to global growth in 2017, accounting for about 60 percent of global growth for the first time since 2013.

However, the long-term EMDE outlook is clouded by a number of factors—most prominently uncertainty about global trade prospects and advanced economy policies, a weakening in potential output resulting from subdued investment, sluggish productivity growth, and demographic factors. Growth in commodity-importing EMDEs is projected to remain stable throughout the forecast horizon, at around 5.7 percent on average, and slightly below its long-term average rate. The gradual slowdown in China is projected to be offset by a moderate acceleration in the rest of the group, including a robust expansion in India.

Figure 6

GDP growth, Contribution to EMDE growth, Contribution to GDP growth, Growth in EMDE, EMDE Investment and Share of EMDEs Investment growth below its long-term average



Sources: Haver Analytics, International Monetary Fund, World Bank.
 A. Weighted averages of GDP growth. Last observation is 2016Q3.
 B. Commodity importers exclude China and India. Commodity exporters exclude Russia and Brazil.
 D. Growth is simple average of each country groups excluding BRICS. Gray bars denote inter-quartile ranges.
 E. Weighted averages. Includes 28 EMDEs with available quarterly data. Long-term averages start in 1991 for EMDEs and are based on annual data. Last observation is 2016Q3.
 F. Long-term averages are country-specific for 1990-2008.

3.3.1 Low-income Countries

Within the broader group of EMDEs, growth in low-income countries (LICs) is estimated at 4.7 percent in 2016. Activity contracted in oil exporters (Chad, South Sudan), and decelerated in a number of metal exporters (the Democratic Republic of Congo, Mozambique, Zimbabwe) as they continued to struggle to adjust to low commodity prices. The post-Ebola recovery in Guinea, Liberia, and Sierra Leone was held back by the decline in the price of iron ore, their main export. Compounding the effect of depressed commodity prices, a number of LICs were subject to negative domestic shocks. El Niño-related drought affected agricultural production in Chad, Ethiopia, Malawi, Mozambique, Rwanda, and Uganda. The release of previously undisclosed information on external debt guarantees of the government in Mozambique weakened investor sentiment, resulting in a sharp reduction in FDI flows. Elsewhere, political tensions (Burundi, Gambia, the Democratic Republic of Congo, Haiti, Nepal), and security challenges (Afghanistan, Chad, Niger) continued to cause strains on economic activity. However, growth in many commodity importers (Ethiopia, Rwanda, Senegal, Tanzania) remained solid in 2016, supported by strong infrastructure investment.

3.3.2 People's Republic of China

Growth in China is estimated to have slightly decelerated to 6.7 percent in 2016, however, it is projected to moderate to 6.5 percent in 2017 and to 6.3 percent in 2018-19, reflecting soft external demand, heightened uncertainty about global trade prospects, and critically, slower private investment. As part of ongoing economic rebalancing, growth has been concentrated primarily in services, while industrial production has stabilized at moderate levels. The internal rebalancing is also evident on the demand side: consumption growth has been strong, while investment growth has continued to moderate from the post-crisis peak.

The decline in investment growth was concentrated in the private sector; investment by the non-private sector accelerated in 2016. Fiscal and credit-based stimulus measures supported growth in 2016, focusing on infrastructure investment. On the back of a continued real estate boom, loans to households accounted for an increasing share of credit extension in 2016.

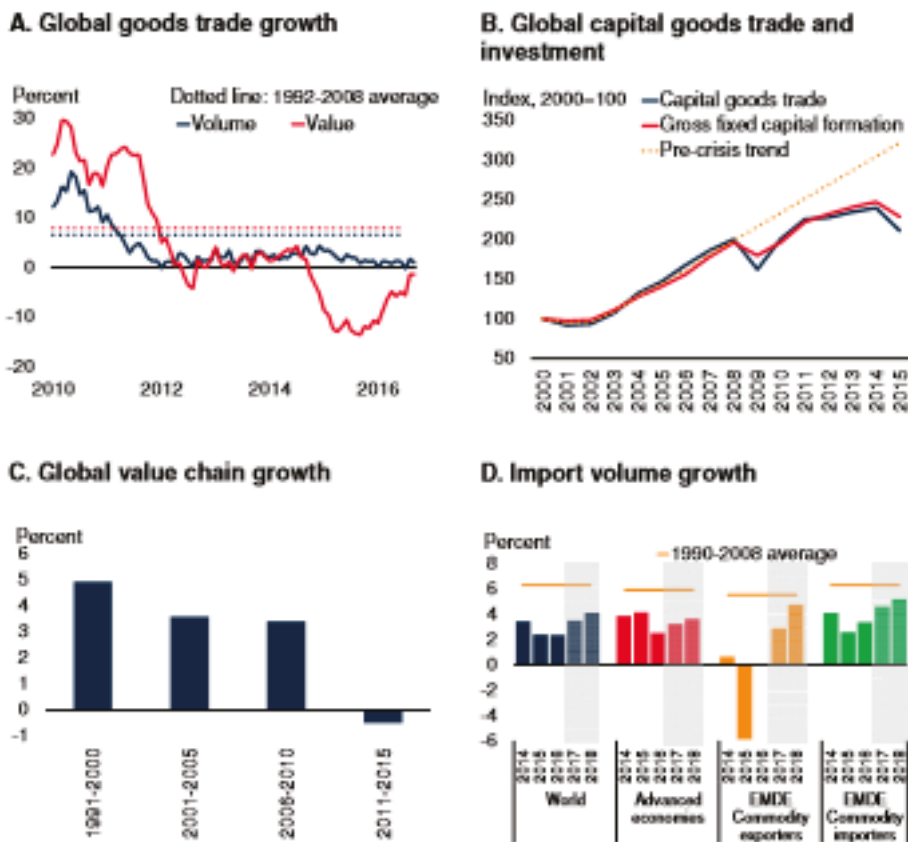
While credit growth to the industrial sector has moderated, the stock of credit to the nonfinancial corporate sector continued to rise, reaching 170% of GDP in 2016. Partly as a result of real estate lending, housing prices reached new heights, especially in major cities. CPI inflation remained below the central bank's 3-percent target throughout 2016.

Despite some easing, capital outflows from China remained sizable. During 2016, the renminbi depreciated around 7% against the U.S. dollar and around 5% in nominal trade-weighted terms. These movements notwithstanding, the renminbi remains markedly above its 2005 level and broadly in line with fundamentals. The renminbi was added to the basket of currencies that make up the International Monetary Fund's Special Drawing Right in October 2016.

3.4 Intra-South-South and Global Trade and Investment

Global trade growth in 2016 recorded its weakest performance since the global financial crisis. Stagnant goods trade for most of 2016 (Figure 7) was exacerbated by a cyclical drawdown in inventories across advanced economies and contracting imports in China and in major commodity exporters.

Figure 7: Growth of Global goods trade, Global capital goods trade and investment, Global Value Chain and Import volume



Sources: CPB Netherlands Bureau for Economic Policy Analysis, Haugh et al. (2016), World Bank, World Trade Organization.

A. Average of global merchandise imports and exports. Last observation is September 2016.

B. Capital goods trade and gross fixed capital formation expressed in current U.S. dollars. Trend line shows the pre-crisis (2003-08) trend of the average of capital goods trade.

C. Global value chain growth indicator as computed by Haugh et al. (2016) is a partial measure of participation in global value chains based on import values of intermediate goods, divided by the value of final domestic demand. The indicator is cyclically adjusted.

D. Shaded area indicates forecasts. Goods and services import growth consistent with national accounts data. Aggregate growth rates calculated using constant 2010 U.S. dollars GDP weights.

The sharp drop in oil prices from mid-2014 to early 2016 could have contributed to the weakness in global trade over that period, as income losses were highly concentrated in few countries (Fig 7-A; value sharply declined). Global goods trade volumes stagnated in the first half of 2016, reflecting softening demand from advanced economies and still-contracting imports from major commodity exporters (see Fig 7-B; capital goods trade and fixed capital formation much below the pre-crisis trend). Weak investment growth has also contributed to subdued capital goods trade. The slowdown in global value chain integration seems to have intensified in recent years, contributing to a lower income elasticity of trade (Fig 7-C; value chain growth is negative in 2011-15). However, a gradual recovery in global trade is still expected in 2017 and 2018, but at a weaker pace compared to its long term performance partly due to a less favorable policy environment.

In an environment of weak global trade, stagnant real income gains in major advanced economies, and marked currency movements between major reserve currencies, protectionism has been slowly rising. For example, in 2016, G20 countries have taken more trade-restrictive measures than trade-facilitating ones. Although subsidies and trade safeguard measures are still by far the most common forms of trade distortion, there has been a shift toward more opaque measures, such as localization requirements, export incentives, and other trade finance measures. The appetite for further trade liberalization has waned, particularly among major advanced economies, which in turn appears to have contributed to the global trade slowdown more than the rise in temporary trade barriers.

The maturation of global value chains also contributed to a lower income elasticity of trade. Among EMDEs, China's move toward more mature domestic intermediate production has also contributed in lowering its trade elasticity. However, most EMDEs still have a large untapped potential to move up the value chain, by shifting to more complex and higher domestic value-added products.

A gradual recovery in global trade is still expected in 2017 and 2018, supported by a projected rebound in import demand from large EMDEs. However, the pace of the recovery is slower than previously expected because of downward revisions to growth prospects in major advanced economies, persistent weakness in global investment, and slower or stalled trade liberalization amid uncertainty about trade policy in the United States and Europe. Therefore, there is need for strengthening the South-South cooperation to revitalize trade and investment and to realize their full potentials.

3.4.1 Financial Markets

While capital inflows to EMDEs generally recovered in 2016, a rapid increase in U.S. bond yields and an appreciation of the U.S. dollar following the U.S. elections led to a sudden tightening of financing conditions for EMDEs toward the end of 2016. In some cases, this tightening led to significant currency depreciations, portfolio outflows, and slowing debt issuance.

The sudden rise in U.S. yields reflected an uptick in long-term inflation expectations and prospects of a faster normalization of U.S. monetary policy, which contributed to a recovery in term premiums from previous record-low levels. U.S. long-term yields increased to the highest levels since September 2014, although they remained below post-Taper Tantrum peaks in 2013-14. Prior to November 2016, record-low advanced economy interest rates contributed to a resumption of capital flows to emerging markets, reinforced by a stabilization in commodity prices. This led to renewed appetite for emerging market assets and to a drop in sovereign credit spreads, benefiting in particular large commodity exporters. However, sovereign bond issuance by EMDEs has slowed appreciably since the U.S. elections, while corporate bond issuance generally remained weak throughout 2016.

3.4.2 FDI: Foreign Direct Investment

FDI flows to EMDEs remained subdued throughout 2016, albeit with significant differences across commodity importers and exporters. Among commodity exporters, persistently low commodity prices have reduced the attractiveness of investment in mining and exploration and have reduced the profits and reinvested earnings that supported past inflows. FDI growth is now well below long-term averages in both commodity-importing and commodity exporting regions. Subdued FDI flows to commodity exporters add to external financing needs at a time when fiscal and current account positions are already under pressure. FDI flows to large commodity importers were generally resilient in 2016. In sum, capital flows to EMDEs recovered some ground during the first three quarters of 2016, following the post-crisis lows reached at the end of 2015, but stayed subdued by historical standards and showed renewed signs of weakness. However, capital inflows are still projected to recover modestly in 2017, assuming improved growth prospects among commodity exporters, rising commodity prices, and a gradual normalization of U.S. policy interest rates.

The benefit for FDI from continued liberalization measures in some large EMDEs, as well as an expected pick-up in mergers and acquisitions, may be partly offset by heightened policy uncertainty in the United States and Europe as investors brace themselves for downside risks. Portfolio and short term debt flows could be supported by stabilization in credit ratings for EMDEs, assuming low (albeit gradually increasing) global interest rates and a continued recovery in commodity prices. Unconventional monetary policies designed to support domestic lending in some advanced economies might also have had unintentionally negative effects on cross-border bank flows. Despite a projected recovery, capital inflows as a percent of EMDE GDP should remain significantly below averages over the 2000-08 and 2010-14 periods.

3.4.3 Heightened Policy Uncertainty Amid Mounting Protectionist Pressures

Policy uncertainty has increased notably, amid elections or referendums in countries accounting for close to 50 percent of global GDP in 2016 and more than 25 percent of GDP in 2017. In advanced economies, the outcome of the Brexit vote in the United Kingdom and of the elections in the United States has led to heightened uncertainty about future policy direction, particularly regarding globalization, multi-lateralism and trade, which could continue to intensify in 2017 and beyond. Rising within-country income inequality and joblessness in advanced countries during the period of rapid globalization, as well as stagnant real median wages, has fueled an intense debate about the benefits of trade liberalization and immigration in advanced economies.

Political and policy uncertainty could increase in a climate of mounting protectionist tendencies, which could undermine the expected recovery in global trade and investment. Global financial market volatility could be particularly disruptive in EMDEs with limited policy space and elevated vulnerabilities. The current unusually high levels of uncertainty could continue to weigh on a fragile global economy. The Brexit vote may take time to resolve the uncertainty surrounding the future relationship between the United Kingdom and the EU, given the protracted nature of the negotiations for international trade agreements, and the unusual complexity of the issues in this case. This, in itself, could set back longer-term growth prospects across the EU.

The magnitude of adverse long-run effects will depend on the type of relationship that the United Kingdom will negotiate with the EU, as well as associated political and institutional risks. Economic analysis conducted by a number of policy institutions prior to the referendum suggests a wide range of possible outcomes, with the long-run impact on the U.K. GDP level estimated to be between -1 and -8 percent, depending on market access to the rest of the EU under the new arrangements and according to model estimates, a modest 1 standard-deviation shock to the U.S. index of economic policy uncertainty could reduce U.S. GDP and investment growth by 0.4 and 0.8 percentage points, respectively, within two years. Uncertainty in the United States could also weigh on investment in other countries, particularly EMDEs.

Even within the parameters of current international safeguards, WTO members could, legally, triple import tariffs, which would lead to a 10-percent drop in world trade from the baseline, and large welfare losses for the world economy. These losses would disproportionately affect the poorest EMDEs, which rely on trade as a key engine for growth and development. The possible undoing of existing trade agreements amid increased protectionism would greatly exacerbate welfare losses in EMDEs. A 10-percent increase in the implied volatility of the U.S. stock market would reduce EMDE GDP growth by about 0.2 percentage point and EMDE investment growth by about 0.5 percentage points after one year. However, well-targeted fiscal loosening and other growth-enhancing policies in major economies—particularly in the United States—could lead to

stronger growth and a more balanced policy mix than currently assumed and thus represent a substantial upside risk to the forecast. Alternatively, a sustained increase in policy uncertainty and protectionism in the United States could have negative repercussions for both the domestic and global economic outlooks.

The United States is the world's single largest economy; it accounts for roughly one-quarter of global output and about one-tenth of total trade flows. It is also the single largest international creditor and debtor. Given its massive size and the strength of its ties with the global economy, shocks to the U.S. economy that are transmitted globally through a variety of channels, including trade, finance, and commodity market linkages are likely to have strong impacts on the economies of the rest of the world. Therefore, reduction of policy uncertainty in the US is desirable for all the countries.



South-South and Triangular Lessons Learned and best Practices

Few South-South success Stories of Bangladesh in Public Sector, Private Sector and NGOs

4.1 Public Sector Success Stories

4.1.1 Union Parishad Governance Project (UPGP)

The base of (rural) local governance in Bangladesh is the Union Parishad (UP). These elected local government institutions are responsible for coordinating many aspects of local social and economic development in Bangladesh. For the last decade (based on a pilot UNDP and UNCDF project in the Sirajgonj District) some UPs have been recipients of discretionary fiscal transfers, which they employ for development activities through an open process of citizen involvement. The UPGP is designed to support around 10% of UPs and use the comparative advantage of UNDP and UNCDF to adopt innovations to UP governance and local development functions that would demonstrate results in meeting development targets including the Millennium Development Goals.

The UPGP was implemented by the Local Government Division (LGD), in close alignment with its on-going Local Government Support Program-II (LGSP-II) that supported the entire complement of Union Parishads across the country. The UPGP was built on the earlier LGSP-LIC programme, which demonstrated several successful innovations in participatory planning and management processes that had already been integrated into LGSP-II. UPGP's activities were conceived to be implemented within the ambit of Government's LGSP-II, whereby it would facilitate a set of carefully planned innovations and improvements to further strengthen local governance, working in around 10 percent of UPs. The activities of UPGP serve to pilot and demonstrate synergies between the Union Parishad and the Upazila, in line with the vision in the UP Act 2009, which envisaged the UP as a development hub, with effective links to line agencies at the Upazila level.

The UPGP was designed to work directly with four institutional platforms that form the core of local governance. They were: the Union Parishad, the Standing Committees of the Union Parishad, the Ward Shavas, and the Women Development Forums (WDFs). In addition, the UPGP also envisage activities to facilitate active and effective engagement between the Union Parishad's and the Upazila administration, as well as activities at the national level, with the Local Government Division, to address the policy support required at the union parishad level.

These activities fell into six generic categories:

1. Support the four institutional mechanisms to effectively execute their mandate;
2. Enhance the quality of interface of the four institutional mechanisms with communities;
3. Strengthening and improving planning and financing mechanisms followed by UPs;
4. Designing in mechanisms to improve resource mobilization by UPs;
5. Improving the capacities of relevant stakeholders; and
6. Developing knowledge and policy instruments to support the above.

Objective of UPGP

To strengthen capacities of local governments and other stakeholders to foster participatory local development service delivery for the MDGs. The project was designed to pilot and evaluate innovations to improve the functional and institutional capacity and democratic accountability of Union Parishads and to increase citizens involvement in order to achieve effective, efficient and accountable delivery of pro-poor infrastructures and services. UPGP contributed in the following specific areas:

- i) Improved governance of the Union Parishad;
- ii) Promoted peoples' participation in planning, implementation, monitoring supervision and evaluation of development activities;
- iii) Delivered improved and enhanced basic services to the citizen;
- iv) Increased local resource generation to complement government efforts;
- v) Promoted women participation in the affairs of Union Parishads;
- vi) Strengthened capacity of the UPs in managing the activities assigned by the UP Act 2009;
- vii) Promoted accountability and transparency in the management of UP activities.

4.1.2. Palli Karma-Sahayak Foundation (PKSF) an Apex Development Organization

PKSF is a state-owned and an apex development organization dedicated to uplift human dignity of more than 40 million people who are excluded from the mainstream development process of Bangladesh for various reasons. PKSF is the abbreviated form of Palli Karma-Sahayak Foundation which can be translated in English as a foundation facilitating rural employment. By its nomenclature, it primarily addresses poverty reduction through employment generation. However, it is diverse in its operational strategies to achieve its vision. It is now committed to develop from an organization of microfinance to 'inclusive financing' for people-centric development that ensures human dignity (Palli Karmo Sahayak Foundation, 2016).

PKSF, by the formal implication of the legal term, is a "Company not-for-profit" registered under Companies Act of 1913/1994 that allows flexibility and independence of PKSF in its operational system. The organization is led by two policy-making bodies; General Body and Governing Body. They provide overall policy guidance and strategic directions. The Managing Director is assisted by a committed workforce that looks after the implementation of its activities. PKSF is also known as a creator of pro-poor institutions at the local level for sustainable poverty reduction.

Evolution of operational strategies

PKSF does not directly provide services to the programme participants, rather reaches them through its Partner Organizations (POs). Instead of following a fixed model of development, it encourages practical and effective approaches to poverty reduction and development interventions with adequate flexibility and dynamic changes in varying contexts. It always strives to achieve objectives by using available local resources. It is mandated to raise funds for use in activities consistent with its purpose and objectives (Rashid, 2006).

PKSF has taken a number of pragmatic programmes and projects to address multi-dimensional aspects of poverty with focus on women. More than 90% of PKSF's borrowers being women (PKSF, 2016), it contributes to women's empowerment and their access to assets.

Programs:

- Inclusive Finance : Expanding Horizon of Access to Finance
- People-centered Holistic Programme for Total Development
- Enterprise Development and Technology Transfer
- Education, Health and Nutrition
- Social Protection, Micro insurance and Climate Change Adaptation
- Institution Building and Capacity Development
- Advocacy and Knowledge Management
- Research and Evaluation
- Corporate Social Welfare

Impacts: In view of the organizational development of Partner Organizations, PKSF is always cited as one of the most successful apex financing organization (Quayes and Khalily, 2013). It brought more than 40 million poor under the network of MFIs. PKSF completed 25 projects in cooperation with many agencies. It has received most of its funds from the GoB and some project assistance from the IDA/World Bank, the USAID, the Asian Development Bank (ADB), Department for International Development (DFID), European Union (EU), International Fund for Agricultural Development (IFAD) and the Kuwait Goodwill Fund (KGF).

PKSF model of financial intermediation and institutional development support has become very well known as an effective social mechanism. Some countries have already established organizations in the model of PKSF, such as Pakistan Poverty Alleviation Fund (PPAF) and Rural Microfinance Development Centre (RMDC) in Nepal. One of the projects of PKSF i. e. PRIME can serve as an example on how to target extreme poverty.

4.1.3 Pathway out of Extreme Poverty - The PRIME Experience

Monga, a seasonal food deprivation, has plagued the country's northern districts of greater Rangpur since the colonial times. It manifests in the severe lack of food, for some up to three meals a day, for the extreme poor households during the months of September to November and during March and April, the interim periods between the plantation and harvesting times. It is caused largely due to the absence of employment for the poor with little or no assets to fall back on during times of hardship. The geography of the region, with two major rivers forming a large number of inaccessible islands (chars) with very little employment opportunities and low wage rates contributes further to the vulnerability of the people in the region. Palli Karma-Sahayak Foundation (PKSF) started a project called Programmed Initiatives for Monga Eradication (PRIME) in 2006 with an aim to eradicating Monga in north-western region (termed here as PRIME (North)). DFID (UK Aid) joined PKSF in 2007 under a project Promoting Financial Services for Poverty Reduction or PROSPER to support PRIME.

Elements of PRIME

PRIME evolved from a seasonal hunger and unemployment and post disaster response programme to a comprehensive extreme poverty eradication programme. PRIME offers a package of financial and non-financial services. Financial services include flexible micro credit, emergency loan and flexible savings and non-financial services includes group formation, technical services, primary health care services, skill and vocational training and disaster management. Important point to be mentioned that these interventions were not started from the onset of the PRIME rather they were evolved in response to the need of the extreme poor households (HHs) over the course of the programme.

Why it is a success?

Impact of PRIME (north) on HHs:

Institute of Microfinance (currently renamed as Institute of Inclusive Finance and Development (InM) have evaluated the impact of PRIME since 2007. They carried out the impact assessment six times (2008-2013) using the panel data set. The last round (7th) of assessment was conducted over a sub-set of the panel households as the project PROSPER was approaching closing line. Moreover, this was conducted immediately after the flood in 2015.

Impact on Food Security

The impact of PRIME on food security was evaluated using three indicators – 1) food hardship index (FHI), 2) number of three-meal per day; and 3) quality of food (quality measured in terms of protein intake). The FHI is the measurement of the intensity of food hardship. It takes a value between 0 and 1. Lower the value of FHI, lower is the level of food hardship. It was found that nearly about 99% PRIME households are food secured in normal time in year 2013. In Monga period, about 96% households are food secure. It may be reminded at the beginning of PRIME only 4% of these HHs were food secured during 2007. By the end of 2013, around 70 percent of the PRIME HHs compared to 55 percent of the non-PRIME HHs had three meals during Monga and in normal time, around 90 percent of the PRIME HHs, compared to 83 percent for the non-PRIME

HHs, had three meals. 12 Pathway out of Extreme Poverty Dietary protein consumption of PRIME and non-PRIME HHs were 33 and 24 g/h/d respectively, both of which were lower than the national average of 33 g/h/d. Considering weekly intake of 420 gm protein as the cut-off point, around 5 percent of the PRIME HHs, compared to 12 percent of the non-PRIME HHs had no protein intake. Percentage of the PRIME HHs having sufficient amount of protein was 12.35 percent in 2013 as against around 8 percent of the non-PRIME HHs.

Impact on Economic Outcomes: The average income expenditure in 2013 has increased for both the PRIME and non-PRIME HHs, but the PRIME households are better off. Average income of the PRIME households in 2013 was higher by Tk 29,000 (\$363) and financial assets by around Tk.7,000 (\$88) compared to those of the non-PRIME HHs. Such 4-fold increase in income has also contributed to higher level of annual food and non-food expenditures by 33 percent and 60 percent, respectively.

Impact on Uni-dimensional Poverty: In 2009, 65 percent of the PRIME HHs and 69% of Non-PRIME HHs were below the food poverty line. Over the following five years, in comparison to the Non-PRIME households, the percentage of households moving out of upper poverty line for the PRIME group was around 21 percentage points higher at the end of 2013 from the base of 2009.

Impact on Multi-dimensional Poverty: The multi-dimensional poverty and constructed Multidimensional Poverty Index (MPI) were determined using 20 indicators and 5 dimensions – food poverty, health, education, quality of life and access to social safety. The PRIME households have lower multi-dimensional headcount ratio of poverty of 51 percent compared to 74 percent of the non-PRIME households. The average intensity or deprivation of PRIME households was 48% as opposed to non-PRIME households of 55%. The MPI was the highest (0.4118) for the non-PRIME households and it is lowest (0.2477) for the PRIME households.

External Links

Palli Karma-Sahayak Foundation (PKSF) www.pksf-bd.org/

Programmed Initiatives for Monga Eradication (PRIME) www.primepksf.org/

Community Climate Change Project (CCCP) www.pksf-cccp-bd.org/

4.1.4 Providing Access to Renewable Energy to People off the grid

Solar Home System (SHS)

IDCOL started the SHS program in January 2003 to fulfill basic electricity requirement of the off-grid rural people of Bangladesh as well as supplement the Government's vision of ensuring access to electricity for all citizens of Bangladesh by 2021.

Up to October 2016, about 4.1 million SHSs have been installed under the program in the remote areas where electrification through grid expansion is challenging and costly. Thus the program has ensured supply of solar electricity to 18 million people i.e. 12% of the country's total population who previously used kerosene lamps for lighting purpose. IDCOL has a target to finance 6 million SHS by 2021 with an estimated generation capacity of 220 MW of electricity.

Distributed solar has lit up the country of 160 million, with around 4.5 million systems installed by IDCOL partners. The initiative—the largest rural solar program in the world—connects about 70,000 customers per month, with 12-15% of the population using solar in rural, off-grid areas. As a result, distributed solar has become a key pillar of the nation's energy infrastructure—powering homes, agricultural, schools, clinics, mosques and street lights. In the process, rural communities have become highly energy literate on the benefits of solar, creating a breakthrough in national mindset.

With the international community committed to achieving universal energy access within 7 years by 2024, the learning's from IDCOL can benefit all of the world's energy-poor countries and their 1.1 billion people are still living without electricity, especially in Sub-Saharan Africa where distributed solar (rooftop and micro-grids) will be the leading edge of eradicating energy poverty. The Bangladesh solar revolution happened because IDCOL, a government-owned non-banking financial company under the central bank, provided one channel for dispersing financial support from international donors and multilateral development banks. This “wholesale” model unified an otherwise fragmented market, standardizing technology, finance and policy. The program has been acclaimed as the largest off-grid renewable energy program in the world.

Success

The program has so far saved consumption of 1.14 million tons of kerosene worth USD 411 million approx. In addition, in the next 15 years already installed 4.1 million SHS will save consumption of another 3.6 million tons of kerosene worth USD 1,300 million. Moreover, around 75,000 people are directly or indirectly involved with the program. The program has been acclaimed as the largest off-grid renewable energy program in the world.

Development partners: IDCOL initially received credit and grant support from the World Bank and GEF to start the program. Later, GIZ, KfW, ADB, IDB, GPOBA, JICA, USAID and DFID came forward with additional financial support for expansion of the SHS Program.

At present, 56 Partner Organizations (PO) are implementing the program. IDCOL provides grant and soft loans as well as necessary technical assistance to the POs. POs select customers, extend loan, install the systems, and provide after sale service. IDCOL's total investment under the program is BDT 52,240 million (USD 696 million) out of which loan USD 600 million and grant USD 96 million. (*External Links-<http://idcol.org/home/solar>*)

Why it is a success?

- 1 Till April 2016, IDCOL has financed construction of over 42,800 biogas plants all over the country through its 43 partner organizations.
- 2 The program saves 41,000 tons of firewood ever year worth USD 3.5 million and also reduces the use of 25,000 tons of chemical fertilizer worth USD 7.6 million by producing 165,000 tons of organic fertilizer. The program also reduces the use of 1,300 tons of kerosene every year. IDCOL has a plan to install 60,000 biogas plants in Bangladesh by 2018.
- 3 Only 3 percent of the population, primarily based in urban area, uses natural gas delivered by pipeline for cooking. But 70 percent of the rural population does not have access to piped gas. Biogas plant can fulfill this gap as a substitute fuel as the plant does not need to use expensive kerosene, firewood and straw for cooking, said Nazmul Haque Faisal, senior programme manager.
- 4 The plant requires cow dung and chicken excrement to produce energy. A typical biogas plant can be used for more than 30 years and requires only 200 square feet area. A homestead biogas plant costs around Tk 30,000 to Tk 35,000 (\$375-\$500) where IDCOL provides Tk 9,000 (\$113) as a start-up subsidy, Faisal added.
- 5 With progress, IDCOL lends around Tk 14,000 to Tk 16,000 to its partner organizations, and the plant owner can pay the cost of the plant in installments at Tk 1,100 per month, he said.
- 6 A regular sized biogas plant requires 30 kg cow dung a day, said Islam.

4.1.5 Biogas Plants

Till April 2016, IDCOL has financed construction of over 42,800 biogas plants all over the country through its 43 partner organizations. The program saves 41,000 tons of firewood every year worth USD 3.5 million and also reduces the use of 25,000 tons of chemical fertilizer worth USD 7.6 million by producing 165,000 tons of organic fertilizer. The program also reduces the use of 1,300 tons of kerosene every year. IDCOL has a plan to install 60,000 biogas plants in Bangladesh by 2018.

Only 3 percent of the population, primarily based in urban area, uses natural gas delivered by pipeline for cooking. But 70 percent of the rural population does not have access to piped gas. Biogas plant can fulfill this gap as a substitute fuel as the plant does not need to use expensive kerosene, firewood and straw for cooking, The plant requires cow dung and chicken excrement to produce energy. A typical biogas plant can be used for more than 30 years and requires only 200 square feet area. A homestead biogas plant costs around Tk 30,000 to Tk 35,000 (\$375- \$500) where IDCOL provides Tk 9,000 (\$113) as a start-up subsidy.

With progress, IDCOL lends around Tk 14,000 to Tk 16,000 (\$175-\$200) to its partner organizations, and the plant owner can pay the cost of the plant in installments at Tk 1,100 per month (\$13.75).

A regular sized biogas plant requires 30 kg cow dung a day. The biogas residue can also be used as organic fertilizer, as it is a high category manure and good for cultivable lands and fish-growing ponds. A plant can produce around six tons of organic fertilizer in a year. The state-owned company is currently running a nationwide weeklong programme to raise awareness about the benefits of manure as fertilizer and alternative sources of clean fuel.

At present, 30 non-government organizations are working with IDCOL to set up and popularize biogas across the country. International NGO SNV-Netherlands Development Organization and the German government's development agency KFW are jointly financing the project.

4.1.6 Community Based Health Care

Community Clinic (CC) is the innovation of Honorable Prime Minister Sheikh Hasina to extend Primary Health Care to the doorsteps of rural people all over rural Bangladesh. Thousands of people are getting services from the CCs and it has become an integral part of national health system. It is a unique example of Public-Private Partnership (PPP) as all the CCs have been constructed on community donated land while construction, medicine, service providers, logistics and all other inputs are from Government (GoB) but management is both by community and GoB through Community Group (CG). Community owns CC and plays active role for its improvement. People are satisfied with the services of CC as it is a 'one stop service outlet' in respect of health, family planning & nutrition.

It is the flagship program of present government. At present 13,136 CCs are on board as June 2016 and number is gradually increasing. We believe that CC will be able to contribute substantially in achieving SDGs like MDGs and health-care for everybody will be ensured.

Bangladesh is a country of 160 million people and its density of population is one of the highest in the world, nearly 1,200 per square mile. It got its independence in 1971. Since independence, Bangladesh is trying to improve the quality of living of its people. Bangladesh government has taken many strong and outstanding steps to reach its goal. At the same time, private organizations are also working to help the government. Many models have been introduced that are helping to

reduce poverty and improving the quality of living. One of the extraordinary models taken by the government is Community Health Clinic. Community Clinic is an innovation to extend Primary Health Care to the doorsteps of rural people all over Bangladesh. Thousands of people are getting services from these clinics and it has become an integral part of the health system of Bangladesh.

In 1996, Bangladesh government planned to establish Community Clinic (one Community Clinic for every 6,000 population) to extend public healthcare at the door steps of the villagers all over the country. Construction of these Community Clinics started in 1998. During 1998-2001, 10,723 CCs were constructed and about 8,000 started functioning. Unfortunately, these CCs were closed in 2001 after the change of government. It remained closed till 2009 and people became very much disappointed. Due to closure and abandonment for years together, many Community Clinics had been occupied by unauthorized occupants and it became centers of unsocial activities for example-addiction, gambling and others. In 2009 when the new government of Sheikh Hasina got elected again, the government took initiative for reopening of Community Clinics. The number of CCs stands at 10,624 in 2009, however, in June, 2016 it stands at 13,136. It is a flagship program of GoB.

Services: At present 13,136 Community Clinics are on operation based on report published on June 2016 and the number is increasing gradually. From 2009-2015, about 460.88 million visits were made to CCs for services of which 9.071 million emergency and complicated cases were referred to higher facilities for proper management. Among the service seekers of Community Clinics about 80% are women and children. On average 9.5-10 million visits are in Community Clinics per month and 38 visits per day per Clinics.

For primary level, service time is 9am-3am. It is a one stop service outlet for Health, Family Planning and Nutrition. It is a preventive-biased center as it provides mainly health education and health promotional services. All the Community Clinics are outreach sites for routine immunization and NID. In addition, it provides limited curative care (treatment of minor ailments), screening of NCD-Hypertension, Diabetes, identifying emergency and complicated cases with referral to higher facilities in urban health care. In a substantial number of CCs, normal delivery is being conducted subjected to the availability of skilled manpower, proactive CG, committed local health management and where from patients can be referred within a short time or necessary support.

There was no provision for electric supply in the Clinics constructed during 1998-2001. In a substantial number of Clinics, solar panel has been installed for getting electricity with the support of some organizations/institutes under different programs for example-Disaster management, Upazila parishad, Honorable MPs, plus individuals.

Now all the Community Clinics have been provided with laptop and internet connections to give best services to the people and have been reporting on line. E-health from Community Clinics to Urban Health Care has been introduced in some places.

Community Group: Community group (management body to Community Clinics) has been formed for all the functional Clinics with some major changes. The number of community group members has been increased from 9-11 to 13-17 with at least one third women members and adolescent girl/boy. The group is headed by an elected UP member of that locality instead of land donor/his or her representative. Land donor/his or her representative are life member and senior vice president of Community group. At least one is female out of president and vice presidents. Training manual for the members and trainer's guide have been developed though a

series of meetings, workshops with the contribution of GO-NGO experts and specialists of UN Agencies. About 170,799 community group members have been provided orientation.

Community Support Group: It is new and an addition for better community engagement as there was no such provision with Community Clinics during 1998-2001 periods. In the catchment area of each Clinic, there will be 3 community support groups containing 13-17 members with at least one third women members. For all functional Clinics, these groups have been formed. The community support groups help community group in Community Clinic management along with making community aware regarding the services available at Clinics and common health messages.

Community Based Health Care: From the beginning of RCHCIB (Rural Community Health Clinics in Bangladesh), mainstreaming of the project had been thought of and implemented through the existing health system from the national to sub district level. For this one operational plan titled “Community Based Health Care” (CBDC), housed at DGHS under 3rd sector program (HPNSDP) is being implemented since July of 2011 complementary to RCHCIB. During the first 3 years, different types of local and overseas training and in the fourth year, pay and allowances of the manpower transferred from RCHCIB to CBHC along with local training. After the expiry of RCHCIB, all the activities of Community Clinics are being implemented through CBHC.

Monitoring: Monitoring is being done routinely by the supervisors of different levels strictly. The supervisors have been using the specific checklist. WHO has supported the Community Clinics by providing a few field monitors for 3 year. Some of government partners and NGOs are supporting supervision and monitoring by providing external facilitators. The external facilitators supported in the formation of district and Upazila core teams, capacitated them with remarkable improvement in supervision and monitoring of Community Clinics. It is being implemented in 5 districts.

Conclusion

Bangladesh was one of the countries who signed the “Alma-Ata Declaration” in 1978 with a pledge to ensure “Health for All” (HFA) by 2000 through Primary Health Care. But in 1996 it has been observed that we were far behind as previous governments were not giving as much priority to health care for common people as it needed. Unavailability and inaccessibility of public health care to the rural community in Bangladesh (about three fourths of national population) were the reasons for lack of community healthcare. The government in 1996 planned to establish Community Clinics to address those shortfalls. Now the healthcare services in rural Bangladesh have dramatically improved. People do not have to come to capital city from a remote area for the health care purposes. It saves their valuable money and time. Bangladesh has achieved remarkable progress in Health related MDGs vis-vis its neighbors in South Asia. For example, it reduced its infant death rate by 73%, maternal death rate by 67%, and it achieved nearly 98% immunization. Community Clinics are definitely helping to do this remarkable achievement.

This model is now appreciated around the world and many other countries are now willing to start their own Community Clinics for their people based on the success of Bangladesh. We hope that in near future E-health will be scaled up all over the country through these Community Clinics. We believe that Community Clinics will be able to contribute substantially in achieving SDGs like MDGs and affordable healthcare for everybody will be guaranteed.

Table 09 Status of important services of CC from 2009-March, 2016

SI #	Service	# of Visit/ # of patients	Remarks
1	PHC (Health, FP & Nutrition)	483.20 million visits	On average 39 visits/CC/day
2	Referred from CC	11 million emergency & complicated patients	Most of the cases have been referred to UHC
3	Normal Delivery (ND)	28160	Normal Delivery is going on in 1008 CC & is increasing
4	Supply of Medicine	Medicine worth Tk. 8270.50 million	Medicine supplied by EDCL & CMSD

Source: Revitalization of Healthcare Initiatives in Bangladesh (RCHCIB), MoHFA, 2016

4.1.7 EPI: Expanded Program on Immunization in Bangladesh: a Success Story

Immunization is the process whereby a person is made immune or resistant to an infectious disease, typically by the administration of vaccine. Vaccines stimulate the body's own immune system to protect the person against subsequent infection or disease. It is always better to prevent a disease than to treat it. Vaccines prevent disease in the people who receive them and protect those who come into contact with un-vaccinated individuals. Vaccines are responsible for the control of many infectious diseases that were once common in Bangladesh. EPI vaccines are given under the government of Bangladesh. Vaccines are found at all Govt. healthcare facilities and also non-Government healthcare facilities and private facilities with vaccination centers.

Goal of Expanded Program on Immunization in Bangladesh:

- Immunization should provide all children less than one year of age throughout the country.
- Immunize all women of childbearing age including pregnant women throughout the country.
- Help to lead healthy both mother and child.
- Extend service delivery point up to the community to cover all target population.
- To eliminate maternal and neonatal Tetanus.
- Eradicate Poliomyelitis and reduce disability from Poliomyelitis.
- Control of Rubella Syndrome.
- Reduction of measles incidence by 90% and mortality by 95% compared to pre immunization period.
- Control hepatitis B infection by sero-prevalence of HBsAg to less than 2% among children under five years old.
- Improve and maintain vaccine, immunization and injection safety.

Because of government's sincere efforts, the immunization program has been a successful program in Bangladesh and its coverage has been nearly 98 per cent. Such has drastically reduced infant death rate by over 73% and maternal death rate has also reduced more than 67 per cent.

Figure 8: Immunization served by the nurse



Development Partners:

JICA: technical and financial support to develop and conduct CHCP/CG/CSG/ Local govt. bodies training, and monitoring of CC/CG/CSG

WHO: CHCP Training development and ToT conduction, and monitoring of CC

GAVI HSS: construction of delivery rooms at 105 CCs, and monitoring of CC

NGO & Local Government:

14 Partner NGOs (MoU with RCHCIB) works for capacity development of CG & CSG and submit quarterly reports.

Quarterly NGO coordination meeting is held to monitor and update the NGO activities

Local govt. bodies use annual budget for improvement of CC

<http://www.communityclinic.gov.bd/index.php>

4.1.8 NASVAC: Novel Nozzle Vaccine for Treatment of HBV

About 350 million people in the world are chronically infected with hepatitis B virus (HBV). They are potentially at risk of developing liver cirrhosis (LC) and primary liver cancer or hepatocellular carcinoma (HCC). HBV alone is responsible for 0.6-1.2 million deaths globally every year. In Bangladesh, this figure has been estimated at 20,000 per year.

Although there are few drugs for HBV, these are associated with adverse events specially development of resistance. Besides, none can control HBV-related liver diseases like chronic hepatitis B (CHB), LC and HCC.

In SDGs, target has been set for elimination of HBV and reduction of HBV-related deaths by 30-40% by 2030 from the present day state. This can only be achieved if new, novel and more effective drug(s) is (are) invented for the virus. In this respect, there is encouraging development in Bangladesh. A new and novel drug for HBV that can reduce LC and HCC is knocking at the door. It's called 'NASVAC', which is novel because it uses a unique technique conceptualized from the South i.e. it raises host immunity, which in turn controls the virus and its complications.

Development of NASVAC was accomplished through 'South-South' collaboration. The original concept and fundamental studies for development of this drug was initiated by Dr. Sheikh Mohammad Fazle Akbar, Principal Investigator, Department of Medical Sciences, Toshiba General Hospital, Tokyo, a Bangladeshi Hepatologist working in Japan. The phase I/II and phase III clinical trials of NASVAC were then conducted in Bangladesh by another Bangladeshi Hepatologist Dr. Mamun Al Mahtab (Shwapnil), Associate Professor, Department of Hepatology, Bangabandhu Sheikh Mujib Medical University, Dhaka. The phase III clinical trial demonstrated that NASVAC is safer than other drugs in the list of current therapies for CHB. It is efficacious and seems to be highly potent. It has also shown promise in preventing the progression of liver disease. This drug has been registered in Cuba, Nicaragua and Angola and clinical trials of NASVAC are ongoing in several countries, including Japan and Russia, for its expanded use.

The Directorate General of Drug Administration of the Government of the People's Republic of Bangladesh has initiated the process of registering NASVAC in Bangladesh. And if NASVAC gets registration in Bangladesh, it will be the first ever new drug molecule to be developed and registered in the country and more importantly, it will save millions of life each year as did the Rehydration Therapy (ORT) of ICDDR'B that is cost effective, effective and that saved millions of life across the globe from cholera, dysentery and diarrhoea.

4.1.9 ORT: a Life Saving Solution of ICDDR'B

ICDDR'B is dedicated to saving lives through research and treatment by addresses some of the most critical health concerns facing the world today, ranging from improving neonatal survival to HIV/AIDS. ICDDR'B helps solve significant public health challenges facing the people of Bangladesh and beyond, especially the most vulnerable, through the generation of knowledge and its translation into policy and practice. Using new evidence and building on experiences and lessons learned, the ICDDR'B partnership concentrates on its core strengths – alignment, analysis, advocacy and accountability to contribute to the 'Every Woman Every Child Movement' and provide support to all partners to work together to achieve the full range of targets for the Global Strategy by 2030 with a priority focus on four targets:

- Reduce global maternal mortality to 70 or fewer deaths per 100,000 live births [SDG3.1]
- Reduce newborn mortality in every country to 12 or fewer deaths per 1,000 live births [SDG3.2]
- Reduce under-five mortality in every country to 25 or fewer deaths per 1,000 live births [SDG3.2]
- Achieve universal access to sexual and reproductive health and reproductive rights [SDG3.7/5.6]; ensure at least 75% of demand for family planning is satisfied with modern contraceptives.

History of ORT: Oral Rehydration Therapy (ORT) may lower the mortality rate of diarrhea by as much as 93%. Case studies in 4 developing countries also demonstrated an association between increased use of ORT and reduction in mortality. UNICEF reports that it saved over 50 million lives.

Until 1960, ORT was not known in the West. Dehydration was a major cause of death during the 1829 Cholera pandemic in Russia and Western Europe. In 1831, William Brooke O'Shaughnessy noted the loss of water and salt in the stool of people with cholera and prescribed intravenous fluid therapy (IV fluids). The prescribing of hypertonic IV therapy decreased the mortality rate of cholera from 70 to 40 percent. In the West, IV therapy became the "gold standard" for the treatment of moderate and severe dehydration. In 1968 David Nalin of ICDDR'B (at the CENTO- SEATO Research Centre) reported that in adults with cholera, given an oral glucose-electrolyte solution in volumes equal to that of the diarrhea losses, reduced the need for IV fluid therapy by eighty percent. In 1971, fighting during the Bangladesh Liberation War displaced millions and an epidemic of cholera ensued among the refugees. When IV fluid ran out in the refugee camps, Dilip Mahalanabis, a physician working with the Johns Hopkins International Center for Medical Research and Training in Calcutta, instructed his staff to prepare and distribute an oral rehydration solution prepared from individual ingredients to family members and caregivers. Over 3,000 people with cholera received ORT in this way. The mortality rate was 3.6 percent among those given ORT compared with 30 percent in those given IV fluid therapy.

In the early 1970s, Norbert Hirschhorn made the important observation that children would voluntarily drink as much of the solution as needed to restore hydration, and that rehydration and early re-feeding would protect their nutrition. This led to increased use of ORT for children with diarrhea, especially in developing countries.

In 1980 the Bangladeshi nonprofit BRAC created a door-to-door and person-to-person sales force to teach ORT for use by mothers at home. A task force of fourteen women, one cook and

one male supervisor traveled from village to village. After visiting with women in several villages, they hit upon the idea of encouraging the women in the village to make their own oral rehydration fluid. They used available household equipment, starting with a "half a seer" (half a quart) of water and adding a fistful of sugar and a three-finger pinch of salt. Later on, the approach was broadcast over television and radio and a market for oral rehydration salts packets developed. Three decades later, national surveys have found that almost 90% of children with severe diarrhea in Bangladesh are given oral rehydration fluids at home or in a health facility.

From 2006 to 2011, UNICEF estimated that worldwide about a third of children under 5 who had diarrhea received an oral rehydration solution, with estimates ranging from 30% to 41% depending on the region. ORT is one of the principal elements of the UNICEF "GOBI FFF" program (growth monitoring; ORT; breast feeding; immunization; female education; family spacing and food supplementation). The program aims to increase child survival in developing nations through proven low-cost interventions. This low-cost and easily home-made ORT could be used across nations to help reduce cholera epidemic. Recently when Cholera spread out in Haiti, information gap deprived many from using ORT and therefore, there is need for a Forum that can help disseminate the best practices of the Southern countries.

4.1.10 One Family, One Farm (Akti Bari, Akti Khamar)

Bangladesh is an agricultural country with fertile lands. It has nearly 15.09 million family farmers, nearly 53.57% of the total population. They are producing food grain for their own consumption plus meeting the needs of another 13.08 million non-farming families that composes 46.43% of the total population. Bangladesh Prime Minister Sheikh Hasina during her first tenure in office during 1996-2001 declared to have 'akti bari, akti khamar' project but it did not move much. The idea behind was that the farmer and his family are involved in varieties of agricultural farming. Family members those cultivate land for farming rice, the staple food also cultivate vegetables around their house and fish in their nearby ponds or canals. The same house-hold members are also involved in rearing goats, cattle, chickens, ducks, pigeons, and the like. Thus they manage their essentials of livelihood. They cultivate or rear the essentials for the family and whatever surplus they get, they trade them in the market or with neighbors. That is the norm in Bangladesh rural culture since eternity. If each house-hold family members could be engaged in productive endeavors, their life and living could be much better. Therefore, Akti Bari, Akti Khamer—one house, one farm-- project was adopted by government of Bangladesh (GoB).

As per this project, the rural households were divided into 4 different categories. First group was composed of families without land ownership or house, second group is composed of families with small farms, third, with middle-level farms and fourth group was composed of families with large farms or landed property. Such was designed for effective monitoring and evaluation of the impacts of the project. For example, farmers without land ownership may plant vegetables or such other items around their houses while a big farmer may plant them on a commercial basis in his or her land. Depending on their capability and needs, resources would be committed accordingly for maximum benefits. Family members can plant varieties of vegetables, fruits, medicinal plants, and crops and they may also rear fish and ducks in their nearby ponds and animals in and around their homestead. However, since they are poor, the government may provide seeds, fertilizers, and the like. The produce from such farm could be sufficient not only to meet the needs of the family but also to allow them to sell some of it in the market. Thus cauliflower, tomato, eggplant, cabbage, varieties of vegetable, animal, fish and meat items could

be produced to meet family needs. They can also produce plants that are essential to use as drugs and medicines. However, if the government can set up such a 'model household' in each village, others can imitate them and such can help improve nutritional intake of households. To monitor and encourage such initiatives, a village-based community infrastructure with the guidance of local agriculturalist or horticulturist was organized. The government responsibility in addition to supplying essential inputs may also to create a good market for their items so that they can sell them and earn some money. Each model house may be connected through Internet so that they may get latest market prices.

This program resumed selectively across the country in 2009 and its result is very positive. In its first phase, the program aims at bringing nearly 15 million people out of poverty. In its second phase, 18 million people of 60, 515 villages are expected to be out of poverty and nearly 30 million out of extreme poverty. The government proposed to achieve this goal by allocating Tk 80,010,000, 000 (or \$1.0 billion) that should cover 3.6 million families to get out of poverty for good. In the first phase of the project, it covered 2.2 million families of 40,527 villages. Seventy five per cent of the allocation would be 'grant' and a 'Village Development Committee' of 60 members in each village composing 40 men and 20 female were formed to supervise, guide and help implement the project smoothly. It is expected that these organizations would save Tk 200 each month (\$25) and government proposes to match their savings. In addition, each Village Development Committee will receive an additional Tk 1,50,000 (\$1,875) grant each year. Rural families can receive credits from such funds at 8% interest rate. It may be mentioned here that prior to resuming this program in 2009, the below extreme poverty level in Bangladesh was 22% and since its resumption, as per its Director Akbar Hussain, the below extreme poverty level went down, from 22% to 12.9 percent. Therefore, this appears to be a highly innovative and effective program that really reduced incidence of poverty and hunger and replicable in other Southern countries.

4.1.11 Sanitation in Bangladesh

Bangladesh is one of the most densely populated countries in the world, with more than 1,100 people per square kilometer. Three quarters of the population live in rural areas, where running water and sanitary latrines are often considered luxury items. Bangladesh experiences one of the fastest urbanization rates in Asia.

Open defecation pollutes groundwater, contaminates fruits and vegetables, and spreads disease. Furthermore, traveling to fields threatens women's safety. UNICEF estimates that every gram of feces contains 10 million viruses, 1 million bacteria, and 1,000 parasitic cysts. Two thousand children a day die from Diarrheal Diseases and other diseases linked to poor sanitation. Experts now believe that half of the world's malnutrition and stunting burden is attributable to poor sanitation.

So sanitation is the key to a cascade of development challenges. There is growing awareness of, and commitment to, sanitation goals. The task is to translate those efforts into the intended outcome, as Bangladesh has done by reducing open defecation rates to a single digit number in just 20 years. Bangladesh achieved this by recognizing early on that attitudes and behaviors are as important as any technology or infrastructure.

As said, Bangladesh achieved amazing success in sanitation in 20 years. The proportion of the population practicing open defecation was 34% in 1990, 19% in 2000, 3% in 2012, and in 2016, it became nearly 0%. At the South Asian Conference on Sanitation (SACOSAN), a SAARC ministerial meeting was held in Dhaka on January 2016, Bangladesh was declared a 'country

free from open defecation'.

Bangladesh main strategies were: changing social, cultural, and religious norms are central to changing the practice. As early as the late 1980s, the government committed itself to a unique combination of community mobilization strategies, social marketing, private sector stimulation, and systems of incentives and accountability, which have all helped rapidly change sanitation behavior. A national sanitation campaign by the Bangladesh government was launched in 2003 to specifically meet the millennium development goal on improved basic sanitation. It brought non-governmental organizations, international agencies, and government together to mount what was called a community led total sanitation approach, focusing on rural population. This involved "including the people in all phases of planning and action."

Public education was provided on the dangers of spreading feces, the costs of treatment for the resulting diseases, the benefits of latrines for families, plus how community wide use was necessary to stem the spread of disease. Social pressure was the key: families and school children monitored the defecation practices of other families. Mapping was carried out to illustrate how to close open defecation sites near bazaars, mosques or homes. And it wasn't just health messages, but "shame and disgust" messages that were part of the campaign. Messages such as: "if we openly defecate, you will be eating other people's feces."

Incentives were keys: local leaders were chosen as champions of sanitation and held accountable to targets, small businesses selling concrete parts for latrines were rewarded, and financial assistance was provided to help households buy equipment. It has been described as a "biplob" (revolution) or a "jagaron" (social movement), and remembering the national campaign was found to be one of the factors associated with sustained use of latrines in a 2010 study.

Later efforts in Bangladesh involved more sophisticated sanitation marketing, and a combination of social mobilization techniques and commercial incentives to stimulate entrepreneurship and revenue generation. The World Bank, national and local NGOs helped fuel private sector involvement, which has resulted in a flourishing rural industry of latrine sales and service.

Over the last decade, Bangladesh has emerged as a global reference point in experimenting with and implementing innovative approaches to rural sanitation. The Community-led Total Sanitation (CLTS) approach was one such innovation that helped to move over 90 million people from open-defecation towards fixed-point defecation. However, challenges and problems remain in the country. Diarrheal diseases are still the second-leading cause of child and infant mortality. On average 27 percent of households do not have their own toilet, and this number is as high as 50 percent in some areas. According to the joint monitoring program, improved sanitation coverage is at about 54 percent (2010) and only 37 percent are in fact hygienic. Hence, many toilets do not meet the hygiene standards needed to stop infections from spreading, as they are of low quality. Further, Bangladesh is vulnerable to floods and cyclonic storms and large areas are regularly inundated, destroying constructed latrines, among other things. The design and quality of construction thus become critical. Sanitation marketing is a strategic step forward from collective mobilization to market mechanisms that encourage households to move up the sanitation ladder.

Key Components of Sanitation Marketing Program in Bangladesh

The Water and Sanitation Program (WSP) has designed and implemented sanitation marketing in Bangladesh since 2008. It enables consumers to improve their sanitation status, from low-quality, unhygienic latrines to high-quality, hygienic and user-friendly latrines, along with other healthy practices. In 2009, WSP selected five villages to house pilot projects and used the learning gained through this experience to further develop and refine the program. By June 2013, operations had been scaled-up to include around 230 villages and support was extended to the Dutch WASH Alliance, International Development Enterprises (IDE), Plan Bangladesh, and the Max Foundation for scale-up. WSP's main partners are Hope for the Poorest (HP), and Association of Social Advancement (ASA), local NGOs. In Bangladesh, rural households mainly use direct pit latrines constructed using three to five rings and a concrete slab with a plastic pan; most lack a water seal. Some of these pit latrines connect to a water trap that breaks off shortly after it is installed, making the latrine unhygienic, as the contents of the pit are exposed. Offset flush latrines are a higher-quality product. With a little additional investment, the health risks posed by the current style of latrines could be substantially reduced. Therefore, product and entrepreneur development focusing on simple offset latrines— including construction, with special emphasis on privacy, comfort, and convenience—remains a key part of the strategy for the marketing of sanitation in Bangladesh.

Sanitation marketing has thus far resulted in the following outcomes:

- Increased motivation in rural communities to move up the sanitation ladder;
- A new breed of entrepreneurs skilled in production and marketing;
- Willingness among MFIs (Micro-finance Institution or NGOs) to invest in the sanitation sector, facilitating credit to entrepreneurs;
- Availability of multiple sanitary products in the rural market, with costs ranging from Tk 1,600 to Tk 20,000 (US\$ 20 to US\$ 250);
- Increased affordability for the poor thanks to the hire-purchase system (payment in installments);
- Increased volume of business among small-scale entrepreneurs.

Villagers in Bangladesh worked together to change the habit of open defecation. Their success has inspired many others around the world. The government of Bangladesh has financially supported the spread of many program and promoted sanitation awareness.

The Community-led Total Sanitation (CLTS) is one of the powerful tools that Bangladesh used to achieve its target. Its techniques are used in over 60 countries now, and taken up by many international agencies. And it has demonstrated clear results. Nepal, for instance, has speeded up sanitation progress from 6% in 1990 to 81% now. "Even though last year's earthquake damaged the physical infrastructure, people's minds had been changed; they chose to rebuild toilets even before homes and so, there was no diarrhea outbreak after the disaster.

Still, like many success stories, there is more to be done. While Bangladesh has impressive sanitation coverage, only about a quarter of those latrines meet the hygienic standards necessary to stop the spread of disease. With the rapid urbanization of Bangladesh, many of the millions moving from rural villages to cities for work reside in slums that have no sanitation infrastructure. Indeed, one of the limitations of Bangladesh's national sanitation campaigns is that they have mostly focused on household latrine construction in rural areas, rather than on

public toilets. Toilet use for defecation is but one challenge in the larger water, sanitation, and hygiene conundrum. In Dhaka neighborhood, no open defecation is visible but relieving oneself publicly is still not uncommon. More importantly, hand washing rates are abysmal and school kids are yet to be fully trained with this habit. Bangladesh's success in sanitation is good and offer lessons for others, but more needs to be done.

4.1.12 Alternative Micro-credit Initiatives for the Extremely Poor of Haor Areas

This initiative was undertaken by the Palli Karma-Sahayak Foundation (PKSF), which was established by the government of Bangladesh in 1990 for sustainable poverty reduction through employment generation.

The Alternative Micro-credit Initiatives for the Extremely Poor of the Haor Areas undertaken by Padakhep Manabik Unnayan Kendra (PMUK) has been designed for implementation under the financial support of the LIFT project of PKSF. This LIFT initiative is an institutional level process innovation. Under this initiative, an alternative approach to microfinance delivery system is introduced for the ultra poor people of Haor areas, a key development challenge of the area so that they can establish their livelihood through implementation of different IGAs. The main objectives of the 'Alternative Micro-credit Initiatives for the Extremely Poor of the Haor areas' are as follows:

- To create micro-credit opportunities for the poor people of haor and protect them from traditional money lenders.
- To create employment opportunities for 22,000 poor households under 1480 Self-help groups (SHGs) in remote and isolated haor areas through 30 community-based organizations (CBOs).
- To create easy payment and easy service charge facilities for the poor as opposed to high interest rates of traditional micro-credit.
- To introduce a sustainable and low cost model of micro-credit for hard core poor people through CBOs.
- To create employment opportunities for the poor, especially for women of haor areas.
- To assist poor people in the haor areas to undertake innovative income generating activities.

Implementation Progress

PMUK supervises the overall activities of this initiative. PKSF provides necessary loan fund and operational guidance. Up to June 2014 (as per evaluation report of PKSF), loan disbursement status from PKSF to PMUK is Tk 77.5 million, PMUK to CBO or CBO to members (20,763 members of 1470 SHGs is about Tk132.50 million).

Impact of CBO Loan on the Haor Ultra Poor

- 1 Average household income and per capita income increased by 13% compared to benchmark level.
- 2 Household annual savings increased by 62% over that of benchmark.
- 3 Dependency on money lenders decreased from 17% to 14% for sample households.
- 4 Households engaged in more than 2 occupations increased by 5% (from 169 in 2009 to 185 in 2010).

- 5 Households engaged in small business increased by 32% (from 28 in 2009 to 37 in 2010).
- 6 Households that always remain in deficit reduced from 8.3% in 2009 to 7.6% during 2010.
- 7 Households at 'sometimes deficit' category declined from 35.2% in 2009 to 25.6% in 2010.
- 8 Households at 'no deficit no surplus' situation increased from 34.6% in 2009 to 37.2% in 2010.
- 9 Households at 'surplus' situation improved from 21.9% in 2009 to 29.6% in 2010.
- 10 83% of the total sample beneficiaries reported that their status/respect within the family have improved following the CBO loans taken by them.
- 11 Instances of joint decision making by husbands and wives within the family on important household/familial matters also improved.
- 12 Households reporting poultry rearing as one of their occupations increased by 58% (from 33 in 2009 to 52 in 2010).

Source: Evaluation report of PKSF, 2014

4.1.13 Land Lease Loan Project for Ultra Poor

Innovation: This is a national level process innovation where the ultra poor are given loan to take land on lease in the island char/remote mainland areas to establish farming based livelihood. Provision of loan to the ultra poor is not new in Bangladesh but sanction of loan only to take land on lease in the island char/remote mainland for the ultra poor with flexible repayment and technical support is relatively new in our country.

Objectives: Providing land lease loan to the ultra poor of char/remote mainland to enable them to take lease of land for crop production; improving livelihood by cultivating crops on leased land.

Description of the Initiative: Under this initiative, beneficiaries are selected from the ultra poor who live largely in the chars or remote areas of the mainland. Initially, this initiative was implemented in the Brahmaputra char areas of Chilmari and Rajibpur Upazila of Kurigram district by RDRS Bangladesh. RDRS has successfully achieved its target within the 1st year of the programme during 2009 and gradually extended it to other adjacent char areas. PKSF allocated a loan amount of Tk. 47 million to RDRS for the expansion of this initiative. RDRS provided loan amount of BDT 5,000–40,000 to land lease beneficiaries and ensured that they use their loans for land leasing and cultivation. Service charge is 20% (declining) at PO to beneficiary level and 1% (declining) at PKSF to PO level. At the beneficiary level, repayment is flexible being monthly or seasonal, as per the cash-flow related to harvesting period of the crop. Following the success of land lease loan project by RDRS, PKSF replicated this initiative with 11 other partner organizations (10 in 2011 and 1 in 2014), working in different parts of Bangladesh.

Overall achievement of this initiative is given below (as of June 2014). Until June 2014, 21,948 ultra poor beneficiaries have been brought under the land lease loan project and Tk. 3,52.25 million has been disbursed for this purpose. So far, beneficiaries have leased nearly 3,075 acres of land.

Impact of land leasing loan on char Ultra poor beneficiaries:

Household income: Average household income of char land lease beneficiaries after implementation of the programme ranges from BDT 24,000-31,500 annually (See Table 10).

Land ownership: By default, almost all char land lease beneficiaries are landless. Through the land Source: PKSf, 2014 lease loan, all of them in 2014 (the study year) own some land and use them for different types of crop farming. Currently 26% of char land lease beneficiaries have 11-15 decimals of leased land, 70% have 16-25 decimals of leased land and 4% have more than 25 decimals of leased land for cultivation.

Table 10
Net annual income of beneficiary household after implementation of char land lease programme

Serial No.	Income Source	Estimated Net annual income in Tk [USD1.00 =Tk 80.00]
1	Crop cultivation	15,000-20,000
2	Wage for day labor during mid-June to mid-September (about 90 days)	8,000-10,000
3	Livestock & poultry rearing	1,000-1,500
Total		24,000-31,500

Food security: Before the programme intervention, 90% of beneficiaries met their household rice requirement from their own sources for about 3-5 months. After the programme intervention 97% of households met their rice requirement from their own sources for 3-12 months (Table 11). There was significant improvement in dietary inclusion of fish (29%), meat (14%), egg (29%), pulses (29%), milk (14%), fruits (14%) and vegetable (29%) of programme beneficiaries after the char land lease programme intervention (Bakar, et al., 2011). Later, these have been improved through increased availability of household livestock (27%) and horticulture gardening (Bakar, et al., 2011).

Social wellbeing: Compared to pre-project situation, programme beneficiaries showed remarkable improvement in different social indicators. For example, the number of school-going children increased by 6%, construction of new tin-shed houses increased by 16%, household furniture by 16% and installation of hand tube-well by 8% (Bakar, et al., 2011). Though char land lease initiative is a women-focused programme, the entire family (including husband and other members) are directly or indirectly engaged in different farming activities. This not only resulted in the improvement of women's position in the family but also increased integration among the family members. Migration to the other areas for work reduced significantly. Only few earning members of the beneficiary households have migrated during the lean period (mid-June to mid-September), mostly as daily laborers and have increased their family income. Dependence on money lenders has been reduced to zero since initiating of char lease program. The program was implemented by NGOs.

Table 11**Improvement in household rice availability of char land lease loan beneficiaries due to programme intervention**

	Adequacy for household rice requirement (% of beneficiaries)				
	< 3 months	3 – 5 months	6 – 8 months	9 – 11 months	12 months
Before the land lease programme	47	43	8	2	0
After the land lease programme	3	63	27	2	3

Source: Baker, et al, PKSF, 2016

4.1.14 Production, Processing and Marketing of Saline-Tolerant Rice Propagating in the Coastal Area

Owing to climatic changes, a large proportion of cultivable area of Bangladesh especially in its southern belt are being inundated by saline water and even when the water leaves, saline sedimentation reduces productivity of the land. In order to make use of saline-prone coastal areas, saline-tolerant rice variety has been innovated and is being propagated in saline-prone coastal areas through contract farmers. This is an unique example of climate adaptation.

Main objective of the initiative was:

- Propagation of salt-tolerance rice variety so as to bring more salinity-prone fellow land of coastal areas under rice cultivation
- Ensure availability of quality salt-tolerant rice seed to the coastal area farmers.
- Increase rice production of coastal-farmers and create wage-based employment opportunity for the poor.
- Ensure food security and improve livelihood of the coastal farming communities.

About the project: Bangladesh has a coastal area of 2.5 million hectares. Out of this, approximately 1 million hectares of land have already been affected by different levels of salinity and owing to global warming and rise of sea-water, salinity is increasing. Soil salinity >2 ds/m is one of the major constraints to rice production in coastal areas of Bangladesh. Accordingly, Bangladesh Rice Research Institute (BRRI) has developed salt tolerant rice varieties BRRI dhan-47, BRRI dhan-55 BRRI dhan-61 for the Boro season and BR-23, BRRI dhan-40 BRRI dhan41 BRRI dhan-53, BRRI dhan-54 for the Amon season. Bangladesh Institute of Nuclear Agriculture (BINA) also developed saline-tolerant Binadhan-8 and Binadhan-10 for the Boro season which is equally effective for both saline affected and for normal soil. All these saline-tolerant rice varieties have been approved by the Government of Bangladesh. The breeder seeds are produced and maintained by the BRRI and the BINA, which is used for the production of foundation seeds and certified seeds usually by the BADC or NGOs.

The project was initiated in November 2012 for a period of one year i.e., for the Boro and the Amon season. After successful piloting, the project was up-scaled for one year. Under the initiative, breeder seeds of salt tolerant rice varieties are collected from BRRI and BINA and distributed to the contract farmers to produce foundation seeds in the project area for the Boro and Aman season. The foundation seed thus procured from the contract farmers are processed in

stores and then is sold to the farmers by JCF. It is also providing training as well as technical support to the farmers for cultivation of salt tolerant rice varieties. They are also providing technical assistants to farmers in determining the salinity level of water and soil. The entire programme is supervised by the Seed Certification Agency (SCA) of the GoB. Seeds thus produced undergo quality control systems of SCA, who ultimately certify rice seeds as foundation seeds.

Table 12

Overall progress of Saline-Tolerant Rice seed Propagation initiative against the target

Sl. No	Activity	Over all Target	Achievement (up to June 2014)
1.0	Boro Season		
1.1	Collection of breeder seeds (BRRRI dhan47, BRRRI dhan 55, Binadhan-8, Binadhan-10)	120 kg	180 kg
1.2	Distribution of breeder seeds to selected contract farmers	45 farmers	26 farmers
1.3	Land of sowing of breeder seeds	11.50 acre	10.71 acre
1.4	Collection of Foundation seeds from contract farmers	11.50 ton	6.00 ton
1.5	Training of Farmers	500 farmers	500 farmers
1.6	Distribution of Foundation seeds to the farmers	2.80 ton	1.00 ton
1.7	Land of sowing of foundation seed	280 acre	100 acre
1.8	Field day (number)	5	5
1.9	Demonstration Plot	13	13
2.0	Aman Season		
2.1	Collection of breeder seed (BR-23, BRRRI dhan-40 BRRRI dhan41 BRRRI dhan-53, BRRRI dhan-54)	60 kg	60 kg
2.2	Distribution of breeder seed to selected contract farmers	30 farmers	08 farmers
2.3	Land of sowing of breeder seed	6.50 acre	4.00 acre
2.4	Collection of Foundation seed from contract farmers	5.00 ton	2.60 ton
2.5	Training of Farmers	250 farmers	250 farmers
2.6	Distribution of Foundation seed to the farmers	2.40 ton	2.00 ton
2.7	Land of sowing of foundation seed	5.50 acre	200 acre
2.8	Field day	5	5
2.9	Demonstration Plot	12	12

Source: Progress of Saline-Tolerant Rice Seed Propagation, 2014

Progress of the project

Overall achievement of the project is shown in Table 12. Up to June 2014, the project yielded 6.00 tons foundation seeds of BRRRI dhan47, BRRRI dhan55, BINA dhan8 and BINA dhan10 in Boro season and 2.60 tons foundation seeds of BRRRI dhan40, BRRRI dhan41, BRRRI dhan53 & BRRRI dhan53 in Aman season. These seeds are distributed among 205 farmers covering of 100 acres of land in Boro seasons and 200 acres of land in Aman seasons. Besides, about 1,000 farmers were also been trained for salt tolerant rice varieties in the working area.

Figure 9



Salt-sensitive rice variety Binadhan8



Salt-tolerant rice variety BRRi dhan28

4.1.15 Generation of Employment and Income through Contract Dairy Farming and Market Linkage

Innovation: This initiative is a combination of national level product innovation (financial product), regional level-process innovation and regional level market innovation.

Objective of the initiative was to:

- Ensure employment and income of poor and ultra poor people through contract dairy farming.
- Ensure availability of quality dairy animal to contract dairy farmers;
- Ensure productive dairy animals through management (housing and rearing system) support, input (feeds/fodder, breeding and preventive health care) support, technical (clinical veterinary services) support and market access for the farming products (milk and manure)

About The Project:

Under this initiative high yielding native and crossbred lactating dairy cows (with calf) are distributed among poor and ultra poor household on contract-farming basis. Beneficiaries pay back value of animals along with its benefit to the Kazi Shahid Foundation (KSF) in terms of milk and cow dung in 100 installments spread over two years. In addition to milk and cow dung buyback, KSF also provides technical counseling on day-to-day farm management, feeds & feeding management, fodder production & conservation technology, veterinary care and breeding support (through artificial insemination), farm-waste management and training on scientific dairying to the contract farmers. KSF also bring district/ upozila level livestock extension services to the contract farmers. Under the initiative, there is a provision for risk fund at the rate of 1% on cost of animals which covers death insurance of cows. Contract farmers can also deposit their savings from the milk & dung sale proceeds under the initiative where they receive 6% incentive. Overall progress against target is as shown in Table 13.

Table 13**Overall progress of Saline-Tolerant Rice seed Propagation initiative against the target**

Sl. no	Activity	Overall Target	Achievement (up to June 2014)
1.0	Dairy Cattle Production		
1.1	Distribution of quality lactating dairy cow(with calf) to selected contract farmers	Distribution of 1698 cows: 1383 Improve native cow 175 Cross-bred cow 140 common native cow	Distribution of 1088 cows: 416 improve native 447 cross-bred 225 common native cow
1.2	Selection of beneficiary member	Selection of 1698 beneficiary households for contract dairy farming : 340 Ultra poor 1183 Poor 175 Micro enterprise	Selection of 1780 beneficiary households for contract dairy farming : 679 Ultra poor 791 Poor 310 Micro enterprise
1.3	Improved cow and calf rearing system	Introduction of improved cow and calf management system in 175 contract dairy farms	Introduction of improved cow and calf management system in 61 contract dairy farms
2.0	Technical assistance		
2.1	Training	Two days training for 15 KSF staff; Basic dairy training for 698 contract farmers; Advanced cow and calf management training for 75 contract farmers	Two days training for 15 KSF staff; Basic dairy training for 893 contract farmers Advanced cow and calf management training for 75contract farmers
2.2	Vaccination & deworming	Vaccination of 1100 dairy cattle under the project against FMD, BQ, Anthrax Deworming of 698 dairy cattle under the project against common parasites	Under the project 1025 animals received Anthrax vaccine 1226 animals received FMD vaccine 1191 calves received BQ vaccine All animals (both adult & young) received broad spectrum enthelmentics.
2.3	Breeding services	Artificial insemination to all breedable cows under the project	Artificial insemination of 333 cows under the project
2.4	Fodder cultivation	Ensuring high biomass yielding fodder cultivation in all contract farmers' farm	Cultivation of Napier grass/maize in: 680 contract farmers' farm at the subsistence level 18 contract farmers farm at commercial level
2.5	Vermicompost production	Introduction of vermicompost among 350 contract farmers under the project.	Introduction of vermicompost among 136 contract farmers under the project.
2.6	Door-step technical and market support	Ensuring door-step technical and market support on farm management (housing, fodder production, feeds/feeding, breeding and vermi-compost production) veterinary care marketing of milk & cow-dung	One veterinarian, two para-vet and 4 milk collectors ensure door-step technical and market support for: farm management (housing, fodder production, feeds/feeding, breeding and vermi-compost production) veterinary care marketing of milk & cow dung/vermi-compost

Source: KSF publications, 2014

Effect of the project

- Prevalence of improved native and cross-bred dairy cows increased from pre-project 30% to 70%.
- Farmers are now raising cow in cost effective loss-houses to ensure comforts of cow, uninterrupted feed and water supply. They also establish vermin compost plants.
- Almost 100% of animals came under preventive veterinary care e.g., vaccination against FMD, BQ & Anthrax and also de-worming. Artificial insemination service has been adopted among 56% of dairy cows.
- Almost 100% of farmers are now using improved calf-husbandry system. Nearly 77% of contract dairy farmers are now cultivating high biomass yielding grass (Napier & Maize) and providing required concentrate to their cows. Many farmers have already adopted vermi-compost technology in their farm-waste management system.
- Average milk production of cow increased from pre-project 1.65 liter/cow to current 3.18 lit/cow. Lactation length increased from pre-project 161 days to current 210 days.
- Calving interval reduced from pre-project 18 months to current 15 months. Introduction of preventive veterinary care and improved management practice resulted in a decrease of calf-mortality rate from pre-project 25% to current 6% and cow-mortality rate from pre-project 7% to current 2%.
- Introduction of artificial insemination has improved the number of crossbred calves in the area. Marketing system of milk and cow dung has been established across the project area.
- Monthly income of ultra poor project beneficiary increased by Tk. 1900. Besides, milk intake increased to 45 ml per person.
- Production of additional 16,000 liters of milk per month resulted at least 15,000 days of full-employment annually in the project area.
- Nearly annual 360 tons of additional cow dung has overall positive impact on soil-health and land productivity of the area.

Figure 10: Cattle bearing and fodder cultivation an integral part of contract dairy farming



4.1.16 Genetic Conservation and Improved Rearing of Black Bengal Goats at Farm and Family Levels funded by PKSf

Implementing Organization: WAVE Foundation, Chuadanga

Area of Operation: Dorsona, Chuadanga

Project Innovation: Introducing Open Nucleus Breeding System (ONBS) in order to conserve and improve Black Bengal goat genotype in the country is a kind of process innovation at the institutional level. It undertakes effective adoptive research to promote Black Bengal goat rearing as a means of livelihood for the rural poor.

Objective: Conservation of genetic quality of Black Bengal goat and its use for self-employment and income generating opportunities of rural poor.

Implementation strategy: Under this initiative, Black Bengal goats are reared in two tiers of open nucleus breeding system (ONBS). The 1st one is the organization level at the central goat breeding farm and the 2nd is at the beneficiary level of small scale goat farmers. The central goat breeding farm was started with 110 high quality pure Black Bengal goats. Currently, there are 200 breeding goats in WAVE's nucleus herd. The purpose of nucleus breeding herd was to provide breed able quality goats to the beneficiaries.

On the other hand, at least 5% of the breeding stock of central breeding farm is replaced by excellent performing parent stock reared at the beneficiary level. The organization uses distant population buck in order to avoid inbreeding. Three categories of beneficiaries are involved in the goat rearing activities. These are Buniad, Jagoron and Agrosor beneficiaries. After providing training on goat rearing, the organization extends different levels of credit facilities to beneficiaries for goat farming. Buniad (Ultra poor) beneficiaries receive one goat as grant in addition to credit. Apart from this, the organization provides health care (vaccination, de-worming and medication), feed production (fodder cutting, seeds) and management (goat housing, feeding and breeding) support to the beneficiaries.

Goats produced are marketed through the existing marketing channel. The credit limit set by the implementing organization is \leq BDT 10,000 for Buniad beneficiaries, BDT 10,000 to 30,000 (\$125-\$375) for Jagoron beneficiaries and BDT 30,000 to 100,000 (\$375-\$1250) for Agrosor beneficiaries. The loan repayment time is one year with 6 months grace period for the Buniad and Jagoron and 9 months for the Agrosor after the receipt of the loan. WAVE foundation provides technical services and veterinary inputs through its field-level staff at the individual beneficiary level. Schematic diagram shows WAVE foundation goat rearing model as shown in Figure 12. Overall progress of the project is shown in Table 14. The project, it has already been replicated in 9 POs of PKSf (JCF, JAKAS, IDF, Uddipan, RDRS, POPI, SKS, ESDO & GBK). Up to June 2014, about BDT 55.00 million has been disbursed among two thousand beneficiaries. Goat population in these areas increased to over 17,500.

Figure 11: Schematic diagram of WAVE Foundation Goat rearing activity



Table 14

Status of Sustainable Income and Employment Generation for the Poor Engaging Them in Rearing Black Bengal Goats at Farm and Family level project as on June 2014

Indicators	Achievements
Direct employment generation (No. of members)	6800
Training on goat rearing	6024
Total number of goats at the beneficiaries' level	50,22
Total number of goats at the organizational level of goat farm	200
No. of goats supplied as grant to Buniad member	299
No. of member received grant support for ideal macha & buck service centre establishment	185
PPR vaccination, medication & deworming support (number of households)	15,000 HHs
Cumulative Loan disbursement (Crore Tk.)	17.08
Total number of borrowers taking loan for goat rearing	19,647

Source: Wave Foundation, PKSF, 2014

Figure 12: Black Bengal goat rearing: changing fortunes of extreme poor



Cow-Comfort based Cattle Rearing



Fodder cultivation an integral part of contract dairy farming

4.1.17 Integrated Agricultural Productivity Project (IAPP), Government of the People's Republic of Bangladesh

The Government of Bangladesh (GoB) continues to be committed to food security through increased production in the spirit of the 1996 World Food Summit declaration: “Access by all people at all times to the food needed for an active and healthy life”. It has been reflected in major policy document of the Government. The Bangladesh Government has made Country Investment Plan (CIP) in June 2011, wherein the food availability issue received the highest priority. The duration of the project was for 5 years from July 2011 through June 2016. The CIP includes country led planning, fund mobilization and alignment tools.

Project Objectives were:

- To generate and release to farmers new varieties that give a higher yield and/or provide technological solutions to production problems under specific agro-ecological conditions
- To improve productivity through production and supply of quality seed and breeding materials
- To increase the availability of surface water for crop and livestock production, reduction in conveyance and distribution losses, and energy saving from more efficient irrigation systems

Overall Project Structure: The proposed project consists of four inter-related components: (i) Technology generation; (ii) Technology adoption; (iii) Water management and (iv) Technical Assistance and Capacity Building. The project was managed by Project Management Unit (PMU) located in Dhaka and two Regional Project Implementation Units in Barisal and Rangpur. Around three lac (300,000) farmers; 25% Female farmers, Marginal & Small farmers generally get preference.

Table 15

Project Implementation

Technology Generation & Adaptation	Agencies Involved - Bangladesh Agricultural Research Institute (BARI) - Bangladesh Rice Research Institute (BRRI) - Bangladesh Fisheries Research Institute (BFRI)
Technology Adoption	- Department of Agricultural Extension (DAE) - Bangladesh Agricultural Development Corporation (BADC - Seed) - Seed Certification Agency (SCA) - Department of Fisheries (DOF) - Department of Livestock (DLS)
Water Management	Bangladesh Agricultural Development Corporation (BADC)
Technical Assistance	Food & Agriculture Organization (FAO)

The Project Development Objective (PDO) of IAPP is to Enhance Productivity of agriculture (Crops, Livestock and Fisheries) in the project areas. The following two main PDO indicators placed in the PAD as well as Result Framework which has been started asses from third year of the project period. Achievements against these indicators are placed as bellow up to September, 2016.

Table 16

Progress towards to the Project Development Objective (PDO) as well as Key Performance Indicator (KPI) of the Project

Project Outcome Indicators*	Unit	Achievements Reporting Quarter	Achievement as of September 2016	Target of EOP - per revised)	Remarks (as
Incremental increase in Productivity					
Incremental increase in productivity of paddy (kg/ha)	Kg/Ha	--	Boro- 6,300 Aman – 4,560 T- Aus- 4,650	5,950 3,300 3,300	
Incremental increase in yield of fish ha of WSA	Kg per ha of WSA	5,420	5,420	3,400	All Fisheries farmers are not included due to seasonality
Incremental increase in yield of milk (liters per day per cow)	Liters/Day/Cow	-	2.86	2.2	
Number of targeted farmers whose productivity has increased in:					
Crops (of which women are 10%)	Number	12,000	152,000 (33% women)	1,40,000	108.57% achieved
Fisheries (of which women are 25%)	Number	8,694	47,520 (25% women);	48,000	81% achieved
Livestock (of which women are 50%)	Number	2,652	50,652.00 (89% women)	48,000	100%

Total beneficiaries, for detail information about the project please visit <http://www.iappbd.com/>

4.1.18 National Web Portal

Prologue: For the average Bangladeshi citizen, accessing public information and services means having to spend considerable money, time and effort to figure out which government office to visit, going there multiple times and encountering face-to-face interactions with government officials -- a process that is intimidating for the less literate and opportune for rent-seeking. In this day and age of alternative service delivery options and the nearly ubiquitous presence of digital technologies, citizens are no longer complacent about government services which have traditionally been slow and unresponsive.

The Context: Governments go online in order to make public institutions more transparent and responsive to citizens’ demand for information and services. Prior to 2008, Bangladesh only had a handful of government offices with any form of presence online. The web presence of public agencies exhibited the following key weaknesses:

- Variation in terms of structure and content which resulted from different technology

standards, design lay-outs and navigational architecture;

- Use of non-vernacular language thereby excluding a large majority of the population from understanding the available information;
- Absence of demand-driven information pertaining to citizens' welfare; and
- High dependence on technical companies or teams to make simple content updates resulting in unacceptably stale and sometimes misleading information.

This contributed to a system which took citizens considerable time to understand web based information and thus fell short of achieving desired usage levels.

The Solution: National Portal Framework

The Access to Information (a2i) Programme of the Prime Minister's Office – with technical support from UNDP and USAID – in collaboration with government stakeholders, designed, developed and implemented the National Portal Framework, an e-architecture aimed at the creation of harmonized public websites that reduce time and costs incurred by citizens in accessing and availing government information and services.

Today, the Bangladesh government's National Portal (<http://www.bangladesh.gov.bd>):

- Unites 42,000+ government offices virtually
- Receives 90 million hits per month
- Features 175 e-services which receive over 15,000 hits per month
- Hosts detailed information on nearly 400 services from 36 ministries and directorates presented in a standardized format and in vernacular
- Hosts nearly 1,500 government forms.

What sort of improvement has it brought about in citizens' lives? For example, while a typical villager used to have to travel to the district government office about 40km away multiple times to get a certified copy of land records, she can now apply online and receive doorstep delivery of the document. Thus reducing time from 30 days to 16 days, costs from USD 3.3 to about USD 1.00 and number of visits required to the government office from 5 to 'zero'.

In recognition of these remarkable achievements, Bangladesh received the prestigious "World Summit on the Information Society (WSIS) Award from ITU" in 2014 and 2015 for 'best use of ICT for information and service delivery to the underserved'.

Proactive Information Disclosure and Access to e-Services

a2i designed the national portal involving all Union Parishads (Union Councils), Upazilas (sub-districts), Zila (districts), divisions, departments and ministries. Possibly one of the largest government information portals under one umbrella in the world, this is the most visible implementation of proactive information disclosure Guidelines under the Right to Information Act in Bangladesh. All data, images and video uploading, editing, content additions, etc. and organization of the information were done by the government officials.

In order to further facilitate access to public information and services, mobile apps are being created under public-private partnerships (PPP) covering a wide range of topics. Altogether, 150+ e-Services can be accessed under the e-Services section of the national portal. These services are from 73 organizations and categorized into 20 groups. In addition, steps have been taken to make the national portal user friendly for the persons with disabilities.

National Portal: At a Glance

- 42,000+ offices' information
- Over 3 million hits per day
- 175 e-services receiving 15,000+ hits per month
- 2 million+ contents
- 30,000+ information officers as information providers
- 45,000+ natural beauty, archaeological and historical sites
- 700,000+ names in the e-Directory
- 70,000+ trained staff to update content
- 132 master trainers across the country
- Use of Facebook (social site) and group e-mail for problem solving purposes
- 1,000+ Innovation Teams and ICT Coordination Committee at division, district and local level

Access to Government Forms

In most cases, access to government services starts with collecting a form, completing it with information, and submitting it along with related documents, photographs of the applicant and necessary fees. Collecting the form itself was time consuming and costly. The Forms section of the national portal has been created to alleviate unnecessary distress of the citizens, arising from a lack of access to necessary government forms, through a single web address. There are nearly 1,500 downloadable forms which are subject to automatic update if, and when, any modifications take place through official notifications. There are 10 categories covering the following sectors: (a) finance; (b) law; (c) employment; (d) agriculture; (e) education; (f) land; (g) local government; (h) postal & telecommunication; (i) health; and, (j) other miscellaneous areas.

Forms at a Glance

- Nearly 1,500 forms of 115 Government Offices
- Easy search options using the title or a word only
- Sample completed Forms
- Information about popular forms

Most of these forms are now editable online. Technologies are being created to enable online submission of forms.

Services Profiles

The Services Profile section is an online encyclopedia of public services in Bangladesh. It is a web platform where complete, accurate and updated information on nearly 400 services being provided by 36 ministries and directorates can be accessed by citizens. The number of ministries that have redesigned their services to make them 'e-deliverable' continues to grow.

Two key features of the services portal are the service profiles and service process maps. The profiles offer information starting from the name of the service provider and time required for service delivery all the way to contact details of officials for grievance redresses, i.e., in cases of service delivery failure. The process maps offer citizens a visual aid to walk them through the steps of accessing a service. Each step of the service delivery procedure is portrayed in a visual

format. It has proven to be immensely helpful forgetting a sense of the workflows of various public services thus reducing the hassle, time and cost required for citizens to access them.

Service Profiles at a Glance

- 400 service profiles.
- 400 service process maps.
- Information on introduction, organogram and agenda of 36 departments/agencies under the regional/district/district-level offices.
- 180 experts trained from 36 departments/agencies developing the service profiles

Towards Connected Governance

By linking the national portal to local government websites, offering step-by-step information on service delivery and downloadable forms for availing services, Bangladesh is encouraging citizens to use technology for accessing information and availing public services. Citizens no longer have to spend valuable time, money and effort for travelling to government offices, nor depend on middle-men. First, service delivery is improved and more importantly, corruption is also reduced. No wonder, US President Barrack Obama while visiting Africa advised them to follow Bangladesh in the area of IT technology.

The process maps of the services provide invaluable information to the government agencies regarding what steps to eliminate/combine to simplify service delivery and make it more citizen-centric, service by service. This is nothing other than the age-old Business Process Re-engineering (BPR), locally referred to as Service Process Simplification (SPS). The Annual Performance Agreement that was signed in 2015 between the Cabinet Secretary and every Secretary of the government mandates simplification of at least one service and digitization of at least another every year. Properly and timely implemented, SPS will fast-track service delivery improvement in a sustainable way. Moreover, government agencies are also increasingly using social media to engage with citizens, share information and deliver services more quickly and effectively than ever before. To enhance e-participation, over 240 Facebook pages have been opened by ministries, directorates, district administrators and various government offices. The permanent Secretaries and District Administrators regularly hold 'Social Media Sanglaps' (consultations) through YouTube channels to connect with field level officials and citizens' representatives and work on urgent issues of public interest such as food adulteration and child marriage. Together, these efforts continue to leverage advances in ICTs in all spheres of government with a sharp focus on ensuring the improvement and delivery of much needed services to the underserved in an easy to access and affordable manner.

4.1.19 Innovation Management by Public Sector

Government in most countries, including the developed ones, is seen to be rigid, rule-based and generally inhospitable to innovation. Bangladesh was no different. Its bureaucracy was established during the British colonial era which began in the latter half of the 18th century as a way to organize government activity into systematic processes and organized hierarchies that were deemed necessary to maintain order and maximize efficiency.

An Upazila Nirbahi Officer (UNO), the chief executive of an upazila (sub-district) and a junior-level officer of the Bangladesh Civil Service with 5 to 6 years of work experience, has jurisdiction over the lives of roughly 300,000 citizens. A deputy commissioner or DC is the executive head of a district and administers around 3 million. The actions of Government Secretaries, being the administrative heads of ministries, influence the lives of tens of millions of Bangladeshis. This influence is only intensified by the fact that Bangladesh is one of the most densely populated countries in the world and its administration is highly centralized.

Despite such authority and reach of government officers, vulnerable and marginalized citizens like Asma Begum remained underserved and at times entirely deprived of vital public information and services. Moreover, Bangladesh is now on the verge of becoming a middle income country with citizens who have developed an enhanced expectation regarding receiving services from the government. In this day and age of alternative service delivery options and the nearly ubiquitous presence of digital technologies, citizens are no longer complacent about government services which have traditionally been slow and unresponsive.

Box
05

Bangladesh Civil Service: A Potentially Powerful Enabler of Development

The authority to make changes in the lives of millions is given to almost every government officer. For example, a Upazila Nirbahi Officer (UNO) – the chief executive of an upazila (sub-district) and a rather junior-level civil servant with hardly 5 to 6 years of experience – heads up an Upazila of about 300,000 people and is in charge of coordinating decisions on agriculture, education, social safety nets, land management and other sectors critical to their lives and livelihoods. Collectively, civil servants have the potential to bring about sustainable positive change on a scale only the government can achieve.

Figure 13: Story of Asma Begum and Digital Birth Certificate and Maternal allowance

Asma Begum, an 18 year old single mother to a 3 month old baby girl, visits the neighborhood



Digital Centre to collect her child's birth certificate. She needs it to collect a maternity allowance that is provided by the government as part of its social safety net. Asma lives in Bhurungamari; one of Bangladesh's northernmost sub-districts about 400 km from the capital Dhaka. Bangladesh is a small country in South Asia with a large population of close to 160 million – over 1,100 people live per km². Having gained independence in 1971, it is a fairly young nation. The economy is still largely

agriculture-based; literacy is around 71% with 22.4% of citizens living below the national poverty line of US \$2 per day.

Asma's husband was killed in a tragic road accident a few months ago; he never got to see his daughter. She now lives with her in-laws who can barely afford to provide her with the tiny mud-walled room which houses her. Asma now works as domestic help and earns a paltry thousand taka (approximately USD 13) per month – her employers are kind enough to allow her to bring her daughter to work.

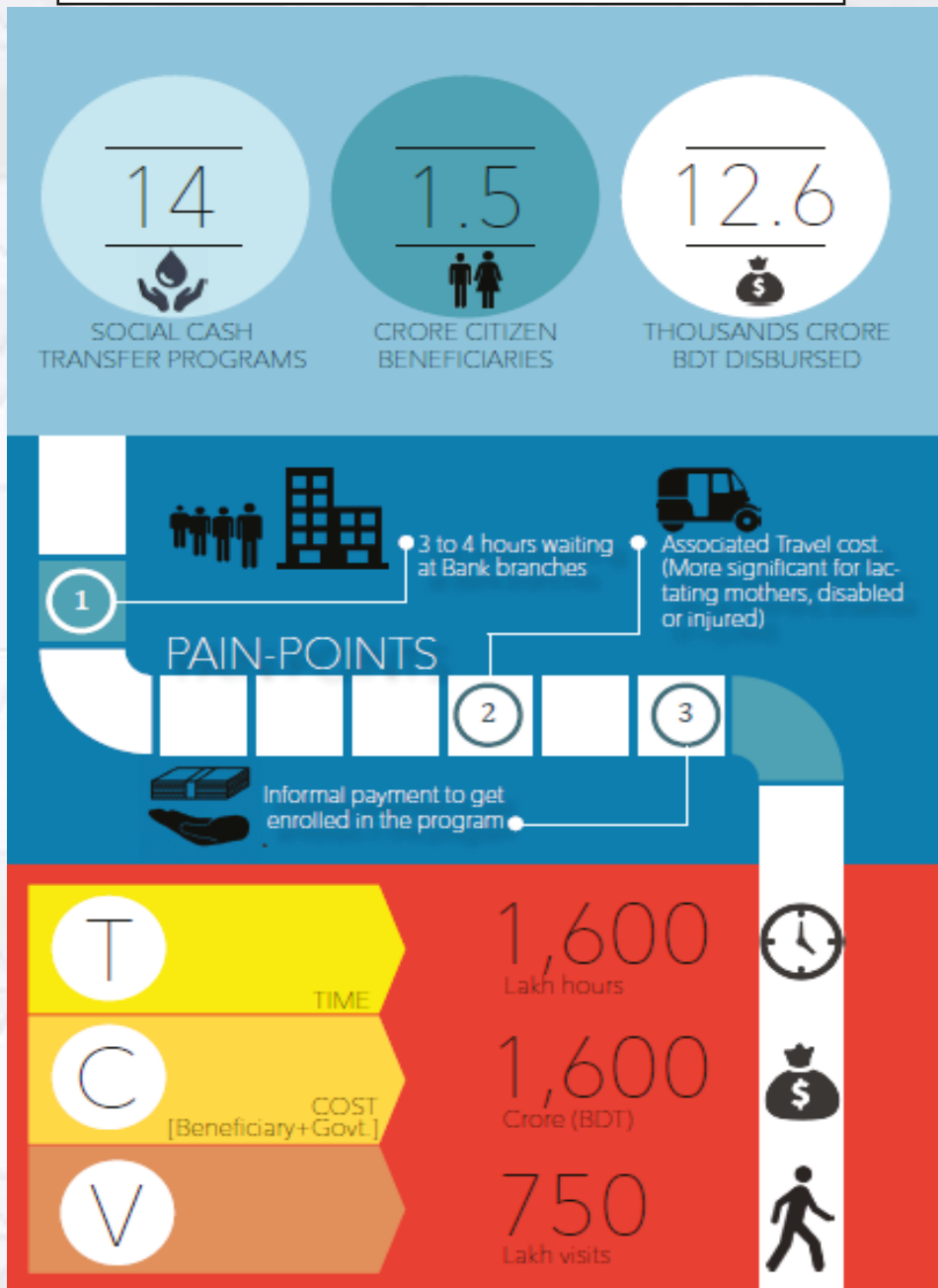
The Digital Centre is located within the Union Parishad office which is the lowest tier of local government in Bangladesh – all Union Parishad offices are established in rural villages within roughly 3 km of the citizens they serve. Each UDC is equipped with computers, Internet connectivity, printers and scanners. They are run by 2 'entrepreneurs'. 1 male and 1 female-both of them from the locality and both with investments in the UDC-the local government office does not charge any rent and even pays for all the utilities including the internet connection.

Rimi, the female entrepreneur, greets Asma and helps her get the birth certificate-from an online government platform – for a charge of Taka 50 (64 cents US). The UDC is also registered as an 'agent bank' and so, Rimi then proceeds to collecting the maternity allowance and handing it to Asma – again, for a small fee. Since Asma is a single woman living in a rudimentary room with a frail door, she prefers to keep her money in her mobile banking account which also gives interest on savings. Rimi, who is also Asma's mobile banker, helps her 'cash-in' the maternity allowance-this service is free!

Asma is just one of 4.5 million Bangladeshi citizens who are accessing a range of vital information and services (both public and private) easily, cheaply and reliably every day from the over 5,275 Digital Centres or UNISCs dispersed throughout the country. The Digital Centres were established in 2010 by the Access to Information Programme (a2i) in collaboration with the Local Government Division of the Bangladesh government and with assistance from UNDP and USAID. They were jointly inaugurated by the Prime Minister and the UNDP Administrator Helen Clark.

Reshma, Asma's elder sister had quite a rather different experience when she was a beneficiary of the same safety net programme in 2006. Back then, She had to travel close to 40 km to the district office of the government; the first time, just to collect the application form. Over the next few visits, she had to toil for hours in queues not really sure of where to go to access the service or who to talk

Figure 14: Infographic 1. Before the innovation

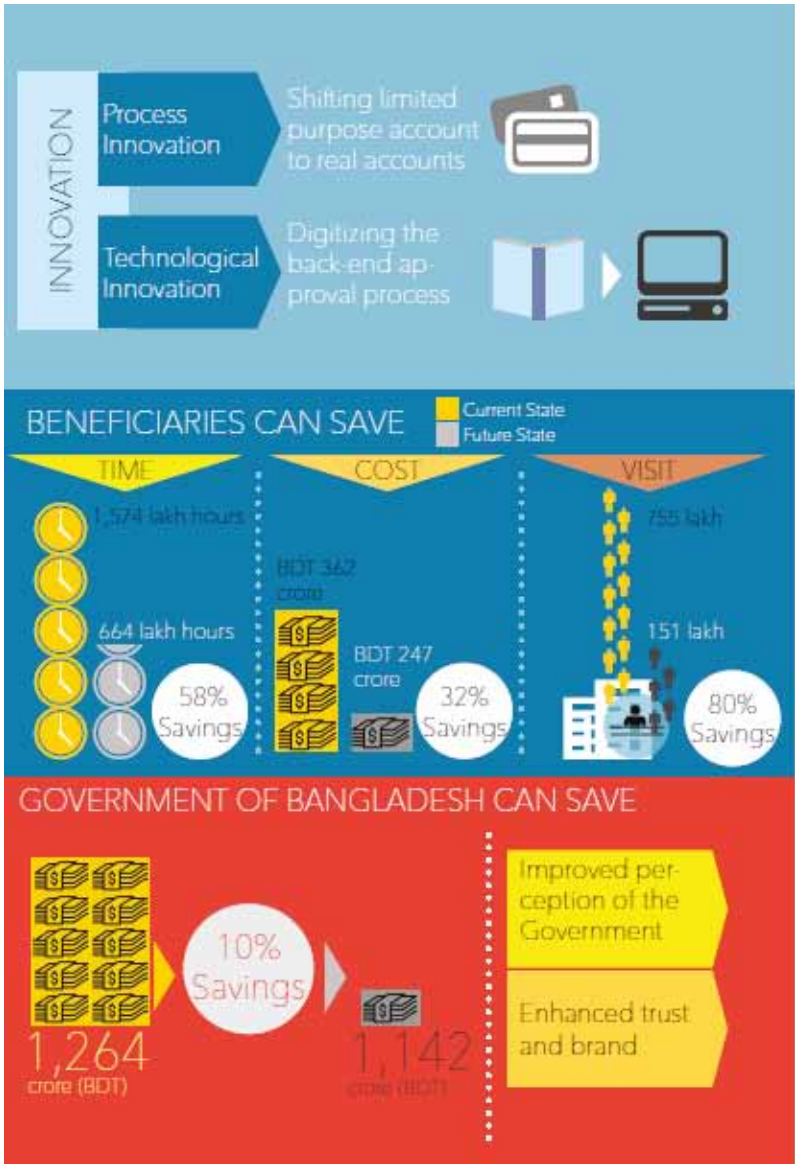


Challenges towards Unleashing the Potential: What are the challenges that the civil service faces? The Bangladeshi government system still retained the “command and control” mechanism of the colonial era – innovation was certainly discouraged if not explicitly prohibited. Because that was how a few people would control a large number of people. It was not a system that facilitated but one that controlled. And civil servants were the tools for that control. The majority operated within a ‘bureaucratic box’. They only had knowledge and authority over their part of the work; not how it fit to for getting information. She had to endure all that before she had the privilege of confronting overworked, intimidating government employees and paying them for their inconvenience just to get the form to apply! By the time she finally received it, Reshma had spent a couple of weeks, close to a thousand taka in conveyance fares and “compensations” and

visited the district office several times. And she lost her employment in the process. Infographic 1 shows the macro picture of the hassles that Reshma endured, quantified in terms of the overall cost she incurred.

Infographic 2 aggregates the benefits that both Asma (and millions like her) and the government enjoy. How did a2i affect this remarkable turnaround? How was innovation of such variety, scale and impact infused into the government? The story of how a2i transformed public services and their delivery by nurturing a culture of innovation in Bangladesh’s civil service follows.

Figure 15: Infographic 2. After the innovation



into a larger system that actually delivered information and services to citizens. And given this insular state of affairs, each individual lacked the skills, tools and management mechanisms through which to positively influence that system.

It was against this backdrop that the Access to Information (a2i) program was initiated. Inspired by the UK's Behavioral Insights Team (popularly known as the "Nudge Unit"), a2i's primary objective was not something as lofty and abstract as 'infusing innovation' into the government. Rather, it was to address both demand and supply side

issues related to public service delivery head-on by building the government's own capacity to accurately understand and cater to citizens' needs. In other words, the aim was to empower government officers to break out of the 'bureaucratic box' by providing them the right skills, tools, incentives, policy and organizational support.

“Successful innovators care about solving interesting and important problems – innovation is merely a by-product.”
– Doug Sundheim in an October 2014 Harvard Business Review blog post titled ‘Successful Innovators Don’t Care About Innovating’

Triggering Innovation: Tool for Measuring Hassle: TCV

When a2i started talking to civil servants about innovation; they almost immediately got bogged down in debates around what did or did not constitute innovation. What exactly is 'innovation'? How do you identify it? How do you measure how 'innovative' something was? Opinions were sharply divided at the senior levels while frontline government employees – who were closer to citizens and thus potentially had more ideas to contribute – found it difficult to even conceptualize it. Since a2i initially put a big emphasis on leveraging ICT4D to fast track the rate of progress in public service innovation, to many, technology equaled innovation. So, any initiative, service or product with even an element of technology was deemed to be innovative.

Finally, a2i stumbled upon 'TCV' (Box 6). Both a definition everyone agreed on and a metric that everyone understood.

Box
06

Definition of 'TCV'

An acronym to capture 3 simple parameters from the perspective of citizens:

Time (T) to receive a service from application to final delivery.

Cost (C) to receive a service including all cost components including real and opportunity costs from application to final delivery.

Number of visits (V) to various government offices from application to final delivery.

It made sense to everyone that anything that reduced the time, cost and number of visits it took for citizens to access public information and services constituted the creation or enhancement of utility and positive change. Thus, ‘reducing TCV’ became government-speak for innovation. There was no ambiguity there, everyone understood it and agreed with it. The beauty lied in the fact that it put citizens right in the centre and was not about innovation per se; rather, it was about reducing TCV - for the benefit of the government and its citizens alike - that lead to innovation as a byproduct.

Tool for Reducing Hassle: SPS

How do you actually reduce TCV? The series of workshops with government officials demonstrated to a2i the importance of the use of context-appropriate language. It thus replaced the term ‘Business Process Re-engineering’ with ‘Service Process Simplification’ (SPS). The later term was more meaningful to policymakers and government service providers who did not consider themselves to be engaged in either ‘business’ or ‘engineering’!

SPS helped government officials to analyze and redesign workflows within and between ministries in order to optimize end-to-end processes and automate non-value-added tasks. It empowered them to fundamentally rethink how they do their work in order to dramatically improve the quality of services, cut operational costs and reduce TCV for their citizen clients.

Managing and Institutionalizing Innovation

Creating an Innovation Framework: Dan Pink’s Autonomy, Mastery, Purpose Mantra

To make a change in a traditional system like the Bangladesh Civil Service you need some kind of innovation to break the status quo. Innovation by its very nature is a chaotic process. But chaos is fundamentally opposed to the idea of a bureaucracy. Daniel Pink, in his book, Drive, lists three elements of enlightened management (see Box 7).

Box
07

Daniel Pink’s ‘Mastery, Autonomy, Purpose’ Mantra

Autonomy: People have an innate desire to do good work; autonomy helps you tap into that. How much autonomy? Not a free for all, but dial it up a notch and dial control down a notch. Leveraging the weight of the Prime Minister’s Office, a2i created a ‘risk space for innovation’ within the government bureaucracy.

Mastery: People want to make progress in meaningful work. But you cannot ‘master’ something without improving and you cannot improve without feedback. A2i realized that teamwork and feedback – somewhat alien terms in the bureaucratic sphere – had to be re-conceptualized and established.

Purpose: Show people ‘why’ to do something rather than telling them ‘how’ to do it. Precisely what a2i achieved through its efforts to “teach empathy” to civil servants.

a2i adopted this as its ‘innovation management framework’ and from it, derived the design for creating an innovation ecosystem within the Bangladesh Civil Service vis-à-vis establishing a ‘risk space’ that would allow public officials to innovate as well as the skills, tools and incentives that were also needed to empower them to improve the range, quality and delivery of services for citizens.

Establishing a ‘Risk Space’ for Innovation

The success of the SPS workshops inspired a ‘Quick Wins’ initiative. Quick-Wins were small service delivery process improvement prototypes, led by a government officer with technical support from a2i that introduced the idea that “failure is acceptable!” A message like that coming from the Prime Minister’s Office itself created the non-threatening environment necessary for service reform; it allowed government officers to experiment without risking harm to their own careers, the government system or citizens. Several successful Quick-Wins were replicated nationwide (see Box 3). The ones that ‘failed’ yielded important and useful lessons.

Box
08

a2i’s Digital Centers

One of the most successful innovations to come out of the Quick Wins initiative was the Digital Centers (the same centers featured in the background story). These are one-stop service centers run by ‘citizen entrepreneurs’ who offer both public services – such as getting birth certificates and land records – as well as private services – such as mobile and agent banking – for the payment of small fees. It was piloted as a Quick Win in two sub-districts in 2008. Recognizing their potential to “take services to citizens’ doorsteps,” by 2013, they were scaled up nationally with over 5,000 such Digital Centers across Bangladesh; one within 4 km of every citizen.

Learning & Leadership Development

The SPS exercise also revealed two important insights that would be crucial to scale up the successful Quick-Wins, disperse the newly introduced culture of innovation across all ministries and government agencies and lend it an institutional form:

- i) The notion of ‘teams’ was missing in the way the bureaucracy functioned;
- ii) A pool of latent innovation champions existed in nearly every ministry who could catalyze sustainable change management efforts.

With each officer concerned primarily about what happened on her desk, the people responsible for delivering a service as a whole lacked both a shared understanding of the challenges and the means for coming up with collaborative solutions. Perhaps the biggest benefit from a2i’s efforts to ‘teach empathy’ to government officers was that it showed them ‘why’ to do something rather than telling them ‘how’ to do it thereby tapping into their innate desire to good work and unleashing each individual’s unique innovation potential.

It also allowed a2i to identify senior officials who exhibited a natural internalization of the shared purpose of citizen-centric innovation and an entrepreneurial zeal. It facilitated the process of them

being officially, through a government order, made ‘Chief Innovation Officers’ to lead ‘Innovation Teams’ within all tiers of government – from the ministries all the way down to the sub-district level. Nearly 1,000 Innovation Teams comprising over 6,000 officers were formed. If the Quick Wins initiative was about introducing an idea, then these Innovation Teams led by the CIO were the cornerstone of an innovation ecosystem within government. Equipped with team building skills, it featured a peer support structure with a deep understanding of the current design of services and their delivery mechanisms. It could identify transformational opportunities and help expose where policy reforms would need to take place for service delivery changes at the field level.

In order for these newly formed teams to function to their full potential and leverage the mentorship of the Chief Innovation Officers, they needed to first ‘master’ the ability to work as a team. But you cannot master something without improving and you cannot improve without feedback. The power of social media was harnessed to revolutionize the government’s own internal communication. Through a grass-roots social networking platform and departmental blogs, the sense of teamwork was reinforced and hierarchical barriers that have historically deterred collaborative learning and quick institutional decision making were broken down. Social media thus emerged as a potent online platform for discussion, problem solving and idea sharing.

Recognition as Reward

While a2i and the Chief Innovation Officers attempted to get more from the Innovation Teams, they were looking to get more out of them. Although anticipated, this presented a major challenge as the traditional government incentive system was deemed too rigid to reward them for effectively identifying and catering to the needs of citizens. The strategy thus became to employ ‘recognition’ as incentive. Outstanding efforts by individuals and teams were identified and put on public display through a series of Innovation Fairs. They sparked healthy competition among ministries and civil servants in general. At the first such fair, the Prime Minister personally awarded the prizes for best innovation team and innovator. The effect was tremendous. Government officers, often working at the very grassroots level, people who had never even been to the capital Dhaka were instantly propelled to fame both within their respective ministries, the government sphere and nationally. Not only did it motivate the innovation teams, in some instances, it even fast tracked the careers of some their most remarkable members. The fairs also served to showcase the government’s strong commitment in innovating a wider range of better quality services for citizens and enhance public awareness thereby encouraging further engagement and co-creation.

Innovation Dashboards

A2i is helping the Cabinet Division construct ‘Innovation Dashboards’ through which it can closely monitor every ministry’s innovation team and their work. The objective is to create an institutional tool to spur a positive sense of urgency among the ministries and other government offices to improve services and their delivery to citizens. The dashboards could also be used as a key parameter in performance assessments carried out by the civil service in the form of Annual Confidential Reports (ACRs).

Idea Hunting: Taking Innovation beyond Government

Leveraging the Service Innovation Fund’s ‘explore-engage-empower’ principle and in an attempt to take the ‘innovation ecosystem’ in Bangladesh beyond the public sphere, an ‘idea hunting’ initiative has been launched. Through it, a2i has started exploring the possibility of linking with informal business clusters such as light engineering in Dholai Khal – the country’s biggest and oldest market for automotive and industrial spare parts - and in other areas of the country. This marks the beginning of yet another exciting chapter in a2i’s journey of empowering the government to champion a citizen-centric innovation revolution in Bangladesh.

4.1.20 Innovation through Social Media and Resulting Green Revolution in Trishal: Go-Green Initiative

Scientists have identified Bangladesh a country that is little larger than England, as extremely vulnerable to the changing climate. Due to climate induced river erosion and rapid urbanization, Bangladesh is also going through a spell of deforestation- a trend dubbed as “alarming” by experts.

In order to tackle this problem in Trishal Upazilla under Mymensingh district, the local public service official through a strategic use of Facebook has facilitated a green revolution through a campaign titled Green Trishal Movement or ‘Sabuj-Trishal Andolon’.

As a result, on October 1, 2016 the people of Trishal made history by planting 0.3 million saplings on a day while a series of initiatives were taken to monitor the growth of these sapling. For example, every student who participated in this movement was given a health card titled—“What about your tree?” so that students could report back on the latest condition of their saplings. In addition, every educational institute which participated in this movement was given a monthly reporting form and a hotline number, for regular monitoring and reporting about the growth of saplings.

After consultation with school and college administrators and relying on finances from the local government support fund, this Green Revolution campaign was inaugurated in April 2016, with 20,000 students initially involved. The initiative was expanded, with trees, including of timber, fruit and medicinal species, provided to all schools and colleges.

Gradually the campaign has transformed into a social movement where Upazilla Nirbahi Officer Mr. Abu Jafar Ripon made his sincere effort to inspire and encourage the students and teachers in person in most cases. Saplings were distributed through schools and colleges where students were found to be lined up with their guardians in some cases to collect those saplings. Even though the campaign used several tools such as meetings, hand mikes and Facebook to sensitize the movement, it turns out that the strategic use of Facebook turned the movement into a success. It is found that Facebook not only connected people of Trishal with the movement (as the campaign initiative was being shared from one Facebook wall to another), but also this social media site was useful to facilitate an ownership of the campaign among local masses since many shared their opinion about how to make this campaign successful.

In recognition of the accompanying use of social media to foster support for the programme Ripon has been named best Upozila Nirbahi officer nationally by the Prime Minister's Office in the social media category. He was also awarded for innovation by the divisional innovation circle on 19 November last year and similarly the following month by the Department of Agriculture Extension.

“We have received a lot of inquiries about the programme from interested organizations, both government and non-government,” says Ripon. “Many are thinking to implement similar schemes in their areas.”

News of events for sapling plantation through educational institutions, were posted in Facebook. People of all walks of lives were found to be joining those sapling distribution points to collect and plant trees. “I was given four saplings,” said Farhana Yasmin, a class-ten student of the local Islami Academy in Trishal, “I'm nursing them with care. I'm really happy to be taking part in this movement.” ... “We are impressed with the children's excitement in tending their plants,” says Abul Hossain, father of class-seven student Aqib Faysal from the same academy. “We are doing what we can to support them in ensuring the trees prosper.”

Simultaneously, the socio-economic future of Trishal is changed forever. Once and when these trees will grow, they will give shadows, produce fruits and these trees would be turning into assets as money could be earned by selling these trees. Perhaps most importantly, the Green Trishal programme has worked to engender in the students a sense of responsibility for the environment. “By planting trees right from childhood,” opines Ripon, “our children can develop an awareness of the need to care for the environment in order to enrich it with greenery and ultimately provide protection from natural disasters as well.”

4.1.21 Status of Digital Financial Inclusion in Bangladesh

- ✓ Access has increased significantly
- ✓ Usage is still low
- ✓ Banking literacy low
- ✓ Digitization for mostly (OTC) P2P fund transfer
- ✓ Products/services are inadequate Policy reform is top-down, regulation-oriented and supply-centric
- ✓ Lack of skills to innovate pro-poor financial products/services
- ✓ Fragmented and soloed efforts at digital finance ecosystem building

Despite taking great strides in extending access to financial services to the rural poor and unbanked, in recent years, the next stage of financial inclusion appears to have stalled as evidenced in the 2011 to 2014 FinDex numbers - only 31% of all adults in Bangladesh have a formal bank account. As for adults in the poorest 40 percent of households, the number falls to 23% . The introduction of ‘10 Taka Accounts’ - no-frills bank accounts for unbanked farmers - in January 2010 and rise of mobile money transfer services (such as bKash, Dutch-Bangla Mobile Banking, Rocket, etc.) over the last few years represent examples of significant strides in:

- Speeding up and simplifying the process of sending money
- Mostly over-the-counter (OTC) P2P; the majority of clients are not using wallets themselves because there are not enough compelling uses or appropriate products/services for them; and
- Reducing the administrative cost of government transfers and reducing the risk of corruption and leakages typically associated with such types of payments.

However, serious challenges thus remain when it comes to: •Lack of uptake and usage of services by citizens/customers themselves:

- Low literacy/numeracy and unfamiliarity with technology;
- The limited-purpose nature of accounts and services created specifically for the poor;
- The limitations of a product focused delivery of financial services;
- Lack of citizen centric innovation in both traditional and mobile banking;
- Tendency to push existing services (actually designed for the non-poor) to the poor;
- A regulatory reform process that lacks:
- Citizens/customers’ engagement;
- Accurate understanding of the market composed of the unbanked and partially banked.

¹ W. (2014). The Global Findex Database 2011-2014 Measuring Financial Inclusion around the World. Policy Research Working Paper.

² There is no established data source for non-mobile digital financial services for the financially excluded and underserved in Bangladesh.

Financial Inclusion through Whose Lens?

Sarbati is a 90+ widow living in Nagorpur, Tangail district. Her husband died over 20 years ago. Sarbati's two daughters are married and live with their in-laws. Her only son lives separately with his family. Though his home is less than a hundred yards away, he does not take care of her.

Figure 16: Financial Inclusion: Sarbati's story of Digital banking to reduce her inconvenience and cost

Sarbati's Reality



Meet Sarbati

- An unbanked, hardcore poor widow
- Above 90 years of age
- HH Monthly Income: Only allowances that she receives from Govt

She needs to be accompanied by a member of the family to collect the allowance

She needs to wait for hours in queue often in harsh weather conditions.

She has to spent 120 takas conveyance fare to collect the allowance from bank.

Sarbati is a dignified and proud woman. Even at this age and despite her condition, she refuses to ask for help from relatives and neighbours or beg. She sweeps the local bazaar in exchange for half-rotten vegetables and rice which she cooks to feed herself. The only money she has to spend comes from the BDT 1,500 (USD 18.95) quarterly widow's allowance she receives from the government as part of a social safety net programme. But it takes Sarbati three hours of just travel time (not to mention the hours of waiting in long queues out in the open often in inclement weather) for her round trip to the bank branch that is 5.5 km away and costs her BDT 120 (USD 1.52). She needs someone to accompany her as she is unable to travel such distances alone (*Fig 17, see how DFS Lab+ is working to solve Sarbati's problems*).

Fatema, a woman in her mid-thirties, living in Tangail district with 3 children, banking was not an easy undertaking. She had to travel more than 8 kilometres from her home every month to collect the money that her husband sends from Malaysia. The journey was treacherous, and extremely inconvenient. Sometimes, she couldn't make the trip without someone agreeing to take care of the daily chores she had to do to support her extended family. She had tried using the services offered by a local mobile banking agent in the past. However, she needed to visit the agent several times every month because the service had a daily limit of USD 320 for fund withdrawal. This was about one-third the amount that her husband sends each month. Sometimes the agent did not have enough cash to pay her. Moreover, none of the mobile banking services featured savings products which she could use to save and earn like she did with a DPS; she still needed the bank for that. Hence, she stopped using mobile banking.

Figure 17: Mobile banking and ease of Remittance

Salma's Reality



Citizen Persona 1: Meet Salma
-Partially banked
-36 year old mother of 3
-Housewife,
husband sends money from Malaysia
-HH Monthly Income: BDT 70,200 (USD 887)

If she uses mobile money to receive remittances, she has to go 3 times a month because of daily limits.

So, she has to deposit into a DPS savings scheme in a traditional bank account 8km away.

Mobile money currently has the reach but not necessary product variety
Need innovative financial products from MFS actors OR increase the reach of traditional banks

Financial Inclusion through Whose Lens?

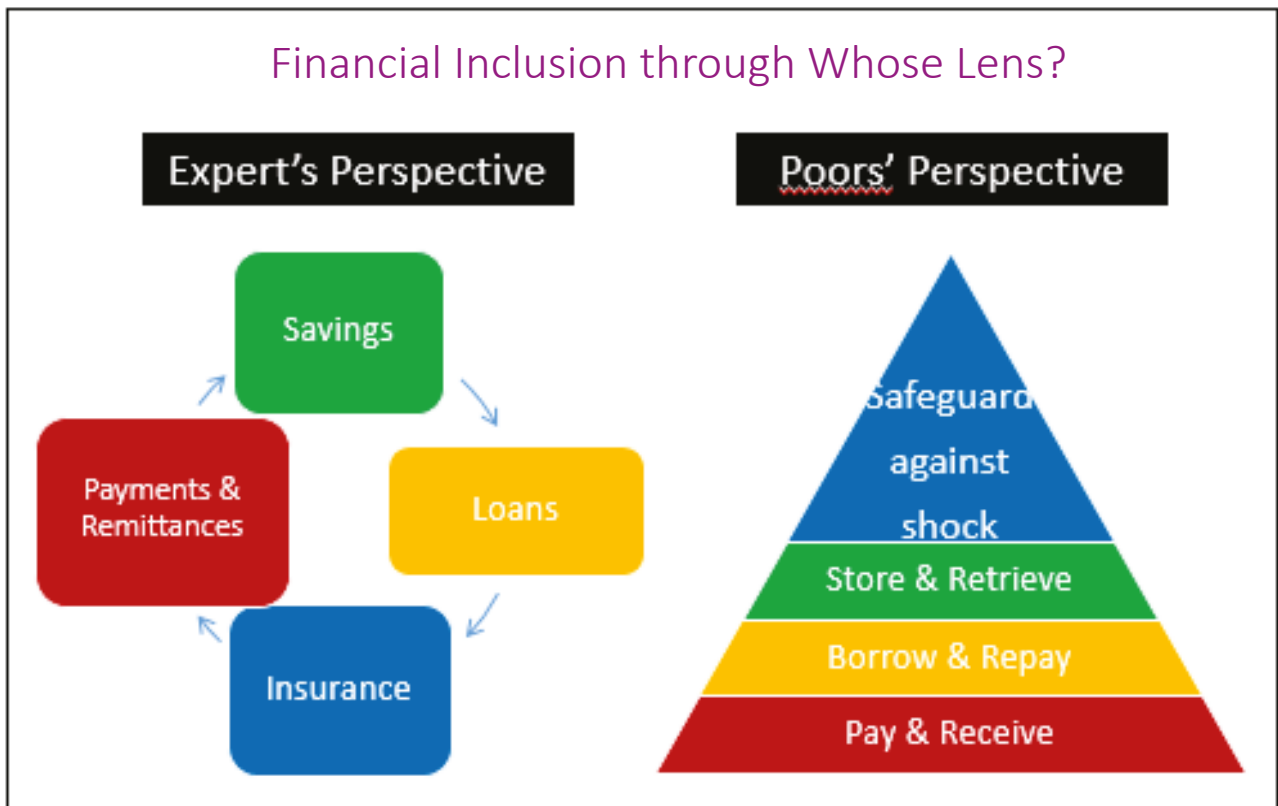


Figure 18: Financial inclusion

Most experts focus on how to simply adapt orthodox products such as 'savings', 'loans' and 'insurance' designed primarily for the non-poor to meet the needs of those currently unbanked and underserved. However, to develop novel ideas that truly meet their needs and empower them to take control over and manage their own financial lives, experts must look at the challenge from the perspective of the poor.

To citizens/customers like Sharbati and Fatema, concepts like savings, loans and insurance hold little meaning. What matters to them is how they can 'pay & receive', 'borrow & repay', 'store & retrieve' money and safeguard their families and themselves against different types of economic and natural shocks. Experts therefore need to unbundle conventional concepts and products into functions that capture what these things mean to them - protecting/storing/growing their money (savings & insurance) & spending/borrowing/investing money (loans) and so on. However, this will not be possible until an entire ecosystem that is conducive to digital financial inclusion is developed. And the status quo warrants a paradigm shift; specifically:

- Shift in thinking:
 - Focus directed away from mere extension of access towards fostering meaningful usage;
 - Change in dialogue from concentrating on regulation to a much more citizen/customer-centric focus on what their needs are and making that drive the reform initiatives.
- Shift in technology:
 - From cash to digital; and
 - Away from company and platform-specific silos towards more integrated and interoperable systems.

Leapfrogging Financial Inclusion through Digital Means

The right financial tools at critical moments can determine whether a poor household is able to capture an opportunity to move out of poverty or absorb a shock without being pushed deeper into debt. However, the traditional, physical branch based banking system doesn't work for poor people, in part because most of their transactions are conducted in cash. Handling cash transactions is costly for banks and other financial institutions. So they pass along the costs associated with storing, transporting, and processing cash to customers which, in turn, creates barriers to financial inclusion.

It is widely acknowledged that the most effective way to significantly expand poor people's access to formal financial services is through digital means. The ICT revolution in Bangladesh along with advances in digital payment system is creating opportunities to connect poor households to affordable and reliable financial products/services through electronic cash cards, agent banking, mobile phones and other digital means.

Need to:

- Lay the foundation in terms of policies, infrastructure and people's attitude: Digitize a broader range of inter-operable G2P systems for making social payments, subsidies and delivering other services for enabling further, more comprehensive efforts by the private sector
- Go beyond P2P: Enable non-P2P digital payments
- Ensure interoperability: both across platforms and sectors
- Collaboration: Bring regulators, financial service providers, financial researchers/experts, the business community and development partners together to create synergy
- Pro-poor products in collaboration with Bangladesh Bank: Demonstrate pro-poor financial product/service innovations to influence policy
- 'AIM' – Account, Identity, Mobility – Leverage biometrics to catalyse digital financial inclusion

Box
09

Requirement for digital payments

- Lay the foundation in terms of policies, infrastructure and people's attitude: Digitize a broader range of inter-operable G2P systems for making social payments, subsidies and delivering other services for enabling further, more comprehensive efforts by the private sector
- Go beyond P2P: Enable non-P2P digital payments
- Ensure interoperability: both across platforms and sectors
- Collaboration: Bring regulators, financial service providers, financial researchers/experts, the business community and development partners together to create synergy
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- 'AIM' – Account, Identity, Mobility – Leverage biometrics to catalyse digital financial inclusion

Figure 19: Components of Digital Financial Services (DFS) Lab+



DFS Lab+ is uniquely positioned to view the challenges around digital financial inclusion in a holistic sense, rising above industry/actor specific interests from the perspective of underserved, financially excluded people. Being an innovation lab, DFS Lab+'s strategy is to influence policy through demonstrating the potential of innovative, citizen-centered ideas (Fig. 20). However, unlike conventional 'innovation labs', the 'Lab+' model also brings in the crucial element of enabling and guiding the implementation and scale up of proven solutions, often at a country level. This unique ability is to a large extent enabled by the physical and virtual service delivery/access networks (comprising the 5,000+ Digital Centers and the National Portal) that a2i has established.

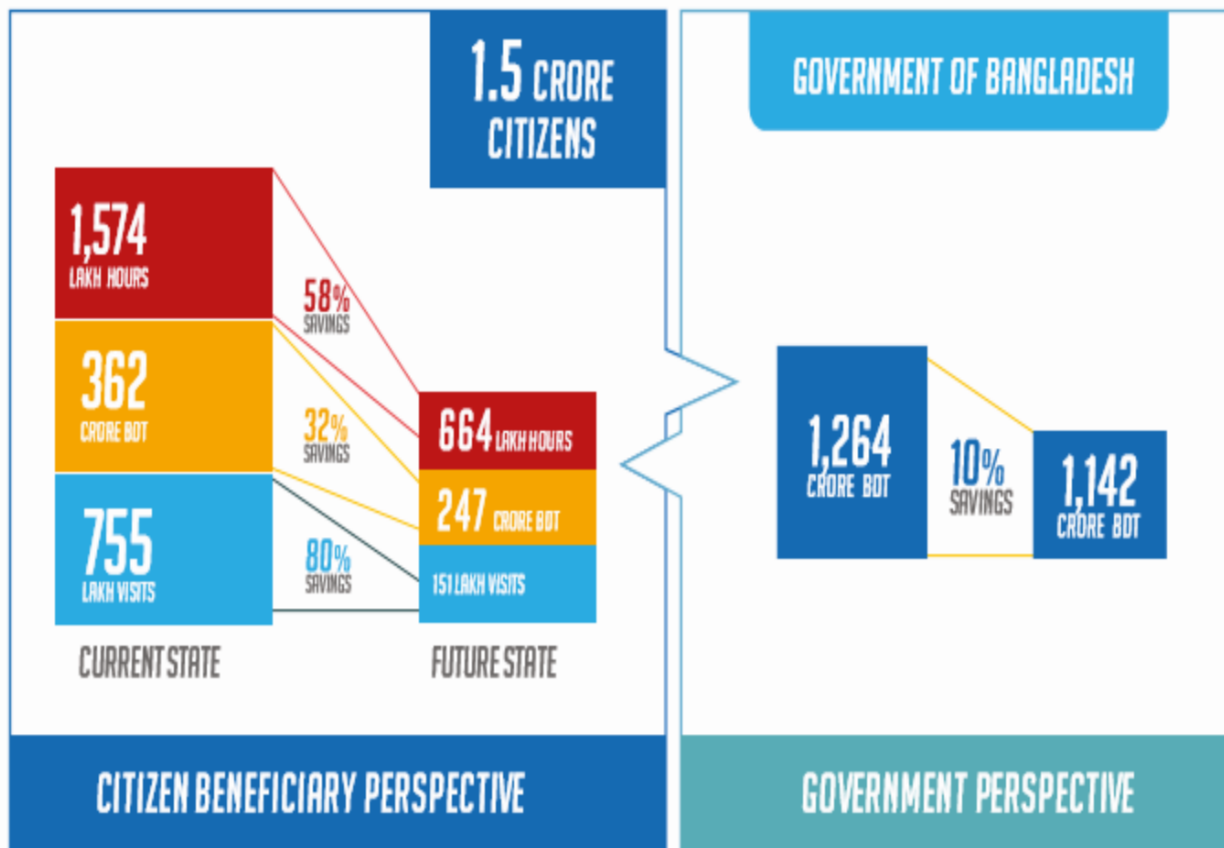
Payments Digitization: Research to Make the Case for Digitizing Payments

Social safety net payments represent a critical government intervention aimed at preventing citizens from falling into extreme poverty and supporting them so that they can strive for a better life. In the 2016-2017 National Budget, the Bangladesh government has over 12% of its total budget allocated for social safety net programs and most of the payments are made in cash. The current manual, paper-based system for transferring the payments (starting from beneficiary identification and application, all the way to final disbursement) is fraught with inefficiencies that result in substantial costs to the government and citizen-beneficiaries alike. Digital platforms that facilitate electronic payment and client management systems can provide the required speed, security, transparency, and cost efficiency. a2i and the Consultative Group to Assist the Poorest (CGAP) thus commissioned a study to:

*Explain the rationale for digitizing payments from the government’s perspective

*Estimate potential benefits for digitizing payments from the perspective of the citizen-beneficiaries

Figure 20: Estimated benefits to citizen-beneficiaries in terms of reductions in ‘TCV’ – the time (T), cost (C) and number of visits (V) – required for them to receive payments from 14 social safety net programs across several ministries; and savings for the Government of Bangladesh in terms of reductions in administrative, overhead, human resource and transaction costs.



Digitizing G2P Programme Management & Payments

G2P payments touch millions of the most financially excluded and vulnerable populations through social benefit payments. As the government can dictate how it pays recipients, digitizing such payment streams has high potential to accelerate financial inclusion in the short to medium term by laying the foundation in terms of policies, infrastructure and people’s attitude for enabling further, more comprehensive efforts by the private sector.

DFS Lab+ launched a pilot project that leverages the Government of Bangladesh’s Digital Centers to enable 7,000 widows, people with disabilities and senior citizens to collect social safety net allowances through digital means instead of having to travel 20 km to the nearest bank. Moreover, the pilot also features collection of beneficiaries’ bio-metric information to ensure accurate targeting and reduce leakage.

DFS Lab+'s Social Safety Net (SSN) Programme Management & Payments Digitization Pilot

In Nagarpur sub-district of Tangail district, the site for the pilot's initial intervention, all 7,000 citizen-beneficiaries (elderly, widows and disabled) were biometrically registered and are receiving their allowances (Tk. 1,500 every three months) through Bangladesh Post Office's PostalCash Cards (which are essentially pre-paid debit cards). The money can be withdrawn using POS terminals and ATM machines. DFS Lab+ is conducting this pilot with the Department of Social Services (DSS) of the Ministry of Social Welfare.

Digital G2Ppayment systems only work well when the payment architecture is married well to the government's program management architecture, including eligibility, enrolment, verification and other key systems. Thus, a2i and DSS are also piloting a digitized, NID-linked beneficiary MIS. DFS Lab+ will advocate with all other ministries that make G2P transfers to adopt an integrated framework that ensures standardization and creates synergy.

The pilot is in the process of being scaled up to 13 more districts. As part of the scale-up, DFS Lab+ will also try out agent-banking and mobile financial services (MFS) as alternative DFS platforms. Perhaps most interestingly, an experiment will also be conducted to enable G2P payments/cash out through bank accounts using Telco networks. This has the potential to make access to G2P payments even more convenient for citizen-beneficiaries since Telco airtime top-up agents numbering in the hundreds of thousands form the biggest on-the-ground network. The experience/insights gleaned from this pilot (and all the experiments carried out as part of it) will inform the development of the national G2P payment digitization strategy – a good example of DFS Lab+'s strategy to influence policy through demonstrating the potential of innovative, citizen-centered ideas.

Creating Digital Financial Services (DFS) Access Points

a2i's Digital Centers Model: Brief Overview

a2i has established 5,275+ Digital Centers - including ones in all union councils, the lowest tier of the Bangladesh government. They were established to ensure that the underserved, particularly poor rural women, people with disabilities and the elderly – regardless of their literacy and ICT literacy - can access vital information and services. A typical Digital Centre is about 4 km from the average rural citizen's home whereas the closest sub-district government office or bank branch is on average 20 km away.

A unique, distinguishing feature of the UDCs is that they are essentially micro-enterprises run by 'citizen entrepreneurs' – 1 male and 1 female in tandem with elected local government representatives. This allows UDCs to combine the mandate and infrastructure of the public sector together with the entrepreneurial zeal and efficiency of the private sector. They are hosted in local government institutions and 1% of each Union Council Office's total annual budget is directed towards these enterprises. While everyday expenses – like utility charges, internet bills, computer

maintenance costs, etc. – are borne by the entrepreneurs who generate revenues by selling certain public and private services. They leverage modern technology to provide citizens both free and fee-based access to public services (land records, birth registration, telemedicine, life insurance, passport and overseas job application as well as application to various other government services) and private services (mobile financial services, insurance, various types of computer and vocational training, etc).

Most ‘Union Digital Centres’ (UDCs) already offer Mobile Financial Services and a good number of them offer ‘life insurance’ services. Approximately 100,000 people take mobile financial services from Union Digital Centres per year and have opened around 3,700 life insurance schemes. More recently, a2i started piloting a ‘transfer management system’ in one district to digitally manage payment of 6 different public transfers (social safety net) to the beneficiaries.

Digital Centre Network as a Comprehensive Digital Financial Service System

The underserved and unbanked, particularly in rural areas, still need to travel significant distances, often multiple times, and spend considerable amounts in terms of money, time and forgone income to:

- Pay
- Fees for essential public and private services (such as birth registration, land records, utility bills, etc.)
- Receive
- Safety net allowances, subsidies and other payments from the government
- Foreign remittances

Access Banking services (savings, loans, insurance, etc.): Though some state-owned commercial and specialized banks have established branch offices in some unions, most are located at the sub-district level³.

a2i’s Digital Centres are well positioned to address these as they feature all three key components required for a fully functional DFS system:

Retail agents:

- ICT literate male and female entrepreneurs, many of whom already serve as mobile banking agents and even sell life & health insurance products. Moreover, since all the entrepreneurs are recruited locally, they have the trust and confidence of potential customers.
- Digital Transactional Platform:
- a2i has already signed ‘agent-banking’⁴ agreements with several private commercial banks that feature state of the art, full service, electronic banking systems ensuring
- appropriate security with real-time banking for customers. Agent banking transactions are on real time basis and integrated with Bank’s Core Banking solution.
- Digital Device at the Point of Access:

³According to the Financial Access Survey report by IMF, Bangladesh has 56 commercial banks with a ratio of 8.2 bank branches per 100,000 persons, which is the lowest after Afghanistan in the SAARC region.

⁴A recently issued report by the Committee on Payments and Market Infrastructures (CPMI) analyzes the increasing influence of nonbanks on retail payment systems. The report finds that improved efficiency through bank outsourcing to nonbanks has the potential to lower fees, increase the range of payment methods, and reach new markets and customers (CPMI 2014).

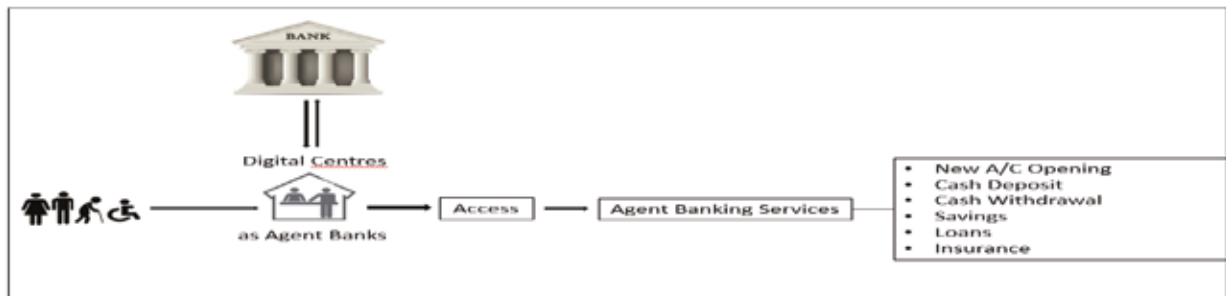
Mobile POS terminals connected to the CBSs of partner banks and the technology backed by Postal Cash Cards as a digital means or instrument for transmitting data, information and of course, money.

Moreover, a2i's UDCs also feature physical spaces located at local government offices across the country ensuring both a high level of visibility/trust among rural citizens and the safety of deposits.

Agent Banking: Taking Formal Banking to the Doorsteps of the Rural Unbanked and Underserved.

a2i aims to play a catalytic role in broadening the reach of low-cost digital systems capable of taking a full range of banking insurance and payments products and services to poor and rural areas. Until the necessary infrastructure and customer base are well established, this might involve a combination of digital payment services that are accessible over mobile devices and agent-based grassroots level banking centers (connected to the core banking systems) where subscribers can convert the cash they earn into digital money (and vice-versa). Thus, in alignment with the strategic priorities of the Honorable Prime Minister's Office and at the invitation of Bangladesh Bank, a2i provided the support necessary to create an ecosystem hospitable to the introduction and expansion of agent banking in Bangladesh – starting with the drafting of the necessary policy guidelines. A major hurdle for mainstream commercial banks to service rural citizens is the extra cost they incur in terms of staffing, rent, electricity, etc. With agent banking, banks with the necessary electronic systems in place to enable real time banking transactions integrated with the

Figure 21: Digital Centres as DFS Access Points can enable rural poor and unbanked to access formal banking.



banks' core banking solutions can simply plug into an existing agent network such as that of the 5,000+ Digital Centres and attain instant presence in rural areas across the country – another example of the unique 'Lab+' approach.

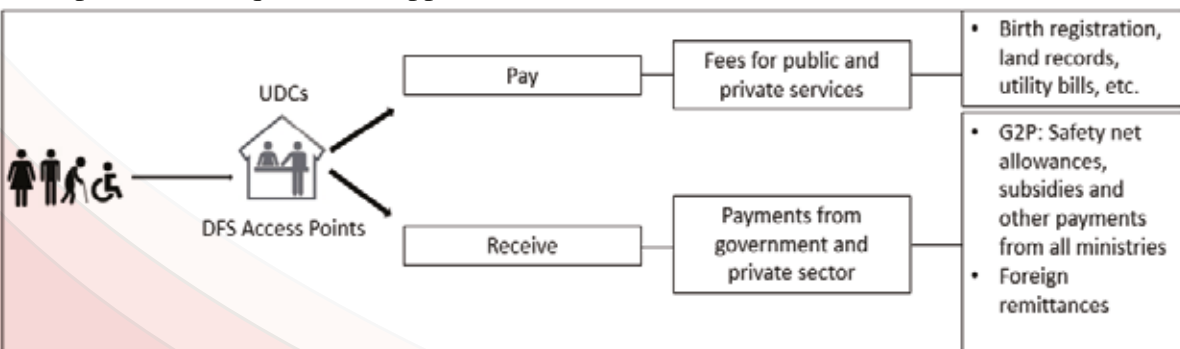


Figure 22: Digital Centres as DFS Access Points can enable the rural poor and unbanked to pay fees for a host of public and private services, collect government allowances from all ministries as well as receive foreign remittances.

Bangladesh Digital Payments: Country Diagnostic

The diagnostic is intended to support the Government of Bangladesh to assess its payments ecosystem, measure the current state of its transition to electronic payments, address its readiness to further shift specific types of payments to digital means, and inform policy and decisions of market participants.

It aims to reveal insights around Bangladesh's current state of digitization and how different players of the payments ecosystem fit, influence or drive the shift to digital payments⁵; to identify knowledge gaps about ecosystem incentives; and to provide evidence for policy or market intervention; by understanding the incentives and challenges of the actors in the ecosystem involved in the digital shift, estimating volumes and value of payments, identifying and prioritizing payment uses cases, identifying methods of digital payments possible for particular applications, assessing gaps in available data, and providing actionable recommendations to monitor and accelerate the shift. The research will also aim to identify obstacles that prevent more participants from being included in the financial system.

The final outputs and deliverables of the study are intended to serve as a benchmark as well as providing support to the development of an inclusive digital payments ecosystem in Bangladesh. It will also provide insights valuable for other countries endeavoring to do the same.

Successfully designing inclusive digital payments architecture requires identifying the least cost and most reliable (and accessible) infrastructure for delivery, including front end devices (phones, cards, point of sale), agent networks, and cash management. It also involves managing payment system inter-connections across banks, accounts, wallets, payment service providers and requires full integration with billing and reconciliation systems.

a2i, the Bill & Melinda Gates Foundation, BTCA and CGAP thus commissioned a study to design an architecture and identify the design principles, infrastructure and organizational requirements, technical specifications, and business models to facilitate the transition to towards a future scenario in Bangladesh where payments are fully digitized.

A citizens' survey (focusing on the most excluded, poor, rural unbanked and underserved individuals who are recipients of government social safety net cash allowance transfers) – the first of its kind in Bangladesh – covering 38 districts was carried out to inform this effort. It reveals that citizen-beneficiaries across the board said they would like to conduct financial transactions close to their homes –preferably through “modern methods” such as mobile banking, agent banking, postal cards.

Citizen-Centered Product & Service Innovation

What we see currently in the digital financial services industry for low income customers in Bangladesh is a complete lack of uptake and use of services. This really reflects the limitations of a ‘pro-non-poor’ product focused delivery of digital financial services have for people who are unbanked and underserved. Therefore, citizen centricity has to be a strategic imperative.

⁵Digital Payments: There is no one standard definition of a digital or electronic payment. Digital Payments are transfers of value which are initiated and/or received using electronic devices and channels to transmit the instructions. While payments are made using payment instruments (e.g., cash, checks), digital payments are not one instrument but rather an umbrella term applied to a range of different instruments used in different ways.

Innovation Jams

Though well-established in other areas, learning directly from citizen-beneficiaries or clients about their financial needs and challenges is almost a foreign concept to traditional financial service providers. This is basically responsible for the trend towards simply tweaking financial products and services designed for the non-poor, and attempting to push them to the poor who neither understand nor have much use for them. And this is not limited to just financial service providers, there is also a lack of research expertise required to track and understand the money management patterns and behavior of the poor. This is crucial to figure out how we can best design, digitize and deliver vital but currently nonexistent financial products and services.

DFS Lab+ addresses this challenge by organizing ‘Innovation Jams’ to link financial providers with financial inclusion experts and introducing them to tools, techniques (such as ‘Financial Diaries’) and design principles necessary to understand, create, evolve, and test possible solutions.

Ethnographic Research

a2i has commissioned multiple ethnographic studies by leading public universities in Bangladesh to:

- (1) Understand the poor, unbanked rural citizens' financial needs and inclusion challenges from their perspective;
- (2) Feed the insights coming out into the national financial strategy formulation initiative; and share it with banks, mobile financial service (MFS) providers, payment service providers (PSPs), microfinance institutions (MFIs) and insurance companies to empower them to innovate more customized, pro-poor financial products and services.

Inclusive Digital Finance Challenge Fund

DFS Lab+ also organizes ‘Inclusive Finance Innovation Challenge Competitions’ in partnerships with Banks, MNOs, MFIs and development partners to invest jointly in incubating promising ideas and capturing of lessons for wider dissemination. What makes a2i’s Challenge Competitions unique is they leverage the 5,000+ Digital Centers and 8,500+ Post Offices as a platform for experimenting with innovative product prototypes and potential business models. The Digital Centre Entrepreneurs also serve as a key interface with citizen-clients and contribute valuable insights on how they respond to the new products and services that are tried out.

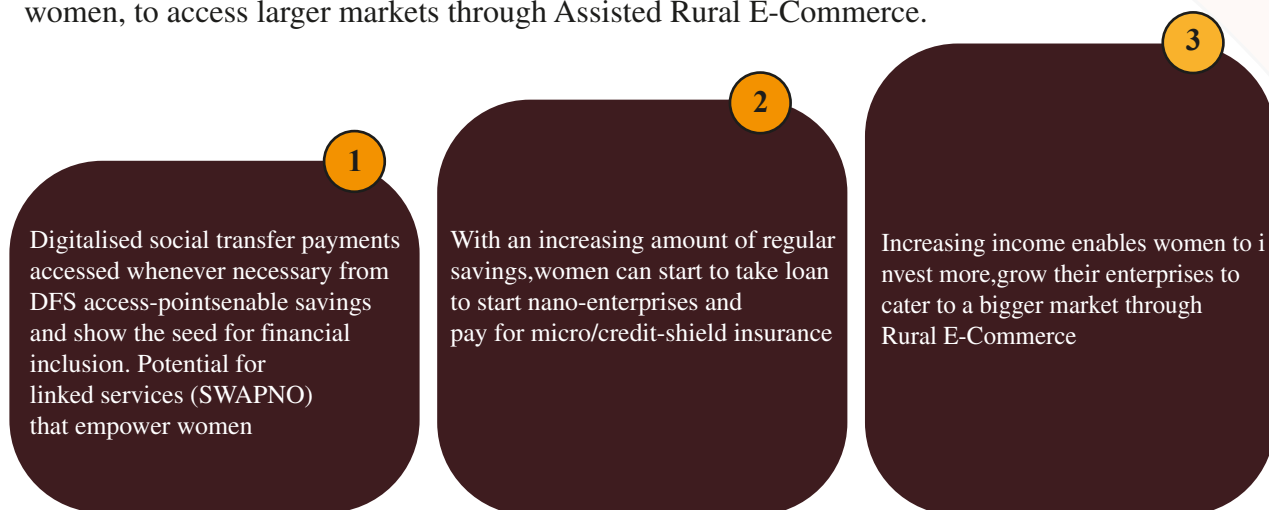
Assisted Rural E-Commerce

One of the unique features of DFS Lab+’s strategy is that 'rural e-commerce' is regarded as being key to driving the usage of electronic/online financial products/services (and vice-versa) by people who are currently unbanked and underserved. Especially, as it brings in the crucial livelihood/economic element into the innovations in digital financial services conversation. The benefits of a digital financial ecosystem are not limited to simply making and receiving payments electronically, a2i believes that poor people can also improve their fortunes by being connected to the wider digital economy. Harnessing the vast virtual (and physical) Digital Centre network that spans the rural-urban continuum, low income communities in rural areas can gain access to urban markets with clients willing to pay a fair price for their products. Moreover, with the increase in the inflow of money (mostly from inward remittances sent by migrant Bangladeshis working abroad) the disposable income of the average rural household has also gone up resulting in a greater demand for higher-end products such as electronic gadgets and value-added merchandize. Since such products are mostly sold in urban centers, the Digital Centres and associated network of 25,000+ entrepreneurs can be leveraged to promote traditional (urban to rural) e-Commerce as

well. Driving Usage of Digital Financial Services and Opening Up a Wider Array of New Productive Opportunities for Rural Citizens.

a2i is attempting to create a rural e-commerce ecosystem in Bangladesh drawing inspiration from what Alibaba has created in China (in particular, innovations like Alipay and Taobao.com with its physical shops springing up and prospering all over rural China and 'assisting' poor people to take advantage of e-commerce as both consumers, producers and traders) and by leveraging a2i's trusted

Figure 23: Assisted Rural E-Commerce not only drives the usage of digital financial services by those currently unbanked and underserved but also enables rural, nano-entrepreneurs, particularly women, to access larger markets through Assisted Rural E-Commerce.



network of 5,275+ Digital Centres (with local entrepreneurs to assist rural consumers/producers/traders), partnering with popular online market places (to open up a wider market for them), Bangladesh Post Office (digitizing its services so that it's 8,500+ branches can deliver quality last mile logistics services) and of course, the inclusive digital payments architecture that is being developed.

Behavioral Insights Driven Product Design Experiments

Interventions in the area of digital financial inclusion too often involve technologies that are made available to the intended users but are then not adopted. To address this demand-side challenge, DFS Lab+ is working with the Consultative Group to Assist the Poorest (CGAP) and the Bill and Melinda Gates Foundation to support behavioral insights (BI) driven product design experiments to identify design features, price incentives, and marketing messages that will encourage poor people to adopt and actively use digital financial services.

Digital Centre Entrepreneurs to Promote Financial Literacy

All of the Digital Centre Entrepreneurs (half of whom are women) are recruited locally. So, not only are they adept at using ICTs, they know the citizen-clients well since they interact with them on a daily basis and market both public and private services to them. In particular, the female entrepreneurs have a massive positive impact on the number of poor, rural women who visit the centers to access vital information and services.

Given many Digital Centres now offer agent-banking services (taking Formal Banking to the Doorsteps of the Rural Unbanked and Underserved people), they are also well positioned to act as financial literacy hubs introducing people who have no prior experience to banking and guiding them on how to gainfully utilize financial products and services. a2i is partnering with banks that

are already involved with the Digital Centre based agent-banking pilot to arrange banking orientation and financial literacy trainings.

Policy & Regulatory Reform: Strategy Development

The Prime Minister's Office has established and is leading a formal inter-ministerial and inter-agency National Steering Committee for Digital Payments with a2i as the member secretariat - to spearhead the coordination and implementation of payments digitization efforts and prioritize reforms and actions in the area of digital financial inclusion.

Coordination

To implement the strategy and reforms, DFS Lab+ has created multiple taskforces under the Prime Minister's Office including representatives from different agencies, the public and private sectors.

- G2P Taskforce
- P2G/B2G Taskforce
- B2P Taskforce
- D2P Taskforce
- Payments Architecture Taskforce
- National Financial Inclusion Strategy Taskforce

Partnerships

DFS Lab+ is working closely with the Ministry of Finance, Bangladesh Bank, Sonali Bank, the Ministry of Social Welfare (particularly the Department of Social Services), Bangladesh Telecommunication Regulatory Commission (BTRC) and Bangladesh Post Office to create a digital financial inclusion ecosystem in Bangladesh. It is also collaborating with SHIFT (UNCDF), UNDP Bangladesh and international development partners like USAID, the UK's Department for International Development (DFID), the Bill and Melinda Gates Foundation, the UNCDF hosted Better Than Cash Alliance (BTCA), the World Bank housed Consultative Group to Assist the Poorest (CGAP), practitioners like BRAC and research driven think-tanks like Innovations for Poverty Action (IPA). In particular, to take full service, formal banking and insurance products to rural citizens' doorsteps, DFS Lab+ is partnering with: Bank Asia Limited, Modhumoti Bank Limited, NRB Commercial Bank Limited, etc.

4.1.22 Empathy Triggered Innovation Journey

Making a deep understanding of citizens' needs central to transforming public services

'Empathy' is the first guiding principle in a2i's 3-phased approach (Initiation--> Execution--> Celebration) to help civil servants embark on a journey of innovating citizen-centric public services. What happens when public services are not designed with citizens' needs in mind?

Understanding the citizens we serve is central to what we are trying to do. When public services are not designed with empathy for the people who use them, mothers have to travel long distances with their newborns and wait in long queues to collect government maternity allowances; citizens, not knowing where to go to access a service or even how to apply, ping-pong among different agencies, sometimes for months (land services) and years (judicial services). Unscrupulous intermediaries or 'middle-men' take advantage and charge exorbitant 'speed money'.

Triggering empathy

Typically, civil servants who are in a position to overhaul processes and institutionalize improvements in service delivery are far removed from the grassroots level where citizens come in touch with the system. Even when, for example, the Director General of Health makes an effort to visit a village level community clinic to see how things are first-hand, given their rank (which shields them from being exposed to the real picture) and knowledge of their own domain (that makes it difficult to objectively assess process flows) they are often unable to identify ‘pain points’ from the citizen’s perspective.

a2i’s empathy methodology thus arranges for relatively senior government officers to act as secret shoppers and visit citizens’ access points for services outside of their ministry or area of expertise. This truly places them in citizens’ shoes since they are forced to navigate public systems without any official or intellectual privileges. The result in most cases is a powerful, moving experience that creates a deep sense of empathy for citizens and the myriad sufferings they must endure to avail even the most basic services. This experience helps participants develop a critical eye that they use to scrutinize their own agency’s delivery systems and improve the overall quality of services.

Citizen-centric innovation journey of civil servants in Bangladesh

To date, a2i’s empathy methodology has empowered hundreds of civil servants to redesign services in a citizen-centric manner and launch Innovation Pilots around the country, especially at the field level. These pilots, some of which are funded by a2i’s Service Innovation Fund and the rest funded by local resources mobilized by the innovators themselves, allow government innovators to test their ideas. Public Service Innovation Bangladesh - a social media powered peer-support and mentorship network - offers a platform for sharing, discussing and refining the pilots (and other promising ideas) boosting their chances of making impact at scale. Finally, outstanding efforts to transform public service delivery are celebrated through national and district level Innovation Fairs that enhance citizens’ knowledge and deepen their engagement in making further improvements.

4.1.23 Private Entrepreneurship Model

Cases of 90-year old Sarbati, Fatema of Tangail who gets remittance from Malaysia or Salma, a poor woman with a month old baby girl living in the remote rural sub-district of Bhurungamari in northern Bangladesh was eligible for maternity allowance that was provided by the government as part of its social safety net. Her husband was killed in a tragic road accident a few months ago; he never got to see his daughter. Salma lived with her in-laws who could barely afford to shelter her with a tiny mud-walled room. She worked as a domestic help earning a paltry thousand taka (approximately USD 13) per month.

To receive the allowance, Salma had to first travel close to 20 km to the sub-district government office just to collect the application form. Over the next few visits, she had to toil for hours in queues not really sure of what the next step was or who to talk to for getting information. She had

Box 11: Empower Civil Servants

Empower civil servants to place themselves in citizens’ shoes and motivate them with a sense of purpose for driving improvements in public service delivery.

to endure all that before confronting overworked, intimidating government employees. By the time she finally completed the application process, Salma had spent a couple of weeks, close to a thousand taka in conveyance fares alone and visited the sub-district office several times. She lost her employment in the process.

Like many developing countries, in Bangladesh, government offices at the district and sub-district levels provided a wide range of public services which were time consuming and labor intensive for both the service provider and recipient. This created frequent delays and had an adverse impact on the poor's livelihood. Citizens, a majority of whom resided and worked in rural areas, typically had to travel long distances to government offices in urban or semi-urban areas. Lack of information regarding the processes and the lengthy timelines involved meant that citizens had to forego income and incur additional costs such as transportation, accommodation and food to access even basic services.

The Solution: a2i's Union Digital Centres

To decentralize the delivery of public services and take them to the doorsteps of millions of underserved citizens like Salma, Sarbati or Fatema, the Access to Information (a2i) Programme of the Prime Minister's Office – with technical assistance from UNDP and USAID – established 5275+ one-stop information and service delivery outlets known as Union Digital Centres (UDCs or Union Information Service Centers, UISCs) in all union councils, the lowest tier of the Bangladesh government.

UDCs ensure that the underserved such as rural women, people with disabilities and the elderly – regardless of their literacy and ICT literacy - can access vital information and services. A typical UDC is about 4 km from the average rural citizen's home whereas a government sub-district office is about 20 km and a district office over 35 km. These one-stop service centers are essentially micro-enterprises run by 'citizen entrepreneurs' – 1 male and 1 female in tandem with elected local government representatives. They leverage modern technology to provide citizens both free and fee-based access to public services (land records, birth registration, telemedicine, life insurance, passport, overseas job application, application to various other government services) and private services (mobile financial services, insurance, various types of computer/vocational training, etc).

The Innovations

One of the most innovative aspects of the UDCs is their public-private entrepreneurship model. While private tele-centers in Bangladesh – and elsewhere globally - faltered because of the missing 'public' element in their operations, the UDC model was designed to bring the better of both the public and private worlds – the mandate and infrastructure of the public sector together with the entrepreneurial zeal and efficiency of the private sector. The UDCs are hosted in local government institutions. 1% of the government's total Annual Development Programme budget is directed towards these enterprises. Everyday expenses – like utility charges, internet bills, computer maintenance costs, etc. – are borne by the entrepreneurs who generate revenues by selling certain public and private services.

The UDCs represent a novel approach to strengthening local government. By bringing in the private sector - in the form of the entrepreneurs and numerous agreements with corporate entities – the UDC model adopted a very citizen-centric, bottom-up strategy. Thus, instead of making it relevant to the government alone, market relevance and sensitivity to citizens' demands were embedded into the model. In practice, this meant that if working women and men could only

UDCs at a Glance

- 5,275 UDCs; one in every Union Council
- 4.5 million services to citizens every month
- 120 million services provided to date
- Nearly 12 million women received different types of services
- Nearly USD 600,000 in earnings per month
- Over 96,000 ‘unbanked’ citizens gain financial access monthly as a result of mobile banking services and transact USD 2.30 million
- 2,768 UDCs offering life insurance with 30,200 citizens currently paying premiums amounting to USD 500,000

make time after 5, over the weekend or on public holidays to come to the center, the entrepreneurs would still serve them. Given that entrepreneurs are not salaried government employees, failing to do so would only harm their business. This enabled citizens to receive efficient, customized services and increased foot traffic to the union council offices.

A study to evaluate the impact of the UDCs (see Table 18) on reducing time, costs and visits (TCV) for availing public services found that, for instance, while it previously took rural citizens 7 to 8 days to acquire birth registration certificates, the number was brought down to less than 8 hours after the advent of the UDCs. Similarly, for receiving death registration certificates, while it previously took citizens nearly 2 days, it now takes less than 5 hours.

Challenges

Looking to the future, three strategically important issues stand out: Striking the right mix between financial and social sustainability: The increasing trust of citizens in UDCs as a decentralized government desk has been a key driving factor behind the acceptance and popularity that they have accumulated over time. However, they need to be made financially sustainable as well, otherwise, they will cease to function. But it will need to be a fine balance because if the commercial aspect takes over too strongly then the social mission may be compromised.

Quality of the entrepreneurs: The quality of entrepreneurs determines, to a large extent, both the financial and social sustainability of the centers. But, it is hard to assess potential recruits for the management in Dhaka. Standard criteria may need to be developed and a franchisee system - to serve as a meta-business model for the entire chain of UDCs - could be explored.

Retaining and developing women entrepreneurs: Many of the female entrepreneurs either merely allow their male counterparts to lead or dropout after getting married or giving birth. It is an issue that is deep-seated in a multitude of social barriers. They need to be effectively addressed for improving the existing state of affairs.

Table 17**Service wise reduction in TCV**

Service	Before UDC			After UDC					
	Time (in HRS)	Cost (USD)	Visit	Time (in HRS)	saved in %	Cost (USD)	Cost reduced in %	Visit	Visit reduced in %
Birth Registration	211.52	1.6	2.19	7.58	96%	0.9	44%	1.23	44%
Citizen Certificate	24.9	0.7	1.71	2.97	88	0.5	29	1.07	37
Exam Registration	6.27	1.2	1.07	2.3	63	0.2	83	1.03	4
Death Registration	39.39	1.9	2.5	4.52	88	0.6	68	1.09	56
Photocopy	5.55	0.9	1.14	0.49	91	0.2	78	1.01	11
Computer Compose	16.84	1.5	1.44	0.63	96	0.5	67	1.02	29
Photography	39.7	1.6	1.82	1.36	97	0.4	75	1.04	43
Internet Browsing	3.02	1.7	1.28	0.53	82	0.4	76	1.02	20
Electricity Bill Payment	4.31	0.9	1.21	0.343	96	0.2		1.0	
Job Search	12.47	2.6	1.5	0.75	94%	0.7	73%	1.0	33%

Digital Centres: A Model of Improved Service Delivery Decentralization

The Digital Centres collectively represent an important nexus for service delivery decentralization, local government strengthening and community empowerment. The service basket has grown from a handful in the early years to over 50 in 2014 and to nearly 100 in 2015. The Service Process Simplification (SPS) process introduced by a2i and mandated by Cabinet Division in 2015 continues to nudge scores of government agencies to use the Digital Centres as the last mile delivery point for hundreds of services. Private sector companies are also starting to make their services available to millions at the bottom of the pyramid through these centres which present potentially the most cost-effective avenue for rapidly achieving nationwide reach. For example, Salma can now collect her maternity allowance from the local UDC which is an agent of a private commercial bank. This means she is also covered by the formal banking system and thus benefits from a full range of savings, credit and insurance products.

The network of these centers across the country, along with thousands of post offices and innovative digital payment options, has emerged as a viable platform for e-commerce transactions including the movement of goods in rural areas. Pilots have already been completed by a2i in partnership with e-commerce platforms which had hitherto operated only in urban areas but were eager to utilize the large nationwide network to find rural customers for urban products and vice versa. Rural e-commerce, riding on the backbone of the Digital Centres, shows great potential that needs to be properly utilized.

Like in many developing countries, rising demand and resource constraints are making redesigning public services in Bangladesh imperative. Case in point is, Fulbaria in Mymensingh district where over 80,000 farmers needed up-to-date and timely information on ways to identify and treat plant diseases. But the whole area had just 46 government agricultural field officers based at the sub-district office. So, the farmers had to spend a lot of time, money and effort to

travel 20-30 kilometers to consult them.

This was a common scenario across the country resulting from a problem that, in principle, was symptomatic of fundamental challenges around innovation in public services and their delivery in Bangladesh:

Centralized policy making

Lack of user-centric design

Lack of opportunities to experiment

Most of the policy making and planning took place in a traditional, centralized manner by senior officials based in the capital Dhaka with little or no involvement of citizens or their colleagues at the field level who are closest to them and thus better placed to offer useful ideas.

4.1.24 The Solution: a2i's Service Innovation Fund (SIF)

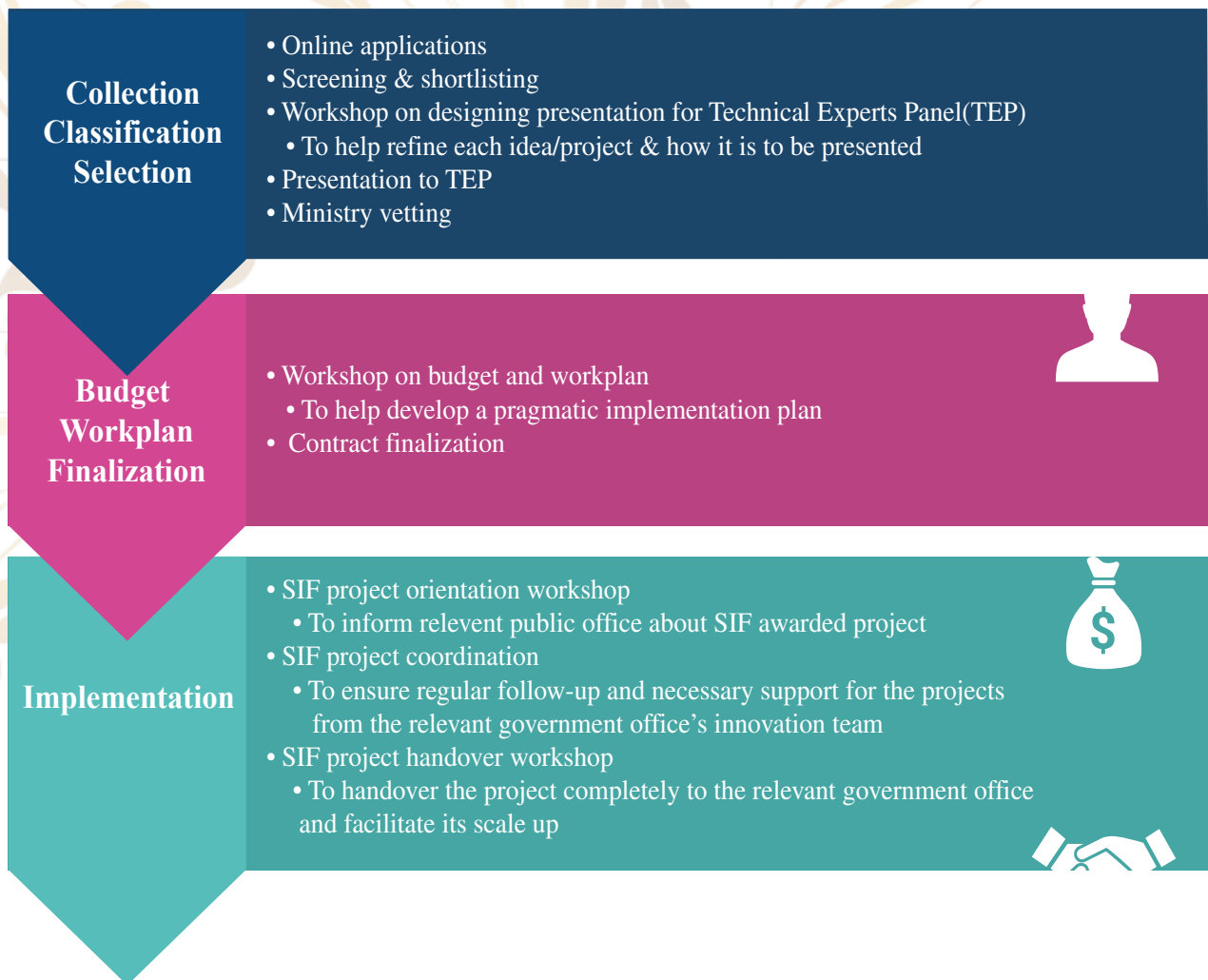
In March 2013, the Access to Information (a2i) Programme of the Prime Minister's Office – with technical support from UNDP and USAID – launched the 'Service Innovation Fund' to provide seed funds and incubate cost-effective, citizen-centered design innovations to improve public services particularly for underserved communities. SIF evolved from a previous a2i initiative called the 'Quick Wins' which was introduced in 2008 when each Secretary of the government was asked to identify important services that could be made more citizen-centric through simplification and digitization. Many ideas were generated; some were funded by a2i and launched as 'innovation pilots'. The pilots that succeeded such as the Union Digital Centres (one-stop service outlets hosted in local government institutions and operated by local entrepreneurs), e-Purjee (SMS-based purchase orders to sugarcane farmers), and Multimedia Classroom (smart classrooms promoting very interactive teaching-learning in secondary schools) were scaled up nationwide. The pilots that did not succeed such as an IVR System in City Corporations, Eco-milk analyzer for milk cooperatives, and Agriculture Information and Service Centres for farmers left important lessons for innovators and organizations. The lessons from successes and from failures equally contributed to the formulation of the SIF later.

SIF defines innovation as any idea or initiative that eliminates unnecessary steps required for citizens to access services and leverages technology to improve them. In other words, to be considered meaningful innovation, it must:

- Reduce the amount of time it takes for citizens to receive services;
- Reduce how much it costs citizens to obtain services;
- Reduce the extent of travel and number of visits; and most importantly,
- Improve the quality of services

SIF is designed to encourage innovative home-grown and localized solutions and is open to all. It embraces the notion of cocreation and engages government agencies, development organizations, non-governmental organizations (NGOs), academic institutions, private companies and even individuals as active partners in the improvement of public services. Anyone can apply online any time, the whole year round for grants worth up to USD 32,000. Its priority areas include service decentralization and delivery, gender empowerment, empowering people with disabilities, healthcare, agriculture, rural development, right to information, green initiatives, disaster management, low-cost devices, and Bangla language tools.

Figure 24: The SIF process flow.



As illustrated in Figure 25, not only does SIF identify and fund promising ideas, it also incubates them and nurtures talented innovators. This incubation element is a critical element of SIF's strategy to:

Build essential management and entrepreneurial skills: to enhance the probability of talented innovators to scale and sustain their initiatives. This is done by organizing workshops and introducing the innovators with various templates to help refine and structure their ideas.

Leverage a2i's role as innovation intermediary: to bring together all government offices relevant to a particular idea and help sensitize them by establishing a working relationship with the innovators. This is particularly useful for junior or grassroots level government officers and private firms or citizens who aim to use SIF funds to improve government services with their innovative ideas.

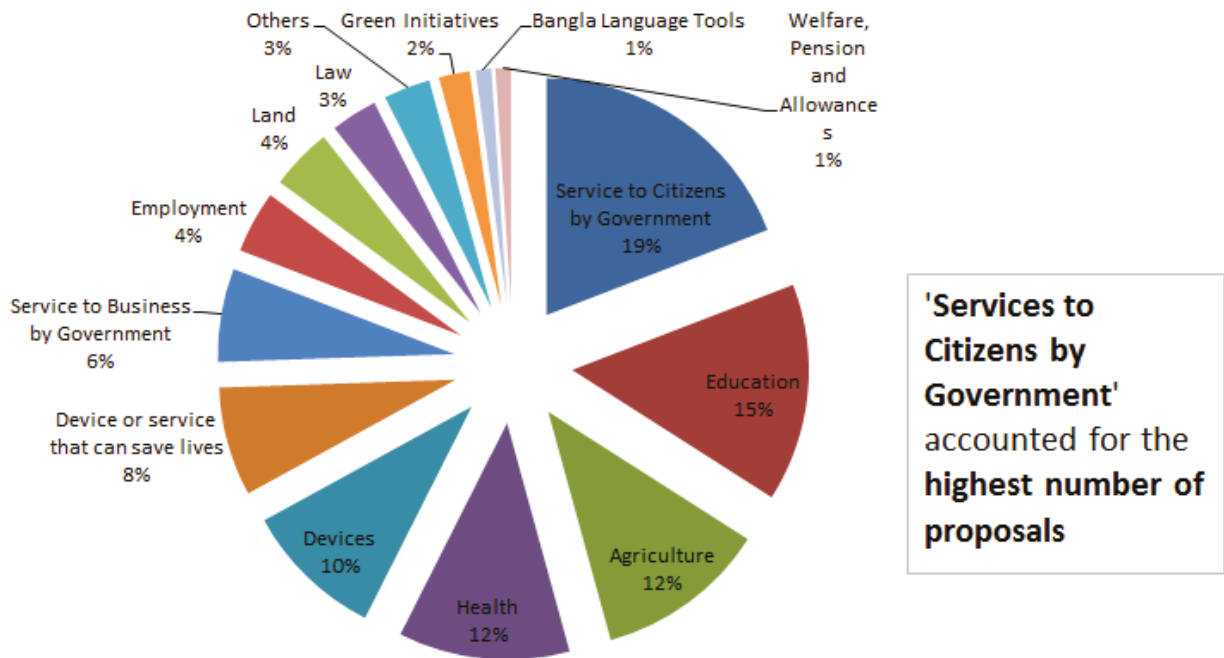
Ensure ownership and sustainability of the successful pilots: Two of the most important factors deciding the success of any pilot initiative are its ownership and sustainability. In case of both the public and private innovator led innovations, a2i facilitates building linkages between the innovators and relevant government offices and public sector organizations that can contribute in scaling up or replicating the innovations at a national level. Having the short-listed ideas vetted by the relevant ministry is a key part of this.

Innovators become co-owners of the intellectual property rights to the ideas. This facilitates the process of the ministries and directorates taking ownership and scaling them up. Moreover, it also provides the basis for revenue sharing arrangements for innovations that have the potential to generate financial returns.

Progress and Achievements

The Service Innovation Fund opened up an unprecedented opportunity to incubate solutions from both government and non-government actors. Since launching, SIF has completed 6 rounds. Nearly half of the 2,500 plus proposals to the Fund came from the private sector, NGOs, universities and even individual innovators.

Figure 25: Number of innovative proposals on major aspects of society



92 projects have received well over USD 2 million in funding. Out of these, 10 projects have been completed (see snapshots in Box 13-15).

Box
13

Ma o Shishu Mobile application (Mother and Child Mobile Health Application) by Md. Rayhan Hossain, a local innovator.The Innovation

A mobile app with information for pregnant women and mothers with newborns on health tips, vaccination alerts, pregnancy planning, and delivery risk index
The mobile app can be downloaded for free

Results Already Achieved

- More than 1,000 downloads
- The app users can also get access to an updated government database of hospitals, doctor's information, Emergency call service.
- Pregnant mothers no longer have to make unnecessary visits to health clinics to get information on vaccination dates, etc. since those are now available through the application.

Potential for more: The mobile app can be used by all health workers at field level to provide useful information to the majority of rural and marginalized pregnant mothers and infant children who otherwise would not have got access to relevant and updated information. The relevant authorities can easily track the fertility rate and vaccination status which can help them plan better to ensure adequate medical supplies.

Example of Digital plant problem identification and solver

Box
14

Digital Plants Problems Identification System (DPPIS) by Md. Abdul Malek , Agriculture Extension Officer, Fulbaria, Mymensingh

The Innovation

A standardized pictorial database of problems for 150 plant types
Agricultural extension workers, advanced farmers and other users of this database can easily identify plant problems and get proper solutions.

Results already achieved

(1). Database with almost 1000 plant problems for more than 120 plant types (using over 3500 pictures) has been made freely available. (2). The software has been distributed to more than 1500 users (agri extension workers, advanced farmers, NGO workers) who are now better equipped to answer the queries of farmers. (3). The database can be used in both online and offline modes. (4) Over 10, 000 farmers benefited.

Potential for more:

The offline version can be distributed to all agricultural extension officials which can then be observed through mobile phones, desktop PCs and laptops. The database can be used as study and training material.

Another example of making Talking Books for physically impaired and also children

Box
15

Multimedia Digital Talking Books by Young Power in Social Action (a local NGO)

- Full text and audio multimedia digital talking books developed for 36 curriculum books at the primary level
- Similar work ongoing for 93 curriculum books at the secondary level
- It has been made available through the national web portal to be downloaded by anyone anytime over internet
- Soft copy of braille books can be prepared to be distributed to braille press for printing.

Results already achieved

10,000 visually impaired children who are registered through the government mechanism can access these books

The teachers at schools for the visually impaired are better equipped to educate the students in class

Potential for more

There are over 100,000 school going visually impaired children who can benefit from this.

The illiterate population and the slow learners can also benefit since they can now also listen to the text and even try to self-learn.

Challenges and Beyond

Not all innovators have the marketing, management and entrepreneurial skills required for successful project implementation. Even when they do, there are cases where the innovator is a relatively junior person – in terms of rank, age or both – which adds another dimension of difficulty. A lack of ownership within the government unit which is the natural home of a project complicates things further. To address these challenges, besides intensifying its incubation and intermediation activities, a2i has also catalyzed the formation of nearly one-thousand ‘Innovation Teams’ comprising 5000+ officers from all units and tiers of the government; that is starting from the ministry all the way down to the sub-district level. Led by Chief Innovation Officers who are senior policy makers, these Innovation Teams represent an effort to build champions who will foster a peer support network and collaborative behavior within and across government offices. Tapping into the popularity of social media in Bangladesh and its cost-effective scalability, a ‘Public Service Innovation’ Facebook page has been established to spread ideas and encourage interaction. The Service Innovation Fund reinforces these teams by functioning as an intrinsic capacity building tool for them. The Service Innovation/Challenge Fund is a critical element of the innovation ecosystem that a2i is building in Bangladesh. There is full appreciation that such an innovation ecosystem cannot merely be an inanimate object. It has to be a living system composed of a multitude of diverse actors in intense interaction with each other. a2i has recently started exploring the possibility of linking with informal business clusters such as light engineering in DholaiKhal – the country’s biggest and oldest market for automotive and industrial spare parts - and in other areas of the country. It is also developing partnerships with a growing

number of international organizations such as Google, Facebook, Telenor, Mozilla and several reputed international universities and foundations known for their innovative technological and social research.

4.1.25 Social Media in Public Service Innovation

A modern approach to catalyzing citizen-centric innovation in the public sector

An overwhelming 80 percent of internet users in Bangladesh are on social networking websites like Facebook and Twitter. That is over 16 million people and counting – the rate of new Facebook users is outpacing the country’s birth rate as one new Bangladeshi Facebook account is opened every 20 seconds!

Leveraging social media to catalyze public service innovation: This makes social media a great platform for government to reach out to citizens and stay up-to-date with current events and trends in society. a2i is thus supporting the civil service to harness the power of social media in 3 ways:

1. Discovering creative ways to attain effective citizen engagement in the process of improving public service delivery
2. As a peer-support and mentorship platform to encourage the spread of ideas and interaction among experienced senior civil servants and junior officers with innovative ideas and ambition
3. Institutionalizing and managing the practice of citizen-centric innovation by breaking down hierarchical barriers across all ministries, departments and agencies

Engaging citizens in improving public service delivery

Social media has traditionally been used for conducting public awareness campaigns (a very traditional, one-directional approach) and counting the number of ‘Likes’ and ‘re-Tweets’. a2i is working with government agencies to leverage this platform to enable citizens to voice their concerns and point out their needs in a way that is convenient for them. All 64 districts now have open DC Office Facebook pages, established and monitored by the Deputy Commissioners (DC). DCs are the chief government appointed executives of districts and residents rely on them for everything from maintaining law and order, to improving the quality of education, healthcare, and even settling disputes and tackling natural disasters. These pages are being used to redress citizens’ grievances and contributing immensely to the provision of better, quicker and more affordable public services.

Creating a frugal yet effective mentorship and peer-support network for government innovators Public Service Innovation Bangladesh– a Facebook group for civil servants – has brought about a revolution in Bangladesh Civil Service’s internal communications system. Together with Departmental Blogs, they have led to the breakdown of hierarchical barriers and assisted that have historically deterred quick organizational communications and enabled civil

Box
16

Redress Citizen’s Grievances

Redress citizens’ grievances, break down hierarchical barriers in communication, and create a peer-support and mentorship network within civil service to nurture a culture of citizen-centric public service innovation.

servants to demonstrate their potential by sharing ideas, learning from and supporting each thereby talking about their challenges. To date, over 8,500 officials have engaged in social media dialogues through 1,000+ government Facebook pages/groups.

Inspiring and incentivizing innovation top bureaucrats like the Cabinet Secretary and Principal Secretary are not only writing posts on topics like innovation but even encouraging their colleagues, particularly those at the field level who are closer to citizens, to challenge their propositions and have online debates through comments on Facebook to decide on the best course of action. Moreover, the fact that an idea posted as a status on Public Service Innovation Bangladesh by a field level officer can attract a comment or question from their ministry's top secretary serves as tremendous inspiration and an effective incentive for them to continue to think, engage and act innovatively to further the cause of citizen-centric public service innovation in Bangladesh.

4.1.26 Teachers' Portal

Revolutionizing pedagogic training, empowering teachers with a 21st century learning platform

Bangladesh has more than 30 million students and nearly 1 million teachers in over 120,000 primary and secondary schools. The cost-intensive nature of traditional face-to-face teacher training methods, limited infrastructure and resource constraints means that it takes 5 to 6 years to update the knowledge and skills of every teacher in the system. Especially at a time when curriculum and pedagogy are changing rapidly to build the skills relevant for the 21st century lifestyle and livelihood, and the nearly ubiquitous presence of digital technologies is making new knowledge more accessible every moment, it is imperative for Bangladesh to devise modern alternatives to traditional pedagogic training for improving the nation's educational outcomes.

The Context

Rubi knew exactly which seat on the bench farthest back in the classroom to take in order to avoid her 4th grade science teacher Masuma's attention. At the same time, Masuma knew that she could call Rubi any time and expect her to offer nothing in response but silence and maybe an embarrassed smile. It was a pity since Rubi was really interested in science and dreamt of one day becoming an astronaut like her hero, Neil Armstrong. However, she simply could not follow the countless definitions that her teacher talked about and yearned for a way to understand the concepts better.

This was unfortunate since Masuma, who was an assistant teacher at Rubi's primary school in the remote sub-district of Hatia in Noakhali district, loved her job and was very passionate about teaching. She tried her best to use the knowledge she had gathered from the Government Primary Teachers' Training Institute to make her lessons as interesting and knowledgeable as possible. But crucially, she lacked expert guidance from an experienced peer who could mentor her on how to teach in a manner that was easier, more effective and engaging and ensured better learning outcomes for her pupils.

In Bangladesh, nearly 1 million teachers at more than 120,000 schools and colleges receive formal training on education pedagogy along with pre- and post-training resources. But given the expensive nature of the traditional face-to-face training method, teachers must wait for years on end to receive 'refresher training' to update their knowledge and skills. Moreover, there is no single platform where teachers can share resources and opinions for further professional development during and after training programs.

As a result, a digital and education divide has been widening between teachers and students from urban and rural areas where the latter is usually “less connected” and therefore more disadvantaged.

Teachers’ Portal: A Revolutionary Peer-to-Peer Learning and Capacity Development Platform

With the objective of devising a modern, far-reaching supplementary tool to traditional teacher training methods that is more time-efficient and able to make greater use of peer-to-peer learning opportunities, a2i designed and developed an online social platform for school and college teachers called the Teachers’ Portal (www.teachers.gov.bd).

The specific goals of the Teachers’ Portal are to:

1. Establish an online training and professional development platform for all school and college teachers
2. Develop an online repository where quality, multimedia educational contents can be stored, accessed and shared freely
3. Create an idea generation and problem solving platform that facilitates teachers to share opinions and suggestions regarding education pedagogy, use of ICT in education delivery and discuss issues related to the country’s education system in general
4. Develop a peer-to-peer, collaborative environment for lifelong learning support and to close the rural-urban knowledge gap in the process

Perhaps the most exciting and ambitious part of the idea was to crowd source quality digital educational contents. Establishing an online peer-training platform made teachers throughout Bangladesh independent of curriculum and multimedia experts who have traditionally been bottlenecks in the creation of up-to-date learning materials.

Box
17

Teachers Portal: at a glance

- 132,300+ teachers are members (till October 20, 2016)
- 100,000+ multimedia contents ready for classroom use
- 120,000+ teachers trained on operating multimedia classrooms
- 39,000+ blogs posted by teachers
- Nearly 2 million page views monthly
- 98,375+ active users monthly
- 33,000+ Multimedia Classrooms
- 1,000+ multimedia ‘model contents’ vetted by the curriculum authority
- 1,500 master trainers across the country
- Best teachers of the week (3 best content developers are highlighted every week)
- ‘Batayan Mag’ (an e-magazine of the teachers, for the teachers and by the teachers)

Trainers as ‘Mentors’

Teachers’ Portal has replaced the traditional notion of training, monitoring and mentoring. Through this online platform, every member-teacher is now connected with ‘teacher-educators’ and mentors who are accessible all 7 days a week compared to traditional ‘trainers’ whose support was available only during training sessions once every few years. They provide feedback to

teachers who upload new contents thereby continuously developing their skills and the learning materials themselves. Besides mentoring, these experts also provide rating on the basis of which 3 teachers are systematically highlighted as ‘content champions’ every week. Many champion teachers have already blossomed into mentors themselves!

Model Content

There are over 100,000 contents available on Teachers’ Portal. However, the need for ‘model’ or verified contents posed a challenge. So, in 2015 with 45 of the best teachers along with experts from the National Curriculum and Textbook Board and Teachers Training College, a2i and the Ministry of Education jointly developed over 1,000 customizable model contents of high quality covering all core subjects. Any teacher can modify any part of the model contents to suit the needs of their pupils or their style of teaching. Moreover, an offline version of these contents has also been prepared and distributed throughout the country, especially in remote schools where internet connectivity is weak or unavailable.

Motivation and Incentives through ‘Gamification’

Teachers’ Portal uses elements of ‘gamification’ in an attempt to create virtual incentives for the teachers to participate more actively. Every week, 3 teachers are selected as the best content developers based on various criteria including their online rating by fellow users. The 235 ‘winners’ to date, of which 107 have been women, not only get inspired by the recognition but it also acts as an inspiration for new members to join the platform. In a recent satisfaction survey it was found that among the 458 teachers, 89% said that the ‘best content developer’ feature is effective.

The project also facilitates the spread of stories of success in the national media. Recently, an ‘Annual National Content Competition’ was added to the system for the members of the Teachers’ Portal to take this strategy further. Thousands of teachers participate in the competition and the finalists are rewarded at national and international events like ‘World Teachers Day’ and the ‘Annual National Teachers’ Conference’. Furthermore, the portal offers a way for teachers in the rural areas to shine and earn national recognition. More than 90% of the teachers who have won the best content award to date have been from rural areas. Thus, the latent creativity and potential of rural teachers has now been unleashed through this portal. A link to an awareness video on Teachers’ Portal can be found here: <https://www.youtube.com/watch?v=hvJOoKZIYRA>

Multimedia Classrooms

Passionate, dedicated teachers across Bangladesh try their best to explain difficult and often abstract concepts using examples and even drawing images on blackboards whenever possible. However, in big classrooms with 50+ children such efforts by a single teacher fail to engage pupils. They are also let down by the predominantly black and white textbooks with few pictures or illustrations. In response to these critical teaching-learning challenges, a2i established Multimedia Classrooms (MMCs) in secondary and primary schools to utilize the outputs of the Teachers’ Portal, particularly the enhanced capacity of teachers to create interesting, multimedia educational contents on hard-to-grasp topics.

Since establishing full-fledged computer labs in schools was prohibitively expensive, Multimedia Classrooms consisting of just one laptop with internet connectivity and a multimedia projector were piloted in 7 schools. The MMCs allowed teachers to present complex ideas through audio-visual contents available on the Teachers’ Portal and elsewhere online which enabled students to take greater interest and grasp ideas that they previously found difficult to understand. Given the overwhelming positive response from students and teachers alike, the concept was fine-tuned and scaled up. There are now over 23,331 multimedia classrooms in secondary schools, an additional 14,000+ at the primary level with more in the pipeline.

Batayan Mag

Launched in 2015, 'Batayan Mag' is the e-magazine of the Teachers' Portal. It covers issues and topics of interest to any educator - from curriculum development to the integration of technology in learning. It aims to serve as an open forum for information and discussion on current trends in education, pedagogical techniques, classroom management, professional and personal development, new teaching resources and to support teachers to help promote innovation in education.

Batayan Mag is dedicated to providing a means to nurture the practice of creative writing with different articles, stories and poems. Teachers from all over the country also share their capacity building experiences and insights through the magazine. The best contributors also get an honorarium for their efforts.

Women's Empowerment Facilitated by Teachers' Portal

This platform is also supporting the cause of gender equality by reducing discrimination against female teachers as encoded in SDG-5. At present, 45.85% of total members on the portal are female teachers. According to a study, 80.7% of them said that instead of travelling to distant locations, they prefer to collect teaching-learning resources from the Teachers' Portal. As women in Bangladesh often face numerous cultural and societal restrictions on their mobility and as such are often denied training opportunities that require travelling to distant towns and staying overnight at unfamiliar locations. Since online trainings are also provided through the Teachers' Portal, it tackles this challenge head-on and thus benefits female teachers greatly.

A special documentary released on International Women's Day highlights women's empowerment through the Teachers' Portal [(https://www.youtube.com/watch?v=8TQdgmb_uYc)].

Results & Achievements

The Teachers' Portal has contributed to Bangladesh achieving the Millennium Development Goals (MDGs). Its evolution over the years means that it is well-positioned to play a key role in the country's march towards attaining the Sustainable Development Goals (SDGs). By ensuring equitable access to educational opportunities for teachers, the portal has paved the way to achieve universal primary education as per MDG 2. Moreover, by its concept and design, the Teachers' Portal is also directly contributing to SDG 4 (targets 2, 3, 4, 6, 7 and 8) by ensuring inclusive and equitable quality education and promoting life-long learning opportunities for all. Being inclusive in nature and by reaching the traditionally hard-to-reach communities, the Teachers' Portal is also ensuring equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities and indigenous peoples.

Studies show that 62% of the member-teachers benefitted by developing their communication skills; 55.4% achieved improved content development skills; 36.7% generated new ideas; and 22.3% teachers improved their classroom facilitation skills. There is evidence that Teachers' Portal is emerging as a potent online skills development platform.

Sustainability and Partnerships

Today, the Teachers' Portal is a key component in the mandatory 14-days long 'ICT in Education Training Programme' for all primary and secondary teachers. And the Ministry of Education has already approved a 5-year project focusing on the optimization of the Teachers' Portal and Multimedia Classrooms.

Performance on the Teachers' Portal has now become one of the most important criteria at the

district level for the selection of ‘best educators’. Moreover, government educational institutions such as Teacher Training Colleges, Higher Secondary and Primary Teachers’ Training Institutes, the Institute of Education and Research, the National Academy for Educational Management, relevant directorates and ministries are directly engaged with the Teachers’ Portal. Development partners and NGOs like the British Council, Save the Children, BRAC, UNICEF, Dhaka Ahsania Mission and others are also contributing ideas, contents, fund and organizing events to recognize and motivate the teachers.

Way Forward: Since its launch in 2013, more than 132,000 teachers from all over Bangladesh have registered on the Teachers’ Portal and can access more than 100,000 contents developed and uploaded by registered teachers. The target is to register 350,000 teachers by 2018 and all of the country’s 1 million teachers by 2021, in line with the 7th 5-year plan (2016-2021) and the Bangladesh’s aspiration to become a middle-income nation.

Teachers’ Portal brilliantly wraps together co-creation and access to quality multimedia teaching-learning contents, peer-mentoring, self-paced learning through practice, peer-collaboration and motivation through healthy competition and national/international recognition into one attractive and highly effective teachers’ empowerment package. The ‘gamification’ rewards quality content creation that in turn drives sharing and downloading by teachers. However, precisely how they are being used in the classroom is not yet being tracked comprehensively. The Teachers’ Portal and how it empowers teachers is not an end in itself; rather, it is the means to enhance learning outcomes for millions of students throughout Bangladesh. Thus, moving forward, for this platform to truly prove its worth, this critical aspect needs to be studied more rigorously and measured.

4.1.27 Access to Information (a2i)

Bringing Innovative Services to Citizens

In Bangladesh, citizens have to travel long distances, often multiple times, incur high cost and endure considerable delays and hassle to access government services. They also lack information on how to navigate through convoluted public service delivery processes. Meanwhile, the government has to spend substantial amounts in administrative and transaction costs because of archaic, paper-based, manual processes. The centralized, hierarchical nature of decision making means that officers at the mid and field levels do not usually get the opportunity to contribute. Although they are better placed to offer useful ideas to improve service delivery, they do not have the resources or an environment conducive to experiment with potential solutions.

Introduction: In Bangladesh, centralized policy making, opaque manual processes and a lack of skills, resources and platforms within civil bureaucracy to improve services frustrated citizens and increased the scope for rent-seeking. This meant that underserved citizens had to spend a lot of money, time and endure considerable hassle to access public services.

In this context, the Access to Information (a2i) Programme at the Prime Minister’s Office, with support from UNDP and USAID, was started in 2007 with the objectives of increasing transparency, improving governance and public services and reducing inefficiencies in their delivery in terms of ‘TCV’ – the time (T), cost (C) and number of visits (V) associated with obtaining government services for underserved communities in Bangladesh. The project entered

its second phase in 2012.

a2i is the facilitator from the Prime Minister's Office of the Bangladesh government's innovation agenda, Digital Bangladesh. It works as an innovation intermediary through a whole-of-government approach – that is, rather than limiting itself to certain ministries and government organizations, it brings together all relevant stakeholders and supports, suggests and curates their work to catalyze truly unprecedented transformations in service delivery.

a2i focuses primarily on bringing information and services to citizens' doorsteps (and increasingly within the palms of their hands) by harnessing modern ICTs, local knowledge and global best practices to:

- Establish both physical and virtual one-stop access points
- 5,000+ Digital Centres
- 42,000+ offices and over 1,000 government forms in the National Web Portal
- 27,831 Multimedia Classrooms
- 64 District E-Service Centres

Culture of Innovation: Transforming Service Delivery

a2i's unique, simple and powerful model of 'innovation' revolves around:

- Reducing TCV (time, costs, visits)
- The methodology of Service Process Simplification (SPS)
- The Service Innovation/Challenge Fund
- Capacity development for innovation
- Celebrating innovation

Reducing TCV has become the byword for innovation within the Bangladesh government. It has replaced confusing and frequently misinterpreted jargon (like the term 'innovation' itself). Reducing the time, cost and number of visits it takes for citizens to access public information and services offer simple parameters to measure and communicate positive change through the creation or enhancement of utility.

Service Process Simplification (SPS) enables government officials to simplify public services and their delivery systems by mapping them out and improving them using citizen-centered design principles. By leveraging the government's commitment to ensuring citizens' right to information, SPS has ushered in an era of unprecedented service delivery reform, demonstrated substantial TCV reduction and become a vital imperative before the digitization of services. The effectiveness of this process is further validated by the fact that each Annual Performance Agreement signed between the Cabinet Secretary and the Secretary of a particular Ministry now mandates simplification of at least one service and digitization of a service every year.

The Service Innovation Fund was launched in March 2013 to provide seed funds and incubate cost-effective, citizen-centered design innovations for improving public services. SIF not only provides talented government officials with the recognition, resources and an environment conducive to experiment with potential solutions, it also encourages localized, home-grown solutions and is open to all. Nearly half of the 2,500 plus proposals to the Fund came from the private sector, NGOs, universities and even individual innovators. Anyone can apply online any time, the whole year round for grants worth up to USD 32, 000.

As part of its attempt to institutionalize the culture of innovation, a2i has also catalyzed the formation of nearly 1,000 'Innovation Teams' comprising 5000+ officers from all units and tiers of the government; that is starting from the ministry all the way down to the sub-district level. Led by Chief Innovation Officers these Innovation Teams represent an effort to build champions who will foster a peer support network and collaborative behavior within and across government offices.

To build their capacity, service innovation workshops and camps are organized where providers' ideas mash with consumers' viewpoints and the participants are introduced to innovation tool kits developed by global experts like Nesta and Stanford Design School. Tapping into the popularity of social media in Bangladesh and its cost-effective scalability, a 'Public Service Innovation' Facebook page has been established to spread ideas and encourage interaction. 240 more Facebook pages have been opened by ministries, directorates, district administrators and various government offices. District Administrators regularly organise 'Social Media Sanglaps' (consultations) through YouTube channels to connect with field level officials and citizens' representatives and work on urgent issues of public interest such as food adulteration and child marriage.

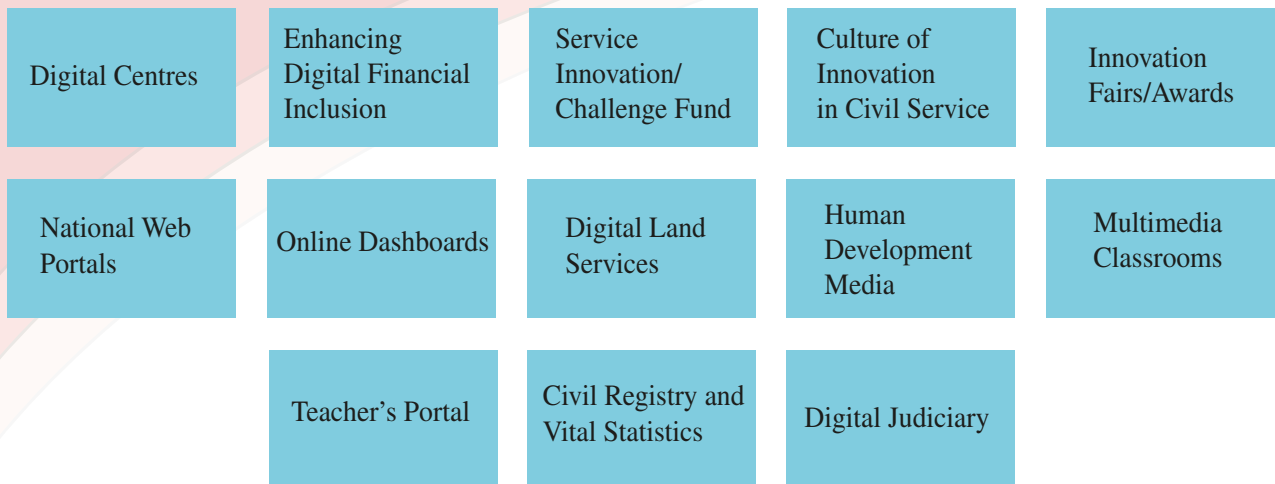
Celebrating the successful case studies of innovation in public service delivery in an unprecedented way through national and district level Innovation Fairs and awards is an important element of the strategy to make the entire innovation culture public facing. Innovation Awards are given out by national figures in these fairs, with the head of state awarding the best innovators nationwide. Print and electronic media are heavily utilized to showcase and put public innovators under the spotlight. These fairs and awards both recognize and incentivize innovation and enhance the knowledge of Bangladeshi citizens about the government's proactive efforts to develop an array of more affordable, quality services that are easier for them to access.

Key Initiatives:

a2i is empowering both state and non-state innovators to think and to work creatively, dare to experiment, dare to fail and embrace all that new technology and new ideas can bring. Together, these initiatives are giving rise to a public service innovation ecosystem and leading to a fundamental change in the way Bangladesh responds to service innovation challenges and creates better services that are easier and less costly for citizens to access.

Tapping into the popularity of social media in Bangladesh and its cost-effective scalability, a 'Public Service Innovation' Facebook page has been established to spread ideas and encourage interaction. 240 more Facebook pages have been opened by ministries, directorates, district administrators and various government offices. District Administrators regularly organise 'Social Media Sanglaps' (consultations) through YouTube channels to connect with field level officials and citizens' representatives and work on urgent issues of public interest such as food adulteration and child marriage.

Figure 26: Digitization of Bangladesh Public and Private services



Key Achievements

Citizens can now pay their electricity, gas and phone bills and conduct banking transactions through mobile phones and consult with doctors from remote rural areas. Application for land records through the internet, university admissions through SMS, online tax submission, e-notification services for farmers and patients, are some examples of how a2i is bringing information and services to citizens’ doorsteps and increasingly within the palms of their hands. a2i has empowered hundreds of civil servants to redesign services in a citizen-centric manner and launch ‘innovation projects’ around the country, especially at the field level. Over 100,000 civil servants and thousands of Digital Centre entrepreneurs have been trained to implement e-services. Tens of policies and laws have been reformed with support from a2i to sustain many of these changes.



Table 18: Digitalization of Services in Bangladesh

The 5,000+ Digital Centres - one within 4 km of every citizen in Bangladesh – now deliver over 100 services – both public and private – to an average 4.5 million under-served citizens at a much lower TCV than before. With a2i's support, many government ministries have redesigned their services to make them 'e-deliverable' through these centers. Services that would require multiple trips to the district government office 40 km away are now available at the nearby Digital Centre.

On an average, time to receive services has come down by 85%, cost by 63% and the number of visits by 40%. A study of 23 services over a period of 6 years reveals that simplification and digitization saved citizens of Bangladesh over half a billion dollars.

Partnerships: a2i deliberately remains a catalyst in all initiatives and actively nurtures ownership among change champions from within all ministries, the Cabinet Division, Parliament Secretaries, the Chief Innovation Officers and their Innovation Teams, district and sub-district administrative heads, representatives from local government institutions and the Digital Centre entrepreneurs. Together, they form a2i's guiding coalition which plays a crucial role in ensuring that service reforms are successful and sustainable.

a2i's is also developing partnerships with a growing number of international organizations such as Google, Facebook, Telenor, Mozilla and several reputed international universities and foundations known for their innovative technological and social research.

Recognition: Bangladesh's leadership in innovations is being recognized internationally. The Government of Maldives and several other Southern nations have invited the a2i Team to help them establish their own innovations hub based largely on a2i's knowledge, models and methodologies. It is a great example of Bangladesh's leadership in South-South cooperation.

Bangladesh has also received the Global ICT Excellence Award from World IT and Services Alliance in 2014; and the World Summit on the Information Society Award from ITU in 2014 and 2015 for best use of ICT for information and service delivery to the underserved.

Way Forward

The New York University Economics Professor William Easterly makes a distinction between central 'planners' who design and promote top-down solutions to solving development problems and decentralized 'searchers' who "explore solutions by trial and error, have a way to get feedback....all of this in an unplanned, spontaneous way. In the last 8+ years, a2i has functioned more as a searcher than a planner. The evolution of the Digital Centres, the hunting for innovators in civil service and in broader society, management of the Service Innovation Fund, and most importantly, development of a culture of innovation are all 'searcher' behavior. However, a2i also realizes that large platforms such as the now maturing Digital Centres across the country, the National Portal, the e-Filing Dashboards in thousands of government offices, amongst others are better implemented through a 'planner' approach. Thus, a2i, going forward, will employ a 2-pronged strategy:

Further strengthening a culture of innovation not only within the civil service but also including other sections of society, especially the youth.

Supporting large physical and virtual infrastructures to aid the government to reduce TCV across hundreds of services. They will include land, judiciary, agriculture, health, and education as verticals and national ID, civil registry, e-service dashboards as horizontals. A number of information and service frameworks such as Land Information and Service Framework (LISF) and Judiciary Information and Service Framework (JISF), Portal Framework (PF) will facilitate

strong architectural foundations to include new services into these frameworks ensuring both interoperability and sustainability in the long term. The Human Development Media Foundation will be launched to harness 360 degree communication for human development.

Recognizing the urgency and importance of leveraging the growing ‘youth bulge’ in Bangladesh to fulfill the country’s aspiration to achieve middle-income status, a2i will go beyond its core innovation agenda. In its previous incarnation, the project invested significant resources in reforming education delivery and teacher training in the primary and secondary education systems. In future, a2i’s focus will be on market-based skills development. In this endeavor, a2i is already developing a 4-pronged strategy in collaboration with the Ministry of education, private and public stakeholders and the National Skills Development Council.

4.1.28 Case Study: Leveraging Social Media to Mobilize Citizens' Collective Action for Reclaiming Rivers: Eco-Movement through Social Media ----- Jail Khal in Barisal and Louhojong River in Tangail

Illegal occupiers kept control of the Louhojong River in Tangail for a while. The piled up garbage floating in the river made it look like a sewer canal. Even after multiple attempts of discussion, negotiation and initiative, the river could not be freed from encroachment.

Mr. Mahbub Hossain, Deputy Commissioner, Tangail was inspired to rescue the Louhojong River as he heard about the recovery of the ‘Jail Khal’ in Barisal by a Facebook campaign of ‘Citizen Journalism’ group. Following the example, the official also formed a citizen journalists’ group in Tangail. The issue was also posted on two Facebook pages – ‘District Administration, Tangail’ and ‘Public Service Innovation Bangladesh’.

The group commenced its river rescue operation. It was not an easy task to bring back normalcy in the 76-kilometre long Louhojong River. The activity continued for several months. From the very beginning, an intense campaign continued on Facebook. The issue was also widely discussed at the meetings of district coordination and law-order maintenance. Mass-signature collection campaign went on besides opinion-building campaign in the Facebook. Leaflets, songs, documentaries and video clips were made and shown to build public opinion and create awareness. Every move of the campaign was shared in Facebook.

On November 29, the actual rescue operation physically began. The work started from Hajrapukur to Kagmari, a stretch of two kilometres, on both sides of the Beradoma Bridge. It was a mass get-together of nearly 8,000 people including 60 government institutions, dozens of private organisations, civil society members, MPs, local government representatives, hundreds of political activists, district administrator, citizen journalists of Barisal and Tangail, social organisation ‘Poriborton Chai’, several human rights and environmental organisations, 12 UNOs with their 500 workers, 100 staff from 11 municipalities, more than hundred journalists of print and electronic media, businessmen and trade union leaders, more than 500 UDC, PDC, village police members, UP secretary, thousands of students, scouts, rover scouts, almost 100 members of transport owners-workers’ union and members of different law enforcing agencies.

They gathered in a bid to rescue the river which they compared to the ‘lung of Tangail’. The operation continued amid huge festivity. People of Tangail now can dream of a Louhojong River from where they will again get a diversified range of fishes like before. The waterways will also be re-launched. The river and the town will be free from waste and pollution. Trees will

be planted and walkways will be constructed on the riversides and so much more! The Principal Secretary, a key policymaker of the state, also expressed his interest via Facebook to learn scrutinised details of the operation. He also provided suggestions, which have amplified the participants' excitement.

Impossible things can be done if social media and citizen journalism could be sincerely used in collaboration with members of the public. The river rescue operations of the Jail Khal in Barisal and Louhojong River in Tangail are two prime examples.

4.2 NGO Success Stories

4.2.1 Financial Inclusion through Microfinance Programme of BRAC

BRAC's microfinance activities work through a unique 'credit-plus' approach, addressing the specific needs of various target populations such as rural women, youth and adolescents, landless poor, marginal farmers, migrant workers, urban poor, and small entrepreneurs. It recognizes the heterogeneity among the poor and carefully target and develop customized financial services that best meet their varying needs. Our microfinance members also have access to and benefit from BRAC's other development interventions. BRAC's microfinance clients use financial services for a range of reasons, from funding various income-generating activities, to investing in small assets, ensuring stable cash flows for consumption, building up resilience against financial shocks, to simply saving for the future. BRAC is a leading provider of financial services for the poor, operating in seven countries including Bangladesh, Pakistan, Tanzania, Uganda, Sierra Leone, Liberia, and Myanmar. It has 4.9 million borrowers locally and another 400,000 borrowers internationally.

Village Organizations: Empowering the poor is at the heart of BRAC's work. BRAC village organizations (VOs) consist of around 15 to 25 women from the local community. Not only do they provide an accessible and supportive environment through which to manage loans and savings, VOs offer a space for poor women to come together, share information, gain financial awareness, and receive support on health, social and legal issues.

Microloans and Small Enterprise Loans: BRAC services include collateral-free microloans (dabi) ranging from USD 160-5,000, given exclusively to individual women who are served by the village organizations. It also provide small enterprise loans (progoti) ranging from USD 1,300- 25,000 given to entrepreneurs of both genders to support and help expand existing small enterprises, which are too small to qualify for credit from mainstream banks.

Migrant workers: Recognizing the high costs associated with finding employment abroad, BRAC offers migration welfare loans that enable workers to access these opportunities, and cover the costs once they start earning. The service includes pre-migration counseling, document verification to avoid fraud and customized loan assistance to cover pre and post-migration costs.

Agriculture: Many microfinance clients are engaged in farming activities. To support agriculture-based activities, BRAC offers financial services to tenant farmers, and land-owning farmers that also include credit ranging from USD 130-4,000, savings, agricultural extension, and access to productive inputs such as livestock, high value crops, and machinery.

Innovation: The microfinance programme is also piloting a set of projects designed to increase financial inclusion and better meet clients' needs. This includes use of mobile money to enable easier deposit payments; the introduction of health loans and credit shield life insurance and emergency loans to reduce vulnerability of poor households to external shocks; provision of savings services to youth to promote good financial behavior and awareness from a young age; loans for job holders as well as a drive to ensure persons with disabilities that qualify for microfinance have equal access to financial services.

Client protection: Measures to ensure that clients are protected and understand the products are integrated in the design of all interventions. Borrowers receive short, financial awareness training before loans are disbursed, and anyone deemed to be at risk of default are offered a comprehensive four-day financial training at no charge. For any queries or concerns our clients have access to customer service assistants at over 1,315 branch locations, as well as a call centre. Clients are also reminded of rights and responsibilities at each VO meeting. Client protection is emphasized heavily in staff trainings and staff codes of conduct.

Table 19
BRAC microfinance in Bangladesh

Village Organizations (VOs)	283,955
Total members	5.4 million
Total Borrowers	4.9 million
Outstanding Loan	USD 1.4 Billion
Savings Deposits	USD 476 million

Table 20 : BRAC microfinance around the world

Countries	Total Outstanding(USD millions)	Borrowers
Pakistan	12	53,000
Liberia	2	13,000
Sierra Leone	3	22,000
Tanzania	24	133,000
Uganda	31	181,000
Myanmar	1	11,000

*Figures are of September 2015

Microfinance and financial inclusion

Microfinance is commonly understood to mean microcredit – or very small loans. Microfinance in fact refers to the full set of financial services that target poor and low-income households. These include savings, microcredit, and micro-insurance. These can be delivered in different ways, for example in hard cash or via mobile phone. Financial inclusion means providing access to convenient, quality, affordable financial services to the poor, in a way that ensures clients are protected, informed and able to make good money management decisions.

How does microfinance help people in poverty?

Microfinance is one of several factors helping to alleviate poverty in Bangladesh. A large body of research shows that microfinance helps by:

- making financial services accessible to the poor, who are otherwise left out of the formal banking system
- creating a multiplier effect on micro-economies, whereby borrowers move out of the informal labor market, making room for others
- reducing vulnerability to health shocks or natural disasters, as the poor can borrow or withdraw savings to resume economic activity
- smoothing consumption for borrowers who would otherwise be forced to sell assets or take very high interest loans from local lenders when there is short-term liquidity crunch.

What services do members of BRAC's microfinance programme receive?

Each of BRAC's projects is designed to offer a package of services tailored to the clients in need. These may include a combination of credit, savings, financial education, and death benefit. BRAC's agricultural microfinance clients can also access agricultural extension services and productive assets. In some areas clients can additionally access new services being piloted by the programme. These include health loans, credit shield insurance, special savings via mobile money, and emergency loans. Members of BRAC's microfinance programme also have full access to BRAC's other services in education, health, legal aid services, water and sanitation, disaster relief, according to which programmes are operating in their areas

How is BRAC different from other microfinance providers in Bangladesh?

BRAC is one of the oldest and is the largest NGO in Bangladesh. Its microfinance operations in 1973 it is now operating out of over 2,000 locations in all 64 districts of Bangladesh. BRAC is unique in that it takes a holistic approach to poverty reduction, but a highly targeted approach to microfinance. BRAC is leading the microfinance sector's work in client protection, with some of the strongest mechanisms in place to ensure clients' needs are met. This includes the largest provision of financial education to poor clients. BRAC is also doing a lot of work to integrate mobile money delivery systems, facilitating greater reach into remote areas. It also specifically targets persons with disabilities to ensure their equal financial inclusion.

Where do our funds come from?

BRAC as a whole is 70 per cent sustainable, accepting donor funding for 30 per cent of its operational budget for non-credit programmes. BRAC's microfinance operations do not rely on any donor funding. The programme is one third funded by savings, one third funded by retained earnings, and one third funded by borrowing from a commercial bank. While the microfinance programme itself is a financial enterprise, it is not a bank. This means that BRAC is charged higher rates of interest on its loan than other banking institutions that borrow, which pushes up our costs. This partly explains why microfinance providers including BRAC charge higher interest rates than commercial banks.

4.2.2 BRAC Targeting the Ultra Poor (TUP)

The TUP participants live in extreme poverty, where they struggle to meet their minimal dietary requirements and face difficulty to reach mainstream, anti-poverty programmes like microfinance. According to the latest impact assessment study, about 95 per cent of those in the programme ‘graduate’ from extreme poverty and have stayed out for six years after the programme ended. Most go on to take advantage of more mainstream opportunities like microfinance. The programme is now being adapted by other organizations in different countries around the world.

BRAC’s TUP programme has significantly contributed directly to the first millennium development goal (MDG) of eradicating extreme poverty and hunger. In the beginning of 2016, with a revised set of sustainable development goals (SDGs) being available, the programme is now looking forward to effectively mitigate the poverty situation of Bangladesh through the SDG goals, continuing to make BRAC a key constituent of the poverty eradication process. Though the extreme poor live on less than \$1.90/day, the ultra poor are the lowest earning and most vulnerable subset of this population globally.

Objective: The overall objective of the CFPR-TUP programme is to assist the ultra poor to improve their livelihoods and bring about positive changes in achieving economic, social and inspirational changes, and assist them to access mainstream development services. Consequently, the CFPR-TUP programme has been implemented as a part of BRAC’s holistic development approach geared toward inclusion and to work towards achieving the sustainable development goals (SDGs).

- Programme components
- Targeting the ultra poor
- Enterprise development and life skill training
- Asset transfer/ soft loan
- Tailor-made essential healthcare service
- Community mobilization work

Replication: The approach has been adopted in three BRAC operated countries, namely South Sudan, Pakistan and Afghanistan and piloted in eight poverty-driven countries (Ethiopia, Ghana, Haiti, Honduras, India, Pakistan, Peru and Yemen) by other organizations with supporting technical assistance from BRAC. Different international studies have shown that 75-98 per cent of the total participants of these countries met the country-specific graduation criteria, and currently more than 33 countries have adopted and successfully implemented the ultra poor graduation model.

4.2.3 Increasing Food Security through Ensuring, Manufacturing, Supply and Use of Urea Super Granule

Prilled urea is a fast realizing nitrogen fertilizer which is usually broadcasted in split that causes considerable loss of N as ammonia volatilization, immobilization, de-nitrification and surface run off. Thus efficiency of N uptake by rice plant is only 30% in the case of prilled urea. On the other hand, slow realizing N from Urea Super Granule (USG) reduces the nitrogen loss and thus increases N uptake efficiency by up to 70%. Application of USG not only reduces urea requirement but also increases rice yield by 20-25%. Hence it reduces production cost and environmental pollution. Under the circumstances, fertilizer is a crucial input for attaining food

security in Bangladesh. Therefore, fertilizer management through increasing use-efficiency of urea as USG is a proven option.

Innovation: It is an institutional level process innovation where SHOJAG, a non-government organization manufacture, supply and ensure availability of USG at farmers' level. It also builds awareness of farmers through motivation and training to increase the use of USG.

Description of the project: SOJAG started the project in January 2009 with a goal fo ensuring production, supply and availability of USG at farmers' level; awareness building, training and demonstration of USG technology at farmers' level; and increasing yield of rice but reduce cost of rice production and environmental pollution.

From 2009 to June 2014, SOJAG produced and distributed 1,692 tons of USG (3 different sizes, e.g., 0.9, 1.8 and 2.7 g) and trained around 31,063 farmers on its use. About 1,002 agriculture laborers were also trained for appropriate placement and handling of USG. In this training and demonstration process, SOJAG used video presentations (about 70) and demonstration plots (about 470), field days (about 25) and other necessary techniques.

Impact of the Project

So far, up to June 2014, about 55,000 farmers of the Dhamrai Upazila have been applying the USG instead of prilled urea in nearly 96,000 hectors during the Boro season. During 2014 Boro season, around 15,200 farmers have used 300 tons of USG in nearly 2010 hectors. It can be estimated that nearly 227 tons of urea was saved as a result of using USG in Boro season, which is equivalent to a financial savings of Tk. 3.60 million. Besides, it was noticed that in Boro season, rice production rose by 10% with 41% reduced application of N-fertilizer with the use of USG. The gross income with USG was found 10% higher with 4% less gross production cost. As reported by USG users, 600 kg/ha extra yield of boro rice produced by USG compared to prilled urea. This also had a positive impact on the overall food security situation of the area. The venture has created wage employment for 165 persons for nearly five months. Department of Agricultural Extension (DAE) of the GoB has specially awarded SOJAG for contributing to the adoption of USG technology at the field level.

4.2.4 BRAC's Pre-Primary Schools (BPPS)

Why is this intervention necessary?

Introduced in 1997, pre-primary education is a critical strategic intervention for promoting the quality of primary schooling especially for children who are first-generation learners. Pre-primary education helps children transition from home to formal schooling. The main objective of the programme is to prepare underprivileged children to enter the mainstream primary schools.

Many a times in underprivileged families, parents do not have the education necessary to teach children foundational literacy skills, nor are they equipped to meet the demands and routines of formal schooling. BEP provides a basic academic foundation, and the crucial emotional and physical development required for success in primary schools. Besides education, children with special needs are also provided with medical support and necessary assistive devices.

Key features of BPPS

- Centre-based approach with one teacher for 25-30 children
- Children aged 5-6 years
- Sixty per cent of the students are girls
- No tuition fee
- Flexible class hours
- Involvement of the community in addition to 2.5 hours of schooling per day
- The teacher is a local woman with 10 years of schooling experience
- The schools are located on catchment of mainstream primary school
- Fun and activity-based pre-school education
- Tracking former pre-primary students during their study in the mainstream primary school through mobilizing parents to ensure learning and retention

How does it ensure quality of teaching?

Preference is given to teachers who have at least 10 years experience of schooling and a senior school certificate. BRAC trains these teachers in the latest and most effective teaching methodologies in a non-formal, creative manner, encouraging effective development of children's communications, language and social skills, active hands on learning, the use of arts including free-hand drawings and other modes of class work.

What's the linkage with government schools?

After completing the one-year pre-primary course, all graduates are enrolled in the nearest government or registered non-government primary schools. BRAC staff keeps a track of these children until they complete their primary education.

Quick facts:

- 13,430 BRAC pre-primary schools
- 377,954 students, of whom 59.79% are girls
- 13,425 teachers, of whom all are women
- Million Students completed course to date, of which 61.45% are girls.

4.2.5 BRAC Primary Schools

Key features

- The one-teacher school is operated by the same teacher for the same cohort of children for a period of four years and delivers lessons in all subjects
- The school hours are flexible and fixed according to needs
- Children do not pay any fees and there are no long holidays
- Little or no homework as most of their parents are not capable of assisting them
- Children with special needs receive corrective surgeries along with devices like wheelchairs, hearing aids, glasses and ramps

- Children belonging to ethnic communities receive class lectures and course materials in their own languages up to class 2 so that they can overcome language barriers and cultural gaps
- BRAC develops textbooks and other materials for up to class 3 and government textbooks are used in classes 4 and 5
- Students are taught about social values and their rights and responsibilities coupled with basic financial education to empower them
- BRAC primary school graduates are being tracked by BRAC for further study

Mechanism to ensure quality of teaching

A typical BRAC teacher is a woman from the community in which the school is, with 10 years of schooling experience. Teachers undergo an initial 12-day training course in order to repeat basic information on teaching and learning and to enhance their teaching abilities. They subsequently participate in monthly, subject-based refresher courses and yearly orientation prior to advancing to the next class. In collaboration with BRAC University's Centre for Language (CfL), BRAC provides a two-month long (21 days each) teacher training programme in English to the teachers.

What is the linkage with the government education system?

Bangladesh government has allowed BPS students to appear for Primary Education Terminal Examination which is a fundamental board examination that takes place at the end of class 5. The effectiveness of this programme was evident when the graduates of the non-formal schools were well ahead of the country average when it came to passing grade for the primary school examination - 97 per cent success rate in 2009, and 99.54 per cent in 2010.

How does it track graduates at secondary schools?

BRAC experienced that its graduates admitted in secondary schools often cannot complete their education due to many critical circumstances. BRAC started the 'tracking of its graduates at secondary schools' programme to ensure their enrolment at the secondary level, promote regular attendance, reduce dropout rate so that they successfully complete the course. BRAC is also regularly in touch with secondary school authorities and other organizations to manage scholarships and full/half free education for BPS graduates.

BRAC's Projects

- a. Shikkha Tari: Boat School
- b. School for dropped out children
- c. Performing and fine arts
- d. Total learning experience (TLE)
- e. School for street children
- f. Social and emotional learning (SEL)
- g. Aflatoun
- h. Mobile library for BRAC Primary Schools
- i. Interactive digital content in primary education
- j. Kumon mathematics at BRAC schools

Quick facts:

- 14,153 primary schools
- 389,910 students, of whom 62.17% are girls
- 5.3 million students completed courses to date, of which 60.43% are girls
- 5.55 million students transferred to formal schools to date, of which 60.12% are girls
- 14,153 teachers.

4.2.6 BRAC's Boat School

BEP has brought primary school education to children in seasonally submerged areas by introducing boat schools, which pick up teachers and registered students from the nearest hati (settlements on tiny islands) and drop them off to their homes after classes. BRAC has named this initiative 'shikkhatari' which literally means the boat of education.

Figure 27: Boat School



Why is this intervention necessary?

Most of BPAC's boat schools are in the haor (wetland) areas of Sylhet region where during monsoon majority of the lands get completely submerged for six to seven months of the year. Economic deprivation and social inequalities due to geographical isolation keeps the children away from school and education.

Research conducted by Education Watch in collaboration with BRAC revealed that over one-fifth of the students do not have access to transport during dry season, which is doubled during wet season. According to the research statistics, 42 per cent of rural areas in Sylhet have no primary schools. The nearest formal school is often miles away. Parents are naturally reluctant to send their children, especially girls, to such distant locations. The children who do enroll in schools, which are far away, usually have irregular attendance when there is flooding. As a result of these difficult conditions, primary enrolment and literacy rates in this region lag far behind the national average. The literacy rate for children above seven is 40.7 per cent and for the adult population it is 44.4 per cent, as compared to national rates which are 48.5 per cent and 52.1 per cent respectively.

Children as well as teachers face trouble in reaching schools. Children need boat fair cost to attend schools which their parents cannot afford. Moreover lack of suitable premises and infrastructure in these areas contribute further to this problem.

The boat school initiative by BRAC is the product of a simple, yet powerful idea: if the children living in the haors cannot go to school, the school should go to them.

Objective

With the objectine of ensureing ensure qualitative primary education for the isolated and most deprived children in low lying/haor areas, BPAC introduced Baot school in the areas.

Key features

- The one-teacher school is operated by the same teacher for the same cohort of children for a period of four years and delivers lessons in all subjects
- The school hours are flexible and are fixed according to needs
- Children do not have to pay any fees and there are no long holidays
- Little or no homework as most of their parents are unable to assist them
- Children with special needs receive corrective surgeries along with devices like wheelchairs, hearing aids, glasses and ramps
- BRAC develops textbooks and other materials for up to class 3 and government textbooks are being used in classes 4 and 5
- Each boat school has a book shelf
- There is a parents' forum in every boat school where parents, teachers and BRAC staff meet for monthly discussions on issues like importance of regular attendance, health, personal hygiene, nutrition, parenting, old age treatment, preparedness for the coming school years, moral values, social awareness

Infrastructure of boat school

Boat schools are engine-operated. The boat is 42 feet in length, 10.5 feet in width and 6.2 feet by height. The body is made of steel with hardboard ceiling. It has 10 big windows (height 3 feet and width 2.7 feet each) for light and air circulation. There is a washroom with each boat school. Pure drinking water is supplied in each school. An appointed boatman takes care of the boat including ensuring cleanliness and hygiene. BPAC operates 452 boat schools under this initiates.

4.2.7 School for Dropped out children

School for children who have dropped out is a new initiative which has been piloted both in rural and urban areas. Unlike the BPS programme, which target students who have never been enrolled in any formal school or have dropped out of school within the first three years, these schools target students who have dropped out of the formal school system in class 2 or 3. Therefore, these students could be enrolled into the schools for dropout children instead of in BRAC's primary schools, and reduce repetition by following five-year courses and also save a schooling year.

Figure 28: School for Dropout children



Key features:

- Children from poor and disadvantaged background, who dropped out of formal schooling between ages eight and 12 are given a second chance at education
- Each class has 25 to 30 students
- A locally recruited teacher with at least SSC is selected to guide the same cohort of students through primary education
- Classes are held in one-room schools within walking distance of the student's residence
- Before enrolment, potential students have to appear for an aptitude test which measures the students' competence; analyzing the test scores students are placed into appropriate class
- There is no tuition fee or admission fee for these students; all the necessary learning material is provided by BRAC
- There are no long vacations; classes take place six days a week

BRAC develops a curriculum for classes 2 and 3 based on the national curriculum, however for classes 4 and 5, BRAC follows national curriculum and government-issued books; Children are taught to read, write, compute simple arithmetic, and acquire basic life skills and social values. Intensity of the bridge course is also adjusted according to the average aptitude test score. Children are taught to read, write, compute simple arithmetic, and acquire basic life skills and social values

4.2.8 BRAC's Bridge Course

Bridge course is a compulsory component of school for children who have dropped out; it is a combination of basic mathematics, English and science to stimulate basic knowledge, which student may have previously acquired. It also helps students to fill the learning gaps and increase their competence. Bridge course encourages students to attend school on a regular basis and

emphasizes on following school rules and regulations. In the school for dropout children a condensed curriculum for class 2 is covered in seven months; curriculum for class 3 is covered in the next eight months. Time allocated for classes 4 and 5 curriculums are 10 and 11 months respectively.

Table 21

BRAC's Bridge Course for School for Dropout Children

BRAC Primary School for dropout children			
	Class duration	Class 2 duration	Class 3 duration
Bridge course	-----	4 months	4 months
1	9 months	-----	-----
2	9 months	7 months	-----
3	9 months	8 months	10 months
4	10 months	10 months	11 months
5	11 months	11 months	11 months
Total	48 months	40 months	36 months

The curriculum for class 2 and 3 includes six basic subjects, which are mathematics, Bengali, English, science, social science and religion. Interaction among the teacher and students is a crucial component in the teaching and learning methods used in classroom; Bengali is a standard medium of communication. The learning environment is interactive and friendly among the teacher and peers. School for dropout children initiative reduces the repetition of class that students previously faced when they dropped out of the formal schooling in class 2 and 3.

Along with curricular activities, co-curricular activities such as physical exercise, singing, dancing and role playing are also practiced since they help develop students both physically and mentally, and also ensures higher attendance rate in school. After completing their course in the school for dropout children, the students are registered on the follow-up register and later enrolled into secondary school.

4.2.9 Performing and Fine Arts (PFA)

Since its inception in 1985, co-curricular activities in BRAC schools have been prioritized within the curriculum. To reinforce such activities, BEPC initiated performing and fine arts (PFA) in BRAC schools among primary and pre-primary students. BRAC believes that these activities help flourish social, emotional, language and communication skills of children for their holistic development. The co-curricular activities that BRAC schools emphasize on include song, rhymes, acting, storytelling, drawing, games and different practical and hands-on experiences. BRAC believes that this sort of effort not only inspires children to explore their hidden potential but also helps them to become confident.

Objectives: The main objectives of the programme are as follows:

- To introduce art and music as integrated part of learning enhancement
- To promote inner potentials of underprivileged talents on co-curricular activities
- To present co-curricular activities as tools for psycho-social, physical and emotional development
- To create a fun learning environment
- To foster love for learning, enhance creativity, and produce better prepared citizens for the workplace of tomorrow

In 2014, Bangladesh Shilpakala Academy (National Academy of Fine and Performing Arts) and Bangladesh Shishu Academy agreed to train deep shikha children in song, dance, recitation and drawing at their district level academies all over Bangladesh. This is a mark of collaboration between BRAC and the government.

4.3 Private Sector Success Stories

4.3.1 Bkash Limited: Mobile Banking

Introduction: bKash Limited is a joint venture between BRAC BANK Limited, Bangladesh, and Money in Motion LLC, USA. BKash Limited, a subsidiary of BRAC Bank, started as a joint venture. In April 2013, International Finance Corporation (IFC), a member of the World Bank Group, became an equity partner and in April 2014, Bill & Melinda Gates Foundation became the investor of the company.

Mission: By providing financial services that are convenient, affordable and reliable, bKash aims to widen the net of financial inclusion. bKash wants to provide a solution for Mobile Financial Services, built on a highly scalable Mobile Money platform, allowing the people of Bangladesh to safely send and receive money via mobile devices.

Send and receive money with minimal effort and cost. bKash provides the highest benefits to its customers at an affordable cost, enabling everyone to access the formal financial system of the economy. In addition to eliminating initial monetary costs involved in entering the banking system, bKash greatly minimizes opportunity costs such as time and effort required to access such services. This system is very convenient and its service charges are minimal and there are no hidden costs involved. One can open a bKash account on one's own mobile and experience its convenience and save unexpected and incidental costs also.

The ultimate objective of bKash is to ensure access to a broader range of financial services for the people of Bangladesh. It has a special focus to serve the low income masses of the country to achieve broader financial inclusion by providing services that are convenient, affordable and reliable.

More than 70% of the population of Bangladesh lives in rural areas where access to formal financial services is difficult and time consuming. Yet these are the people who are in most need of such services, either for receiving funds from loved ones in distant locations, or to access financial tools to improve their economic condition. Less than 15% of Bangladeshis are connected to the formal banking system whereas over 80% or 130 million have mobile phones. These phones are not merely devices for talking, but can be used for more useful and

sophisticated processing tasks. bKash was conceived primarily to utilize these mobile devices and the omnipresent telecom networks to extend financial services in a secure manner to the under-served remote population of Bangladesh.

bKash is dedicated to widening the net of financial inclusion among the people of Bangladesh by facilitating money transfer through mobile phones. bKash provides Mobile Financial Services allowing customers to send, receive, and pay money from their mobile phones. Send and receive money, or make payments the fastest way there is! bKash enables you to send money to anyone, using an advanced technology available on your own mobile phone. The recipient will receive money instantly, no matter where s/he is. Payments through bKash also make your life easier as you do not have to go back home or anywhere else to get money when you need to buy something and have run out of cash. Even if you don't have the required amount in your bKash Account, someone else can easily send you the amount in times of need.

Services

- bKash provides four type of services. These are:
- Cash- In
- Cash-Out
- Send Money
- Payment

Cash- In

This is a process of deposit money to bKash account. This service is provided in the agent point. The total process is given bellow:

- Go to any bKash Agent
- Let the agent know the amount want to Cash In
- Write down the bKash Account Number and the Cash In amount in the Agent Register
- Pay the amount of money want to Cash in
- In exchange, the agent will send balance to bKash Account.

Cash-Out

- If bKash users have sufficient balance in their bKash Account, users can withdraw cash anytime. There is two way of withdraw money from bKash account, one option is from agents and another is from BRAC Bank ATM Booth.
- Send Money allows you to transfer money from one bKash Account to another bKash Account. To send money the process is given bellow:
- Go to any bKash Mobile Menu by dialing *247#
- Choose "Send Money"
- Enter the bKash Account Number who want to send money to
- Enter the amount who wants to send
- Enter a reference about the transaction.
- Now enter the bKash Mobile Menu PIN to confirm the transaction

Payment

Anyone can make payments from bKash Account to any "Merchant" who accepts "bKash Payment". For example, if anyone wants to pay after shopping the process will be:

- Go to your bKash Mobile Menu by dialing *247#
- Choose "Payment"
- Enter the Merchant bKash Account Number for pay
- Enter the amount want to pay
- Enter the Counter Number* (the salesperson at the counter will tell you the number
- Now enter bKash Mobile Menu PIN to confirm

4.3.2 Mobile Banking in Bangladesh

Bangladesh is the 8th largest populated country in the world with approximately 160 million population. In Bangladesh, almost 22.4% populations are living under poverty. From this huge population only 13% people have bank account. On the other hand, there are almost 130 million mobile phone subscribers in Bangladesh. From the point of view of Bangladesh, the expansion of e-banking is opposed by the problem of institutional, infrastructure and regulatory problems. Absence of central networking system, unskilled people and absence of proper policies are lacking behind the whole system. Bangladesh Bank is developing country's e-payment system but all the banks are not able to improve their ICT system. In this scenario, it's hard to reach to mass people with current banking system. From this scenario, the concept of mobile banking emerged to reach the banking facility to the unbanked people. People also take this system as good one as 69% people believe this "mobile banking" has prospect in Bangladesh (Bank, July 2012). Mobile banking is a new banking concept in Bangladesh. Bangladesh Bank is influencing banks to operate this mobile in a serious manner to reach to the unbanked people of Bangladesh. Bangladesh Bank believes that mobile is the easiest way to reach to the rural people with the banking services.

Comparative Analysis of Performance

BRAC Bank was founded in 2001 by the largest NGO in Bangladesh. While BRAC Bank went public after its first three years in operation it remained affiliated with the broader BRAC group. A third generation bank, BRAC Bank has built its profile based on a core business of lending to the SME market, but added more retail and corporate work in recent years.

In 2011 BRAC Bank launched a 51% owned subsidiary called bKash combined with an investment from the USA-based Money in Motion. Bangladesh Bank granted permission to BRAC Bank and bKash jointly to operate the MFS business. The MFS guidelines specifically allow banks and their subsidiaries to carry out the MFS business BRAC Bank/bKash launched its operations in July 2011 and its initial MNO partner was Robi. In January Grameen Phone (GP) opened a USSD channel to bKash opening the service to GP subscribers. BRAC Bank/bKash's service is delivered over the Fandom platform initially developed in South Africa which has since been acquired by Visa. BRAC Bank/bKash has agents in all districts of Bangladesh and its aspiration is to be a large scale provider of MFS reaching tens of millions of Bangladeshis in a few years' time. BRAC Bank/bKash are cautious that the service would not be profitable for another 4-5 years. BRAC Bank/bKash has also received a \$10 million grant from the Bill and Melinda Gates Foundation and technical assistance from Shore Bank International to support the launch of its MFS services. BRAC Bank/bKash also partners with BRAC to identify and train

new agents in addition to receiving agents from Robi and also searching for agents directly. From BRAC Bank/bKash perspective, the main challenge is to establish sound commercial agreements with MNOs. The other challenge is to motivate agents and clients to begin to use the service more actively. BRAC Bank/bKash believes building the business will take more time, scale and awareness building.

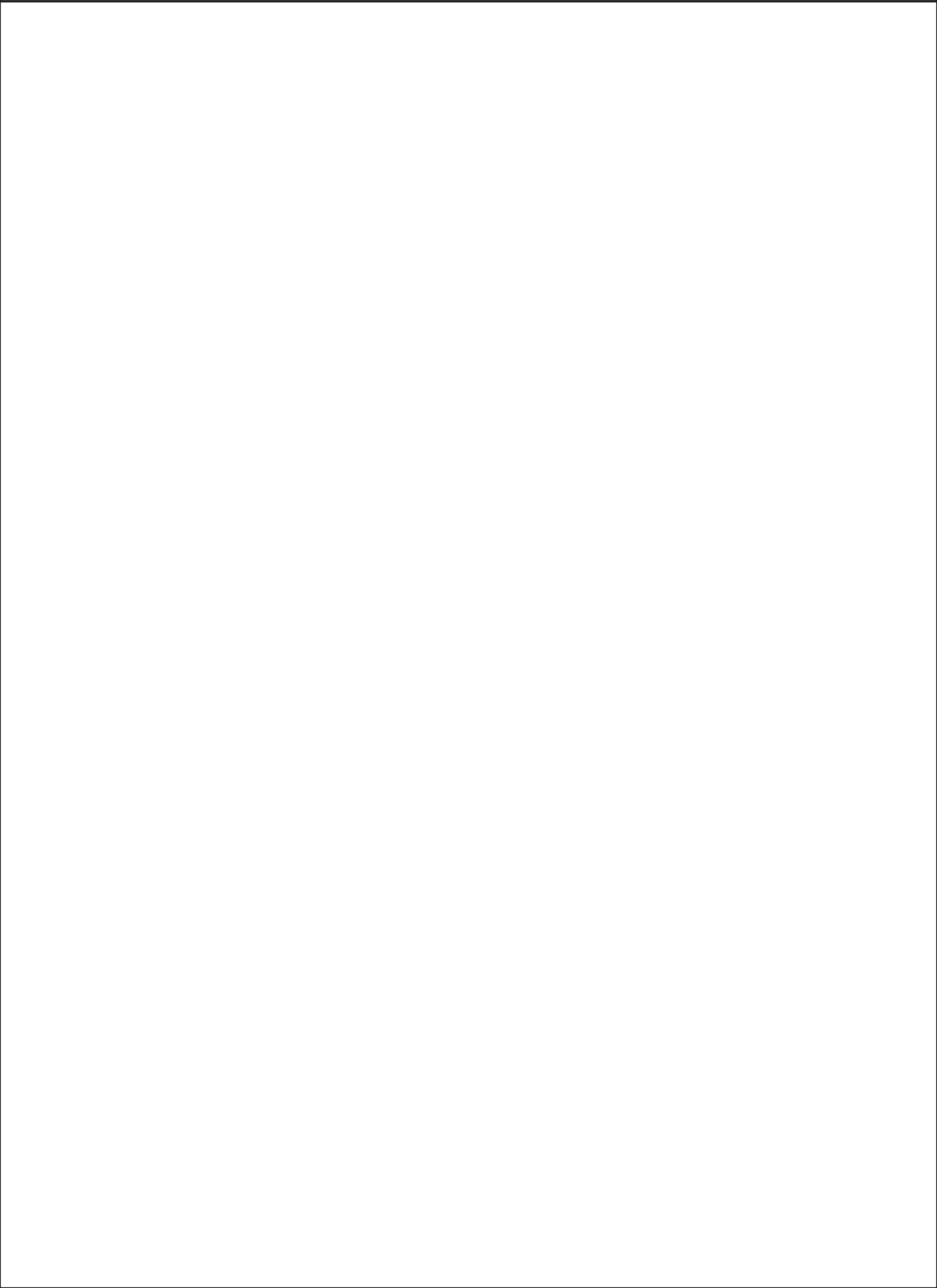
Market Share: Mobile financing industry is very new in Bangladeshi market. Now bkash is leading this market with around 71 % of market share. Along with bkash Dutch Bangla Bank Limited (DBBL) mobile banking have the 24% of market share. Mainly bkash and DBBL mobile banking cover the most of the market. Others company such as Trust Bank, Mercantile Bank, Eastern Bank and others covers 5% of total market share.

Uniqueness: One of the most important site of any product or service branding is its uniqueness. If we see the branding of bkash and DBBL, both the company try to be unique in their branding. Beside this if we compare this two then bkash branding is more unique then DBBL. bKash have boat branding, Car Sticker branding, Drama Branding, on the other site DBBL try to Branding in a traditional way newspaper advertisement and TVC. In bellow I show some picture of unique branding of bkash

Target Audience: In this industry the main target audiences are rural and low income people in our country. MFS try to provide banking service to the people who are usually not interesting in banking so that the company are branding their products to the target market. If we see the all TV Commercials of bkash and DBBL, they show scenario of rural people.

Other institutions inspired by bkash: Some other banks are also using this mobile banking concept of bkash in their banking system. Such as the Islami Bank Bangladesh Ltd. is operating mobile banking named mCash and the Dutch-bangla Bank Ltd. is operating mobile banking system named Rocket.

Foreign money transfer is also being conducted by bkash. Bangladeshi people that live and work in other countries especially in the Middle East have been sending money through bkash to their families because of its convenience. Thus bkash is an innovative mechanism for money transfer and financial inclusion. It is making banking very easy and understandable to rural people at the same time people living in the cities and abroad are also enjoying the benefits of bkash.





Other South-south Best Practices

5.1 Chile Fund against Hunger and Poverty

I. Introduction

The Chile Fund against Hunger and Poverty has been created by the Chilean Government and UNDP with the purpose of strengthening the Chilean's cooperation policy through the creation and implementation of an international cooperation fund to fight hunger and poverty.

The creation of this Fund intends to contribute to the achievement of the Millennium Development Goals (MDG) by promoting South-South Cooperation strategies, sharing the Chilean experience in economic and social issues, as well as the design, implementation and assessment of public policies with countries of the same or lower relative development.

II. Background

In order to finance Chile's contributions to UNITAID and other initiatives to fight hunger and poverty in the World, on December 1, 2006, Chilean Congress approved a law which authorizes contributions on behalf of the Government to up to \$5 million per year. These resources were approved as part of international initiatives against hunger and poverty, and are required to be channeled for such purpose, through the Funds, Programs and Agencies of the United Nations System. Since that year, Chile has implemented this innovative mechanism of international cooperation, contributing with approximately \$20 million to fight hunger and poverty around the world.

On the other hand, United Nations member states have recognized the need to approach development issues from an associative, multilateral perspective; which was acknowledged as one of the Millennium Goals, specifically reflected in Goal 8: developing a global partnership for development. The search for innovative funding mechanisms, as well as the South-South Cooperation (SSC) appears then as a key element to achieve such goal.

It is currently recognized that South-South cooperation not only helps strengthens technical capabilities of the countries involved in such exercise, but also contributes in strengthening bonds that are useful to draw nations closer together, and for fostering dialogue on areas beyond the activities within the framework of Cooperation exercises.

The United Nations Country Team in Chile, formed by the heads of the United Nations Agencies present in the country, identified South-South Cooperation within Latin American, the Caribbean and other countries as one of the five priorities within the Assistance Framework for Development of the United Nations System in Chile (UNDAF) for the period 2011-2014. UNDAF's goal is to support the consolidation of Chile as a middle income contributing country, by enabling systemization of what the country has to offer for international cooperation as well as identifying other countries' demands and channeling them efficiently. It proposes to foster the creation of cooperation initiatives and best practice exchange among the governments, civil society organizations of Latin American and Caribbean countries, as well as other developing countries, thus complying with the Goal number 8 of the MDG.

The Country Program 2011-2014, as agreed between the UNDP and the Chilean Government, considers South-South cooperation as part of its joint programme.

The Chilean Government considers international cooperation for development and the compliance with the MDG of vital importance. Within such context, one of the priorities of its foreign policy's priorities is to increase cooperation, which is considered as an essential component of such policy and an efficient tool in the compliance with its goals. It is within such framework that the Chilean Government has decided to encourage the creation of a special Fund to fight hunger and poverty in lower and middle income countries, with part of the resources collected as a result of Law N°20.138 with the collaboration of the United Nations Development Program.

III. Strategy

The Chilean Government and the UNDP Office in Chile have agreed to enhance mutual cooperation to achieve MDG at an international level. The proposal is to achieve such purpose by creating and managing a Fund to support cooperation projects to fight hunger and poverty in countries of equal or lower relative development.

The Fund's aim is to satisfy the needs and priorities of requesting countries integrating in the execution of its activities, state or government entities both Chilean and foreign, as well as civil society and academic organizations. The purpose is to efficiently respond to demands of different nature, in a timely manner while focusing in those areas where the Chilean experience against hunger and poverty may be used as a good practice for other countries.

IV. Fund's Operation

The Chilean Government and the UNDP will be responsible for the design, preparation, assessment and supervision of the activities financed by the Chile Fund Against Hunger and Poverty. For this purpose, a Steering Committee has been established, which is responsible for all final decisions regarding selection of projects and monitoring of their adequate implementation.

1. The projects submitted must aimed at contributing to the achievement of the Millennium Development Goals and the fight against hunger and poverty in countries of equal or lower income than Chile. The Steering Committee will prioritize for the first round projects in Haiti, Guatemala, Salvador, Nicaragua, Surinam, Guyana, Ecuador, Paraguay, Bolivia, CARICOM countries and Palestine.
2. Projects and activities aimed to deliver international cooperation on issues where Chile has shown significant achievements in public policies, and particularly those oriented to knowledge and experience transfer shall be prioritized. Initiatives in areas such as: Malnutrition, Food Security Fostering Employment and Decent Employment, Design of Social Programs, among other shall be funded.
3. Projects may include activities such as: experts exchange, missions, scholarships, volunteer work, training (courses, seminars) among others. Infrastructure or the purchase of assets (including vehicles for example) will not be eligible.
4. Public and private institutions will be eligible to participate, as well as UNDP offices and other United Nations agencies, as defined by the regulations established by the Steering Committee.

5. Project will need to be submitted before due dates defined by the Committee.

6. The Steering Committee integrated by representatives of the Chilean Government and the country office of the United Nations Development Program in Chile will select projects according to the following criteria:

- o Quality of the project's formulation and design
- o Relevance for the achievement of the MDGs and the fight against hunger and poverty
- o Priority countries
- o Coherence among results, proposed activities, budget requested and chronogram
- o Impact and potential for sustainability of the proposed initiative
- o Contribution of the implementing institution to the project (not necessarily financial)

Amount and duration of the projects

The Fund shall finance projects of up to **\$200,000**, with one-year duration. Projects need to be submitted to the Steering Committee by filling the Project Profile.

VI. Projects' Formulation

The project profiles selected by the Committee for financing will be required to complete a Results and Resources Framework, with a detail of the activities to be carried out, budget, indicators and performance chronogram.

All financed projects will be required to accompany implementation with a visibility strategy aimed at communicating the activities carried out, results obtained and individuals and groups benefitted by the intervention supported by the Fund.

Summary: Chile Fund against Hunger and Poverty was established by the Government of Chile and UNDP in order to promote Chile's international cooperation and the promotion of successful public policies through the implementation of a fund to fight hunger and poverty, in accordance to Chile's commitment to the MDGs and, now the SDGs.

Financed by the Government of Chile, the Fund's geographical scope includes countries of the same or lower relative level of development than Chile in Latin America and the Caribbean, the island nations of the Pacific and Africa. Chilean NGOs & Public Institutions, as well as UN Agencies, can submit proposals.

What did this experience achieve?

The creation of this Fund seeks to promote actions and projects for SSCs by sharing Chile's experiences in economic and social matters and in the design, implementation and evaluation of public policies, with an aim at producing concrete results in the fight against hunger and poverty, and encourage Chile's participation in fostering a global partnership for sustainable development.

What evidence is there that the initiative has overcome or transformed the specific needs to which it responds?

Number of direct beneficiaries from the projects in areas such as:

- Emergency housing: 608 families
- Training for professionals: 152 persons
- Training for local leaders: 100 persons
- Education: 1,184 children
- Socially Adapted Technologies: 460 families

- Vegetable gardens for family consumption: 635 families
- Number of actions implemented: 47 projects Number of countries that have received a SSC action:
37 countries
- Number of Chilean institutions involved (NGOs and government institutions): 38 Chilean institutions (22 NGO & 16 government and UN System Institutions)
- Number of key thematic issues of the Chilean Cooperation Policy considered in the actions: 7

What instruments, tools or methodologies have been developed to support or facilitate the transfer/replication of the solution or experience in other countries?

Open and competitive calls for Chilean NGOs, as well as public institutions: The Fund has developed and perfected a methodology to award funds to the highest-scored proposals on pre-established technical criteria, promoting feasible and efficient projects to ensure the achievement of results.

There are open informative sessions for candidates to help them in the project design stage and to solve any questions regarding the formats. There is a continuous support of UNDP and the Cooperation Agency in the implementation process through monitoring and evaluation activities.

The Fund is financed with resources provided directly by the Chilean State and raised specifically by levying supportive contributions from each plane ticket for international flights. The financial mechanism established by a specific law provides year to year predictable resources and financial stability, which enables the Fund to endure despite a change of government or a financial crisis.

What assessment and or/analysis actions of the current context have been advanced to adapt the experience to other country?

Evaluation of the First Phase gave an opportunity to identify key issues, best practices and incorporate lessons learned in the Second Phase of the Fund.

Visibility of the initiative worldwide to promote it to other countries

Request of information by other UNDP COs, UN System Agencies and other bilateral cooperation agencies on how the Fund works.

Why this experience or project has potential of replicability in other countries?

This is an innovative mechanism to strengthen international cooperation from middle income countries that have transitioned from net receipts to net contributors for international development. The connection with UNDP serves as a basis for replicating a similar model in other countries of a similar income level.

Who were the partners?

- UNDP CO Chile
- Ministry of Foreign Affairs of Chile (donor),
- Chilean International Cooperation Agency, both part of Steering Committee and the Technical Secretariat.
- NGOs, government institutions and the UN System manage the projects directly

What were the results or outcomes?

The Chilean Fund has financed 47 projects over 30 countries and has provided humanitarian aid for a total amount of 815,000 USD.

The Fund strengthens Chilean positioning and visibility as an emerging donor with a very flexible and innovative instrument for SSC that incorporates the participation of NGOs and government institutions and funds are accessed through a public call; Government Institutions have been empowered to develop SSC actions with no negative impact on their fiscal budget assignments.

Capacity building:

It has strengthened Chilean NGO's action and helped to support their internationalization. The Chilean Agency for International Cooperation has generated capacities to manage as they integrate the Technical Committee, and has aligned the Fund towards their Cooperation Policy & SDGs.

What were the challenges and/or lessons learned?

Administrative challenges: UNDP's Rules and regulations sometimes do not favor flexible arrangements to facilitate implementation

A solid local partner in the beneficiary country is crucial to the success of a project since it gives constant support and assures sustainability after the project finishes.

The ownership of the project by the national counterpart (AGCI) has helped to provide a strategic vision to further ensure sustainability, aligning the Fund to its Cooperation Policy and Strategy

UNDP role

UNDP: CO Chile is part of the Steering Committee. The Technical Committee (also composed by the UNDP) evaluates each proposal and scores according to the pre-established technical criteria, and presents the results of the evaluation to the Steering Committee for approval. Furthermore, UNDP holds an important role in monitoring and evaluation of the projects, as well as in the diffusion of the Fund, its projects and their results.

Source <http://s3award.com/campaign/detail/4732>

5.2 ECOWAS

The Economic Community of West African States (ECOWAS) was established on May 28, 1975 via the Treaty of Lagos, ECOWAS is a 15-member regional group with a mandate of promoting economic integration in all fields of activity of the constituting countries. Member countries making up ECOWAS are Benin, Burkina Faso, Cape Verde, Cote d' Ivoire, The Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Sierra Leone, Senegal and Togo. Considered one of the pillars of the African Economic Community, ECOWAS was set up to foster the ideal of collective self-sufficiency for its member states. As a trading union, it is also meant to create a single, large trading bloc through economic cooperation.

Integrated economic activities as envisaged in the area that has a combined GDP of \$734.8 billion, revolve around but are not limited to industry, transport, telecommunications, energy, agriculture, natural resources, commerce, monetary and financial issues, social as well as cultural matters. Expectations of economic integration have always been high and a lot has been accomplished by the regional group since the endorsement of the treaty which gave it the required legal teeth. Going by current assessments, the regional body has exceeded the expectations of its founding fathers. Today, the organization is being acknowledged globally as a successful regional body. ECOWAS can be seen now as a toast to a workable integration and regional co-existence.

The Vision of ECOWAS is the creation of a borderless region where the population has access to its abundant resources and is able to exploit same through the creation of opportunities under a sustainable environment. What ECOWAS has created is an integrated region where the population enjoys free movement, have access to efficient education and health systems and engage in economic and commercial activities while living in dignity in an atmosphere of peace and security. ECOWAS is meant to be a region governed in accordance with the principles of democracy, rule of law and good governance.

It was in order to realize this vision unimpeded that the ECOWAS administrative machinery based in Abuja, Nigeria, transformed its Secretariat to a Commission in January 2007. Instead of an Executive Secretary, what we now have is an empowered President of the Commission with a Vice President and Fifteen Commissioners. By their working, ECOWAS is now pre-occupied with the implementation of critical and strategic programs that will deepen cohesion and progressively eliminate identified barriers to full integration as envisaged.

Today, as the economies of African countries continue to witness steady growth, West Africa's remains one of the strongest on the continent, growing by as much as 6.3 percent in 2013 and this largely due to the collective prosperity drive of ECOWAS.

By increasing year-on growth, the region is now demonstrating that it has the potential to become financially independent and address challenges hampering its economic and social development. In this regard, the Commission is creating a favorable environment for rapid economic development through the regional integration process.

The commission also believes that regional economic growth should begin with prudent macro-economic policies. For this reason, ECOWAS is investing in the social sector and formulating economic policies within the framework of a regional development program. As it aims to improve economic integration, ECOWAS has continued to develop investment and promotion services and has already completed various investment climate study field missions in member states.

As ECOWAS enters its 40th year of existence, considerable efforts have now been made in harmonizing macroeconomic policies and private sector promotion towards achieving economic integration. These efforts have given rise to some initiatives which include implementation of the roadmap for the ECOWAS single currency program, monitoring and evaluation of performance and macroeconomic convergence, management of the ECOWAS Macroeconomic Database & Multilateral Surveillance System (ECOMAC) as well as co-operation with other regional and international institutions.

With a region energized by a common purpose, West African citizens can also take ownership for the new vision of moving from an ECOWAS of states to an ECOWAS of people by 2020. As currently set up, ECOWAS institutions draws strength from its main body-The Authority of Heads of States and Government. The others are Council of Ministers, the Commission, the Community Parliament, the Community Court of Justice, Specialized Technical Committees as well as the ECOWAS Bank for Investment and Development (EBID).

There are other Specialized Institutions comprising the West African Health Organization (WAHO), West African Monetary Agency (WAMA) as well as the Inter-governmental Action Group against Money Launder and Terrorist Financing in West Africa (GIABA). The regional group also has Specialized Agencies and there are currently three- ECOWAS Gender and Development Centre, Youth and Sports Development Centre as well as the Water Resources Coordination Center.

<http://www.ecowas.int/about-ecowas/basic-information/>

5.3 IBSA

The India, Brazil, South Africa (IBSA) Dialogue brought together three large pluralistic, multicultural and multiracial societies from three continents as a purely South-South grouping of like-minded countries, committed to inclusive sustainable development, in pursuit of the well-being for their peoples and those of the developing world. IBSA was formalized and launched through the adoption of the “Brasilia Declaration” on 6 June 2003. Its creation recognized the necessity of a process of dialogue among developing nations and countries of the South to counter their marginalization (1).

The IBSA Fund has already had some remarkable success on the ground. In recognition of the work it has carried out, it was honored with the UN South-South Partnership Award in 2006 and the UN’s MDG award in 2010 for utilizing innovative approaches to share, replicate and upgrade successful development experiences for eradicating poverty and hunger in the world. In 2012, the IBSA Trust Fund received another tribute when it received the South-South Champions Award at the Global South-South Development Expo in Austria.

The award recognized India, Brazil and South Africa Facility for Poverty and Hunger Alleviation (IBSA Fund) for their hard work in using innovative approaches to share, replicate and scale up successful development experiences for combating poverty and hunger in other parts of the world. Current IBSA initiatives include projects in Haiti, Guinea Bissau, Cape Verde, Burundi, Palestine, Cambodia and Lao PDR.

The IBSA Facility for the Alleviation of Poverty and Hunger (IBSA Fund)

The IBSA Facility for Poverty and Hunger Alleviation (IBSA Fund) is a pioneering and flagship program of IBSA which was established in March 2004 and became operational in 2006. This initiative of the Leaders of IBSA is supported and directed by their Governments and managed by the Special Unit for South-South Cooperation (SU-SSC) hosted by the United Nations Development Programme (UNDP).

The main objective of the IBSA Fund is to benefit other developing countries, particularly Least Developed Countries (LDCs) and Post Conflict Reconstruction and Development (PCRD) countries around the world in partnership with the UN. This is done by identifying replicable and scalable projects that can be disseminated to interested developing countries as an example of best practices in the fight against poverty and hunger. Projects that contribute towards attaining the Millennium

Development Goals (MDGs) are selected in partnership with interested countries in order to make a difference in the lives of communities in all parts of the world. The IBSA Fund also recognizes the important role it can play in countries emerging from conflict that face a number of developmental challenges as peace and development are mutually reinforcing.

IBSA countries utilize successful methods, technologies and initiatives based on their own experiences and work with interested countries in distributing this expertise and knowledge as they can benefit those facing similar developmental challenges. Therefore, IBSA underscores the importance of the capacity-building impact of its projects; favors local procurement; and promotes the use of Southern expertise.

While the Fund has no conditions, key principles of the IBSA Fund are that cooperation projects should be need-driven as well as locally owned and managed to ensure sustainability and continuity of development outcomes on the ground. Each IBSA country contributes US\$ 1 million per annum to the Fund. Projects have been funded in countries such as **Guinea Bissau, Cape Verde, Sierra Leone,**

Burundi, Cambodia, Haiti, Palestine, LAO PDR, and Vietnam and range from promoting food security, health, education, capacity building, rural electrification and many more. New projects in **Sudan** and South Sudan have also been approved as PCRD countries in need of support for their developmental challenges.

After discussions are initiated between Governments requesting support and IBSA representatives around the world, proposals that receive a favorable indication from one or more of the IBSA Focal Point in the three capitals are represented to the IBSA Fund Board of Directors, comprising the IBSA Deputy Permanent Representatives at the United Nations in New York. The IBSA Board of Directors meets quarterly to review and approve new projects as well as monitor the implementation of projects and provide strategic direction to ongoing activities. The SU-SSC acts as the fund manager and the Board of Directors' Secretariat and initiates contact with potential executing agencies to advance the formulation of IBSA projects as to facilitate and support implementation.

Proposals submitted to the Fund are evaluated according to the following list of criteria:

- Reduction of poverty and hunger;
- National ownership and leadership;
- South-South cooperation;
- Use of IBSA country capacities;
- Strengthening local capacity;
- Ownership;
- Sustainability;
- Identifiable impact;
- Replicability;
- Innovation
- Other Criteria:
 - Timeframe
 - Project size

The Special Unit for South-South Cooperation

The Special Unit for South-South Cooperation is the global and United Nations system-wide promoter, coordinator and supporter of South-South cooperation. The Special Unit serves a cornerstone for efforts to bring South-South solutions to bear on reducing poverty, feeding the hungry, creating jobs and sharing experience, knowledge and technology.

The United Nations Development Programme (UNDP)

The UNDP is the United Nations global development network, an organization advocating for change and connecting countries to knowledge, experience and resources to help people build a better life. With a presence on the ground in most countries, the UNDP is working with them on their own solutions to global and national development challenges.

Feedback from Partners: For further inquiries or to submit documentation or comments for the IBSA Board of Directors please contact the IBSA Trust Fund Secretariat at the United Nations Office for South-South Cooperation, or the IBSA Focal Points for their respective countries.

Table 22: IBSA's Project Development Impact Across the World

DEVELOPMENT IMPACT ACROSS THE WORLD INCLUDES:


















	<p>39,000 yearly reproductive health consultations enabled BURUNDI</p>		<p>12,000 residents provided access to safe drinking water CABO VERDE</p>		<p>6 doctors and 11 paramedics trained CAMBODIA</p>
	<p>13,000 farmers' diets enhanced GUINEA-BISSAU</p>		<p>25 villages afforded access to solar energy GUINEA-BISSAU</p>		<p>1,000 adults, mostly women, attained functional literacy GUINEA-BISSAU</p>
	<p>180,000 residents gained access to better solid waste management infrastructure and practices GUYANA</p>		<p>150 youth to be certified in masonry HAITI</p>		<p>400 livelihoods supported in waste management activities HAITI</p>
	<p>7,700 farmers' agricultural yield improved thanks to irrigation structures LAO PEOPLE'S DEMOCRATIC REPUBLIC</p>		<p>150 sheep and goat farmers to improve their livelihoods while enhancing local diets SAINT LUCIA</p>		<p>1,200 youth engaged in sports and team activities STATE OF PALESTINE</p>
	<p>Presidential Cabinet and 5% of ministerial staff trained SIERRA LEONE</p>		<p>4,500 labour-intensive jobs generated SUDAN</p>		<p>163 subsistence farmers to increase their resilience and food security TIMOR-LESTE</p>
	<p>4,000 household livelihoods enhanced through improved rice production VIET NAM</p>		<p>300 health-care staff to improve their ability to treat non-communicable diseases VIET NAM</p>		

Figure 29:Burundi



The building we inaugurated provides access to reproductive health services, including HIV/AIDS for men, women and youth, in particular vulnerable individuals... This IBSA initiative is a testimony to the solidarity among countries of the world's continents.

Dr. Sabine Ntakarutimana, Burundi's Minister of Public Health and Fight Against AIDS, 2012.

Figure 30:Cape Verde



We would like to thank IBSA for this great investment in the water sector that will guarantee the sustainability in the distribution of water to the communities. This is a structural project supported by IBSA jointly with the government and the United Nations, and that will greatly contribute to resolve the water shortages in the Municipality of Ribeira Brava and also in the island of Sao Nicolau Mr. Americo Nascimento, Mayor of Sao Nicolau, 2013

Figure 31:Guinea-Bissau



The Ministry of Agriculture and Rural Development truly appreciates IBSA projects. These initiatives model goes beyond the logic of supporting agricultural producers and seeks to embrace rural development as dynamic as a whole.

Mr. JoãoAníbal Pereira, Director of Planning, Ministry of Agriculture and Rural Development, 2013.

IBSA projects have brought numerous advantages to Guinea-Bissau. Just to name a few, after solar energy was introduced, villagers have been able to attend school at night, increase their access to water and use much less wood and gasoil – which is very important for the environment. I must also mention that working within a South-South

Cooperation framework proved to be practical and result-oriented. Julio Antonio Raul, Director General, Direction of Renewable Energy and Rural Electrification Ministry of Natural Resources and Energy, 2013

Figure 32: Haiti



Urban aesthetics and cleanliness are a side effect of this project, its main objectives are employment generation, sanitation and good governance. Its impact is a lot greater than its official title.

Mr. Jean Yves Jason, Mayor of Port-au-Prince, 2007

Figure 33: Lao People's Democratic Republic



The project financed by IBSA in Bolikhanxay will provide water during dry season and it's already gathering people to participate in the water users' and watershed management groups. Besides providing a reliable irrigation system that enables a second crop throughout the year; IBSA is enhancing food security, forest and water sources conservation and diversification. Farmers are cooperating and working side-by-side with implementers; guaranteeing ownership and fairness after the project conclusion.

Dr. Souvanny Xaysana, Vice governor of Bolikhamxay, 2013

Figure 34: Palestine



The Palestinian leadership puts special focus on the youth sector, building its capacities and providing the necessary services for its growth and empowerment ... I convey the President's appreciation to the support provided by the three IBSA countries to the Palestinian people.

H.E. Hussein Al Araj, Palestinian Authority, Chief of Staff at the Office of the President, 2011

Figure 35: Sierra Leone



The project enabled significant learning, knowledge networking and experience sharing within the South-South framework, including exchanges between Sierra Leone and Kenya on performance contracting; a study tour by the Cabinet Secretary to Ghana to share experiences on good practices to support the cabinet business processes, and a major input by the Nigeria Foreign Service Academy to Sierra Leone's reform efforts. Mr. George Pessima, Sierra Leone Chief of Staff at the Office of the President, chairing the project's Steering Committee, 2013

Figure 36: Viet Nam



This project establishing a Rice Seed Production Hub in Danang is an important initiative for agriculture and rural development of our city. The project will create positive changes in farmers' perceptions, make the plant varieties of Danang city integrated with the country's general system and establish a seed brand for efficiency of production.

Mr. Phung Tan Viet, Vice president of the People's Committee of Danang province, 2012

Figure 37: Sudan



Piloting this cooperation project with IBSA and UNDP is a very important developmental landmark for Sudan. The project addresses the core of the country's strategic priorities for poverty reduction which is employment. Most essentially, it focuses on capacitating 2000 youth with vocational skills and creating rapid employment opportunities through labor-based work

Ms. Hanim Borhan Eldeen Mohamed,
Undersecretary, Sudan Ministry of Labor and Administrative Reform, 2015

India

National Food and Security Act 2013:

<http://www.ibsa-trilateral.org/>

<http://www.sanews.gov.za/south-africa/un-honours-ibsa-fight-against-hunger>

<http://tcdc2.undp.org/ibsa/>

<http://165.65.7.68/IBSA/feedback/feedback.htm#Palestine>

5.4 Coalition for African Rice Development (CARD)

1. Background and Necessity of CARD: Since the latter half of 1990s, rice demand in Sub-Saharan Africa (hereafter referred to as Africa) has continued to rise sharply, thus expanding the volume of imports. The recent fluctuations in global grain prices have aggravated the situation and made the poor more vulnerable to the risks of food insecurity. Considering the circumstances, efforts to expand rice production in Africa are urgently needed. Since rice is considered a unique major cereal with high potential within the region for increased production, gathering international support for this crop is clearly important. This will contribute not only to the improvement of food security, but also to rural development and poverty alleviation in the region.

Based on this understanding, JICA, in partnership with AGRA, launched an initiative now known as the “Coalition for African Rice Development” (CARD) on the occasion of the Fourth Tokyo International Conference on African Development (TICAD IV) held in Yokohama, Japan in May 2008. CARD is an initiative to support the efforts of African countries to increase rice production. It also forms a consultative group of donors, research institutions and other relevant organizations to work with rice producing African countries.

2. Target of CARD: The goal of CARD is to double the rice production in Africa from the present 14 million tons/year to 28 million tons/year by 2018.

3. Potential and Approach for Increase of Rice Production: To date, increases in rice production in Africa have been attained mainly by area expansion, while yield increases, of the type realized through a “Green Revolution” in the case of Asia, have rarely been observed. A focus on rice yields should therefore be a priority. In addition an estimated 20 million ha of unexploited lowland suitable for rice cultivation exists across Africa, which if developed could provide considerable increases in rice production in a sustainable way.

4. Approach by Agro-Ecology: CARD will promote breeding and selection of improved varieties, including NERICA, improvement of cultivation techniques and increased use of inputs (water, fertilizer, etc.), while recognizing the differing requirements across the three major agro-ecologies for rice cultivation in Africa, “irrigated field”, “rain-fed lowland” and “rain-fed upland”. More specifically, CARD prioritizes the rehabilitation of existing irrigation facilities and the strengthening of water user’s associations, the establishment of a rice development model with extension for rain-fed lowland, and intensified NERICA dissemination for rain-fed upland.

5. Value Chain Approach: Recognizing the necessity to improve the quality of local rice to compete with imported rice, CARD will promote the development of a rice value-chain, including post-harvest processing, marketing and trading. Capacity Development Approach Capacity development is the most crucial issue for rice promotion in Africa, and therefore CARD will promote and support training for researchers, extension officers and key farmers engaged in rice cultivation to enhance their capacity.

South-South Cooperation Approach

CARD will seek to utilize the know-how of Asian countries which have long history and experiences in rice cultivation.

6. Framework of CARD

(1) Characteristics of CARD: CARD is a consultative group of donors, research institutions and other relevant organizations which aims to promote rice cultivation in Africa via information sharing, harmonization of existing initiatives and projects and advocacy for further investment.

(2) Implementing Bodies General Meeting: The General Meeting is the highest body for consultations, deliberations and decisions of CARD participating organizations, related to all aspects of the implementation of CARD. It will be organized once every 2 years and be attended by senior level representatives of all participating organizations.

Steering Committee: The Steering Committee is responsible for keeping good and effective management of CARD. It will meet once in a year and be attended by executive level representatives of all organizations participating in CARD who wish to join it.

Secretariat: A secretariat for CARD was set up in the headquarters of AGRA in Nairobi and began its work in October 2008. It will give all necessary support to assure the smooth implementation of CARD activities. The secretariat consists of 3 staff members seconded from AGRA, FARA and JICA.

(3) Organizations participating in CARD ('CARD Supporting Partners'): Current members are AGRA, NEPAD, FARA, FAO, WARDA, IRRI, JIRCAS and JICA. However discussions are ongoing with the WB, AfDB, IFAD, WFP, USAID, AFD, among others, who have expressed a strong interest in participating actively in CARD

(4) Candidate Countries for CARD activities: At the 1st CARD General Meeting held at Nairobi on 29th October, 2008, 21 candidate countries for CARD activities were selected and were divided into 2 groups as listed below. The groups represent two likely waves of candidate countries, with work in the 1st group already underway, while the 2nd group, generally representing more challenging contexts, will draw upon the lessons learned from the 1st group.

1st Group: Cameroon, Ghana, Guinea, Kenya, Madagascar, Mali, Mozambique, Nigeria, Senegal, Sierra Leone, Tanzania, Uganda

2nd Group: Benin, Burkina Faso, CAR, Côte d'Ivoire, DR Congo, Liberia, Rwanda, The Gambia, Togo

(5) National Rice Development Strategy (NRDS): Candidate countries are requested to prepare a NRDS, wholly owned by the government, drawing on the support of the CARD secretariat as

necessary. CARD Supporting Partners will then assess how they can support each candidate country's NRDS in order to maximize its chance of success.

Source: https://www.jica.go.jp/english/our_work/thematic_issues/agricultural/pdf/card_01.pdf

5.5 Solar Lantern Project In Rural Sierra Leone

UNIDO Solution Forum at GSSD Expo 2013

"Clean Tech for Green Industry"

Project Overview/ Project Objective:

The project was designed to use solar PV lanterns to provide basic lighting in rural areas of Sierra Leone where conventional methods of electrification cannot be economically justified.

Location: Kychom, Kambia District, Northern Sierra Leone

Sponsor: Government of India

Main Partner: The Energy and Resource Institute (TERI), India

Counterparts: Ministry of Trade and Industry, Ministry of Energy, Ministry of Local Government Rural electrification forms an integral part of Sierra Leone's overall rural transformation and poverty reduction.

Less than 1% of the rural population has access to electricity.

The productivity and health of these people are reduced by dependence on traditional fuels and technologies, with women and children suffering most.

Therefore access to modern, clean energy should be treated as a fundamental right to everybody.

Pre-Lantern Period in Kychom

Lighting Source: Crude kerosene lamps, candles and torch lights (dry cell batteries).

Eye irritation, coughing, nasal problems and fire hazards associated with the use of kerosene lamps.

A number of children reportedly fall ill of accidental kerosene poisoning every year.

The disposal of used dry cell batteries in open dumps or as litter is a common practice in Kychom.

Few individual families and businesses own small portable generators but are only used when fuel is available.

Pre-Lantern Period in Kychom

Street vendors using hazardous kerosene lamps

Food poisoning

Over the recent years, there has been significant interest from the government, donors as well as several sectors in Sierra Leone to provide reliable, modern and cost effective electricity services to the rural communities. Thus, encouraging and facilitating economic development and general improvement to the living standards of the people.

Figure 38: Lighting Source in Kychom: Crude Kerosene Lamps candles, torch lights (dry cell batteries).



Viabale alternatives

Solar photovoltaic (PV) seems to be a technically and economically attractive option. A conclusion reached after Sierra Leone's first multi-stakeholder solar energy forum organized by the Ministry of Energy (April 2010).

UNIDO Sierra Leone, with its vision to work for national sustainable development, undertook this initiative of implementing a solar PV charging project in Kychom.

Six (6) solar lantern charging stations setup at different locations in Kychom

Solar Lantern Charging Stations

Components of each station:

50 portable solar lanterns. Each lantern uses LED-based luminaries and plastic enclosure that

contains a rechargeable battery and necessary electronics.

5 junction boxes housing charge controllers. Each junction box has 10 sockets to plug-in the leads for individual solar lantern.

5 80 W Solar panels each connected to a separate junction box.

Fully charged lanterns

Kychom Chief turning on the lanterns

Setup in the Kychom Community Centre.

Operated and managed by a group of individuals who charge phones for a fee and also charge a small amount of money for receiving and making calls from their telephones. Depending on use, a mobile phone user charges a phone as often as twice a week.

There are about 2 mobile phone users per household in Kychom.

Figure 39: Solar mobile phone charging system



Depending on use, a mobile phone user charges a phone as often as twice a week. There are about 2 mobile phone users per household in Kychom.

Training of Trainers

Figure 40: Site visit to a solar charging station in India



Figure 41: Training of Local Technicians



Figure 42: Sierra Leoneans trained in India training Kychom residents to undertake servicing of the solar PV systems and lanterns.



Figure 43: Setting up of solar lantern stations by locally trained technicians



Project Commissioning

Project Impacts

Education: Motivation of teachers and students of Kychom schools

Beneficial effects of increased attendance rates, improved academic performance and the development of adult functional literacy activities.

Success rate of students in the national public examinations has increased from 0% to 60% and enrollment doubled in the last year.

Education

Job creation

A full-time workforce of three operation and maintenance technicians and one security agent have been hired at each charging station and paid directly by the Kychom Energy Committee.

The committee comprises of seven (7) members who are also on payroll.

The extension of business hours due to the introduction of modern lighting has contributed immensely to the reduction of the unemployment rate.

Figure 44: Night Classes Outside a Teacher's House



Small & Medium Enterprises

The use of solar lights instead of kerosene-powered lamps reduces the risk of food contamination, respiratory and eye defect problems.

Extended business hours beyond 6:00 PM, the standard closing time for the pre-lantern period
Transformed barely viable enterprises into more sustainable, income-generating ones.

Increase in total sales and more profitable turn over.

Health

The only health clinic in Kychom relied on kerosene lanterns, torch lights and, occasionally, generators for their lighting needs before UNIDO's intervention.

Purchasing of dry cell batteries and the supply of fuel to the clinic created logistical difficulties.

Women in labor now have clean light to have safe child delivery at any time

Less illnesses and accidents related to the usage of hazardous light sources.

Qualified health staff are maintained with solar lanterns in the clinic.

Religion

Figure 45: Night prayers at the Kychom central mosque



Gender and Poverty Reduction

The initiative is aligned with one of the UN's Millennium Development Goals (MDG 3 - Promote Gender Equality and Empower Women) and also the Sierra Leone Government's Poverty Reduction Strategy Paper (PRSP 3 - Agenda for Prosperity) 2013 - 2018.

This shows that the project has positively impacted global, regional and national indicators in accelerating women's economic and educational status by moving them from the informal to the formal sector in economies.

It has been shown that prosperous countries are those that have utilized the full potential of their population. The project's innovative approach of involving women and youth is a clear blue print for sustainable economic development in the region.

Sustainability

Training of local technicians is essential for developing local technical support, which can help make the project sustainable.

Generated income from lantern rental and mobile phone charging is used to pay salaries of employees and maintain the systems.

One positive aspect is the willingness to pay on the part of the customers, as there is 0% defaulter rate. This is a positive signal for a budding business.

Innovation

The project innovation is unique in the sense that Kychom had never had an affordable and easily accessible household solar energy/light.

Traditionally, only residents of the capital city and the three regional headquarters have access to national electricity.

This innovation has positively influenced the status quo by bringing clean electricity to a deprived rural poor community.

The innovation contributes to rural women's economic empowerment in particular, within a highly patriarchal society.

For women to be fully involved in all aspects of the project implementation is extremely encouraging not only for women's access to energy, but also for the promotion of women's economic status and gender equality.

Replicability and scaling up

The initiative will be rolled out to all rural areas in Sierra Leone, so that remote areas likely to be off the national grid will have access to affordable and sustainable energy.

The government has realized the potential of the initiative and intends to mainstream it in its plans: Government will investigate opportunities to use off-grid solar power services, and promote the creation of markets for solar technologies through the private sector.

Government's recognition of the importance of the private sector in the provision of electricity is a big leap in the fight to bring clean and affordable energy to the rural communities.

Success Factors

- Financially self-sustaining project
- Income generated helps community development projects, and maintains the system.

In addition to increasing income generation opportunities, the project seeks to complement priority government programs in education, health and sanitation in rural Sierra Leone.

Local capacities to manage, operate, and maintain the project.

Active community participation with strong sense of community ownership.

Conclusion

The Government of India-UNIDO funded biomass gasifier project is an example of technological applications that take into account social and economic needs as well as environmental concerns.

The technological development is directly geared at providing energy, comfort and a better working environment to Sierra Leone's remote rural population.

One solution for getting clean electricity to the millions of people in rural Sierra Leone who currently don't have grid power (or any power...) is to use some decentralized option such as solar PV technology.

Lantern shortage: About 600 Kychom inhabitants competing for 300 lanterns.

Source

Kelleh Gbawuru Mansaray
National Energy Consultant
UNIDO Sierra Leone

http://ssc.undp.org/content/ssc/library/solutions/partners/expo/Solar_Lantern_Project_in_Rural_Sierra_Leone_UNIDO.html

5.6 China's One-stop Service Centre Model Designing Government Services for Urban Bangladesh

UNDP, Zeroth Labs, and Tandemic created a toolkit, based on design thinking, for South-South knowledge exchange and learning.

Our assumption: Through process innovation knowledge and learning can successfully be transferred across different country contexts to achieve measurable/desirable outcomes.

The toolkit was tested as well as further developed during an exchange between China and Bangladesh around adopting China's one-stop service centre model to suit needs of Bangladesh's urban population. While the toolkit was used to transfer essential knowledge and learning around viability, functionality, and design of one-stop service centres, the methodology can also adapted to south-south initiatives around other products and services.

Summary of related activities:

UNDP, Zeroth Labs, and Tandemic facilitated the exchange on-site in Beijing, China as well as in Gazipur, Bangladesh.

In China, the design team and UNDP studied the one-stop model in depth (through conducting interviews, visiting sites, studying related documentation, etc.). The knowledge and learning was shared in detail with Bangladeshi counterparts (including three mayors) over the course of 5 days of interactive sessions.

Design thinking principles and processes were used to facilitate the exchange.

In Bangladesh, the exchange attracted the interest of three mayors (Bangladesh). Municipal officers and beneficiaries/users of future one-stop service centres informed the design process.

Several prototypes of a one-stop service centre were created in Gazipur city, with each successive one an improvement on the previous one. Prototypes underwent testing.

The three mayors endorsed the final prototypes.

Additional prototyping to take place and mayors of three cities are to initiate discussions with central government for setting up one-stop social service centres catering in their respective cities/municipalities.

How does your innovation work?

The south-south toolkit blends standard methods (such as emphasis on collection of data, preliminary research, building a strong and diverse stakeholder group, etc.) with social innovation (i.e. human-centered design thinking).

Since the toolkit was partly developed through an actual test case (China-Bangladesh exchange), it is practical in its approach.

The toolkit has several benefits over conventional approaches to South-South learning and exchange. Three main ones are,

It is context specific and works to adapt successful elements of a 'good practice' to local conditions on-the-ground; Brings actual users to the centre of the design process. Users influence the design and functional form of the service of product that is the object of the South-South exchange; Relies heavily on rigorous testing (through building prototypes) that iron out issues and challenges. This—rapid prototyping—is a highly efficient and effective process. It is markedly distinct from a typical approach, which would dive into implementing a pilot. Since the pilot hasn't undergone iterative rounds of testing it is at a much greater risk to fail. Moreover, prototyping is much cheaper, quicker and results oriented than a pilot initiative. What Evidence do you have that your Innovation works?

Prototypes created: Users and municipal officers working together created prototypes of a one-stop service centre. Successive prototypes of a one-stop shop helped perfect the design and function of the product/service (documented in case study).

End users/beneficiaries central to the process of knowledge transfer: For the first time, urban residents (of Gazipur City, Bangladesh) felt they had a key role in the planning and design of a product/service of which they were the prime beneficiaries. As such they felt confident that it would cater to their particular needs (through survey).

Achieved high-level political and stakeholder endorsement based on the results of the exercise: Four mayors from Bangladesh endorsed this iterative process that led to successive prototypes (documented). As a next step, the mayors of four Bangladesh cities are to make a collective pitch to the central government for co-financing the establishment of centres (documented).

Transformed how South-South initiatives are conducted: The exchange and application of the methodology transformed the way South-South exchanges are usually approached (feedback from mayors). It went far beyond the 'study tour' approach; essential knowledge was created and adapted. That is, the focus was to hone in on critical aspects of China's model that could then be adapted to the local context in Bangladesh.

Do you have current users or testers?

We hope that additional funding would allow further testing of the toolkit for South-South initiatives. Some UNDP country offices are using the toolkit for South-South exchange initiatives. As these South-South initiatives are in their preliminary phase, detailed results not available at this time.

What is your strategy for expanding use of your innovation?

UNDP has developed a global corporate strategy for South-South and Triangular exchange. Social innovation is a central aspect of this overall strategy. Pending funding, the innovative toolkit is ready to be tested for several cases in the pipeline for south-south knowledge transfer. The toolkit is structured in such a way that it will be further developed and updated based on further testing. Furthermore, UNDP is in the process of expanding its in-house expertise on social innovation. In the meantime, UNDP has a roster of consultants that are available on short notice to help facilitate future exchanges using the toolkit.

Next Steps: We are actively reaching out to the social innovation community to publicize our current work and have received positive feedback based on the test case (China-Bangladesh exchange). We hope that we are able to secure funding to roll out the toolkit for south-south exchanges currently in the pipeline.

Related Resources

<http://stisolutions4sdgs.globalinnovationexchange.org/innovations/south-south-toolkit-urbanisation>

Story on how it was initiated

A week long initiative called the China-Bangladesh Urban Solutions Lab kicked off at the UN compound on September 22nd. The Lab came about as a result of a meeting on solutions to reduce urban poverty between China and a number of other developing countries in October 2013. At that meeting, a number of Bangladeshi participants expressed interest in a particular Chinese model of provision of health, education, legal, housing, “hukou” and other types of essential services to urban dwellers called a “One Stop Centre”. UNDP China followed up on this request, and thus, a delegation from Bangladesh, three city mayors and one CEO, arrived in Beijing to examine these centres in more depth and assess how applicable they could be to the Bangladeshi context.

Mr. Md Nazmul Haque, Mayor of Naogaon municipality, Mr. Eckramul Hoque, Mayor of Mymensingh city, and Mr. Sultan Mahmud, Chief Executive Officer of Gazipur City Corporations participated in a series of workshops and on-the-ground site visits. An organization called “Zeroth Lab” supported the visit by introducing the visitors and Chinese counterparts to “design-thinking”.

Design-thinking is a highly interactive process of “building up” ideas. Zeroth helped the mayors and Chinese counterparts to examine different stages in the process of creating a new policy or solution to urban poverty like setting key priorities, service analysis, and assessment of transferability. This helped frame the problems the majors wanted to address, and helped them ask the right questions to work out how they could possibly reconstruct the one-stop centre to fit Bangladesh’s own context.

The head of the Bangladesh delegation, Mr. Sultan Mahmud, began by shining a light on the developmental problems of his home country. He said “it is an undying fact that all over the country, all over the world, three things are pernicious to mankind. They are poverty, disease and disaster. [Bangladesh] strives to get permanent relief from the first of the three – that is, how to combat poverty.” Later, for instance, the Bangladeshi delegation visited the One-Stop Urban Centre in Tongzhou district which has been established to provide assistance and services to local migrant workers. The Bangladeshi delegation was impressed with the very wide and impressive variety of services the Tongzhou Centre offered. But the centres could only accommodate 30 people a day. The mayors said they are often confronted with 3,000 people a day in Bangladesh. They were keen to examine how this burden could be lessened through the example of the Chinese centre, modified to fit their own circumstances.

Mr. Kalanga Joffres, a Zeroth Consultant, said “It’s clear that there are a lot of different things that the Bangladesh side can learn on how China has set up this One-Stop Centre; the question that we have paid close attention to over the course of the week is to try to figure out which pieces are transferable and which pieces aren’t.”

The knowledge-sharing initiative led by UNDP captured the essence of South-South cooperation. Opening remarks from UNDP China’s Head of Policy and Partnerships Ms. Hannah Ryder called the workshop an “innovative approach for development, demand-led ‘by the South and for the South’”, and emphasized the unique opportunity for China to also learn how to use its successes to help others solve even more complex local and global development problems in the future.

<http://www.cn.undp.org/content/china/en/home/presscenter/articles/2014/08/china-bangladesh-cooperation--using-design-thinking-for-urban-so/>

5.7 MERCOSUR

MERCOSUR is an economic and political bloc comprising Argentina, Brazil, Paraguay, Uruguay, and Venezuela. Created in 1991 as Argentina and Brazil sought to improve their diplomatic and economic relations, the bloc saw a fivefold increase in regional trade in the 1990s.

Then and Now

MERCOSUR was established in 1991 when Argentina, Brazil, Paraguay, and Uruguay signed the Treaty of Asunción. The accord called for the "free movement of goods, services, and factors of production between countries." Its signatories agreed to eliminate customs duties, implement a common external tariff (CET) of 35 percent on certain imports from outside the bloc, and adopt a common trade policy toward outside countries and blocs. MERCOSUR residents may live and work anywhere within the bloc.

MERCOSUR went beyond simply coordinating trade policy, creating political institutions that aim to go deeper than most free trade agreements. The bloc's highest decision-making body is the Common Market Council, which gathers the members' foreign and economy ministers. The group's presidency of the group rotates among its full members in alphabetical order every six months. Other governing bodies include the Common Market Group, which coordinates macroeconomic policies among members; a trade commission; a parliament, known as Parlasur; and the Structural Convergence Fund (FOCEM), which coordinates regional infrastructure projects. Trade within the bloc grew from \$4 billion in 1990 to \$20 billion in 1997, and in its first decade MERCOSUR inked trade agreements with Bolivia, Chile, Israel, and Peru. The group began trade negotiations with the European Union in 1999; those talks are ongoing.

Regional integration slowed following Brazil's currency devaluation, in 1999, and Argentina's financial crisis, in 2001. Trade disputes proliferated between Argentina and Brazil (In 2011 Argentina canceled automatic licensing for hundreds of imports, causing delays at ports and contributing to a 15 percent decline in Brazilian exports over the next year.) on money transfer services (such as bKash, Dutch-Bangla Mobile Banking, etc.) over the last few years. MERCOSUR countries have also failed to coordinate their trade policies toward third countries, such as China, on whom Brazil has unilaterally imposed anti-dumping restrictions on steel imports. Experts say better coordination would increase the bloc's collective-bargaining power.

Trade among MERCOSUR members was roughly \$108 billion in 2015, nearly three times what it had been in 2000, but it had dropped about 5 percent in that time as a share of members' total trade. Experts say this reflects a lag in integrating MERCOSUR economies to create value-added supply chains or regional production hubs. Instead, Latin America's traditional reliance on low-value-added commodity exports, particularly to China, continued during the commodities price boom of 2000s.

MERCOSUR's five full members have a combined **GDP of roughly \$2.8 trillion**, making it one of the world's largest economic blocs. By contrast, Latin America's second-largest trade group, the Pacific Alliance, which comprises **Chile, Colombia, Mexico, and Peru, has a combined GDP of about \$1.9 trillion**. MERCOSUR was created in large part to cement a rapprochement between longtime rivals Argentina and Brazil, and the two countries loom large over the group: in 2015, the countries had a combined GDP of \$2.3 trillion, roughly 83 percent of the group's economy. Around 250 million of the bloc's roughly 292 million inhabitants live in Argentina or Brazil.

Bolivia, Chile, Colombia, Ecuador, Guyana, Peru, and Suriname are associate members. Bolivia was invited to join as a full member in 2012, but that process is still under negotiation. Associate members receive tariff reductions but do not enjoy full voting rights or complete access to the

'Grand Ambitions'

MERCOSUR's founders had hoped to go beyond creating a free trade area to form a **common market similar to the European Union**, and even considered introducing a common currency. The MERCOSUR stamp is emblazoned on member countries' passports and, starting next year, license plates will display the MERCOSUR symbol. "MERCOSUR had grand ambitions," says CFR Senior Fellow Shannon K. O'Neil. "It was going to be a customs union with a political side, and those things haven't developed." A central component of MERCOSUR is the external tariff imposed on certain goods from countries outside the bloc. Free trade agreements don't typically involve them, but customs unions like the EU do. MERCOSUR "is less about opening up but actually about protecting Brazilian and Argentine industries from global competition," says Oliver Stuenkel, an assistant professor at the Getúlio Vargas Foundation in São Paulo.

Figure 46: Full & Associate Members of MERCOSUR



Membership and Democracy

One of MERCOSUR 's early aims was to cement the region's return to democracy: all of its founding members had emerged from dictatorships in the 1980s, and in 1998 signed the Ushuaia Protocol on Democratic Commitment, stating that "the full force of democratic institutions is essential" to the to the integration of MERCOSUR states and that a "rupture in democratic order" would be cause for a member's suspension.

MERCOSUR members invoked the protocol for the first time in 2012 to suspend Paraguay after the impeachment of President Fernando Lugo. MERCOSUR leaders denounced Lugo's ouster, which was a response to his handling of a deadly clash between farmers and law enforcement, as anti-democratic. (Paraguay was readmitted in 2013.) Some experts say Paraguay's suspension was largely political: Brazil was seeking Venezuela's admission to the bloc, which Paraguay's new, center-right government opposed. Asunción's suspension from the group took away its ability to block Caracas.

Venezuela joined the bloc in 2012, despite criticism that its ascension ignored President Hugo Chavez's authoritarian behavior and violated the group's democratic principles. Brazil defended the oil-rich nation's admission, with its foreign ministry saying its inclusion would make MERCOSUR a "global energy power." But by 2016, falling oil prices, economic mismanagement, and political instability had brought Venezuela's economy to a free fall, with inflation reaching 480 percent, according to the IMF. President Nicolas Maduro, facing calls for his removal, used the courts to undermine the opposition-led Congress and arrested several opposition leaders.

Venezuela joined the bloc in 2012, despite criticism that its ascension ignored President Hugo Chavez's authoritarian behavior and violated the group's democratic principles.

Meanwhile, former Buenos Aires mayor and businessman Mauricio Macri was elected Argentina's president and Michel Temer became Brazil's president following Dilma Rousseff's impeachment. They have both been less sympathetic to Maduro's administration than their predecessors. The Venezuelan government has also failed to comply with many of the group's trade regulations, which could hamper the bloc's efforts to forge trade agreements with other countries and blocs, most notably the EU.

Trade is one of the few areas in which the governments of Argentina and Brazil, who face strong opposition to reform at home, think that they may be able to achieve meaningful progress. They've been extraordinarily frustrated by having to deal with a partner that is less than fully committed to this goal," says CFR Adjunct Senior Fellow Matthew M. Taylor. In September 2016, MERCOSUR issued an ultimatum: Caracas would have until December 1 to meet its membership requirements by incorporating a joint economic agreement and committing to protecting human rights, or else be suspended. The threat came weeks after Argentina, Brazil, and Paraguay refused to recognize Venezuela's temporary leadership of the group. As of September 2016, Argentina, Brazil, Paraguay, and Uruguay were jointly leading the group; Argentina is slated to take the helm in early 2017.

Fractures and Relevance

Venezuela's possible suspension from MERCOSUR comes amid political turmoil in its largest economies. Falling commodity prices and what critics describe as economic mismanagement have contributed to negative growth in the region: Brazil's economy shrank by nearly 4 percent in 2015 and Venezuela's contracted by roughly 6 percent. Argentina, which for years had been accused of posting inaccurate economic data, confirmed in 2016 that its economy was in recession; economists projected a 1 percent contraction in its economy in 2016. Paraguay and Uruguay saw 3 and 1 percent growth, respectively.

New leadership in Argentina and Brazil and the prospect of Venezuela's suspension from the group could either revive MERCOSUR or make it irrelevant. In September 2016 the group issued a call to continue talks with the EU, with the goal of reaching a free trade agreement by 2018. (Some EU members' resistance to agriculture imports, fallout from Brexit, and growing anti-trade sentiment in Europe may hinder efforts on the EU side.) Meanwhile, Argentina became an official observer to the Pacific Alliance in June 2016, signaling an opening in the country's trade policies and possibly a willingness to look beyond MERCOSUR to increase trade.

Experts say MERCOSUR's future largely hinges on decisions made in Brasília and Buenos Aires. "Brazil and Argentina are two of each other's most important trading partners. But both countries—especially because they're going through a difficult economic time—would benefit from opening of their markets more generally," says O'Neil. "The challenge is whether they can do it together."

<http://www.cfr.org/trade/mercosur-south-americas-fractious-trade-bloc/p12762>

5.8 SAARC Food Bank

In pursuance of the decision taken in the 14th SAARC Summit held in New Delhi on April 3-4, 2007, the Heads of States of South Asian Association for Regional Cooperation (SAARC) countries signed the Agreement to establish the SAARC Food Bank. The Food Bank will supplement national efforts to provide food security to the people of the region. The agreement on Establishing the SAARC Food Bank has since been ratified by the President of India on 17th April, 2007. As per this agreement, SAARC Food Bank shall have a reserve of food grains to be maintained by each member states consisting of either wheat or rice, or a combination of both as assessed share of the country.

Under the agreement, the food bank has been authorized to start functioning with a total reserve of 241,580 tons of food grains, of which India, Pakistan, Bangladesh, Nepal, Sri Lanka, Afghanistan, Bhutan and Maldives are to contribute 153,000 tons, 40,000 tons, 40,000 tons, 4,000 tons, 4,000 tons, 1,420 tons, 200 tons and 180 tons respectively.

India's initial assessed share in the reserve was 1, 53, 200 MTs out of a total share of 2, 43,000 MTs. The assessed share is presently kept as 3, 06, 400 MTs out of a total share of 4, 86,000 MTs. The quantum of reserve has been kept in different strategic locations in the designated Godowns of Food Corporation of India (FCI). Joint Secretary(IC), Department of Food & Public Distribution has been designated as Member of SAARC Food Bank Board to represent India. The Board has considered and agreed to the proposal to designate the Central Grain Analysis Laboratory (CGAL), New Delhi as the regional reference laboratory for SAARC Food Bank. But the SFB is not yet able to reserve adequate food grains to ensure regional food security. At present, around 243,000 tons of food grains -- 153,000 tons in India, 40,000 tons each in Bangladesh and Pakistan, 4,000 tons each in Nepal and Sri Lanka, 1,200 tons in Afghanistan, 200 tons in Bhutan and 180 tons in Maldives -- are available with the SFB. The meeting proposed increasing the strategic reserve at the SFB to 400,000 tons from the present 243,000 tons, which may later be increased to one million tons.

The factors that reportedly influenced the meeting in arriving at the decision of increasing the strategic reserve to 400, 000 tons are: (a) rapid growth of population outpacing declining agricultural land in the South Asian region; (b) increasing number of hungry people putting the future of food security at risk in the South Asian region; and (c) inadequacy of the SFB to address food crisis during any emergency, as well as food security in the South Asian region.

India hosted the 7th SAARC Food Bank Board (SFB) meeting on 10-11, November, 2014 in New Delhi, India. All SAARC Member States except Afghanistan have attended the meeting. Besides, officers from SAARC Secretariat, Kathmandu and SAARC Agriculture Centre, Dhaka also attended the meeting. The meeting commenced with the handing over of the Chairmanship from representative of SAARC Food Bank Board from Bhutan to Member of SAARC Food Bank Board, India Shri Ajai Saxena, Joint Secretary, Department of Food & P.D. The meeting inter-alia deliberated the following issues:

Review of the implementation of earlier decision taken at Sixth SFB meeting
Godowns /Storage Facilities in Member States

Designating Central Grain Analysis Laboratory (CGAL), India as SAARC Food grain Testing Reference Laboratory and undertaking capacity building programme for concerned SAARC officials at Institute of Challenges/uncertainty in getting timely information for Food Bank and way out. Consideration of matter related to review of the lowering the threshold on withdrawal of food grains.

Formulation of working guidelines for operationalization of SAARC Food Bank.

On 11th November, 2014 a field visit to Indian Grain storage Management and Research Institute (IGMRI), Hapur and Food Corporation of India (FCI)'s Godowns was organized for Board Members & SAARC officials to study training facilities as well as storage systems of food grains in India. Besides, the first training on "Food grain testing, Quality control and Scientific storage" for officials of SAARC Member States at Indian Grain Storage Management and Research Institute (IGMRI), Hapur was held from 17-26, November, 2014. Participants from 5 member countries i.e. Bangladesh, Bhutan, Maldives, Nepal and Sri Lanka attended the meeting apart from 4 officers from Indian side. On the 3rd Meeting of SAARC Ministers of Agriculture held in 2016 Bangladeshi PM Sheikh Hasina stressed for speeding up the implementation of Food Bank and to make sure the objective of meeting emergency needs of any of the regional countries when and if required especially since UN Food and Agriculture Organization (FAO) and the Economic and Social Commission for Asia and the Pacific (ESCAP) agreed to provide financial and technical assistance in activating SAARC Food Bank.

<http://dfpd.nic.in/saarc-food-bank.htm>

<http://www.thedailystar.net/news-detail-160592>

<http://www.sawtee.org/publications/DiscussionPaper18.pdf>

<http://www.thedailystar.net/backpage/hasina-pushes-saarc-food-bank-1206049>

5.9 ASEAN Economic Community

The agreement on the creation of an ASEAN Economic Community signed on 22 November 2015 in Kuala Lumpur by the leading nations of Southeast Asia finally entered into force with much fanfare heralding the "awakening" of what could be defined as a new Asian power bloc. Almost echoing the European Union's Common Market of the 1950s, ASEAN seeks to allow for the free movement of goods, services and skilled labor, a major departure from what has been considered since the earliest days of its existence as a political project for peaceful regional integration. For outsiders, the AEC is the culmination of the massive integrationist leaps made by ASEAN since the early 2000s, suggesting new momentum in the integration process of this market of 600 million people. Given ASEAN's weak institutional base, reliant on a skeleton secretariat of no more than 400 staff sustained by an annual budget of barely \$17 million, there is much uncertainty as to whether ASEAN can deliver on its ambitious targets.

Significant hope has accompanied the AEC's formation. Many analysts have pointed out that integrating ASEAN economies would create the world's seventh-largest single market, and they are certainly right. However, taking advantage of this market requires dealing with its complexities and contradictions, and accommodating the vast differences and national sensibilities. The challenge of diversity is formidable enough: Politically, the somewhat unstable democracies of Indonesia and the Philippines cohabit with the Communist Vietnam and the military junta of Thailand; economically, high-developed states and top ranking economies stand along with some of the poorest countries in the world; culturally, the plurality of religions, languages, ethnicities, and ways of living is difficult to describe. To cite only one example, Malaysia and Indonesia's Muslim populations co-exist with peoples who are mostly Buddhist (as in Myanmar), alongside the predominantly Roman Catholic Philippines. Against this kaleidoscopic backdrop, it is surely reasonable to question the ability of the AEC to deliver on its promise of a seamless economic bloc. What is more, the extremely pervasive

and, some would say, blind adherence to the overarching principles of consensus and non-interference, combined with the lack of a robust and sound institutional architecture, have left intact the problem of ensuring compliance and effective implementation of targets by national governments and agencies. In spite of the various commitments entered into under the AEC, ASEAN is still missing the necessary institutional glue, which could take the form of an overarching regional mechanism that ensures the smooth coordination of the vast array of government actors from the different national sectors, ministries and agencies. The numbers speak for themselves: Although 95 per cent of tariff lines are at zero, non-tariff barriers on goods and services render cross-border trade particularly painful. Consumer laws, intellectual property rights, land codes, and investment rules have yet to be harmonized at the regional level, while the lack of common, integrated banking structures, alongside the absence of an agreement on common and acceptable currencies, are likely to hinder market access for regional small and medium-sized enterprises. Also still unresolved is the question of the free movement of labor, including in the so-called “high-skilled sector,” with many ASEAN countries imposing heavy requirements on firms wanting to employ foreigners. Meanwhile, in the shadow of the regional debate on skilled labor migration, millions of marginalized migrants deemed unskilled, from domestic workers to fishermen, illegally flit between countries. For economic integration to succeed, minimum levels of uniformity in political, economic and cultural standing among countries are essential. Given the wide development gaps between countries, combined with the lack of solid and inclusive institutional structures and agencies to govern the newly formed markets under the AEC, ASEAN as an economic project is likely to emerge as a chain of disparate markets, divided between fast-growing modern economies (ASEAN-6) and inward-looking poor countries (Cambodia, Laos, Myanmar and Vietnam, CLMV). The fact that Myanmar’s total trade was worth \$23 billion in 2013, compared with Singapore’s \$783 billion, underscores the gulf.

Against this mixed backdrop, the ASEAN Civil Society Conference and ASEAN Peoples’ Forum recently warned of the dangers of “unequal and unsustainable economic growth,” which may lead to the negative externalities of “worsening poverty, inequalities of wealth, resources, power and opportunities between countries, between the rich and the poor and between men and women.” One could argue that the Economic Community project has sought to address the line of fracture between the ASEAN-6 and the CLMV through its stated goal of narrowing the development gaps, bolstering inter alia the development of intra-regional infrastructure, and reducing the administrative burdens of national regulations on the creation of new businesses and foreign investment. However praiseworthy these objectives are, they will take decades to achieve if ASEAN does not provide the adequate institutional means and material resources to give the final impetus to economic integration.

The China Factor

With the AEC, ASEAN seeks to position itself as a competitive alternative to the rising economic and military powers of China and India, maintain its central position at the very core of the Asian “noodle bowl” of agreements and multilateral frameworks, and boost its global clout as a common bloc to counter Beijing’s aggressive policy in the South China Sea. That said, economic influence goes hand in hand with political influence, and economic integration will be of little significance if it is not backed by sound political reforms. It is somewhat ironic that ASEAN as a regional entity, whose very *raison d’être* was born out of its leaders’ burning desire to avoid the recurrence of war and establish a durable and peaceful regional equilibrium, has to date remained focused on the integration of its economic pillar. Unfortunately, in the latter realm of political and security

integration, there is no shortage of problems. The evolution of the security landscape in the Asia-Pacific region, together with the speed and scale of China's construction activities in the Spratly Islands, are likely to determine the future path of the Association. In many aspects of ASEAN inter-state relations, it is still Beijing that calls the tune, the latter capitalizing on the grouping's divides and confusion. Meanwhile, China's massive military modernization program, which is equipping the People's Liberation Army and Navy with the ability to operate in areas far beyond its waters, has fuelled unrest in the disputed region, hinting at the emergence of an "old-fashioned arms race" among Asia-Pacific nations. In a similar trend, the power struggle between China and Japan is driving a fierce naval competition in the East China Sea, while the progressive involvement of the United States in the dispute through its historical alliances with Vietnam, the Philippines and Japan has exacerbated feelings of distrust, and widely polarized the already bitterly divided member states. The U.S. rebalancing strategy, illustrated by the presence of military vessels in the South China Sea, has been regarded by China as an act of provocation, symbolizing a U.S. shift from constructive engagement to containment.

But the simple, brutal truth of the matter is that the "wait and see" posture idiosyncratic to the so-called ASEAN way of conducting business has failed to live up to its original promise to "promote perpetual peace, everlasting amity and cooperation among their peoples which would contribute to their strength, solidarity and closer relationship." The spectacular failure of the 10 ASEAN Defense Ministers to issue a joint declaration on the SCS at the biannual ASEAN Defense Ministers Plus meeting held last November is somehow reminiscent of the fiasco of the ASEAN Regional Forum's summit of 2012 under the (China-friendly) Cambodian Chairmanship. Incidents such as these make a case for a firm, resolute approach to the much divisive and contentious issue of China. Today, much of the hope rests with South Korean President Park Geun-hye's attempts at a Northeast Asian trust-politik, a strategy that aims at lumping together the three regional powers of China, Japan and South Korea in a pragmatic and functional cooperation framework, the so-called Northeast Asian Peace and Cooperation Initiative (NAPCI), to deal with matters of common concern, spanning nuclear safety, cyber security, climate change and disaster response, to name but a few. The non-participation of ASEAN in this new, innovative trilateral dialogue, perhaps best attests of the obsolescence of the organization's "hands-off" approach and informal *modus operandi* as a response to China's assertive *divide et impera* strategy.

Given these constraints, it will certainly be no easy task for the impoverished, tiny state of Laos to assume the ASEAN chairmanship in 2016. There is great uncertainty as to whether Laos will be able to provide ASEAN with the much-needed leadership and diplomatic acumen to find a common denominator among the widely diverging national views, and further the momentum of integration generated by the AEC. Strategically located at the heart of continental ASEAN and wedged between the fast-emerging states of Thailand and Vietnam, Laos has attracted considerable attention from China in recent years. In 2014, China became Laos's leading investor with funds totaling more than \$5 billion, while the Sino-Laos agreement on the building of a \$6 billion high-speed railway project as part of the PRC's 'One Belt, One Road' project offers a telling glimpse into how Laos has become a frontier for Chinese investment. An unwanted corollary of this increasingly dyadic relationship would imply a situation in which Laos faces a major political dilemma, emerging out of the discord between declared loyalty to ASEAN and actual economic dependence on Chinese investment. In this scenario, whereby the rotating chair, supposedly bound by an imperative of independence and neutrality, favors one party over another and/or accedes to external demands, would deal a serious blow to ASEAN credibility. Malaysia's leadership and principled attitude during the 2015 chairmanship turned out to be a particularly well-suited approach in these years of crucial change and uncertainty, yet Kuala Lumpur has set the bar particularly high for the small, landlocked Republic of Laos.

Connecting the Dots, Closing the Chasms

These mounting challenges demonstrate that a certain relaxation of the principles of consensus and non-interference, alongside greater emphasis on regional institution-building, are currently needed to accommodate the ever-evolving economic and security landscape in the Asia-Pacific region. This is not to suggest that an integration process along the lines of the EU, underpinned by deep institutionalization through robust governance structures and complex legal frameworks, is the remedy par excellence to ASEAN's problems. However, if ASEAN is to realize what it purports to be – “politically cohesive, economically integrated, socially responsible” and “truly people-oriented, people-centered rules-based” concert of Southeast Asian nations, it will need more than just empty statements to overcome the “say-do” chasm and address the pervasive issues of worsening poverty and inequalities of wealth, resources, power and opportunities, let alone the questions of human rights and democracy.

Inevitably, a clear core message requires a certain amount of consistency between words and deeds, between the official rhetoric and actual behavior. Over the past few years, the language of ASEAN official documents, marked with strong commitments to fundamental rights and the rule of law, has proven a hard sell for ASEAN people at a time when Thailand's military junta, led by General Prayuth Chan-o-cha, is making draconian efforts to curb freedom of expression, while Vietnamese independent writers, bloggers, and rights activists continue to face ruthless persecution by the Communist Party, regardless of the outcry generated within the international community.

Ultimately, it is clear that the workings and developments of the AEC should not be seen independently from, but rather as complementary to, the crafting of the political and security and socio-cultural communities. As member states slowly absorb the externalities generated by the AEC, ASEAN leaders may want to consider preparing the groundwork to build more stable, secure societies, deepen ties with geographical neighbors and, eventually, develop a shared sense of regional community and purpose. Otherwise, any attempt at more integration is likely to ring hollow, and all the hard work that brought about the AEC will have served only to paper over the cracks of ASEAN community-building, thereby consciously hiding the divisive tendencies and disagreements underneath the surface, and inevitably falling short of the goal of an ASEAN identity.

<http://thediplomat.com/2016/01/the-asean-economic-community-the-force-awakens/>

5.10 BIMSTEC

The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) is a regional organization comprising seven Member States lying in the littoral and adjacent areas of the Bay of Bengal constituting a contiguous regional unity. This sub-regional organization came into being on 6 June 1997 through the Bangkok Declaration. It constitutes seven Member States: five deriving from South Asia, including Bangladesh, Bhutan, India, Nepal, Sri Lanka, and two from Southeast Asia, including Myanmar and Thailand. Initially, the economic bloc was formed with four Member States with the acronym 'BIST-EC' (Bangladesh, India, Sri Lanka and Thailand Economic Cooperation). Following the inclusion of Myanmar on 22 December 1997 during a special Ministerial Meeting in Bangkok, the Group was renamed 'BIMST-EC' (Bangladesh, India, Myanmar, Sri Lanka and Thailand Economic Cooperation). With the admission of Nepal and Bhutan at the 6th Ministerial Meeting (February 2004, Thailand), the name of the grouping was changed to 'Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation' (BIMSTEC). The regional group constitutes a bridge between South and South East Asia and represents a reinforcement of relations among these countries. BIMSTEC has also established a

platform for intra-regional cooperation between SAARC and ASEAN members. The BIMSTEC region is home to around 1.5 billion people which constitute around 22% of the global population with a combined gross domestic product (GDP) of 2.7 trillion economy. In the last five years, BIMSTEC Member States have been able to sustain an average 6.5% economic growth trajectory despite global financial meltdown.

The objective of building such an alliance was to harness shared and accelerated growth through mutual cooperation in different areas of common interests by mitigating the onslaught of globalization and by utilizing regional resources and geographical advantages. Unlike many other regional groupings, BIMSTEC is a sector-driven cooperative organization. Starting with six sectors—including trade, technology, energy, transport, tourism and fisheries—for sectoral cooperation in late 1997, it expanded to embrace 9 more sectors; agriculture, public health, poverty alleviation, counter-terrorism, environment, culture, people to people contact and climate change in 2008.

II. Objectives of BIMSTEC

As stated in the Declaration of BIMSTEC, its objectives are:

- To create an enabling environment for rapid economic development through identification and implementation of specific cooperation projects in the sectors of trade, investment and industry, technology, human recourse development, tourism, agriculture, energy, and infrastructure and transportation.
- To accelerate the economic growth and social progress in the sub-region through joint endeavors in a spirit of equality and partnership.
- To promote active collaboration and mutual assistance on matters of common interest in the economic, social, technical and scientific fields.
- To provide assistance to each other in the form of training and research facilities in the educational, professional and technical spheres.
- To cooperate more effectively in joint efforts that are supportive of and complementary to national development plans of Member States which result in tangible benefits to the people in raising their living standards, including generating employment and improving transportation and communication infrastructure.
- To maintain close and beneficial cooperation with existing international and regional organizations with similar aims and purposes.
- To cooperate in projects that can be dealt with most productively on a sub-regional basis and make best use of available synergies among BIMSTEC member countries.

III. BIMSTEC's Principles: The founding principles of BIMSTEC are as follows:

Cooperation within BIMSTEC will be based on respect for the principle of sovereign equality, territorial integrity, political independence, no-interference in internal affairs, peaceful co-existence and mutual benefit.

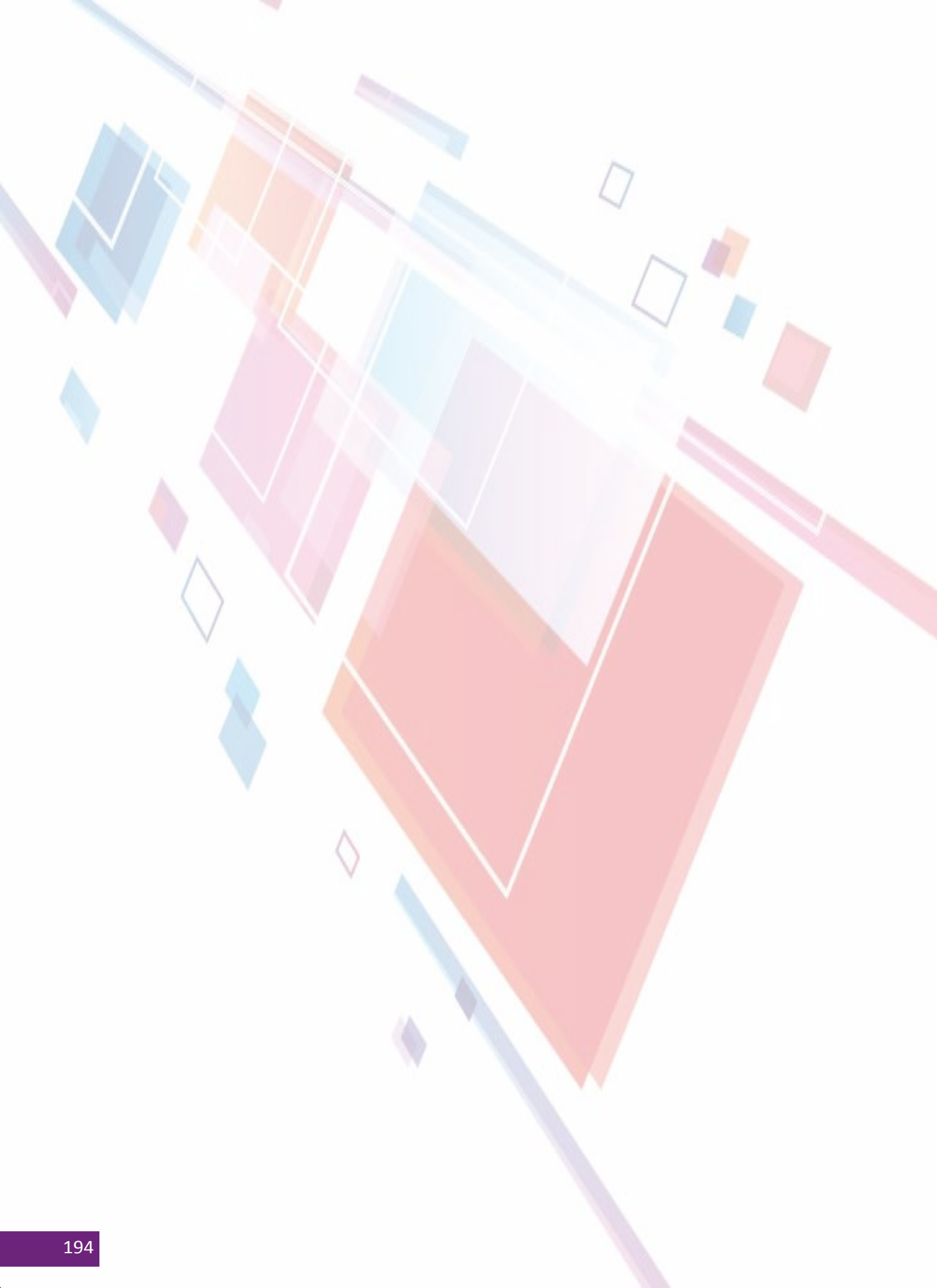
Cooperation within BIMSTEC will constitute an addition to and not be a substitute for bilateral, regional or multilateral cooperation involving the Member States.

<http://www.bimstec.org/index.php?page=overview>

***Prime Minister Sheikh Hasina gets ‘South-South Visionary Award 2014’
which is being received by Mr. Sajeeb Wazed Joy, ICT Affairs Adviser to
Honorable Prime Minister***



She has a vision to make South-South and Triangular Cooperation more effective and organized so that it can truly deliver the goals for which it was initially been set up and also help to achieve collective self-reliance and the attainment of internationally agreed development goals.





South-South & Triangular Cooperation at the UN

A Way Forward: South-South and Triangular Cooperation and Development

Currently lots of Bangladeshi workers are producing agricultural and animal products in many Middle East countries and in the process, their need to import such items from abroad have drastically reduced. Desert lands in Saudi Arabia, Oman, Qatar, UAE, etc. have been transformed into green lands. The local businessmen provide them the necessary inputs; fertilizers, seeds, and water and Bangladeshi expatriate laborers use their expertise and hard labor to produce crops and fresh vegetables and fruits. In the case of these oil-rich Middle East countries, the local businessmen hire Bangladeshi expatriate workers and they also provide necessary inputs. Such arrangements are success stories; a win-win for both the Middle-East businessmen as well as poor laborers.

Such arrangement can be replicated in many other countries. For example, take Central African Republic (CAR) or Sierra Leone. In CAR or Sierra Leone, they don't have rich businessmen like Mid-East countries. Therefore, this role can be taken up by a system of South-South and North triangular cooperation.

CAR has vast uncultivated lands. Its lands are fertile and it gets enough rainfall. Unfortunately, it is a food deficit poor country. Majority of its population are without jobs. Once it used to export lot of fine cotton. Nowadays, it doesn't export any. A South-South and Triangular arrangement can change this scenario. For example, if CAR government allows its lands to be cultivated by a group of Bangladeshi farmers on a crop-sharing basis and traditional development partners, the North if provide necessary seeds, fertilizers, technology and waters, then they can produce tons of food grain and make best use of these uncultivated lands. Such would reduce the food scarcity of CAR, add to global food stock and Bangladeshi farmers and CAR residents can have a better life. Such South-South and Triangular cooperative arrangement could be very successful and a win-win for all, the South, the North and the world at large. Similar South-South and Triangular cooperation can be replicated in other Southern countries for global welfare and growth.

Bangladesh hosted a High-level Meeting on “South-South and Triangular Cooperation in the post 2015 Development Agenda: Financing for Development in the South and Technology Transfer” held in Dhaka on 17-18 May, 2015. This meeting was held in close cooperation and partnership among the Economic Relations Division under Ministry of Finance and Ministry of Foreign Affairs of Bangladesh and the Office of the UN High-level Committee of the South-South Cooperation (UN-OSSC) and UNDP. The meeting, inter alia, called for the formation of a Forum of the Finance and Development Ministers of the South. An initiative was taken in this regard, a letter signed by the Hon'ble Finance Minister was sent to all Finance and Development Ministers of the South. A number of countries have welcomed the initiative reinforcing the need for such a Forum and has requested for further details including the composition of the Forum and its organizational structure, financial obligation of the Forum, frequency of the forum-meeting, its secretariat, etc.

A DO letter signed by the Hon'ble Finance Minister of Bangladesh was sent to 127 countries inviting them to join the Forum. In response to that letter, comments and queries came from different countries for additional information on the proposed Forum. Countries are interested to know more about the terms of reference of the proposed Forum, its organizational and governance structure, frequency of meetings, funding arrangement and overall management system.

6.1 Political declaration on strengthening amity through South-South and Triangular cooperation

Since resource requirement both funds and technology transfer for achieving the goals of SDGs, the Paris Agreement, the Sendai Declaration et al is enormous and since the traditional Development Partners (DPs) are slow in meeting their repeated promises of financing, and since many Southern countries becoming more resourceful both in terms of funds and technology transfer, it may prudent to strengthen the relationship within the South-South countries to complement of North-South Triangular relationship for the wellbeing of mankind. To strengthen and to explore the critical issues of the Southern countries, and to explore the potential of cooperation within the Southern countries, a Forum of Development and Finance Ministers of the Southern countries may be formed under the auspicious of the UN. To form such Forum, a UN resolution may be necessary with a view of have participation of all countries both developed and developing. In this context, a political declaration may be adopted. A draft declaration is presented herewith.

We, high-level representatives of Members of the Southern Countries meeting in New York on

Guided by the purposes and principles of the Charter of the United Nations,

Recalling the provisions of Chapter VIII of the Charter and all relevant resolutions of the United Nations related to cooperation between the United Nations and the Southern countries,

Declare that the informal Forum of the Finance/Development Ministers of the South, hereinafter referred as The South South Forum, on strengthening amity through South-South and Triangular cooperation constitutes an important opportunity to improve their economies, reduce their dependence, and further build upon and enhance the socio-economic emancipation of the South. We therefore:

1. Welcome the ongoing efforts of the G-77 and China, within its respective mandates, towards a more effective, efficient and coherent partnership between the countries of the South and the North;
2. Underscore the important role that G-77 and China play, in accordance with the Charter of the United Nations, in the areas of peace and security, development and human rights, and recognize that these organization is well positioned to understand the challenges and dynamics facing their region given their geographic, cultural and historical proximity, as well as information about specific local and conflict situations within their mandates, and contribute to the prevention and resolution of such conflicts;
3. Also underscore that the cooperation amongst the Southern countries has evolved over the years and that strengthening these partnership demands a new strategic level of formal cooperation in the form of a Forum for promoting the principles of comparative advantage and complementarities;
4. Reaffirm, to that regard, our determination and commitment to support efforts to strengthen cooperation amongst the G-77 countries and also with those of the traditional North in addressing challenges the developing countries are poised with and recognize that fostering cooperation amongst themselves is a common and shared objective requiring an integrated approach to address the odds;

5. Encourage all Member States to promote and support the strengthening South-South and Triangular cooperation under the ambit of the new Forum given the magnitude and complexity of challenges facing the international community and, inter alia, galvanize international support towards building the capacities of the Southern countries in economic emancipation, social development, health and educational upliftment, conflict prevention and resolution, including mediation and reconciliation, and peace keeping.

6. Reiterate that Southern countries have the primary responsibility to secure human, financial, logistical and other resources for their people, with support from the Northern partners, and welcome the valuable financial support provided by development partners in this regard;

7. Encourage the United Nations, in cooperation with the Forum, to enhance partnership and support efforts to combat terrorism in all its forms and manifestations as well as to counter violent extremism, and reiterate strong condemnation of terrorism in all its forms and manifestations, committed by whoever, wherever and for whatever purposes, as it constitutes one of the most serious threats to international peace, security and stability;

9. Reaffirm that the Forum in collaboration with the United Nations and its regional commissions and their sub-regional offices, have a significant role to play in promoting balanced integration of the economic, social and environmental dimensions of sustainable development and in this regard encourage increased cooperation among the Southern countries themselves under the ambit of the South-South cooperation, including in the areas of technical assistance, capacity building, technology transfer and information-sharing;

10. Also reaffirm our commitment to strengthen international cooperation to address the persistent challenges of the developing countries related to sustainable development, by eradicating poverty in all its dimensions, ending hunger, achieving sustained and inclusive economic growth, and promoting social equity, equality and environmental sustainability, in the context of the Agenda 2030, and underscore the need to support regional and sub-regional organizations, including through the United Nations system, in the effective operationalization and implementation of sustainable development;

11. Encourage the United Nations, its regional commissions, international financial institutes and private and civil societies, in accordance with their respective mandates and the principles of international law, to further intensify their efforts to promote freedom and respect for all human rights, gender equality and women's empowerment, the rule of law at the national and international levels, and the overall commitment to just, inclusive and democratic societies;

12. Stress the importance of Cooperation and Partnerships of international, regional and sub-regional organizations with the United Nations as well as with each other, and encourage the regular holding of dialogue on how to further strengthen cooperation, exchange views, information and lessons learned and improve cooperation, coordination, coherence and within their mandates;

13. Commend the President of the General Assembly at itssession for formally recognize the Forum and providing it with mandated responsibility towards uplifting the socio economic conditions of the developing South under an umbrella of the South-South cooperation which is not a replacement, but a complementary to the Triangular cooperation with the United Nations at the core.

6.2 Structure of the Proposed South-South Forum of Finance/ Development Ministers

The President of the UN Office of the South-South Cooperation (UN-OSSC) country would be elected as its President, and Member states of the UNOSSC from each region will be its Executive Members of the Forum, and a High-level meeting of the Forum could be arranged each year in the sideline of the UN General Assembly meeting, however, other special meeting could be arranged when needed,

The UN Office of the High-level Committee could act at its secretariat. South-South country leaderships in collaboration with the UNOSSC and the UNDP would organize briefing sessions or/and workshops on the topic in selected capitals and also at the UN with stakeholders to strengthen South-South Forum.

The President of the UNOSSC should submit a resolution to the Second Committee or the UN General Assembly whichever deemed appropriate to pass a resolution on it. However, prior to submission, it may be advisable to have few informal sessions on it with the member states or relevant stakeholders for further negotiation on the draft resolution at the UN HQ in New York. Bangladesh delegation may like to take the lead or facilitate the negotiations.

6.3 Draft Resolution on the South-South Forum

Resolution on the South-South Forum

The General Assembly,

Reaffirming its resolution 4/222 of 21 December 2009, in which it endorsed the Nairobi outcome document of the High-level United Nations Conference on South-South Cooperation,

Reaffirming also its resolution 33/134 of 19 December 1978, in which it endorsed the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries,

Reaffirming its resolution 70/1 of 25 September 2015, entitled “Transforming our world: the 2030 Agenda for Sustainable Development”,

Reaffirming its political, social and legal obligations to redress the challenges faced by the developing countries, particularly the LDCs, LLDCs, SIDS and African countries with special regard to climate change and sustainable development, ,

Recognizing that the economic meltdown of 2008 has poised the developed countries of the world in newer challenges of economic and social practice towards their obligations to the South, which at the same token ushered in a new call of the developed South to forge a partnership for the fellow countries of the South,

Recognizing also that, in the face of the declining financial and technical aid and assistance flow from the Development Partners, South-South cooperation has become instrumental to bolstering the productive capacities of developing countries and has positive impacts on trade and financial flows, technological capabilities and economic growth, and reiterating the importance of global partnerships, stressing the importance of inclusiveness within the United Nations development system and that no one is left behind and no country is left behind in the implementation of the present resolution,

Noting with appreciation the recognition of the Forum of the Finance/Development Ministers of the Southern Countries to forge a practical South-South and Triangular cooperation,

1. Takes note of the decisions adopted by the High-level Committee on South-South Cooperation at its nineteenth session, held from 16 to 19 May 2016 in Dhaka, Bangladesh;
2. Also takes note of the report of the Secretary-General on the state of South-South cooperation, as well as his report entitled “Comprehensive proposal on concrete ways to enhance the role and impact of the United Nations Office for South-South Cooperation as well as the key measures taken to improve the coordination and coherence of United Nations support to South-South cooperation”;
3. Reports with concern that, the recommendation of the Joint Inspection Unit on implementing measures to further strengthen the United Nations Office for South-South Cooperation, and in this

- regard requests continued effort to implement those recommendations that are yet remain unfulfilled;
4. Reaffirms that, the recommendation of the Joint Inspection Unit is crucial for proper upliftment of the Southern countries to equip them achieve the provisions of the Agenda 2030 and Paris declaration;
 5. Recognizes the importance and unique history and particularities of South-South cooperation, reaffirms its view of South-South cooperation as a manifestation of solidarity among peoples and countries of the South that contributes to their national well-being, national and collective self-reliance and the attainment of the Sustainable Development Goals (SDGs), which build upon the achievements of the Millennium Development Goals (MDGs) and seek to address their unfinished business, and also reaffirms that South-South cooperation and its agenda must be set by countries of the South and should continue to be guided by the principles of respect for national sovereignty, national ownership and independence, equality, non-conditionality, non-interference in domestic affairs and mutual benefit;
 6. Stresses that South-South cooperation is not a substitute for, but rather a complement to, North-South triangular cooperation;
 7. Welcomes the creation of the Forum of the Finance/Development Ministers for the Southern countries to steer up the process of sustainable development amongst the Members with particular aide and assistance from the relatively developed countries in the Group in the ambit of poverty eradication and sustainable development in accordance with the provisions of the Nairobi outcome document of the High-level United Nations Conference on South-South Cooperation,
 8. Welcomes the political declaration of the Forum to imbibe the commitments to harness triangular cooperation as a means of bringing relevant experience and expertise to bear in development cooperation;
 9. Reaffirms that South-South cooperation is a common endeavor of peoples and countries of the South, born out of shared experiences and sympathies, based on their common objectives and solidarity and guided by, inter alia, the principles of respect for national sovereignty and ownership, free from any conditionality, that South-South cooperation should not be seen as Official Development Assistance (ODA) and that it is a partnership among equals based on solidarity, acknowledges in this regard the need to enhance the development effectiveness of South-South cooperation by continuing to increase its mutual accountability and transparency as well as coordinating its initiatives with other development projects and programs on the ground, in accordance with national development plans and priorities, and recognizes that the impact of South-South cooperation should be assessed with a view to improving, as appropriate, its quality in a results-oriented manner;
 10. Encourages the Forum to work towards a better integration of South-South and Triangular cooperation into the policies and strategic frameworks of the funds, Programmes and Specialized Agencies of the United Nations system, taking into account the Nairobi outcome document of the High-level United Nations Conference on South-South Cooperation, the 2030 Agenda for Sustainable Development 9 and the complementary nature of South-South to North-South cooperation;
 11. Reiterates its request to the Administrator of the United Nations Development Programme (UNDP), as Chair of the United Nations Development Group, to make necessary secondment of staff and the appointment of Junior Professional Officers to the newly established Forum of the Finance/Development Ministers of the Southern Counties as well as measures to strengthen the system-wide efficiency and impact of the Office;

12. Requests the Secretary-General to make necessary adjustments, as appropriate, to the framework of operational guidelines on United Nations support to the Forum of the Finance/Development Ministers of the Southern Countries in consultation with all States and organizations of the United Nations development system;
13. Affirms the mandate of the Forum of the Finance/Development Ministers of the Southern Countries as the Ministerial and highest level organizing body to the United Nations Office for South-South Cooperation and requests the Secretary General to adjust the process in due secretarial way;
14. Calls upon the United Nations development system to designate Forum of the Finance/Development Ministers of the Southern Countries as the Ministerial Representative of the Southern countries, requests the Administrator to adjust the Forum of the Finance/Development Ministers of the Southern Countries into the mechanism and give the Forum the opportunity to be represented regularly in strategic and coordination mechanisms of the United Nations Development Group when matters affecting South-South and Triangular cooperation are being discussed;
15. Calls upon the United Nations Development Programme and other relevant organizations of the United Nations development system to assist the South-South Forum with plans, technical knowhow and technological assistance in implementing projects of South-South cooperation, including sharing best practices and experiences from the South, in addition to the traditional North, which are applicable and affordable in the developing South, especially in the least developed countries (LDCs);
16. Invites the United Nations development system to encourage the transfer of technologies on favorably agreed terms for the benefit of developing countries to address poverty eradication and sustainable development, with strict abidance of the article 66(2) of the TRIPS Agreement;
17. Welcomes the launch, in the 2030 Agenda for Sustainable Development, of the Technology Facilitation Mechanism, and looks forward to its continued development and full operationalization in the better interest of the Southern Countries, particularly of LDCs, LLDCs, SIDS and Africa;
18. Requests the United Nations Development Group, with favorable consultation of the South-South Forum and necessary counseling from United Nations Development Programme and the United Nations Conference on Trade and Development, to develop an archive of good practices in South-South and Triangular cooperation, in particular those that are relevant to meeting the Sustainable Development Goals and targets, taking into account the Nairobi outcome document of the High-level United Nations Conference on South-South Cooperation, the Addis Ababa Action Agenda and the complementary nature of South-South to North-South cooperation;
19. Recognizes Abu Dhabi South-South Expo of 2016 titled “Enhancing innovation towards achieving the 2030 Agenda for Sustainable Development”, showcasing sustainable development solutions that can be scaled up and replicated through South-South and Triangular cooperation;
21. Recognizes the Macao Conference of the UN South-South Cooperation and Development in 2015 that emphasizes showcasing the potentials of the South-South and North-South Triangular Cooperation and need for establishing a Forum of the South-South countries;
22. Requests the United Nations system to enhance its support in the areas where the countries of the South particularly those belongs to LDCs, LLDCs, SIDS and Africa, capacity-building, such as, policy coordination, regional integration, interregional linkages, infrastructure interconnectivity and the development of national productive capacities through exchanges of knowledge, best practices and technological innovations;
21. Welcomes the support provided by developing countries to South-South and Triangular initiatives

aimed at improving food and nutrition security, water management, management of price hiking, energy security including renewable energy generation practices and technology and invites the replication of this approach in other relevant areas, drawing on the technical expertise of various United Nations organizations;

22. Notes that, in response to the growing demand for support to South-South cooperation at the regional and sub-regional levels, the regional commissions have advanced South-South cooperation by undertaking policy research and analysis on issues of importance to their member States, convening high-level policy dialogues, forging strategic partnerships and promoting specific capacity-development and other initiatives, and in this regard invites the regional commissions to support the South-South Forum in helping their members in areas such as regional development planning and fiscal frameworks, and to help promote policy coherence and coordination and the enhancement of the data and statistical capacities of Member States for the implementation of the 2030 Agenda for Sustainable Development, mitigation, adaptation and reversal measures of climate change in the spirit of Paris Agreement and capacity building in trade of all Modes in line of Doha Round of Trade Negotiations.

23. Reaffirms that the South-South Forum will embrace, promote and actively support a multi-stakeholder approach, including non-governmental organizations, the private sector, civil society, academia, foundations and philanthropic organizations that contribute to meeting development challenges and objectives of the South in line with national development strategies and plans of the Members of the Forum;

24. Urges the United Nations system to continue its support to regional and sub-regional organizations, enabling their member countries to build more partnerships and cross-border frameworks, with a view to promoting and scaling up best practices with the potential to benefit a large number of developing countries;

25. Welcomes the initiative of the South-South Forum to bring together other fora in the United Nations to discuss, in a participatory and inclusive manner, South-South and Triangular cooperation initiatives and their contribution towards the implementation of the 2030 Agenda for Sustainable Development, including addressing challenges, lessons learned and good practices in key areas;

26. Requests the Secretary-General to present, as part of his comprehensive report to the High-level Committee on South-South Cooperation at its twenty first session, in consultation with all States, the South-South Forum, the United Nations Office for South-South Cooperation, the United Nations Development Programme and other relevant agencies, recommendations and an update on the concrete steps taken to strengthen the UN role in the areas of financial, human and budgetary resources and through the integration of the South-South Forum in the Mechanism of the UN Administrative set up, as well as to clarify the management relationships, reporting lines and functions and to improve transparency, accountability and efficiency, taking into account matters covered in the report of the High-level Committee on South-South Cooperation on its nineteenth session, 12 Committee decision 19/1 of 19 May 2016 and decision 2016/13 of 10 June 2016 of the Executive Board of the United Nations Development Programme, the United Nations Population Fund and the United Nations Office for Project Services;

27. Recognizes the need to mobilize adequate resources for enhancing South-South and Triangular cooperation, and in this context invite all countries in a position to do so to contribute, in support of such cooperation, to the United Nations Fund for South-South Cooperation and to the Pérez-Guerrero Trust Fund for South-South Cooperation, in accordance with its resolution 57/263 of 20 December 2002, with specific regard to the next budgetary Quart rat of the UN to support establishing an operational base of the South-South Forum which will not only embrace and aide the UN offices, but

also act as a pivot between the governments and the UN at the field level;

28. Requests the United Nations Office for South-South Cooperation to effectively provide the secretariat assistance required by the South-South Forum (SSF) in implementing the provisions of the 1978 of the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries;

29. Recognizes the need to establish, strengthen and further invigorate the official, secretarial, financial and human resource capacity of the South-South Forum,

30. In this regard decides to convene, within extra-budgetary resources and making use of the existing coordination mechanisms of the United Nations system, a high-level United Nations conference on South-South cooperation on the occasion of the fortieth anniversary of the adoption of the Buenos Aires Plan of Action, to be held no later than the first half of 2019, and requests the President of the General Assembly to undertake the necessary intergovernmental negotiations in order to prepare for the proposed conference, with a view to the adoption by the Assembly, before the end of 2017, of a resolution on the nature, date, objectives and modalities of the conference, in full compliance with, and under the principles of, the Nairobi outcome document of the High-level United Nations Conference on South-South Cooperation and the Addis Ababa Action Agenda, in consultation with the South-South Forum,

31. Decides to include in the provisional agenda of its seventy-third session, under the item entitled “Operational activities for development”, the sub-item entitled “the South-South Forum”, unless otherwise agreed, and requests the Secretary-General to submit to the General Assembly at its seventy-third session a comprehensive report on the state of South-South cooperation, including an assessment of the concrete measures taken by the United Nations development system to improve its support to South-South cooperation at the global, regional and national levels, as appropriate, and on the implementation of the present resolution, including the establishment of the South-South Forum of Finance/Development Ministers.

6.4 Challenges Ahead and Way Forward

Resource Mobilization: Unlike MDGs, SDGs are all encompassing requiring huge resources for implementation. Traditional sources of funding are not going to be sufficient to implement the SDGs. SSCs might offer the innovative ways of financing from both the public and the private sectors, development partners and ensure effective and efficient ways for utilization.

Stakeholders’ Engagement: Implementation of Government’s visions and goals require a multi-stakeholder approach involving private sector, NGOs, CSOs, Media and Major Group of Other Stakeholders. Bangladesh has been working out how to enhance participation of all the stakeholders in its efforts to implement in that regard.

Data Availability and Management: There are enormous challenges in collection, analysis, disaggregation, and dissemination of data. The country needs to build collaboration at bilateral, regional and global levels for capacity building and sharing of best practices.

Localization of SDGs: Localization of SDGs targets and indicators for contextualizing the 2030 Agenda appropriately with local development plans and strategies is of utmost importance and be emphasized. Lessons learned from the Southern countries might shed light in solving this problem to a greater extent.

6.5 Conclusion

Development demands concerted and collective efforts with strong political commitment at all levels. The 2030 Agenda comes at a time when Bangladesh has already kicked off its journey towards an upper middle income country by 2030 and a developed country by 2041. Bangladesh has incorporated priorities of SDGs in all her development policies. Following SDG resolution, ‘no one left behind’, the Government has adopted an inclusive approach to development so that the poorest and the most vulnerable section of the country can be integrated into its national development efforts. A 16-member “SDGs Implementation and Monitoring Committee” has been formed with Senior Secretary/Secretary of the most relevant Ministries/Divisions being the members and the Principal Secretary to the Honorable Prime Minister has been made as the Convenor. Principal Coordinator for SDGs Affairs, a new High level post has been created in the Prime Minister’s Office to spearhead the process and forge coordination. A very senior capable bureaucrat Mr. Abul Kalam Azad, formerly Principal Secretary to the Prime Minister has been appointed as the Chief Coordinator for the SDGs Affairs. As the country moves ahead, challenges in several areas, including in resource mobilization, data management, mapping of 230 indicators with relevant offices will have to be addressed systematically. However, South-South cooperation might come forward as the best enabler in this venture of Bangladesh and fellow southern countries.

