

FINALISATION OF THE POVERTY REDUCTION STRATEGY FOR BANGLADESH: A REVIEW OF THE PROCESS AND INTERIM MEASURES

I. INTRODUCTION

The present document was prepared at the Centre for Policy Dialogue (CPD) as part of an ongoing exercise to monitor the process of preparing the PRSP document and also as an attempt to put under scrutiny the measures to implement the PRSP targets.

The Introduction part is followed by five sections. Section II provides a background of the PRSP exercise; Section III puts under review the preparation of the Interim-PRSP document and documents Bangladesh civil society's response to the draft I-PRSP; Section IV tracks the process of transition from I-RPSP to PRSP and provides a critique of the process of finalisation of the Poverty Reduction Strategy for Bangladesh; Section V provides an analysis of the various initiatives undertaken by the government as part of implementing the I-PRSP targets; and at the end conclusion has been drawn in Section VI.

II. BACKGROUND

In September 1999, the World Bank Group and the IMF decided that nationally-owned participatory poverty reduction strategies should provide the basis for all their concessional lending and eligibility for debt relief under the enhanced *Heavily Indebted Poor Countries* (HIPC¹) *Initiative*. This approach, building on the principles of the *Comprehensive Development Framework* (CDF²), has led to the development of *Poverty Reduction Strategy Papers* (PRSPs) by country authorities for submission to the World Bank and IMF Boards. The development and implementation of poverty reduction strategies should be “country-driven”, “results-oriented”, “comprehensive”, “prioritized”, “partnership-oriented”, and “based on a long-term perspective” for poverty reduction (World Bank Website). *Poverty Reduction Strategy Papers* (PRSPs) are expected to be prepared by the member countries through a participatory process involving domestic stakeholders as well as external development partners, including the World Bank and the IMF. To be updated every three

¹ Heavily Indebted Poor Countries (HIPC) Initiative is an agreement among official creditors to help the most heavily indebted countries to obtain debt relief.

² Comprehensive Development Framework (CDF) represents a new way of doing business for the World Bank and its members. It is an approach to development whereby countries become the leaders and owners of their own development policies.

years with annual progress reports, PRSPs describe the country's macroeconomic, structural and social policies and programmes over a period of three years or longer horizon to promote broad-based growth and reduce poverty, and to identify associated external financing needs and major sources of financing.

The poverty reduction strategy should reflect a country's individual circumstances and characteristics. It is expected to follow three key steps that typically characterize the development of an effective poverty reduction strategy. These include: (i) Developing a comprehensive understanding of poverty and its determinants; (ii) Choosing the mix of public actions that have the highest impact on poverty reduction; and (iii) Selecting and tracking the outcome indicators.

The World Bank group feels that currently many countries are not in a position to develop a PRSP fully. In order to shorten delays for countries seeking debt relief under the HIPC Initiative or assistance from the IMF, an *Interim PRSP* (I-PRSP) can be formulated. Interim PRSPs (I-PRSPs) summarize the current knowledge and analysis of a country's poverty situation, describe the existing poverty reduction strategy, and lay out the process for producing a fully developed PRSP through a participatory process³. This is meant to outline a country's existing poverty reduction strategy and to provide a road-map for the development of a comprehensive PRSP (a timeline for poverty diagnostics, recognition of policy areas that need evaluation and reform, envisaged participatory process, etc). A full PRSP will then follow in due course.

Currently, a PRSP, I-PRSP, or annual progress report, supported by the Boards of the World Bank and the IMF within the preceding 12 months, is a condition for: (i) HIPC countries to reach a decision or completion point; (ii) Approval of the IMF's PRGF⁴ arrangements or reviews; (iii) IDA (World Bank) concessional lending. The Country Assistance Strategies (CAS)⁵ and CAS updates should be timed to follow PRSPs and I-PRSPs along with their

³ The country documents, along with the accompanying IMF/World Bank Joint Staff Assessments (JSAs), are being made available on the World Bank and IMF websites by agreement with the member country as a service to users of the World Bank and the IMF websites.

⁴ Poverty Reduction Growth Facility (PRGF) is an IMF programme for the poorest countries. It replaces Enhanced Structural Adjustment Facility (ESAF) and will be based on a country's PRSP.

⁵ A Country Assessment Strategy (CAS) is a World Bank business plan for development in each member country.

accompanying Joint Staff Assessments (JSAs)⁶. From July 2002, all CASs in IDA countries are based on a PRSP. The Boards of the World Bank and the IMF will consider the overall strategy in the PRSP or I-PRSP as an integrated whole. However, each institution will focus upon and endorse those policies and programmes within its area of responsibility.

As of 31 March 2004, 53 countries of Asia, Africa, Latin America and the Caribbean, and Europe participated in this process. Out of these 53 countries, 37 countries have prepared PRSPs and 48 countries have prepared I-PRSPs (see Box 1 and 2, for the list of countries). Among the 37 countries which prepared PRSPs, five countries (Uganda, Burkina Faso, Mauritania, Nepal & Sri Lanka) have directly submitted PRSPs while others submitted first I-PRSPs and then PRSPs. Twelve countries (Albania, Burkina Faso, Ethiopia, Honduras, Malawi, Mauritania, Mozambique, Nicaragua, Niger, Tanzania, Uganda, and Vietnam) have also submitted PRSP progress reports. Out of these 12 countries, two countries (Burkina Faso and Uganda) have submitted three progress reports; three countries (Mauritania, Tanzania, and Honduras) have submitted two progress reports; and the rests have submitted one progress report until March 31, 2004. India has declined to prepare a PRSP and argued that her Ninth Five-year Plan (1997-2002) adequately addressed the issue of poverty reduction and it contains everything needed for poverty reduction.

BOX 1: LIST OF COUNTRIES COMPLETED PRSP

Year of Completion	Countries	No. of Countries
2000	Uganda, Burkina Faso, Tanzania	3
2001	Mauritania, Mozambique, Bolivia, Nicaragua, Honduras	5
2002	Niger, Zambia, Gambia, Guinea, Rwanda, Malawi, Ethiopia, Senegal, Vietnam, Albania, Tajikistan, Yemen, Guyana	13
2003	Mali, Benin, Cambodia, Kyrgyz Republic, Sri Lanka, Cameroon, Chad, Ghana, Madagascar, Mongolia, Armenia, Azerbaijan, Georgia, Nepal	14
2004 (As of 31 March 2004)	Serbia, Pakistan	2

⁶ Joint Staff Assessments (JAS) evaluate the soundness of PRSPs and I-PRSPs and thereby assist the Boards of the World Bank and the IMF in judging whether an I-PRSP or PRSP provides a sound basis on which to proceed with assistance and debt relief.

BOX 2: LIST OF COUNTRIES COMPLETED I-PRSP

Year of Completion	Countries	No. of Countries
2000	Tanzania, Mozambique, Sao Tome & Principe, Senegal, Benin, Chad, Kenya, Zambia, Ghana, Mali, Cameroon, Guinea Bissau, Gambia, Madagascar, Niger, Malawi, Rwanda, Guinea, Albania, Tajikistan, Macedonia, Moldova, Bolivia, Honduras, Guyana, Nicaragua	26
2001	Central African Republic, Lesotho, Ethiopia, Sierra Leone, Cambodia, Vietnam, Lao, Mongolia, Georgia, Armenia, Azerbaijan, Kyrgyz Republic, Yemen, Djibouti, Pakistan	15
2002	Cote D'Ivoire, Cape Verde, Congo DR, Fed. Rep. of Yugoslavia, Serbia, Bosnia-Herzegovina*	6
2003	Dominica, Bangladesh	2
2004 (As of 31 March 2004)	Burundi	1

* Bosnia's I-PRSP was not formally discussed by the Board; it was summarised alongside the CAS (Country Assistant Strategy).

Bangladesh has already prepared an I-PRSP document titled *Bangladesh: A National Strategy for Economic Growth, Poverty Reduction and Social Development*. The I-PRSP was finalised in March 2003. The Bangladesh Development Forum (BDF) reviewed I-PRSP in May 2003 in Dhaka. The joint assessment of I-PRSP by the World Bank and the IMF was completed in May, 2003. The I-PRSP was formally presented to the Boards of Directors of the World Bank and the IMF on 17 June 2003. Currently, Bangladesh is preparing a PRSP on the basis of the I-PRSP prepared and submitted earlier.

This short note reviews PRSP preparation process in Bangladesh with a special focus on the succession from I-PRSP to PRSP. It also provides an assessment of the implementation status of I-PRSP.

III. A REVIEW OF THE I-PRSP

3.1 I-PRSP Preparation Process

As required by the donors, the Government of Bangladesh has started to prepare a PRSP. Development partners expressed their willingness to fund this activity and expressed interest to be involved in the PRSP development process. Initially UNDP was assigned the task of coordinating the resource support on behalf of the development partners. Unfortunately, there was a mismatch between the development partners and government's expectations of support which led to a decision that the government would prepare the PRSP document through its

own funding. The government also realised that they would not be able submit PRSP and therefore, an I-PRSP would be followed by a PRSP.

The first meeting on the PRSP (or for that matter I-PRSP), drawing upon a paper on the *Comprehensive Development Framework* (CDF) and the *Sector Wide Approach Program* (SWAP), was held on November 16, 2000 and was chaired by the then Finance Minister Mr. S.A.M.S. Kibria. An eleven-member Task Force, headed by the Secretary, Economic Relations Division (ERD), and drawing on representatives from the key Ministries, was set up in late November 2000 to oversee the preparation of the Bangladesh I-PRSP. The Task Force included the Principal Secretary to the Prime Minister and 10 Secretaries from the Finance Division, Statistics Division, Ministry of Social Welfare, Rural Development and Cooperative Division, Local Government Division, Ministry of Youth and Sports, Ministry of Education, Ministry of Health and Family Welfare, Ministry of Women and Children Affairs, and Planning Division. *It may be noted that the Task Force constituted by the GOB for overseeing the I-PRSP process in Bangladesh was essentially an inter-ministerial committee which did not include any representative from the civil society, the private sector and development NGOs.*

Due to lack of in-house capacity to prepare an I-PRSP, the government decided that the I-PRSP document would be prepared through consultants. Considering the limited capacity of the government, it was a pragmatic decision. Until mid-February 2002, six meetings of the Task Force were held to review and guide the progress of the PRSP preparation. In addition, the PRSP Coordinator (Secretary, ERD) organized 15 meetings with different ministries. These initiatives for consultation appear to have been influenced by the IMF/World Bank conditionality that the government will have to prepare the PRSP through a broad-based consultation process, involving discussions and interaction with all stakeholders.

The consultation process of preparing the PRSP was supported by selected analytical building blocks comprising of in-depth analyses of policy issues in key areas. The government appointed two senior staff members of the Bangladesh Institute of Development Studies (BIDS) as lead consultants, in their individual rather than institutional capacity, for preparing the PRSP. The consultants prepared analytical reports on three areas, namely: (i) Poverty Assessment: Trends, Profiles and Determinants (ii) Macro-economic Overview: Policies, Economic Reforms and Performance, and (iii) Poverty Monitoring and Assessment.

Eleven other short-term consultants were engaged to prepare analytical reports on key sectors/sub sectors of the economy. These include: Growth Performance of Agriculture and Industry; Analysis of Public Expenditure on Education and Health; Physical Infrastructures Development and Poverty (Roads, and Other Related Infrastructures; Electricity, Energy, Ports and Related Sectors; Telecommunications & New Technologies); Public Expenditure on Targeted and Safety Net Programmes; Risks, Vulnerability & Poverty Reduction; NGO Sector Review: Economic and Social Impacts and Issues; and Governance and Poverty Reduction. These analytical reports were completed by the respective consultants but are not available for public scrutiny. The first draft of the I-PRSP was completed by April 2002, and distributed among different individuals and institutions for comments. The draft I-PRSP document was revised in December 2002 which was published in January 2003. The IPRSP document was finalised and submitted to the World Bank in March 2003.

The PRSP team held consultation meetings with various stakeholders at two phases. The first phase of consultations was held prior to the preparation of the draft while the second phase consultations were held after the completion of the draft I-PRSP document.

Pre-Draft Consultations

During January 2002, the PRSP team held 22 consultation meetings in collaboration with the BRAC. Out of these 22 consultation meetings, two were held at the national level and one was held with the donors. Out of the two national level meetings, one was held with the government officials and the other meeting was with the NGOs and civil society.

Five divisional consultations were organised by the BRAC at the Divisional towns of Barisal, Khulna, Rajshahi, Chittagong and Sylhet. Twelve upazila level meetings were held at six upazilas, namely, Savar (Dhaka), Barisal Sadar, Rupsa (Khulna), Rajshahi Sadar North, Mirersarai (Chittagong), and Sylhet Sadar. In each Upazila, two consultation meetings were held on the same day. In the morning, a meeting was held with poor people and in the afternoon with civil society members. One special meeting was held with the urban poor at Agargaon in Dhaka city. A total of 153 poor men and women participated in 6 Upazila level consultation meetings with the poor. The number of participants in these workshops was 25.5 on an average. The highest number of participants was 29 in Mirsharai Upazila and the

lowest was 23 in Savar and Sylhet Sadar Upazilas. The average number of participants in these workshops was slightly higher than the figure in the workplan which targeted 20-25 participants. In the workshop with the urban poor at Agargaon, the number of participants was 29. Number of participants in 6 Upazila level consultations with representatives from government, NGOs and the civil society was 140. Thus, the average number of participants was 23.3 in each meeting. Highest number of participants was in Rupsha Upazila (31) and the lowest in Sylhet Sadar Upazila (11). Total number of participants in 5 divisional level meetings was 209. On average, the number of participants at the divisional level meetings was 41.8 for each meeting. At the national level consultation meetings with the government officials, 53 government officials including a large number of senior officials participated. The meeting with the NGO representatives and the civil society was attended by 33 participants. Civil society participants included NGO representatives, lawyers, media, religious leaders (*imam*), schoolteachers, local traders, Union Parishad Chairman/ Members and political activists. No special meeting was held with the Members of the Parliament or with the trade bodies, but some MPs and business leaders participated in some of the consultation meetings. *No structural questionnaire was provided to the participants and as such the meetings were quite open-ended. PRSP team members took note of the discussions held and BRAC has prepared a Report on "Workshop on Poverty Reduction Strategy Paper."*

One international seminar on PRSP was held on February 12-14, 2002 in Dhaka. The Government of Bangladesh, the IMF and the World Bank jointly organised the seminar. The seminar focused on the key principles and objectives involved in the PRSP process, and the best "practices" learnt from other country cases. It was geared to Bangladesh's situation, but shared experiences and lessons learnt in other countries such as Pakistan, Cambodia, Thailand, and Vietnam in the region. The seminar was attended by the key persons involved in the PRSP preparation process from Bangladesh, and members from other countries in the region. Representatives from other donor countries, the World Bank, the ADB, and the IMF participated as stakeholders and resources persons. *As before, no document on Bangladesh PRSP was made available to the participants of the seminar on this occasion also. Accordingly, the seminar essentially dealt with the framework of the PRSP but not with the substance of the Bangladesh PRSP.*

Post-Draft Consultations

As mentioned earlier, the first draft of the I-PRSP titled *Bangladesh: A National Strategy for Economic Growth and Poverty Reduction* was prepared in April 2002. After preparation of the draft, it was published and disseminated to a large number of individuals and institutions including members of the NGOs and the civil society, academicians and other stakeholders. The draft I-PRSP was also made available on the website of the Bangladesh Bank (www.bangladesh-bank.org). After the preparation of the draft I-PRSP, 12 consultation meetings were held between April and December 2002. These consultation meetings were with different professional groups, environmental activists, health professional, trade union leaders, business bodies and members of the civil society, and NGOs, academicians, researchers and development partners. *No separate meeting was held with the MPs or the political parties but the draft I-PRSP was distributed among many political leaders and MPs. It is learnt that one MP has provided formal comments on the I-PRSP draft. It may be noted that the draft was not discussed in the parliament.*

3. 2 Criticisms of the I-PRSP Preparation Process

The civil society and other stakeholders criticised the I-PRSP preparation process and expressed their concerns about the process. These were related to the focal point of the I-PRSP consultation and documentation procedure, allocation of the responsibilities, etc. Major criticisms against the I-PRSP preparation process are listed below:

- The ERD does not have any comparative advantage amongst the public agencies in preparing the PRSP. The *Planning Commission*, the strategic think-agency of the government, should have led the exercise rather than the ERD.
- Representatives of the civil society were not involved in the designing stage of the exercise. Even though the civil society was consulted at the later phase of the exercise, it does not absolve the process for the need to take inputs from the wider cross section of the domestic stakeholders in designing the exercise in Bangladesh.
- Number of consultations is not always the best indicator of participation. It is the process through which the consultation is undertaken and the mechanism for inclusion/exclusion of views presented by the participants. The “Report on Workshop on Poverty Reduction Strategy Paper” has documented the issues discussed in a structured way but has not mentioned the recommendations put forward by the participants in these meetings except for three consultation meetings. *In the absence*

of recommendations of the consultation meetings, it is not possible to track whether recommendations of the grass-root level participants were reflected in the I-PRSP document or not. It is not clear from the Report whether the omission of recommendations in the document is a facilitation failure or documentation failure.

- Post-draft consultations held after April 2002 were usually half-a-day meetings where participants from different segments of the society sat around a round table and a Chairperson facilitated discussions. *Even with these formal arrangements, these meetings were mostly informal in the sense that no formal minutes of these meetings were prepared and sent to the participants of these meetings.* The PRSP team informed that they have taken notes of the suggestions and recommendations, and views put forward by the participants in these consultation meetings and those are reflected in the revised drafts. However, *since nothing was made public, it is difficult to assess to what extent those views were reflected in the revised drafts, how conflicting suggestions were resolved or whose recommendations got priority.*
- Preparation of the PRSP through the local consultants indicates a positive signal that the government is willing to draw upon expertise from outside the government. At the same time this approach raises concerns about the inadequacy of the in-house capacity within the government to discharge its responsibilities as a policy designer. This principal lacuna within the government will inhibit annual reviews and periodic updating of the PRSPs. This is a pressing concern which needs to be addressed.
- If the government is constrained in building up its in-house capacity for the PRSP, it could *contract this responsibility to an established research institution such as BIDS rather than to individual consultants.*
- The draft I-PRSP was not discussed and endorsed by the parliament. Therefore, the document is not yet accepted by all.
- The government may incorporate the IMF reform agenda into the PRSP, even if this is not in line with the outcome of the public consultations on the PRSP. *Such an emerging contradiction within the PRSP process may once again mean that the actual PRSP may not command authentic domestic ownership which may compromise the GOB's commitment to fully implement the strategy of the PRSP.*

3.3 Poverty Reduction Strategy Adopted by I-PRSP

The I-PRSP titled “*Bangladesh-A National Strategy for Growth and Poverty Reduction*” contains seven chapters and an Executive Summary. The last three chapters of the document deal with poverty reduction strategy, macro-economic framework, and monitoring and evaluation system. The Poverty Reduction Strategy recognised many roots and multidimensional characteristics of poverty and stated: “all routes matter for the poverty reduction strategy”. The Poverty Reduction Strategy has five broad components—i.e., five sets of institutions and policies—to constitute the anti-poverty strategy to be followed. These are: (i) Promote *pro-poor economic growth* for increasing income and employment of the poor; (ii) Foster *human development* of the poor for raising their capability through education, health, nutrition and social interventions; (iii) Support *women’s advancement and closing gender gaps* in development; (iv) Improve *social protection measures* for the poor, especially women, against anticipated and unanticipated income/consumption shocks through targeted and other efforts; and (v) Promote *participatory governance* for enhancing *voice* of the poor and improving non-material dimensions of well-being including security, power and social inclusion by improving the performance of anti-poverty institutions and removing institutional hurdles to social mobility.

The Medium Term Macroeconomic Framework (MTMF) specified for facilitation of the implementation of the poverty reduction strategy was worked out on the basis of the estimated values of FY03 as benchmark. The framework integrated the national accounts, balance of payments and monetary and fiscal accounts. It also provided a detailed budgetary expenditure framework indicating the public resource envelope and expenditure pattern required to achieve the desired growth and poverty reduction targets. Main features and expectation of the MTMF are: (i) a stable macroeconomic environment; (ii) achieve an accelerated growth rate of GDP in real terms rising from 5.5 percent in FY04 to 6.5 percent in FY06; (iii) low and stable rate of inflation: 4.0 percent in FY05 and remain stable afterwards; (iv) continuation of moderate savings and investment ratios; (v) increase revenue/GDP ratio and tax/GDP ratio; (vi) significant increase in public expenditure; (vii) keeping budget deficit under control in the neighbourhood of 3.8 to 4.0 percent (4.5 to 4.7 percent excluding grants) of GDP and finance the deficit by both domestic and foreign resources; (viii) improve the balance of payments (BOP) situation during the program period; and (ix) increase exports and imports.

A comprehensive poverty monitoring system was adopted for monitoring and evaluating the progress in implementing the strategy. Institutional Mechanism as well as Monitoring Indicators for this purpose was identified. Institutional mechanism includes: (i) a *Poverty Focal Point* (Poverty Monitoring Unit), which would be created in the General Economics Division (GED) of the Planning Commission; and (ii) a *National Poverty Reduction Council (NPRC)* chaired by the Prime Minister, which would also be created with broad participation within and outside the government. Regular monitoring of poverty trends by the Poverty Monitoring Unit would be done using *participatory poverty assessment* (PPA) methods. In addition, civic initiatives for monitoring poverty would be supported for *poverty monitoring* and also to function as an *advocacy group* for influencing policy. It was planned that Poverty Focal Point and civic initiatives would be in operation by July 2003.

A Road Map to Full PRSP, as outlined in the I-PRSP Draft, indicated that Full PRSP would be completed by December 2004. For this purpose, consultations with stakeholders and adjustments in the framework would be completed by October 2003 while specification of disaggregated targets, programmes/projects, and detailed costing and financing would be completed by January 2004.

Relationship with other Official Documents

The preparation of a PRSP is an inherently complex and inter-linked process. The government of Bangladesh has, over the years, prepared many perspective plans, five-year plans and specific policies for different sectors of the economy. A series of long-term policies for development of different sectors such as agriculture, fisheries, industry and other sectors have been designed in recent years. The I-PRSP has cited relevant documents and mentioned that the implementation plan of the I-PRSP will be in harmony with the policies mentioned in these documents. The I-PRSP document also mentioned that the government will formulate a Three Year Rolling Plan (TYRP) in light of the PRSP.

3.4 Reflection of Civil Society Policy Documents

The *Task Force Report* (1991) prepared during the first *Non-party Caretaker Government of Bangladesh* contained the germs of many ideas that influenced the policies and programmes of poverty reduction undertaken over the last decade. The Report rested on four pillars, namely, (a) pro-poor economic growth, (b) capability raising interventions in education,

health and nutrition, (c) social safety net programmes, and (d) developing institutional capability of the poor (UPL, 1992). The first component emphasized those elements in the growth process which have maximum potentials for reducing poverty such as irrigation, roads, electricity, flood control, micro-credit, agricultural diversification and exports. The second component put greater reliance on direct provisioning of education, health, and nutrition. The third component gave emphasis on targeted employment, housing, and income transfer schemes. The fourth component emphasized the idea of building grassroots organizations of the poor and strengthening the “voice” of the local community to foster a demand-driven mechanism from below.

Prior to the National Parliament Election 2001, the *Centre for Policy Dialogue* (CPD) prepared a set of policy briefs which set out an actionable agenda for a newly elected government. The programme was developed to conscientise political parties during the election campaign regarding important issues of public concern, and to focus on possible policy alternatives. Initiated in June 1999, the programme was implemented through a highly interactive process. The policy briefs are envisaged as CPD's contribution to good governance in Bangladesh. Following the organisation of 6 Regional Consultation Meetings, 16 Task Forces were set up to address the issues which were identified through a multistakeholder participatory process.

The draft Policy Briefs prepared by the Task Forces were presented at 8 Regional Dialogues and subsequently at a *National Policy Forum* organised by the CPD. Inaugurated by the then President of the People's Republic of Bangladesh Justice Shahabuddin Ahmed, CPD's National Policy Forum was organised in collaboration with two leading dailies of the country, *The Daily Star* and *The Prothom Alo*, during August 20-22, 2001. The forum provided a non-partisan platform to bring together representatives of political parties and members of the civil society to discuss policies and policy alternatives. CPD's efforts drew over 2000 participants at the 16 sessions of the National Forum.

The Task Force Report on *Poverty Eradication and Employment Generation* advanced further the ideas and options laid down in the 1991 Task Force Report of the Caretaker Government to address the contemporary concerns relating to poverty. This report spells out an anti-poverty strategy for the medium-term, reflecting the priorities facing the country in the next five years. It advanced the idea of graduating the policy agenda towards a “macro-

perspective on poverty” as distinct from the prevalent micro-approach to poverty reduction through individual projects and programmes. The central idea of this report was the concept of *democratisation of the market-based economy* where the distributional balance in the allocation of market and non-market resources is tilted in favour of the poor. The CPD Task Force report has successfully elaborated the broad contours of this new approach, based on the principle of empowering the poor, by increasing their access to resource via market and non-market channels.

The Task Force Report put forward 32 specific recommendations under 12 categories: (i) multiple routes to attack multiple roots of poverty, (ii) creating appropriate legal and institutional framework for social entrepreneurialism, (iii) access to assets, (iv) ensuring universal primary and secondary education, (v) improving health, (vi) improving nutritional status of mother and children, (vii) creating well-functioning and empowered local government, (viii) addressing regional imbalances, (ix) universalising the IG-VGD approach, (x) reaching out to the left-outs in micro-credit, (xi) spreading the reach of the social safety nets, (xii) institutional mechanisms for monitoring and advocacy. *A review of the I-PRSP document revealed that 11 recommendations of the above-mentioned CPD Task Force Report are fully reflected in the I-PRSP document while 13 recommendations are partially reflected. On the other hand, 8 recommendations are not reflected at all in the I-PRSP document. In other words, 75% of the recommendations of the CPD Task Force are fully or partially reflected in the I-PRSP document (See Annex 1, for details).*

CPD reconvened the earlier Task Forces in 2003 and organised a National Policy Review Forum to assess the implementation status of the recommendations made by different Task Forces and to suggest mid-course corrections, if needed. The Task Force on “Poverty Eradication and Employment Generation”, in its report published in June 2003 noted that both the NSD [I-PRSP] and the Task Force Report echo a similar intent for achieving a faster pace of poverty reduction and realization of human rights. The NSD states three issues that will be central to this goal:

- (1) *Consolidating the Success*, which require identification of new hitherto untapped sources of economic growth, poverty reduction, and social development arguing that business as usual will not do;

- (2) *Avoiding the Pitfalls*, which is a list of wider environmental factors, such as law and order, economic misgovernance, policy inconsistency, etc., within which anti-poverty actions function and which in the final analysis determine their success; and
- (3) *Facing New Challenges*, which outlines the importance of managing the new risks and uncertainties associated with changing the global economic environment.

The Report pointed out, “The NSD provides very little detail in the text for an agenda for action in the *Medium Term Policy Matrix* with respect to points 2 and 3 above, though the public consultations under the PRSP process expressed these concerns quite strongly. With regard to point 1 above, the text of the Document makes reference to some new ideas and approaches, which fail to feature in the *Medium Term Policy Matrix*.”

The *Task Force Report* provided a checklist of issues for faster eradication of poverty. This was organised around seven themes. These were derived from questions and concerns over existing poverty alleviation approaches and initiatives. The point of departure in the Task Force report was its identification of structural injustice as the source of poverty and the need for structural interventions to redirect the agenda for poverty eradication. The Report added, “We reviewed the *NSD* to examine the extent to which the Task Force Report checklist got reflected in it. In doing this, we distinguished between reflections in the text of the Document and the *Medium Term Policy Matrix*, which is a more concrete expression of the actual intentions of the PRSP. The general conclusion is that though the text of the NSD largely reflects the ideas of the *Task Force Report*, these ideas are at times not carried forward to the *Medium Term Policy Matrix*, and in cases where they are, the activities mentioned remain vague, broad, and undefined. There is thus very little indication of addressing issues of structural change in the actual policy matrix even though its need may be recognised in part of the NSD text”. The Report cautioned, “With such an open-ended and astructural *policy matrix*, the various Ministries may feel free to continue to operate with business as usual. Such an approach may fail to deliver on meeting the basic goal of the NSD of increasing the pace of poverty reduction since it does not come to grips with the sources of poverty creation. Such an astructural approach remains far removed from the spirit and strategy underlying the *Task Force Report*”.

The Task Force placed more importance on implementation or delivery of the strategy and noted, “A good work plan has to involve a framework of continuous monitoring and its

institutionalisation. The NSD includes a range of monitoring indicators, a large component of which remains to be developed. These indicators will have to be concretised as targets with a clear poverty focus and time-lined milestones for its progressive realization. More importantly, these targets will have to be institutionalised, as an enforceable contract between the State, the civil society and the citizens where any deviations will have to be accounted for.”

The Task Force Report 2003 added, “The failure to breathe life and operationalise the idea of a wider and multi-actor oriented institutional space for attacking poverty is not the only weakness in the document that claims to be a *national* strategy. More importantly, the document in the final analysis does not change or challenge the ‘business as usual’ approach for the government. We do not get any clear sense of what the promises are, who is responsible for what, how the various line ministries would be coordinated to deliver on the promises, what the role of the local government will be, and how being out of step will be monitored and sanctioned.”

“A strong executive authority having cross-ministry support, which is backed up by a competent and professional base is key to carrying such a national strategy forward. There are very important concerns both on the strength and the capacity of the executive arrangement that is currently in place. The NSD mentions civic initiatives that will provide for monitoring of progress over targets. But if the process of consultations and civic engagements that preceded the preparation of the NSD is any guide, significant improvements will have to be made in the processes of consultation during the preparation of the full strategy for implementing the document.”

Civil Society’s Response to the Draft I-PRSP

After the release of the draft I-PRSP in April 2002, members of the civil society and several organisations responded to the I-PRSP by taking part in various activities such as translation of the document in Bangla for wider dissemination and awareness building, organisation of dialogues to solicit views of the participants from all walks of life, writing articles in the newspaper or websites, and echoing their views and suggestions for a credible PRSP. Organisations involved in holding dialogues/publishing views include Peoples Empowerment Trust (PET), Action Aid, Sushashaner Jonnya Procharavijan—Supra (in English, Campaign for Good Governance, CCG), Bangladesh Unnayan Parishad (BUP), Bangladesh Left Front, Adibasi Forum and Economics Practice Centre of the University of Dhaka. Many people

including Professor Muhammad Yunus, Professor M.M. Akash, Rashed Khan Menon, Md. Giasuddin Ahmed, Rushidan Islam Rahman, Quazi Shahbuddin, Omar Hyder Chowdhury, Zaid Bakht, Quazi Khaliqzaman Ahmed, Simeen Mahmud have written about the I-PRSP draft. PET organised 6 dialogues with various stakeholders where 221 persons participated and 82 took part in discussions. Campaign for Good Governance has translated the I-PRSP draft in Bangla, published, disseminated and organised seminars and press briefing in 41 districts. On September 14, 2002, they also organised a national level seminar.

We have summarised the suggestions, comments and recommendations of various civil society members, groups and individuals about the draft I-PRSP. We have also conducted a content analysis of the I-PRSP document (March 2003 version) to know how far the views and suggestions were adopted in the revised draft (see Annex 2, for details). The concerns and suggestions listed below were placed by the civil society but were not addressed or reflected in the final I-PRSP document (March 2003):

- *Ownership of the IPRSP Document:* PRSP should be prepared through parliamentary discussion. Ensure that all discussions between Government of Bangladesh and the donor agencies relating to PRSP must be transparent and open for public scrutiny. I-PRSP has been prepared to get foreign loan and not to eradicate poverty.
- *Children and Women:* Specific programmes to eliminate child labour were not included. I-PRSP document has omitted the issues of child rights, child labour and adolescent group.
- *Macro-Economic Perspectives:* I-PRSP envisages a very sharp increase in revenue earnings in relation to the trend. Fiscal prudence would demand putting a tab on the growth of revenue expenditure.
- *Poverty Reduction Targets:* Without I-PRSP, the rate of poverty reduction has been 1.1 percentage point per year during the 1990s. Therefore, IPRSP's target of 1.6 percentage point poverty reduction per year is not as high as expected. Moreover, no target for the reduction of extreme poverty has been specified in the document.
- *Manpower Export:* Focus and emphasis on manpower export as strategy for growth and poverty reduction has received limited attention in the IPRSP. Considering the contribution of remittances in our Balance of Payment and also to the economic growth through direct and multiplier effect, greater attention should be given to export of manpower as a strategy for poverty reduction.

- *Micro-credit Policy:* Lessons learnt from micro-credit can be applied with equal success in providing agricultural credit, and providing credit to the people who do not have access to credit from conventional banks.
- *Food Insecurity:* Food insecurity has received very little attention in the document. An elaborate discussion on the strategies and alternative policy options to enhance household food security in the context of both (rice) price stabilization and targeted food distribution in the face of declining food aid is essential.

IV. FROM I-PRSP TO PRSP: PREPARATION PROCESS AND STATUS

Preparation Process

As mentioned earlier, Bangladesh's I-PRSP was considered by the Board of Directors of the World Bank and IMF on June 19, 2003. Joint Assessment of the I-PRSP by the World Bank and IMF noted, "The staffs of the Fund and the Bank consider that this I-PRSP provides a satisfactory basis for the development of a fully participatory PRSP and for Bank-Fund assistance" (IDA and IMF 2003). The next step was for the government to implement the I-PRSP and follow the road map for preparation of the full PRSP. Towards this, the government constituted National Poverty Reduction Council (NPRC) as the apex body to be supported by the National Steering Committee (NSC) and National Poverty Focal Point (NPFP). It may be noted that NPRC is headed by the Prime Minister and acts as the highest body which guides the process of PRSP preparation.

The General Economics Division of the Planning Commission was identified as the National Poverty Focal Point (NPFP) in July 2003 for the purpose of monitoring the task of implementation of I-PRSP, preparing a full PRSP and providing secretarial support to the NSC and NPRC.

A National Steering Committee (NSC) was formed on September 18, 2003 to guide the NPFP. NSC is chaired by the Principal Secretary to the Prime Minister. Initially, NSC had 17 members, but later the number was increased to 22. Member, General Economic Division of the Planning Commission is the Member-Secretary of the NSC while Secretaries of different ministries are the members. No representatives from civil society, NGOs, and private sector are included in the NSC. Thus, essentially this is an inter-ministerial committee. Terms of Reference (TOR) of NSC is reported in Box 3.

BOX 3: TERMS OF REFERENCE OF NATIONAL STEERING COMMITTEE (NSC)

TOR of the NSC are as follows:

- (i) to provide guidelines/advice in monitoring the implementation of I-PRSP,
- (ii) to provide guidelines/advice in formulating a workplan for preparing a full-blown PRSP,
- (iii) to implement the strategies/policies of I-PRSP, provide guidance/advice in forming working groups composed of different Ministries/Departments, civil society, private sector and the development partners and suggest coordination mechanism among the working groups (thematic Groups),
- (iv) to devise mechanism of holding regular consultations with the stakeholders in order to receive inputs for preparation of PRSP,
- (v) to suggest workable and best strategies for poverty reduction,
- (vi) to initiate the process of reconstituting the National Poverty Reduction Council,
- (vii) to discharge other relevant functions deemed to be necessary by the Steering Committee.

Source: Ahmed (2004).

The National Steering Committee was scheduled to meet on 6th of every month and may convene special meetings. As of April 2004, NSC has held 6 regular and one special meetings. It has also been decided that the “main task” of PRSP preparation was to be funded by the GOB and development partners may assist in capacity building of NPFP and provide support to the Thematic Groups. As per the decision of the NSC, responsibilities were delineated amongst Ministries in the Medium-term Policy Matrix of I-PRSP. Twelve Thematic Groups (TGs) were formed: (1) Macroeconomic Stability & Pro-poor Growth; (2) Financial Sector Reforms (including banking, trade and globalisation); (3) Infrastructural Development and Reforms including Power, Energy and Communications (Roads, Railways, Inland Water Transport, Air Transport, Port & Shipping); (4) Domestic Resources Mobilization; (5) Reforms in Governance including civil service reforms, judicial reforms and law and order; (6) Health including Population Planning, Nutrition and Sanitation; (7) Education including primary and mass education, female education, vocational and technical education; (8) Women and Children Advancement and Rights; (9) Rural Development including Food Security, Disaster Management, Safety-net Programmes, Micro-credit and Rural Non-farm Activities; (10) Agriculture (Crops, Fisheries, Livestock) and Environment including Forestry, Land Reforms, Land use, Safe Water Supply and Water Resources Management; (11) Private Sector Development with SMEs; and (12) Information and Communication Technology and Technology Policy. Lead Ministries and associates were identified for these 12 Thematic Groups. It was decided that Thematic Groups (TGs) would be formed comprising of the government sector, private sector, civil society and NGOs. Terms of Reference of Thematic Groups is reported on Box 4.

BOX 4: TERMS OF REFERENCE OF THEMATIC GROUPS

Terms of Reference (TOR) of the thematic groups would be as follows: (i) Each TG would prepare its own plan of action particularly in light of the description of the expected output given by the NSC;

(ii) The Plan of Action would contain, among others, the scope of work, the responsibilities of the relevant Ministry/Agency, the frequency, stages and the spatial level of consultation and the time-frame for completion of the work;

(iii) Based on the scope of work, each TG would identify the need for consultancy services and arrange for securing those services;

(iv) The time-frame for completing the task of the TGs would follow the road-map adopted by the Steering Committee;

(v) Issues relating to interfacing between the TGs, between the TGs and the NSC and between the TGs and the NPFP would be addressed, as far as practicable, in accordance with the description provided by the NSC;

(vi) Each TG would decide/arrange to have, in consultation with the NPFP, a pre-determined time-slot to report back to the Steering Committee.

Source: Ahmed (2004).

The GED has finalised the road map for preparation of PRSP. It is envisioned that relevant activities would be completed during July 2003-September 2004. Ahmed (2004) has documented the road-map for PRSP preparation, which is reported in Table 1. As per the finalised road-map, finalisation of plan of action, decision about thematic groups and their mandates were to be completed by December 2003. Appointment of national consultants was to be completed by January 2004. Members of the Parliament would be consulted in February 2004 and consultations with all stakeholders would be completed by April 2004. Background papers would be completed by May 2004 while the Thematic Groups would submit their reports by June 2004. It was planned that the first draft of the PRSP would be ready by September 2004.

TABLE 1. ROAD-MAP FOR PREPARATION OF PRSP (NOVEMBER 2003-SEPTEMBER 2004)

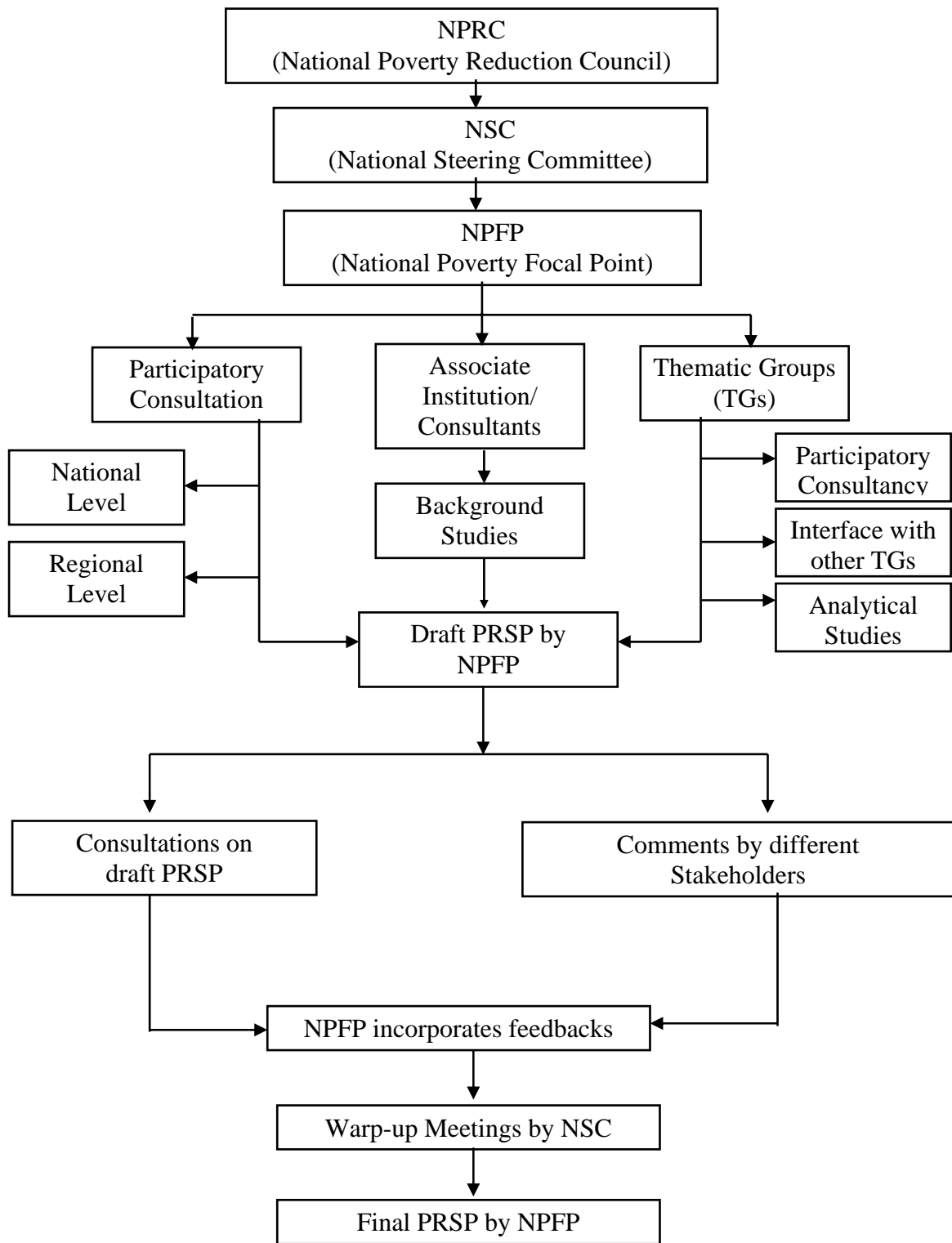
Sl. No	Activity	Time
1	Setting up of National Poverty Focal Point (NPFPP)	July, 2003
2	Steering Committee for PRSP	End-September, 2003
3	Firming up of initial guidelines, plan of action and in-house consultation by the Steering Committee	October and November, 2003
4	Decision about the number of Thematic Groups, their plan of action, expected output and the time-frame to accomplish the task	Early- December, 2003
5	Appointment of national consultants/ BIDS/other institutions	December, 2003 and January, 2004
6	Consultations with civil society, NGOs, private sector, local government representatives, academics, professional groups and other stakeholders at the national level (Working papers: I-PRSP and other NPFPP drafts)	January-February, 2004
7	Consultations with the Honourable Members of the Parliament	February, 2004
8	Inter-ministerial consultations	March, 2004
9	Completion of studies of sectoral strategies by the consultants	February-March, 2004
10	Selection of projects/programs by the Planning Commission for the Three-Year Rolling Investment Program (Selection criteria for programs/projects to be provided by the NPFPP)	March-April, 2004
11	Consultations with civil society, NGOs, private sector, local government representatives, academics, professional groups and other stakeholders at the six Divisional Headquarters	February-April, 2004
12	Background Studies by the Thematic Groups where needed	December, 2003- May, 2004
13	Background work by the NPFPP for the Bangladesh Development Forum, 2004	April-May, 2004
14	Reports by the Thematic Groups	April-June, 2004
15	Steering Committee wrap-up meetings regarding consultations at the national and regional levels	May-June, 2004
16	Steering Committee wrap-up meetings about Thematic Groups' Reports	June-July, 2004
17	First Draft of PRSP	August-September, 2004

Source: Ahmed (2004).

Ahmed (2004) also reported institutional arrangements and the process to be followed in preparing the PRSP. We have reproduced this in Figure 1 for easy understanding. It is planned that GED will compile information from three sources: (i) implementation report on the IPRSP policy matrix, (ii) twelve thematic groups, and (iii) regional consultations. All these compiled information will be considered for incorporation in the PRSP. I-PRSP policy matrix implementation status would be submitted by the concerned ministries/offices to the GED. Based on these inputs, NPFPP with support from the lead consultants will prepare the draft PRSP. Participatory consultations for PRSP were planned. It was decided that seven consultation meetings would be organized by NSC and NPFPP: one at the national level and six at the divisional level (Dhaka, Chittagong, Khulna, Rajshahi, Sylhet and Barisal). Divisional level consultations would be convened by the respective Divisional Commissioners.

As planned, two lead consultants have been recruited by the GED for preparation of the PRSP. BIDS is providing consultancy services to eight Thematic Groups while other national consultants are contributing to the rest of the TGs. National level consultation was held at the Planning Commission on March 14, 2004. Regional level consultations were completed by April 29, 2004.

FIGURE 1: INSTITUTIONAL ARRANGEMENTS AND PROCESSES FOR PRSP PREPARATION



Source: Ahmed (2004).

National Level Consultations: At the national level consultation, GED invited organisations representing asset-less people, human rights organizations, environmental organizations, representatives from the civil society, women's forum and those involved in women's development, cooperatives, journalists, research institutes, professional groups, distinguished individuals, locally- funded NGOs, private investors, and government agencies. National level consultation had three sessions: inaugural, group discussions and plenary. Minister for Finance and Planning inaugurated the meeting where the importance of the consultation process was highlighted. About 200 persons participated in the inaugural session. After the inaugural session, discussions were carried out in 12 thematic groups; 15-20 persons participated in each thematic group discussion. These thematic groups were formed as per the thematic groups mentioned earlier. Each group selected a Chair/Moderator and a rapporteur. NPPF also had their designated rapporteurs to document the discussions. Role of the Chair/Moderator of each Group was to ensure that discussion was on right track, everyone participated in the discussion and expressed his/her views, and opinions/recommendations were properly recorded. This was a day-long event. In each of the Thematic Discussion Group meetings, 20-30 minutes of general discussion was followed by 1.5 – 2 hours of discussion on the theme. Topical discussion was targeted to get response on the following questions: (1) What targets could be set in their respective sector for June 2006? (2) What strategies will need to be adopted to achieve those objectives? (3) What programs/measures will need to be undertaken in order to implement the strategies? (4) What should be the blueprint/plan of the above programs and how should they be implemented in order to have the maximum possible benefit for the poor?

After the topical discussion, 20-30 minutes was spent for formulation of recommendations.

Plenary Session was designed for group presentation, open discussion and subsequent finalisation of recommendations. Recommendations formulated by different discussion groups were reported to the general plenary. Each group was allowed 10-15 minutes to present their recommendations.

Regional-level Consultation Meetings: Regional consultations were organized by NPPF in each of the six Divisional towns. Regional Consultation Meetings were held in Barisal on March 11, 2004; Khulna (March 20), Dhaka (March 29), Rajshahi (April 01), Chittagong

(April 15), and Sylhet (March 29, 2004). NFPF and Divisional Commissioners jointly arranged these consultation meetings. Divisional Commissioners convened and Chair the meetings. According to GED sources, about 150-200 persons participated in the Divisional level consultation meetings. Similar to the national level meetings, discussions were held in different groups. In addition to the national issues, discussions on regional issues were also held in Divisional Meetings. Participants of each Discussion Group formulated their recommendations and these were presented at the Plenary.

As mentioned earlier, preparation of PRSP would take input from stakeholder consultations, IPRSP implementation feedback provided by concerned ministries/division and from Thematic Groups. For interfacing of Thematic Groups, following operational procedures were suggested: (i) TGs would determine the interface with each other based on their respective TORs to be drawn up by them; (ii) The TGs will share the TORs between them to identify their inter-linkages; (iii) Once the inter-linkages are identified, the concerned TGs would arrange joint meetings. The structure and frequency of these meetings may be determined by the TGs themselves; (iv) Objectives of the joint meetings would be to avoid duplication of work and to derive benefit, if possible, from each other's work. To ensure interface between TGs and the NSC, it was decided that monthly meetings of the NSC would include agenda items on the progress of TGs. On the other hand, the TGs, in carrying out their activities, would follow the time-frame of the road map formulated by the NFPF and approved by the NSC. In this connection, lead ministry and associates have also been identified. Timetable for Thematic Groups are listed in Table 2.

TABLE 2. TIMETABLE FOR THEMATIC GROUPS

Sl. No.	Activity	Timetable
1	Firming up of initial guidelines and in-house consultation by the Steering Committee	October-November, 2003
2	Decision regarding the number of the Thematic Groups, their plan of action, the expected output and the timetable to accomplish the task	Early-December, 2003
3	Preparation of own Work Plan/TOR by the Thematic Groups	December, 2003
4	Background studies, if needed, by the Thematic Groups	December, 2003 May, 2004
5	Submission of Draft Reports to the Steering Committee	April-May, 2004
6	Submission of Final Reports to the Steering Committee	May-June, 2004

Source: Ahmed (2004).

Outputs of the Thematic Groups would: (i) provide a brief account of the current developments in the thematic area; (ii) provide an account of progress in implementation,

wherever applicable, of the policies as provided in the Medium-Term Policy Matrix of the I-PRSP; (iii) Provide an account of the current status of Poverty Reduction Indicators, wherever applicable, as proposed at Annex 11 of the I-PRSP; (iv) Draw up and recommend strategies and policies in respective thematic areas for achieving the objectives of accelerated growth, poverty reduction and social development; (v) Provide an update of the Medium-Term Policy Matrix in the *respective thematic area* as contained in the I-PRSP *or* work out a Medium-Term Policy matrix *for a particular thematic area* with time table for implementation where such a matrix is applicable and has not been developed in the I-PRSP; (vi) Develop Poverty Reduction Indicators in respective thematic areas, where applicable, and suggest modification in the proposed indicators (Annex 11), if there is any; and (vii) Develop criteria for selecting projects/ programmes based on the suggested strategies in the respective thematic areas.

A Critique of the PRSP Preparation Process

PRSP preparation process has followed some steps which need to be recognised and duly appreciated. These include shifting of national poverty focal point (NPF) from ERD of the Finance Ministry to the GED of the Planning Commission, formation of the NSC and the NPRC. However, *the NSC is comprised of secretaries of different ministries only. No representatives from civil society including private sector and development NGOs have been included in this Committee. Thus, it is essentially an inter-ministerial committee and therefore, it missed the opportunity to take input from a wider sections of the society in the design phase of the PRSP.* It seems that the PRSP preparation has not been able to overcome some of the same limitations which constrained the I-PRSP preparation.

As part of the PRSP, the various background papers are now being prepared by the Consultants. As per schedule these should be completed soon. It is expected that these documents would be accessible for public scrutiny. It is well known that public scrutiny of policy documents ensure objective analysis of facts and trends, and enhances the possibility of realistic strategy formulation. Public policy debates not only ensure quality but also promote ownership of the strategies by common people and, thereby, its implementation.

Formulation of recommendations by different discussion groups in national and regional consultation meetings is a step forward in participatory consultation. It is expected that

recommendations made by different discussion groups at the national and regional level consultation meetings would be properly documented and accessible for further inputs by the major stakeholders.

Monitoring and coordination in implementation of PRSP would be another challenging task. Hopefully, PRSP would be able to formulate a feasible monitoring mechanism and pave the way for monitoring by the civil society and other stakeholders. This would surely complement efforts of the NPFP and the NSC, and thus, cater to the need of the NPRC. However, this would require sharing of information by public agencies and a positive attitude towards the concerns of the interested organisations.

I-PRSP was never discussed in the parliament, though this was planned. Unless PRSP is discussed and endorsed by the parliament, a credible PRSP with national ownership is not possible. Therefore, the PRSP document ought to be passed by the parliament to ensure national ownership over the PRSP.

V. IMPLEMENTATION OF I-PRSP

The Medium Term Policy Matrix attached with the I-PRSP document has set medium term agenda for the government as part of a national strategy for economic growth and poverty reduction. In line with the strategic goals/policy objectives stated in the I-PRSP document, the policy matrix noted specific agenda for July2003-June 2004 and July2004-June2006 periods. The Medium-Term Policy Matrix has four pillars: Macroeconomic Stability—to accelerate pro-poor growth (Pillar 1); Improving Governance—for sustaining growth and poverty reduction (Pillar 2); Investing in human development—to enhance human capabilities (Pillar 3) and; Social protection—for reducing vulnerabilities (Pillar 4). The I-PRSP includes only broad mid-term agendas and in most of the cases there are no specific quantifiable targets. As a result, it is difficult to assess the progress of implementation of the mid term agenda of PRSP which was targetted for FY2004.

In many cases the relevant agencies responsible for implementation and monitoring do not have information on the status of implementation of I-PRSP target. It is also seen that the Ministries and agencies have some plan for implementation which is based on national budget and other ad hoc documents. The agenda of I-PRSP in many cases have not been

consulted as the main guiding document. The progress actually achieved has been mapped with the targets of I-PRSP in subsequent sections.

5.1 Macroeconomic Stability: To Accelerate Pro-Poor Economic Growth (Pillar 1)

Fiscal Management: Achieve Fiscal Discipline and Fiscal Sustainability

Six policy goals/objectives have been identified under the component of fiscal management. However, they are almost similar in context. The objective of the fiscal management can be rephrased as: Enhance efficient and accountable use of resources through fiscal transparency and oversight, particularly resources under development budget.

The texts of first column and third column of the policy matrix are confusing. One can guess that how some specific agenda for achieving the goals have been presented in the column on policy goals/objective, and items, which could go to the column of policy objectives, are presented in column of mid term agenda.

Major achievement in restoring the fiscal discipline was the submission of the final report of seven-member Public Expenditure Review Commission (PERC). However, no specific action has not been undertaken to implement the recommendation of the PERC.

One important progress was that the macroeconomic framework of the budget for FY04 closely followed the Mid-term Macroeconomic Framework (MTMF) agreed under the I-PRSP. The five-year MTMF (FY04-08) has given an apparent predictability to macro-economic policy making. This would give road to more detailed coherent policy action which would ultimately facilitate bringing transparency in government spending.

The plan to establish a poverty focal point in the GED was initiated. A technical assistance (TA) project has been proposed to ADB for the capacity building of GED. A project proposal for this purpose is pending.

The Sustainable Human Development (SHD) division has been shifted from the Programming Division to the GED.

It is not clear how adoption of programmes to implement comprehensive medium term stabilisation and second generation reform measures within MTMF emphasising increased domestic resource mobilisation, prudent monetary policy and improved external sector management are relevant with the restoration of fiscal discipline other than rationalised and improved quality of public expenditure. The programme for downstream automation of district level accounts office has not been implemented. The initiatives in restoring fiscal discipline are limited to receiving the report of the PERC. Other activities are generic and have interface with the restoration of fiscal discipline.

Reform Tax System to Improve Efficiency in Resource Mobilisation

Mobilisation of revenue resources includes two objectives: first, improvement of tax policy and tax administration to increase revenues and improvement of governance; second, making the tax system more efficient and equitable.

The specific programme included measures for further modernisation and rationalisation of tax system with effect from FY 2005, which will be based on recommendations of revenue reform commission.

The revenue reform commission recommended innovative “VAT stamp” for the “hard to tax” sectors, like sweetmeat shops, hotels and restaurants etc. The VAT stamp will be affixed to the original cash memos and packaging boxes. For improving VAT consciousness the commission proposed to introduce lottery on original cash memos of the purchase.

As the recommendations would be implemented from FY 2005, we have to wait to observe the status of implementation of these and other recommendations of the commission.

The mid term agenda for FY2004 included targets for increased share of direct tax and VAT in total revenue. The data of July-February FY2003 and FY2004 shows that the share of direct tax and VAT was rather reduced except for domestic VAT (Table 3). All the components experienced an increase over the period in question, the growth being about 0.09 percent. The share of total value added (with both domestic and import components) increased slightly from 33.1 per cent to 33.5 per cent, whereas the share of direct tax has been reduced from 15.5 per cent to 15.0 per cent. The share of the rest components remained

unchanged; in July-February FY2003 it was 51.4 per cent, for the corresponding period of FY2004 this was 51.8. Virtually, total share of VAT and direct tax remained unchanged.

TABLE 3. CHANGE IN SHARE OF VAT AND DIRECT TAX IN REVENUE.

Item	FY2003 (July-Feb)	FY2004 (July-Feb)
Value Added Tax (Import)	18.08	17.64
Value Added Tax (Domestic)	14.99	15.91
Total Value Added	33.08	33.55
Income Tax	15.52	14.69
Rest	51.41	51.76
Total (Amount, Core Taka)	14482.83	15798.69

Source: NBR Monthly Bulletin, February 2004.

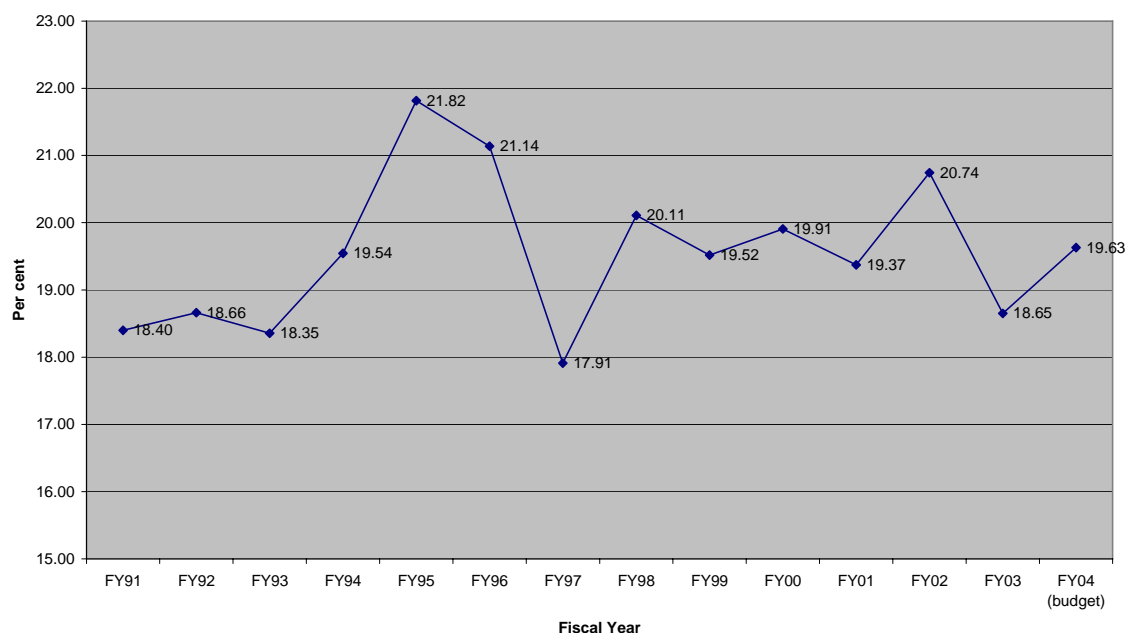
The agenda for FY2004 included programme of introduction of modern techniques for revenue collection and development of equitable taxation policies in NBR. There are some specific programmes related to implementation of the programme, but they are yet to materialise. NBR has set up a Central Monitoring & Intelligence Audit Unit. The unit is planned to be fully computerized and have trained and competent officials and the necessary facilities to support its day-to-day work. Some other specific components of the programme are:

- Application of Information technology in customs administration
- Creation of two separate custom houses instead of the existing one and also for making provision for manpower and logistics
- Establishment of two new VAT Commissionerates at Dhaka, one new VAT Commissionerates at Chittagong, 16 new Divisional Offices and 52 new Circle Offices all over the country and increase required number of manpower and logistics with effect from January 2004.

The government is planning to enact *Fiscal Responsibility Act* to prevent large-scale tax evasion by the businessmen and professionals. However, no concrete step is evident in this context.

The government also planned to increase the share of non-tax revenue in the total domestic resource mobilisation. The actual outcome is presented in the Figure 2 over the next decades. The planned figure for FY2004 is below the level of FY 2002.

Figure 2. Share of Non--Tax revenue in Total Revenue Income



There are some programmes for improving mobilisation of revenue resources, which include:

- Reforms in Revenue Administration (RIRA) project for reorganisation of the Large Taxpayer Unit (LTU) and modernisation of the taxes department;
- Establishment of a Central Intelligence, Monitoring and Audit Cell at the National Board of Revenue for improving information system and exchange of information among income tax, customs and VAT;
- Amendment of Customs Act, 1969 for making it more transparent and to suit to the occasion, and with a view to introducing effectiveness in custom administration;
- Making necessary amendments in the VAT Act and Rules to make it simple and at the same time effective.

There is no specific information available about the fate of these programmes.

External Sector: Redress Imbalances in the Balance of Payment

The I-PRSP set three specific goals/objectives for the medium term for the external sector. These are: (i) enhance unrestricted inflow of remittances; (ii) reduce current account deficit; and (iii) improve trade negotiation capacity including handling of international rules.

During the FY2004 the government planned to further strengthen anti-money laundering surveillance. For proper compliance of the provisions of the Money Laundering Prevention 2002, the Bangladesh Bank has made *Know Your Client* (KYC) mandatory for all banks. Bangladesh Bank has made training arrangements for the concerned officials of all banks on money laundering issue.

Transfer of workers' remittances through official channels has been further streamlined during the period. Several banks have now arrangements with foreign banks for transferring money within 24 hours and processing fees have also been reduced. In FY03 flow of remittance was equivalent to about 85% of net export earnings of the country. Remittance flows for the first time crossed the threshold level of \$3.0 billion in FY03, when it was \$3061.9 million or 22.4% higher than FY02. It should be kept in mind that the entire increase in remittance is not only due to improvement of the system, but also due to increased uncertainty faced by workers in the Gulf region, from where most of the remittance originates.

Bangladesh Bank is poised to refresh the old foreign exchange transaction guideline by April'04. An internal committee has been set up which will prepare recommendations including all previous instructions circulated by the central bank for making required changes in the 1996 version of the guideline. Total estimated loss of commercial banks in foreign exchange transaction could be about Tk 6 billion over past 8 years due to faulty dealings of the banks coupled with absence of standard operational guidelines.

Reduction of informal trade was identified as a means of reducing current account deficit. However, no specific action programme has been seen in this regard. There are three other ways to reduce deficit in the current account: (a) reduce deficit in balance of trade through expansion of export and/or reduction of import demand through setting up of import substituting industries, (b) enhance export of services, and (c) sustain and enhance growth in remittance through manpower export.

From the table it is obvious that it is the remittance which is playing a major role in achieving a positive balance in current account. If there were no remittance earnings, the deficit in the current account of the BoP would reach USD 2734 million in FY2003. The surplus BoP was

achieved when trade deficit increased from USD 1768 million to USD 2207 million between FY2002 and FY2003 (Table 4).

TABLE 4. ROLE OF REMITTANCE IN REDUCTION OF BALANCE OF PAYMENT (BOP) DEFICIT
In million USD

Items	FY 2002	FY2003
Current Account Balance without Remittance	-2261	-2734
Remittance	2501	3062
Current Account Balance with Remittance	240	328
Trade Balance	-1768	-2207

Source: Raihan and Mahmood (2004).

It is important to seek new markets for export of manpower, and improve skill development facilities at home. I-PRSP has not given due recognition to this important issue.

I-PRSP for FY2004 planned to establish a WTO Cell at the Ministry of Commerce with a Director General as the Chief of the Cell. It is a welcome development. Bangladesh Foreign Trade Institute (BFTI) has been set up with public-private partnership. Both are welcome developments in terms of enhancing trade negotiations capacity. However, the BFTI has still a long way to go.

For improving export performance the government has planned to further reduce anti-export bias of trade policy. The government planned to take action for promoting exports by expanding access to export markets, technology, imported inputs and capital markets.

Although an action plan ought to be designed during FY2004 to remove anti-export bias through institutional reforms, no specific activities have been seen till date.

Restructuring of the tariffs is usually an exercise which is undertaken during the national budget. Budget for FY2004 introduced a tariff structure with four-tiers and announced that in the budget of FY 2005, a three-tier system will be introduced. These would be 10, 20%, 30%. However, the I-PRSP target is: 30%, 15% and 10%. We have to wait until the next budget to see the actual development. In effect, the plan has not been implemented during the FY2004.

One important component of the government plan was to get the garment sector ready for annulment of the MFA. The government hired the Swiss-based Gherzi Textile Organisation (GTO) as government's consultant for preparing a post-MFA strategy. They have already submitted a 14 points strategy paper to face the post-MFA situation. The recommendations of the report have not yet been accepted by the Ministry of Commerce although about USD 2.5 million was spent in the mean time.

The Ministry of Commerce and the Ministry of Industries under their human development scheme have undertaken a 'Quality and Skill Development Project (SQDP)' to train some 10,000 garment sector employees in the next two years to help them face the post-MFA (multi-fibre arrangement) challenges⁷. The training programme which started on February 29, 2004 in Dhaka is expected to cover six major areas i.e. productivity management, quality management, compliance norms, marketing, inventory management and merchandising. About seven thousand management staff, both from the garment owners and the top and mid level management, will be trained free of cost. Bangladesh Export Diversification Project, a World Bank-financed project, would finance the training programme. Initially Tk 25.3 million has been earmarked for the project⁸.

As of now, the government does not have any contingency plan to address any post-MFA negative consequence which may emerge in 2005. Recently, the government has formed a high-powered committee headed by the Principal Secretary to the Prime Minister with representation from the private sectors to deal with the issue. The governments also arranged USD 1 billion BOP support from the IMF in case there is any adverse consequence. In the PRSP matrix is not clear how this will be done.

Freeing Financial Market and Strengthening Bangladesh Bank

Interestingly, the mid term agenda include programme for amendments to the Bangladesh Bank (Amendment) Act, 2003, the Bangladesh Banks (Nationalisation) (Amendment) Act, 2003 and the Bank Company (Amendment) Act, 2003 which are targetted for implementation during the FY2004. These as a matter of fact, have already been implemented in FY2003. These have indeed provided greater operational and policy autonomy to the Bangladesh

⁷ The Daily Star. 2004. "10,000 RMG employees to get training in 2 yrs" Vol. 4, No. 270. Date: March 1, 2004

⁸ The Financial Express. 2004. "7075 garment staff to be trained: Plan to train BGMEA men to face post-MFA onslaught" Vol. XI No 94. Date: February 19, 2004

Bank. The programme of enhancement of autonomy and regulatory power of the Bangladesh Bank, improvement of governance of public financial institutions, and removal of deficiency of legal framework was also included in the programme for FY2004, although these have already been implemented in FY2003.

‘Fit-and-proper’ test criteria of eligibility for bank directorship have been introduced by the Bangladesh Bank. The concerned persons must have at least 10 years of relevant experience. Number of directors in the bank’s board has been restricted to maximum of 13. These are expected to provide more effective direction to the management of the banks.

The government has planned to introduce new risk analysis, lending policies, loan follow-up and loan recovery processes during the FY2004.

The mid term agenda included a plan for adoption of a suitable strategy for restructuring the financial sector on the basis of the recommendations to be made by the Bank-FSAP Mission and the Committee on Resolution of the Loan Default Problems. As the Committee has now been dissolved, any new initiative will mainly be donor-driven, defeating the intention of PRSP to be a home-grown strategy.

In response to the International Monetary Fund’s (IMF) request to speed up the reform process in the country’s ailing banking sector, the government, however, hinted that it was willing to pursue a go-slow policy in carrying out reforms in the nationalised commercial banks (NCBs). A six-member IMF mission, led by its Assistant Director for Asia and the Pacific Region Chanpen Puckahtikom raised the issue on 29.02.04 during their meeting with Finance and Planning Minister M Saifur Rahman, MP. On scaling up reforms in banking sector, the minister told the IMF Mission that reforms of the NCBs would not be so quick. “We must have to protect those banks, which are operating in rural areas, as only those banks are contributing to economic activities thereby providing finance to agro-based sectors,” the Finance Minister argued⁹.

⁹ The Financial Express. 2004. “Saifur prefers breathing space for deepening banking reforms” Vol. XI No 105. Date: March 01, 2004

Privatisation and Deregulation

The objective under the PRSP was to reform SOEs to reduce losses and strengthen their efficiency and competitiveness. Four specific agendas were identified for implementation during FY2004.

The first agenda was to continue rationalisation of administered prices of SOEs' products and services. IN FY2004 the government increased price of gas for domestic consumption by 3.39 per cent. The price was also increased for large industries by 11.64 per cent. The price for small and medium enterprises was reduced by 14.01 per cent, which resulted in overall reduction by 0.32 per cent from the previous year. The price of electricity was also increased. Households have taken the major brunt of the burden of price hike, by 9.02 per cent from the price of FY2003. Electricity price for large industries, on the other hand, was reduced by 2.27 per cent.

One of the major components of action agenda was to sell or close down SOEs which were identified for privatisation. Since October 2001, the government has privatised only four SOEs and shut down another 30 enterprises. The government also short-listed over 100 of these for privatisation by 2005. However, the government has now radically changed its policy towards privatisation and has decided not to sell any SOEs before next election. The role of Privatisation Commission (PC) was substantially marginalised last year by way of withdrawing SOEs from the commission's jurisdiction and returning them to the relevant Ministries. The Cabinet Committee on Economic Affairs took a decision to divest SOEs through liquidation by the ministries concerned. Thus the entire privatisation process virtually came to a standstill since April, 2003 and the PC could not float even a single tender and different ministries started taking their enterprises off the divestment list. As per directives, the PC has to return 12 industries to the respective ministries, either for liquidation or operating them afresh.

It is, however, doubtful that the Ministries have the expertise and manpower to disinvest the SOEs.

At present the total number of State Owned Enterprises (SOEs) approved by the government for privatisation is 94. Around ten SOEs have been closed down during the last two years, while only three were privatised, i.e. handed over to the buyers.

The government plan for privatisation of four state-run gasoline companies was opposed by the workers and employees of the petroleum sector. The PC, decided to begin the evaluation of the assets and liabilities of the oil companies. The PC, in an order on February 12, 2004, asked its designated chartered accountant (CA) firms to complete the evaluation immediately¹⁰. The fate of this initiative is unknown in the context of the restraint put on the PC.

It was planned that during FY2004 an economic pricing framework for utilities would be developed. The ultimate goal of the government is to withdraw subsidies from the utilities. The development dimension of utilities is that the market price will make the utilities out of the reach of the poor people. As is well known, many developed countries also cross-subsidise their utilities.

The I-PRSP rightly identified power sector as a target for rationalisation. Two specific tasks for FY2004 were (a) merging of two Acts: “Bangladesh Electricity Reform Act, 2002” and “Gas Act” into one and (b) preparing an energy related act titled “The Energy Regulatory Commission Act, 2002”. The parliament enacted “*Bangladesh Energy Regulatory Commission Act 2003*”. According to the Act, the setting up of an Energy Commission is underway. The initiative for establishment of such a Commission is a positive step.

According to the plan for FY2004 a draft Energy Pricing Policy has been scrutinised by the government and is awaiting final approval. The new energy pricing policy has been formulated keeping the existing price bands intact. The policy will make provision to regularly review prices of petroleum in international market each month; domestic price level will be reviewed every six months. Gas prices are designed to be reviewed every six months and a rise in its price level will be considered after one year.¹¹

¹⁰ The Financial Express. 2004. “BPDB Govt will go ahead with plan to privatise oil cos” Vol. XI No 102.

Date: February 27, 2004

¹¹ BSS. May 14, 2003. <http://www.bssnews.net/index.php?genID=BSS-08-2003-05-13&id=7>

As part of rationalisation of power sector the Bangladesh Power Development Board (BPDB) is planned to be converted into a holding company soon under the Companies Act, 1994 to enhance its efficiency and ensure reliable and smooth supply of electricity across the country. The Ministry of Power, Energy and Mineral Resources (MPEMR), headed by the Prime Minister, has already approved the conversion plan to achieve the target set by the government to make electricity available to all citizens by 2020. The conversion will provide for setting up new power plants under joint venture, with commercial bank loans and through own-financing, as well as through generation of funds from stock exchanges alongside the independent power producers (IPPs). Foreign direct investment in the power sector will also be encouraged and the existing generating stations of the BPDB will be converted into a number of corporatised entities under the BPDB holding company. The BPDB distribution segment will also be converted into a number of subsidiary companies under the BPDB holding company. It will also establish corporate management in the power sector. Government's dependence on the development partners in terms of setting up power plants is expected to be reduced significantly¹².

5.2 Improving Governance: For Sustaining Growth and Poverty Reduction (Pillar 2)

Governance

Governance is the most critical area if Bangladesh is to achieve sustainable growth and development. Chronic and pervasive failure in governance at every level creates a syndrome of “Failed state”. Given the critical importance of governance, it has been identified as Pillar 2 of the PRSP.

Two specific objectives were identified under governance: move towards good governance and improve law and order situation.

The plan for FY2004 identified strengthening of the role of the Parliament and the Parliamentary Committees especially Public Accounts Committee, and Public Estimate and Undertaking Committees. The interface of these Committees with the activities of the line ministries has been planned to be made more effective. These Committees are planned to play an important role in developing the PRSP. It is to be noted that these committees have

¹² The Financial Express. 2004. “BPDB turns into holding co soon to raise efficiency” Vol. XI No 104. Date: February 29, 2004

become more active in recent times. However, without active participation of the elected opposition these Committees can not function effectively.

The agenda included a plan for ensuring effectiveness and an independent role of the Comptroller and Auditor General (C&AG) office as an institution accountable to the Parliament. The C&AG submitted 47 audit reports containing 47,812 audit objections to the President on March 03, 2004 without furnishing the total money involved in these cases. This is the first time in the CAG office's history that total monetary involvement got missing in the reports though this was the practice until last year when a total of around Tk 150 billion was found to be involved in audit objections. For the sake of transparency, it was also necessary to mention the involved amount this year¹³. No doubt this is a back ward step as far as independence of C&AG office is concerned.

FY2004 was earmarked for implementation of judicial reform programme, where separation of judiciary from the executive was the heart. Other two agendas were establishment of a Judicial Service Commission and a Judicial Pay Commission. High Court has served a number of show cause notices on the government as regards the separation of judiciary from executive. The Government has been raising various excuses and did not implement this as yet. Although a dead line has been set, for yet another time, it is doubtful whether this may happen any time soon.

A set of programmes have been planned to be implemented during FY2004 as regards the improvement of law and order, which included, *inter alia*, introduction of comprehensive reform in the police service, establishment of the office of the Ombudsman and an independent Anti-Corruption Commission. Other plans included development of an action plan for phased implementation of relevant recommendations of PARC and PERC, using informatics to improve governance, improvement of public purchase and procurement systems, and promotion of unhindered flow of information.

The Anti-corruption Commission Bill-2004 has been passed in the *Jatiya Sangsad* on February 17, 2004. The bill seeks to form an independent commission to curb the growing corruption in the country. The Commission, once constituted through government

¹³ The Financial Express. 2004. "Figure of money missing as audit objections submitted to President" Vol. XI No 107. Date: March 04, 2004

notification, would investigate and arrange trial of the offences of corruption and other related offences tried under Anti-Corruption Act, 1957, and the penal code. With the passage of the bill, the existing Anti-Corruption Bureau has been abolished, according to the provision of the bill, but the under-trial cases would be transferred to special judges court, to be established under the new law.¹⁴ However, the act uses the Criminal Law (Amendment) Act 1958 as a basis for prosecuting the offender. Section 10 (4) of the criminal law reads: "No prosecution under this act against any person either generally or in respect of anyone or more of the offences for which he is being tried shall be withdrawn except under the order in writing of the government." Although the new legislation will allow independent investigation and prosecution of anyone involved in corruption, the government however can withdraw any case at will, even at the trial stage by taking recourse to this section¹⁵. Also much will depend on how transparent the process of selection of the Independent Commissions is, and also on whether they will be allowed to work independently.

The plan for FY2004 also talked about making the educational institutions free from violence and disorder, however, any concrete action is yet to be seen.

Supporting Local Government and Broadening Participation

The main objective of this component was to widen participatory governance. Instead of strengthening Union Parishad as a primary local governance institution, the government introduced gram sarkar (village government), which created confusion at the local government level. Also the elections to these gram sarkars have come under wide criticism.

Reform of the Civil Service

The objective of reforms in the civil service was to improve the performance of the civil service by restoring integrity, efficiency, and adoption of modern personnel and management practices. Specific programmes included restoration of merit, performance and integrity based civil service cadre system. In FY2004 action plan is to be developed for implementation of the recommendations of the PERC.

¹⁴ The Independent. 2004. Issue: 1950. 18 February 2004

¹⁵ The Daily Star. 2004. Free Anti-graft Body: Govt can still withdraw any case at will. Vol. 4, No. 260. Date: February 19, 2004

Specific programme related to the development of civil service is to build 'scholar civil servants' through enrolment of 3,000 public servants in PhD, MS and various short and long training courses. Total cost of the project is about Tk 1,426 crore. No action plan has been developed for implementation of this recommendation of the PERC report.

5.3 Investing In Human Development: To Enhance Human Capabilities (Pillar 3)

Education

Four specific objectives were set for education sector, viz, improving the quality of education, promoting female education, promoting vocational training and skills, and improving science and technical education.

To materialise the objectives, the government has taken up several action plans which include: implementation of social sector policies to improve access of the poor; enhancement of quality; and preparation of GIS based educational institution map for 17 districts (on experimental basis).

The government is now implementing a project funded by the Asian Development Bank (ADB) which relates to quality improvement of secondary education. The preparation of GIS based mapping system is on track. A separate project has been taken for the metropolitan areas to enhance female enrolment. As for the rural areas, all girl students have already come under its coverage subject to the fulfilment of some criteria.

Health

The objective of the health sector policy was determined as ensuring effective and equitable access to health services by all. Three actions have been identified for realisation of the objective.

To realise the revised health sector strategy, the government has approved a two-and-half-year Health Nutrition and Population Sector Programme (HNPSPP) worth Tk 106.17 billion. HNPSPP was undertaken at the backdrop of the failure of the Health and Population Sector Programme (HPSP) to attain some specific objectives. The government has set targets to reduce maternal mortality rate, and serious malnutrition and fertility rate under the scheme. City health service, alternative medical care, nursing education and services, improvement of

hospital management standards, human resources development, and quality service assurance are some of the major components of the mega health programme¹⁶.

Government has initiated a new law titled *Private Clinic and Diagnostic Centre Ordinance 2004*. Under this proposed law, illegal medical practitioners face up to 10 years of imprisonment and Tk 10 lakh in fines for malpractice. However, plan to fill up vacant posts of doctors and nurses is yet to materialise.

Telecommunication

For widening telecommunications network technical and financial evaluation of the tenders for 110,000 lines and Upazila digitisation projects have been completed, while tender for another 90,000 connections was floated recently. The projects are to be sent to the Cabinet Purchase Committee within a month for approval. Executive Committee of National Economic Council (ECNEC) has already approved the projects. A project for 110,000 connections in mostly Dhaka metropolitan areas costing around Tk 5.02 billion will be implemented in two years' time.

The Bangladesh Telegraph and Telephone Board (BTTB) plans to install 90,000 connections in Chittagong, Khulna and Sylhet with Korean aid. South Korea has provided Tk 3.36 billion as its Enterprise Computer Telephony Forum (ETCF) soft loan for the project. The digitisation of around 200 upazilas and growth centres has also been taken up which will cost around Tk 3.82 billion. The government is funding the project and it has been taken up as a high priority project. The completion of the project will bring all 465 upazilas and major growth centres across the country under the digital network¹⁷.

The BTTB took the decision to invest more than Tk 12 billion in a short period of time to increase the tele-density of the country, which continues to remain one of lowest tele-density countries of the world.

¹⁶ The Financial Express. 2004. "ECNEC okays biggest-ever health sector project" Vol. XI No 110. Date: February 12, 2004

¹⁷ The Financial Express. 2004. "BTTB to invest over Tk 12b to raise tele-density" Vol. XI No 110. Date: March 7, 2004

BTTB has failed to implement its mobile services due to the problem of conflicting interests. On the one hand, there is a criticism that BTTB should not enter into the mobile market while enjoying extra advantage over other operators. On the other hand, people welcome the decision since it will reduce the cost of mobile calls, which is one of the highest in the world. The parliamentary standing committee on telecommunications ministry sent a letter to the Public Purchase Committee on February 14 to review the February decision on suspending the BTTB cell phone project.

The BTTB now has around 900,000 connections across the country. The new lines would bring its number to 1.1 million and raise the country's fixed-line tele-density from 0.75 to 0.9. The parliamentary standing committee asked the BTTB to repair inoperative phones within 72 hours after subscribers report to the board¹⁸. This decision was welcomed by the subscribers. However, there are serious concerns whether this order will be carried out by the BTTB.

To improve the affordability of telecommunications, BTTB has reduced its charges for international calls by more than 80% for a number of destinations. The new rate was available to telephone subscribers in the capital, Dhaka and it would be offered to subscribers in other parts of the country in phases.¹⁹ The call rates for NWD have also been slashed down in April, 2004.

Technology Policy

It was planned that a technology policy, and comprehensive action plan for its implementation, will be revised in FY2004. Till date no action has been observed in this regard.

The government is yet to take action on the decision of legalisation of Voice Over Internet Protocol (VOIP) and issuing of license have not started till date. This has created frustration among the Internet Service Providers (ISPs) and private sector who wanted to start IT enabled services based on VOIP.

¹⁸ The Daily Star. 2004. "JS body formed to suggest tariff cut" Vol. 4, No. 271. Date: March 2, 2004

¹⁹ BBC News. 2003. "Bangladesh cuts phone prices" 31 December, 2003

The Ministry of Science and Technology (MST) was renamed as the Ministry of Science and Information and Communication Technology. Previously the MST covered all technologies including ICTs. Although the refocusing was appreciated by the ICT sectors, exclusion of all other technologies from the coverage of the Ministry, resulting from this exercise, is not a good sign.

Ensure Integrated and Pro-Poor Growth of Employment and Output

Sectoral policies

The objective was to formulate sectoral policies in support of the growth and poverty reduction agenda. There was no detailed action agenda under this component. The focal component of the whole PRSP, which is directly related to the integration of the pro-poor growth with generation of employment and output, was thus not elaborated.

5.4 Social Protection: For Reducing Vulnerabilities and Improving Income Generating Opportunities (Pillar 4)

Four policy objectives have been identified for social protection. These are: (i) Women's advancement and removing gender gaps; (ii) Strengthening social protection; (iii) Policies and institutions for reducing inequality; and (iv) Caring for environment.

Women's Advancement and Removing Gender Gaps

In this case agenda for FY2003-04 was: Factor the gender concerns into both diagnostic and prescriptive modules of the strategy including both sectoral and sub-sectoral levels. Progress/actions planned to achieve the above mentioned agenda were as follows:

- Five million female students up to HSC level are getting stipends as part of the government initiatives to promote girl's education²⁰.
- Government plans to extend its free education programme for girls from HSC to degree level, aiming to empower women.²¹
- Finance and Planning Minister, in his FY2003-04 budget speech, mentioned "Various programmes supporting women empowerment including expansion of VGD programme, micro credit programmes, women entrepreneurship development programme, working women's hostel and child day care centre projects have been

²⁰ The Bangladesh Observer. 2003. "Minister tells JS 50 lakh female students get stipend". November 19, 2003.

²¹ The Daily Star. 2003. "Girls now to get under-grad education free" Vol. 4, No. 87. Date: August 22, 2003

taken up. Steps have been taken to further expand and strengthen these programmes and to take up new programmes aimed at empowerment of women. To involve women in production-oriented activities, a training scheme has been undertaken at a vocational training centre in Dhaka. Besides, a project has been taken up to set up five women vocational training centres.”

Strengthening Social Protection

Three agenda were set for FY2003-04: (i) Adopt policies/programmes and strengthen current programmes of providing social safety nets to the poor; (ii) Address vulnerabilities of the new poor (like retrenched workers); and (iii) Micro-credit and credit for SME development will be extended.

Following actions were proposed in the FY2003-04 Budget as regards interventions in the abovementioned areas.

- Increase old-age allowance for the elderly poor people from Tk 125 to Tk 150 per month, and increase the number of beneficiaries from 5 lakh to 10 lakh in FY2003-04. Total expenditure planned on this account in FY2003-2004 was Tk 180 crore, registering a net increase of Tk 105 crore over that of the FY 2002-03.
- In case of Widowed and Deserted Women Allowance Scheme, monthly allowance per head was proposed to be increased from Tk 125 to Tk 150; and the number of beneficiaries was to be increased from 2 lakh 70 thousand to 5 lakh. In FY2003-04, an additional amount of Tk 50 crore was proposed for this and the total allocation proposed was Tk 90 crore. Widowed and Deserted Women Allowance Scheme was earlier managed by the Ministry of Social Welfare; the Government has now decided to place it under the management of Ministry of Women and Children Affairs.
- Higher allocation for “Fund for Acid-burnt Women and Rehabilitation of Physically Handicapped”, from Tk 15 Crore in FY 2002-03 to Tk 40 crore in FY2003-04.
- Higher allocation for “Fund for Mitigation of Risks from Natural Disasters”, from Tk 25 Crore in FY 2002-03 to Tk 75 crore in FY2003-04.
- In FY 2002-03, 8 lakh 7 thousand metric tons of food grains worth Tk 1100 crore was allocated for rural infrastructure development programme (FFW) and rural infrastructure maintenance programme (TR), VGF and VGD. It was stated in the

FY2003-04 Budget that allocation for these programmes will continue to increase in future.

- For various poverty alleviation programs, the budget proposed a combined allocation of Tk 4353 crore in both revenue and development budget for the Ministry of Local Government, Rural Development and Cooperatives, which is Tk 720 crore higher than the revised budget of FY2002-03.

Micro Credit Programme: In addition to on-going micro credit programme, a total allocation of Tk 345 crore for new micro-credit programmes was proposed in FY2003-04 Budget. It was mentioned that the Government will be directly injecting substantial resources from Revenue Budget for micro-credit for the first time. Out of this amount, Tk 200 crore will be allocated to Rural Development and Co-operatives Division, Tk 30 crore to the Ministry of Fisheries and Livestock, Tk 25 crore for Ministry for Youth and Sports, Tk 25 crore to Ministry of Liberation Affairs and Tk 15 crore to Ministry for Women and Children Affairs. Through these programmes micro-credit will be provided to unemployed young men and women, small farmers, poor freedom fighters and destitute women after giving them appropriate training. The Budget also proposed an allocation of Tk 50 crore as an initial contribution of the Government for a proposed Micro-credit Foundation which is geared to generate dynamism in the micro-credit activities of smaller NGOs.

The government has taken plans to form microcredit banks to lend small loans to the poor – an activity thus far limited only to non-governmental organisations. Grameen Bank Managing Director Dr Muhammad Yunus initiated the move and sent a proposal to the finance ministry on January, 2004. Bangladesh Bank responded positively to the proposal. The proposal suggested forming of four types of microloan banks with paid-up capitals -- three types in regional and one in national category. The small regional types with headquarters in certain command areas will have paid-up capital of \$10 thousand, \$50 thousand and \$100 thousand and the national one will have \$10 million. The proposal mentions that a separate regulatory commission will be set up to govern the banks²².

²² The Daily Star. 2004. "Govt plans to set up microcredit banks" Vol. 4, No. 260. Date: February 19, 2004

Policies and Institutions for Reducing Inequality

In this case agenda for FY2003-04 was: Design programmes to assist broad-based asset access to the poor including reforms in land tenancy market, effective distribution of *khas* land and ponds to landless families, providing basic education and skills and micro-credit.

The 2003-04 Budget proposed to rehabilitate 65,000 landless and homeless families for self-employment through its *Abashon Programme* which would cost Tk 447 crore.

Caring for Environment

In this case agenda for FY2003-04 was: Implement the environment strategy drawing upon Environment Policy 1992, Dhaka Declaration 2000 and the NEMAP.

Concrete plan or progress in this area is not known.

Actual progress in implementation of most of the above-mentioned activities is not known. It needs to be reemphasised that effective implementation of the programmes and participation of the poor in the growth process means much more for poverty alleviation than symbolic allocation for different programmes including social safety net programmes.

VI. CONCLUDING REMARKS

It is hoped that PRSP preparation will take care of the concerns and criticisms made by stakeholders during the preparation of the I-PRSP. Documents produced for preparation of PRSP need to be made available for public scrutiny; there should be transparent and accountable system for accommodation of suggestions made by the stakeholders. PRSP should also clearly spell out the implementation and monitoring mechanism of the major targets and interventions. There should be a system of periodic review of the targets and discussion on how to better the targets and implementation mechanisms.

The PRSP draft should be discussed in the Parliament and with all political parties in an informed and objective manner. This would provide scope for more broad based debate and introduce greater transparency into the PRSP process. Only through this process *a credible PRSP will emerge out of a credible process of public and political consultation*. Debate and endorsement by the Parliament will ensure national ownership, generation of the required

resources and, thus, pave the way for implementing the strategy in a manner which would truly lead to elimination of the curse of poverty in Bangladesh.

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**ANNEX 1. I-PRSP CONTENT ANALYSIS: REFLECTION OF THE RECOMMENDATIONS OF THE CPD TASK FORCE REPORT ON
“POVERTY ERADICATION AND EMPLOYMENT GENERATION”**

Recommendation of the CPD Task Force	Reflection in the I-PRSP
Multiple Routes to Attack Multiple Roots of Poverty	
<ul style="list-style-type: none"> Poverty can be reduced in different ways. This is because poverty is caused by many factors. Despite the diverse nature of the causes of poverty, one can group them into some broad policy-relevant categories. Poverty can be influenced via six channels, namely, macro-stability, growth projects, human development, microcredit-based self-employment, income transfer programmes (often known as "safety nets"), and social mobilization (empowerment at the gender, income category, and institutional levels). Identification of the channels of intervention is a necessary but not sufficient condition for faster poverty reduction. 	Fully reflected
Creating Appropriate Legal and Institutional Framework for Social Entrepreneurialism	
<ul style="list-style-type: none"> An appropriate legal framework must be put in place to remove barriers to creating “corporations of the poor”. Legal provisions need to be made so that organisations serving the poor can function as corporate entities with shareholder participation by the poor and ensuring accountability to the poor. Legal provisions also need to be made to allow them to function (and compete with private enterprises) as social entrepreneurs in all major spheres of private economic activity. The hallmark of these social enterprises would be (a) the poor will be equity owners, (b) the management of the enterprises will be run commercially, and (c) profits will be used for anti-poverty and social development purposes. The current legal framework regulating the NGOs/CBOs does not allow these possibilities and hence, a change in the rules and procedures is the absolute pre-condition for operationalising the ideas laid out in the “macro-perspectives on poverty reduction”. <ul style="list-style-type: none"> The current allowance for tax-breaks for philanthropic activities is very limited and far less in both magnitude and coverage compared to the developed countries. Tax-breaks for encouraging philanthropic activities need to be expanded. Non-resident Bangladeshis need to be encouraged to come forward for contributing to the process of poverty reduction. Social entrepreneurs can take the initiative to mobilise funds from them and invest in anti-poverty activities. Creating a favourable legal/institutional framework for encouraging social entrepreneurialism will not be at the expense of other players. The proposed framework will take into account the issue of a level playing field with the private sector. Social entrepreneurs will ensure that the savings of the poor be invested in profitable ventures/activities. Social enterprises will be run on a for-profit basis as any other commercial enterprises but its profits would be re-cycled into activities that benefit the poor. Thus, profits of these enterprises may be re-cycled into social development activities (such as education and health) where foreign aid may dry up in the future. These entrepreneurs need to be supported by macro-policy instruments as well as special funding arrangements. The idea of the Social Development Foundation (SDF)—modeled on the idea of PKSF-- to support social entrepreneurs needs to be actively supported. If NGOs convert themselves into for-profit corporate bodies they may not be eligible for donor’s grants that are currently provided for financing social development activities. Hence, the allowance should be made for NGOs to have two separate wings, one functioning as a for-profit corporate body, and the other as a not-for-profit corporate body. 	Partially reflected
	Not reflected
	Partially reflected
	Not reflected
	Fully reflected
	Not reflected
Access to Assets	
<ul style="list-style-type: none"> There is a need for reviewing the current pattern of operational use of entire <i>khas</i> resources (such as agricultural land, ponds, forest) held under government ownership. While precise estimates are difficult to come by—there is significant informational rents associated with such statistics—it is widely held that the amount of actual <i>khas</i> lands and ponds is much higher than what is reported by official statistics. These <i>khas</i> lands and ponds are used inequitably and often inefficiently. The present Task Force, therefore, recommends the distribution of all <i>khas</i> lands and ponds to the poor and the poorest on a priority basis by evicting their illegal owners both in rural and urban areas. Apart from the access to physical assets, it is important to provide the poor with access to corporate assets via setting up “mutual funds” that invest the savings of the poor people in buying corporate assets, by equitising these industrial assets. Thus, the opportunities for democratising ownership of corporate wealth can be extended to workers, to own shares in the enterprises where they work. Workers of the ready-made garment workers may be given an equity stake in their respective factories. This step would be beneficial even from the perspective of maintaining wage competitiveness in the face of fierce competition in the global export market for textiles, especially after the withdrawal of MFA. This would also allow these enterprises to address the concerns over labour standard. 	Fully reflected
	Not reflected

Recommendation of the CPD Task Force	Reflection in the I-PRSP
Developed countries can be requested to provide special incentives to those Bangladeshi exporters who would give their workers an equity stake. The same principle of equitisation can be applied to the entire range of export products and services.	
Ensuring Universal Primary and Secondary Education	
<ul style="list-style-type: none"> ▪ The focus on universal primary and secondary education needs to be pursued vigorously with emphasis on capacity building (both hardware and software), improving the access of the poor, ensuring quality education for the poor, and removing the gender gap. 	Fully reflected
<ul style="list-style-type: none"> • The idea of FFE needs to be combined with the <i>School Feeding Programme</i>. FFE has been successful in reaching out to the poor, but its nutritional impact on the children has been found to be minimal. School Feeding Programme providing early snacks in the morning can improve the nutritional status of the children as well as enhance the cognitive ability of the children. The current practice of distributing FFE wheat through dealers needs to be abolished because of widespread corruption and leakage. 	Partially reflected
<ul style="list-style-type: none"> • Given the fast expansion of primary education, the demand for secondary education is expected to increase at a rapid pace in the near future. This should be taken into consideration in making sub-sector allocations within the broad education sector. 	Not reflected
<ul style="list-style-type: none"> • Policies and institutional measures need to be undertaken for <i>reducing the quality gap</i> contributing to the widening of the “education divide” between the rich and the poor. Adequate scholarships for the meritorious students coming from poor families, covering tuition and hostel fees with scopes for on-campus work, may be given to encourage their entry at the level of higher (University) education. 	Partially reflected
<ul style="list-style-type: none"> • Private donations, especially by the Bangladeshis living abroad, to construct quality schools and colleges at the village level may be encouraged by simplifying the procedure for setting up of such schools. 	Not reflected
Improving Health	
<ul style="list-style-type: none"> • The poor suffer from both communicable and non-communicable diseases, with the rise in the proportion of the latter in recent years. The scope and coverage of ESP needs to be increased to include not only reproductive health care and child health care components (which is the present emphasis), but also curative health services for the poorest and the most vulnerable. 	Partially reflected
<ul style="list-style-type: none"> • Given the rising importance of non-communicable diseases for the poor (such as road injuries, violence, diabetic, and heart attack) future health strategies need to give due attention to addressing these problems. 	Partially reflected
<ul style="list-style-type: none"> • There is an urgent need for setting up the basic primary health infrastructure (with a provision for the referrals) in the urban areas especially designed to cater to the services of the urban poor. 	Fully reflected
<ul style="list-style-type: none"> • Health education, <i>Behaviour Change Communication</i> (BCC), women’s empowerment, development of health insurance schemes are some of the important avenues for influencing health outcomes apart from the traditional health sector based interventions. 	Partially reflected
<ul style="list-style-type: none"> • A health compact between consumers of health services and civil rights activists needs to be developed to combat the harm caused by the health providers through malpractices, inadequate attention to patients, inadequate care, etc. 	Not reflected
<ul style="list-style-type: none"> • Government has a primary responsibility in addressing major public health problems facing the country. At the moment there is no special cell within the health ministry dealing with the growing menace of arsenic-contamination, dengue fever, re-appearance of malaria, and TB. Awareness about the possible adverse consequences of arsenicosis is still low, while the current technology for treating arsenic contaminated tubewells is both costly and unsustainable. There is a serious need for rethinking the past strategy of ground water use for safe drinking purposes with possible emphasis on surface water use (and the procedures for its easy purification), retention of rain water, repair of wells, etc. Existing tubewells should be periodically checked for possible contamination and de-contaminated through close interaction involving the government, the NGOs and the local community. Such a role on the part of the local community and NGOs is also absolutely critical in confronting the threat of dengue fever, malaria and tuberculosis. Active research programmes on arsenicosis and dengue fever need to be supported by the government. 	Partially reflected
<ul style="list-style-type: none"> • Emphasis should be given to the adequate supply of mid-level health workers (such as paramedics and nurses) to increase the access of the poor to public health services. 	Partially reflected
<ul style="list-style-type: none"> • The government health sector alone cannot make the difference. Training and mainstreaming of non-government (formal and informal) health providers within an appropriate regulatory framework remain an absolute necessity for effective coverage for both preventive and curative care. NGOs/CBOs can be encouraged to be actively involved in providing community-level primary health services (including family health care) while THCs can provide higher-order curative and 	Partially reflected

Recommendation of the CPD Task Force	Reflection in the I-PRSP
<p>emergency services. There is a need for re-inventing the idea of the <i>Community Health Clinic (CHC)</i> at village level. This plan cannot be achieved through government initiatives alone. Both as a source of alternative finance and as a mobilising agent NGOs must play a key role in the implementation of the CHC programme.</p>	
<ul style="list-style-type: none"> Given the intersectoral impact on health outcomes, health concerns need to be built into the design and implementation of non-health projects and programmes, ranging from manufacturing to transportation, housing to agriculture. 	Partially reflected
<i>Improving Nutritional Status of Mother and Children</i>	
<ul style="list-style-type: none"> Priority attention must be given to maternal health care and mother's nutrition to ensure better nutritional status of children and hence, to protect and enhance the productivity of future generations. Since a mother's well-being cannot be seen in isolation from the issue of ensuring the well-being of women (and the girl child) in general, the approach calls for eliminating all forms of female disadvantages in nutrition, health care and schooling. Caring for women while important in its own right thus also becomes an issue of policy choice, an instrumental means, for promoting economic growth and broad-based social development. To this end support should be provided to the further expansion of the <i>National Nutrition Programme (NNP)</i> which targets pregnant and lactating mothers, and children under 2 years of age. The implementation of NNP in all upazillas of the country by the year 2010 must be viewed as one of the most important social targets. 	Fully reflected
<i>Creating Well-Functioning and Empowered Local Government</i>	
<ul style="list-style-type: none"> There has been very little progress in creating an effective (well-functioning and empowered) local government structure in the country. The recommendations of the Local Government Commission have not been put into practice. Local government has special relevance for improving the performance of public education and health sectors in rural areas. Education and health delivery at the primary and secondary levels should be local subjects, entirely under the control of the well-functioning local government, backed up by the "voice" of the local community (parents, consumer of health services, etc.). 	Fully reflected
<i>Addressing Regional Imbalances</i>	
<ul style="list-style-type: none"> The spatial dimensions of economic and social well-being should be given due attention in resource allocations, project selection and programme implementation with particular emphasis on the poor areas. 	Partially reflected
<i>Universalising the IG-VGD Approach</i>	
<ul style="list-style-type: none"> Through the innovative IG-VGD approach, hardcore poor members of VGD programmes have been linked with the regular microcredit programme of BRAC. Such a principle needs to be replicated for targeting the hardcore poor and for upgrading of the existing programmes for the hardcore poor. 	Not reflected
<i>Reaching out to the Left-Outs in Microcredit</i>	
<ul style="list-style-type: none"> All willing poor borrowers should get access to microcredit as a way of climbing out of poverty. Large and small NGOs should come together to cover all the segments of the poor who have been left-outs from the MFI operations. Umbrella organisations such as PKSf can play a key role in the process. 	Fully reflected
<i>Spreading the Reach of the Social Safety Nets</i>	
<ul style="list-style-type: none"> Social security programmes such as Old Age Allowance Programme for the Poor Elderly and the Allowance Scheme for Widowed and Husband Deserted Distressed Women merit further expansion through budgetary support. 	Fully reflected
<i>Institutional Mechanisms for Monitoring and Advocacy</i>	
<ul style="list-style-type: none"> Create a <i>Poverty Focal Point</i> within the Government for effective poverty-monitoring and tracking progress in implementing anti-poverty policies and programmes. 	Fully reflected
<ul style="list-style-type: none"> Support a consultative process with civil society at suitable levels of social and regional disaggregations in preparing a pro-poor national poverty eradication plan such as the <i>Poverty Reduction Strategy Paper (PRSP)</i>. 	Partially reflected
<ul style="list-style-type: none"> Create an independent institution supported by the <i>Concerned Group of Citizens for Attacking Poverty and Vulnerability</i> within civil society—similar to the <i>Social Weather Station</i> in Philippines—to provide an independent assessment of trends in poverty as well as poverty reduction policies. Such a group of concerned citizens can act not just as a <i>poverty-monitoring</i> group, but also as an <i>advocacy group</i> for influencing policy. The activities of this group should help trigger collective action in respective sectors for reducing poverty and vulnerability. 	Fully Reflected

ANNEX 2. I-PRSP CONTENT ANALYSIS: REFLECTION OF THE SUGGESTIONS OF CIVIL SOCIETY.

Recommendations by Civil Society	Reflections in the Draft I-PRSP
<i>Ownership of the I-PRSP Document</i>	
Involve all stakeholders in a genuinely participatory process. I-PRSP has been prepared to get foreign loan not to eradicate poverty.	Silent
The I-PRSP that has been prepared without taking opinion of ethnic minority will not benefit them.	Partially addressed
PRSP should be prepared through parliamentary discussion	Not addressed
PRSP should not be prepared due to donor pressure or for getting foreign aid. PRSP should be prepared with direct participation of poor people	Partially addressed
The I-PRSP draft should be discussed at various levels (union, Thana, and parliament)	Partially addressed
Ensure that all discussions between Government of Bangladesh and donor agencies relating to PRSP must be transparent and open for public scrutiny	Not addressed
Scholarship, education loan and subsidy should be provided to meritorious students of poor families	Partially reflected
Reduce unemployment through education and by creating positions	Partially reflected
<i>Children and women</i>	
Specific programmes to eliminate child labour. PRSP document has omitted the issues of child rights, child labour and adolescent group	Not reflected
Women need regular employment, reasonable incomes, descent work conditions and safe workplace	Partially reflected
Better access and justice for women	Partially reflected
The strategy for social protection appears the most divorced from reality because it fails to take into account livelihood insecurity faced by people, which is much greater for poor women and for female headed households and a major cause for a slide back into poverty	Fully reflected
<i>Macro-Economic Perspectives</i>	
Macroeconomic perspectives of I-PRSP deviates from the past trend. Unless concrete measures are taken to revamp the export and the external sector poverty cannot be reduced at a faster rate.	Partially addressed
The I-PRSP envisage a very sharp increase in revenue earnings in relation to the trend	Not addressed
Target revenue expenditure is shown in the I-PRSP as a constant proportion of GDP over the medium term period. This means that revenue expenditure will be growing at the same rate as the GDP. The rationale behind the accelerated growth of revenue expenditure is not clear. Fiscal prudence would demand putting a tab on the growth of revenue expenditure	Not addressed
Identify the programmes, organisations, institutions, ministries, agencies, policies, even persons, who made negative contribution to poverty reduction during the past 15 years.	Not reflected
<i>Poverty Reduction Targets</i>	
Without a I-PRSP, the rate of poverty reduction has been 1.1 percentage point per year during the 1990s. Therefore, IPRSP's target of 1.6 percentage point poverty reduction per year is not as high as expected. Moreover, no target for the reduction of extreme poverty has been specified in the document.	Not addressed
<i>Micro-credit Policy</i>	
Self-employment through micro-credit.	Fully reflected
Lessons learnt from micro-credit can be applied with equal success in providing agricultural credit, and providing credit to the people who do not have access to credit from conventional banks.	Not reflected
<i>Good governance</i>	
Give the citizens peace, personal safety and security, and clean governance.	Partially reflected

Recommendations by Civil Society	Reflections in the Draft I-PRSP
<i>Food insecurity</i>	
Food insecurity has received only some scant attention in the document. An elaborate discussion on the strategies and alternative policy options to enhance household food security in the context of both (rice) price stabilization and targeted food distribution in the face of declining food aid is essential.	Not reflected
<i>Monitoring and evaluation system</i>	
Creation of a strong poverty monitoring outfit for continuous monitoring of poverty upazilla by upazilla	Partially reflected
<i>Export of Manpower</i>	
Focus and emphasis on manpower export as strategy for growth and poverty reduction has received limited attention in the IPRSP. Considering the contribution of remittances in our Balance of Payment and also to the economic growth through direct and multiplier effect, greater attention should be given to export of manpower as a strategy for poverty reduction.	Not addressed