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FROM the editor's desk

The first quarter of 2013 could claim some uniqueness by virtue of the large number of international, regional and national-level programmes that CPD had in its calendar of events. The expert group meeting (EGM) of the *Southern Voice on Post-MDGs* initiative in Dhaka, hosted by the CPD, brought together 28 participants from South Asia, Africa and Latin America. The EGM discerned what post-MDG agendas should look like if concerns of the developing South were reflected adequately.

The much-awaited K2K Car Rally finally arrived in Dhaka from Kolkata on its way to Kunming and was accorded a grand reception at the initiative of the CPD. The rally coincided with the Eleventh Bangladesh, China, Indian and Myanmar Forum (11th BCIM) which was hosted by CPD in Dhaka. Covering a distance of 3,000 kilometres, the rally followed the Southern Silk Route and carried with it the message of closer economic, cultural and people-to-people cooperation among the BCIM countries. The 'Dhaka Statement,' which was signed by the participating institutions, identified energy, trade and multimodal connectivity as avenues for deeper cooperation in the area, and recommended a number of measures to work towards this end. The Forum also saw the establishment of a BCIM Business Council towards closer business-to-business collaboration in this region.

CPD senior researchers participated at the second EGM of the *LDC IV Monitor* in Tanzania, an initiative that is hosted by the CPD and chaired by *Dr Debapriya Bhattacharya*, Distinguished Fellow, CPD. The EGM received the research works which would go into the first biennial report of the *LDC IV Monitor*.

CPD dialogue followed the devastating fire at Tazreen fashion, brought together relevant stakeholders who discussed issues of bringing the culprits to justice, and workplan for safe and secured working environment in the RMG enterprises in Bangladesh. The issues of trade union rights, minimum wage and collective bargaining rights featured prominently in the discussion.

In this period, the CPD-IRBD Team also released CPD's first reading of the analytical review of Bangladesh's macroeconomic performance in FY2012-13, an exercise that is a regular feature of CPD's activities.

A number of outputs emanating from CPD-Chr. Michelsen Institute (CMI) research collaboration were discussed at a CPD-CMI Research Colloquium which was held in this period. Various sessions at the colloquium discussed issues of national concerns that include financing of local governments, FDI's role in the country's economic growth and energy sector development, and role of human capital in entrepreneurship development.



A portion of K2K Car Rally participants and guests at the reception

CPD accords grand reception to K2K Car Rally participants

With the beat of drums and shower of flower petals, 24 cars entered the premises of Bangabandhu International Conference Centre (BICC) where CPD organised a grand reception for the 75 participants of the Kolkata to Kunming (K2K) Car Rally. On 23 February 2013, the premise was generously decorated with flags of four participating countries, colourful balloons and festoons carrying messages representing the cooperation among Bangladesh, China, India and Myanmar (BCIM). Chief Guest of the event *Mr Md Obaidul Quader, MP*, Hon'ble Minister for Communication, Government of Bangladesh, along with the CPD officials, greeted the car rally participants wholeheartedly.

About 350 people attended the event including BCIM Ambassadors, 48 delegates participating in the 11th BCIM Forum and distinguished representatives from various sections of the society. Following a rendition of Nazrul songs, the car rally participants were then greeted with tokens of appreciation from CPD, followed by welcome speeches.

Speakers envisaged that the Car Rally would play a catalytic role in stimulating interest of the concerned stakeholders in deepening cooperation among the BCIM countries. They also hoped that K2K Car Rally would promote the interests of trade, commerce and investment, encourage exploitation of natural resources through joint efforts, encourage cultural

exchanges, and enhance the possibilities of tourism and people-to-people contact in the BCIM region.

Leader of the delegations participating in the Car Rally shared their experience of travelling the way and shed light on the potentiality of cooperation in the region. They expressed their gratitude to CPD for organising such funfair in their honour.

With the theme "Building Bonds, Fostering Friendship," the Car Rally started on 22 February 2013, flagged off from the Helipad Ground at Salt Lake Stadium in Kolkata by *Ms Mamata Banerjee*, Hon'ble Chief Minister of West Bengal, India.

The BCIM Car Rally retraced the historical routes of the Southern Silk Road to highlight the vast potentials of the renewed networks for closer economic, cultural and people-to-people cooperation reflecting the BCIM aim to rejuvenate the ancient links while forging new bonds of connectivity and friendship in the region. The Rally covered a distance of more than 3,000 km through Bangladesh, India and Myanmar to conclude in Kunming, China. The route of the Car Rally was decided after a Route Survey conducted by 13 participants from the BCIM countries in 2012. On 5 March 2013, the Car Rally was flagged down by *H E Mr Shen Pieping*, Hon'ble Vice Governor of People's Government of Yunnan Province, PR China.

BCIM Forum calls for closer cooperation in the region

CPD hosts 11th BCIM

The Eleventh Bangladesh, China, India, Myanmar Forum (11th BCIM) was successfully hosted by CPD on 23-24 February 2013 in Dhaka in partnership with the High Commission of Canada, Dhaka and the Friedrich-Ebert-Stiftung (FES).

The overarching theme of the 11th BCIM was "Recent Developments in BCIM Countries: New Opportunities and New Challenges for BCIM Cooperation." The Forum was inaugurated at the BRAC Centre Inn, Dhaka with Chief Guest *Mr Md Shahidul Haque*, Secretary, Ministry of Foreign Affairs, Government of Bangladesh, followed by a welcome statement from *Professor Mustafizur Rahman*, Executive Director, CPD.

Observations that the Forum has made some contributions to the economic developments of the BCIM countries and that these countries are passing through important changes both in terms of developments in the economic and political arena, came from the speeches of the delegation leaders *H E Mr Shen Peiping*, Vice Governor, People's Government of Yunnan Province, PR China; *Ambassador Eric Gonsalves*, Member, Governing Body, Centre for Policy Research (CPR), India; and *H E Mr Myo Myint Than*, Ambassador, Embassy of the Union of Myanmar.

In this connection they have particularly mentioned the economic and trade cooperation among the four countries that have continuously deepened and expanded. *H E Mr Li Jun*, Ambassador of PR China in Bangladesh and *H E Mr Pankaj Saran*, High Commissioner of India in Bangladesh also delivered statements in the session presided over by *Mr M Syeduzzaman*, Member, CPD Board of Trustees.

The event comprised of four dedicated sessions on specific thematic areas such as trade, connectivity, energy and institutional arrangement for the cooperation among the countries, and a separate meeting of the BCIM Business Council. From China, India and Myanmar, 48 delegates attended various sessions of the Forum which were also participated by a number of Ministers and Secretaries from the Government of Bangladesh, distinguished members of the diplomatic community, academics, and representatives of the civil society.

In the Closing session, the BCIM delegation leaders signed the 'Dhaka Statement' acknowledging the developments taken place in the countries and endorsed energy cooperation as one of the common major concerns of the BCIM countries. It also identified that multimodal connectivity remained a lagged-behind sector in these countries. It noted that establishing BCIM Business Council (BCIM-BC) would be a major step towards closer business-to-business collaboration among the private sectors of the participating countries. It was declared that the Twelfth Forum would be held in Myanmar next year.

The closing session of this two-day long Forum was chaired by *Mr Syed Manzur Elahi*, Treasurer, CPD Board of Trustees, also a Former Advisor to



Md Shahidul Haque addresses the Inaugural Session of the 11th BCIM Forum with (from right) Mustafizur Rahman, Li Jun, Pankaj Saran and others

the Caretaker Government Bangladesh. *Mr Hasanul Haq Inu, MP*, Hon'ble Minister for Information, Government of Bangladesh attended the closing session as Chief Guest.

Session One

Lack of political will and commitments delimited the opportunities among the BCIM countries despite the region's high trade potential, opined speakers in the first thematic session of the 11th BCIM Forum titled "Cooperation in the Areas of Trade, Investment and Finance."

The session was chaired by *Mr Ma Yongfu*, Deputy Director General of the Department of Commerce, Yunnan Province, PR China, while *Mr G M Quader, MP*, Hon'ble Minister for Commerce, Government of Bangladesh attended the session as the Chief Guest, and *Mr Amir Khosru Mahmud Chowdhury*, Former Commerce Minister of Bangladesh as Special Commentator.

Speakers in this session suggested a number of agendas to explore the opportunities for regional cooperation that include removal of non-tariff barriers, strengthening connectivity, implementation of comprehensive Regional Trade Facilitation Initiative (RTFI), and dedicated and exclusive set up to deal with trade and investment facilitation in BCIM countries.

Some speakers went beyond the purview of the session and identified areas such as environmental protection and water resources, institutional engagement, social, cultural and academic exchanges to spur the regional cooperation. It was expected that the recommendations derived from the Forum would receive support from the government, business and academic circles of the countries. Participants of this session agreed on the necessity of creating a BCIM Fund to invest in potential areas of the region.

Mr G M Quader, MP also called for dedicated institutional arrangements and coordination for trade facilitation and investment promotion in the BCIM countries. He highlighted that initiatives (Track-I) could be taken from government level by forming different national level institutions such as BCIM trade advisory group or BCIM ministerial group. He opined that collaborative efforts could be undertaken with multilateral stakeholders and international donor organisations in this regard.

BCIM Business Forum

A special Business Forum for the business people of the BCIM countries was organised by CPD in collaboration with the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) during the 11th BCIM Forum. *Mr Kazi Akram Uddin Ahmed*, President, FBCCI, Bangladesh was the keynote presenter and Chair of this session.

Eminent business leaders from their respective BCIM countries delivered their statements in the session. Speakers urged for an all-out effort to mobilise financial resources, capacity building of human resources and infrastructural development.

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Media briefed on 11th BCIM Forum



Professor Mustafizur Rahman, Executive Director, CPD informed the media about the objectives and expected outcomes of the 11th BCIM Forum in a press briefing at the CPD office on 19 February 2013. The media was also briefed about the Kolkata to Kunming (K2K) Car Rally reception and BCIM Business Council to be held during the Forum.

CPD organises a Research Colloquium under its joint programme with CMI, Norway



Minister of Education Nurul Islam Nahid addresses CPD-CMI Research Colloquium participants in a session, while (to his right) Fazle Hasan Abed, M Osman Faruk and others look on

CPD, under its Research Cooperation Programme with Chr. Michelsen Institute (CMI), Norway organised a research colloquium on 10-11 March 2013 at the BRAC Centre Inn Auditorium, Dhaka. The event included three separate sessions titled a) Finance for Local Government: An Elusive Agenda; b) Economic Growth and Energy Sector Development in Bangladesh: The Role of FDI; and c) Entrepreneurship Development in Bangladesh: Role of Human Capital. The presentation and discussion in these sessions were based on researches conducted under the programme.

Dialogue on Finance for Local Government: An Elusive Agenda

The session was chaired by Ms Khushi Kabir, Member, CPD Board of Trustees and Coordinator, Nijera Kori. Dr Debapriya Bhattacharya,

Distinguished Fellow, CPD and Dr Mobasser Monem, Professor, Department of Public Administration, University of Dhaka jointly presented the keynote at the session.

Dr Monem shared with the dialogue the preliminary findings of the research conducted over municipalities and city corporations of the country. Findings showed that seven out of nine sampled pourashavas experienced tremendous fiscal stress even to operate and maintain the existing services at satisfactory level. Monthly meetings of the pourashavas are dominated by mayors and councillors, who are not even aware of their rights and obligations, he added.

The findings also revealed that all the pourashavas are supposed to have Ward-Level Coordination Committee (WLCC) and Town-Level Coordination Committees (TLCC) as per law. In reality, not a single pourashava was found to have these committees in place.

The study revealed that public representatives are unwilling to collect tax from the residents as this may adversely affect the popularity of the elected officials. Majority of the residents are unaware of the rate and collection procedure of holding taxes. The three categories of budget – capital, current and special fund account are not properly defined. In pourashavas, when open budget meetings are held only local influentials are invited, not the general residents.

For the pourashavas and city corporations to perform efficiently, the authors suggested for systematic capacity building which includes proper financial management, service quality improvement, efficient tax assessment, digitisation of finance systems and capacity building of the human resources. They also suggested for a Local (Finance) Government Commission as respondents of all categories in this study agreed upon its necessity.

Dr Bhattacharya posited that the significance of concentrating upon a properly functioning local government is increasing with rapidly expanding

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Prolonged political instability may undermine economic stability

CPD briefs the press

CPD's interim state of the economy report titled "Analytical Review of Bangladesh's Macroeconomic Performance in FY2012-13 (First Reading)" was released at a press briefing on 5 January 2013 at the CPD office.

On behalf of the CPD-IRBD Team, Professor Mustafizur Rahman, Executive Director, CPD made a presentation on the report. The report revealed that the country's macroeconomic situation in the first half of the current fiscal stabilised in comparison to the previous fiscal. However, Professor Rahman apprehended that this stability may be undermined if the challenges are not appropriately addressed. He also mentioned that prolonged uncertainty due to the current political instability, one of the major challenges, would have serious implications on economic performances.

According to the report, the economy passed through a difficult period in last fiscal where the weaknesses in the macroeconomic management were manifested by high inflation, stagnation in both private investment and economic growth. The country failed to attain the projected growth rate in FY2011-12 and the prevailing trend indicated that the GDP target might not be achieved in this fiscal as well.

The report also provided a brief update on the targets set for Sixth Five Year Plan (SFYP) which makes half way of its journey this year. It was reflected that weak fiscal and financial management and lack of good governance accentuated poor performance in the second year (FY2011-12) of the SFYP. Though revenue collection showed some positive trend during the year, the data of first five months indicate that it may witness a shortfall in growth in the current fiscal. CPD suggested going for a mid-term revision of the SFYP targets.

The report also showed that the government's revenue expenditure has increased in this fiscal year, mainly due to higher interest payments and subsidies. The rise in expenditure and shortfall in revenue earning may squeeze credit flow to the private sector and could have an adverse effect on investment, the CPD Team apprehended.



IRBD Team members at the press briefing releasing the first interim report on Bangladesh's Macroeconomic Performance in FY2012-13

External sectors such as export and remittance showed some resilience in the current fiscal but the upward trend might face challenges due to global economic meltdown. The first four months of the current fiscal observed a balance of payments surplus mainly because of high remittance inflow and lower import growth. However, the low import of capital machinery is likely to have some adverse impact on investment. Reflecting upon the review, Professor Rahman predicted that rising bank borrowing might increase inflation and cause the private sector credit to have the crowding out effect.

Welcoming the central bank's step to improve the financial sector's governance, Professor Rahman stated that the Hall-Mark scam, lax internal and external supervision of the banking sector, and the delay in appointing directors in the state banks have undermined the financial sector management in FY2012-13. For acquiring stability in this sector, he called for more coordination between the Finance Ministry and the central bank. He expressed concern over siphoning off money from the country and urged the government to strengthen the central bank's supervisory and monitoring role.

Tazreen Garments authority must face justice

CPD dialogue told



Two victims of the Tazreen incident shared their experiences at the dialogue

Lawmakers, labour leaders and civil society members demanded exemplary punishment of the Tazreen Fashions owner and others responsible for the death of 112 workers in a devastating factory fire on 24 November 2012. The speakers said no such incident would ever recur if the responsible authorities are brought to book.

Such demands were upheld in a CPD dialogue titled *Work Environment in the RMG Sector and Labour Safety: Consequences and What Needs to be Done*, on 26 January 2013 at the CIRDAP Auditorium, Dhaka.

CPD's Additional Research Director *Dr Khondaker Golam Moazzem* in his presentation titled "Occupational Safety Risks in the Garments Sector: Challenges and Way Out" noted that as many as 1,000 deaths had occurred in fire incidents in the readymade garments (RMG) sector since 1990. He suggested short, mid and long-term measures to reduce workplace risks and recommended the government to establish an independent Compliance Commission.

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) was also urged to take necessary measures to ensure workplace safety. To reduce workplace hazards, *Dr Moazzem* reiterated the liabilities of all including owners, buyers and international organisations, the

government and the Labour Ministry, associations, factory monitoring authority and the fire service.

Chief Guest *Mr Md Israfil Alam, MP* and Chairman of the Parliamentary Standing Committee on Ministry of Labour and Employment criticised the BGMEA probe report that termed the fire incident as 'sabotage,' underlining that it aims to protect the Tazreen owner despite his negligence. He also stated that the previous governments provided impunity for the factory owners which encouraged indifference to workers' safety and security, and that this may continue if the owners are exempted.

Special Guest *Ambassador Mr Nazrul Islam Khan*, Member of the National Standing Committee of Bangladesh Nationalist Party (BNP), also the Secretary General and Executive Director of Bangladesh Institute of Labour Studies (BILS) stressed on allowing the workers to form trade unions which, as a bridge between the owners and workers, can resolve disputes, leading to curbing unrest in the sector. He condemned the government's failure to arrest the Tazreen owner even after two months since the incident.

Special Guest *Mr Mikail Shipar*, Secretary at Ministry of Labour and Employment remarked it as unfortunate that nobody abides by the labour laws; rather those who are to follow the laws defy them. *Mr Nasir Uddin Chowdhury*, the first Vice-President of BGMEA, admitted that the Tazreen incident tarnished 30 years of the industry's achievement. He informed that the BGMEA has taken up a programme in association with the fire service department to prevent fire incidents in factories in Dhaka and Chittagong.

At the dialogue, two victims of the Tazreen incident *Mr Mahe Alam* and *Ms Dipa Akhter* shared their experiences of the horror-stricken hours when they were caged behind the security gates of the factory and how the authority denied to set them free. Labour leaders present at the dialogue demanded trade union rights, amendment and enforcement of labour laws, monitoring of factory compliances, compensation for the injured and deceased Tazreen workers, rehabilitation of the survivors and release of an impartial probe report.

"There is no alternative to forming trade union for protecting the basic rights of the workers," said *Dr Debapriya Bhattacharya*, Distinguished Fellow, CPD, also the Chair of the programme. Terming trade union right as a basic human right, he summed up the programme with the note that everyone including the garments owners and the civil societies must have a sense of responsibility grown from within to ensure workers' safety and safe working conditions.

Research Division Report

Green Growth Strategy in Bangladesh: Lessons from Korean Experience

A research on "Green Growth Strategy in Bangladesh: Lessons from Korean Experience" has been conducted by *Dr Fahmida Khatun*, Research Director, CPD. This paper was prepared at the Korea Institute for Industrial Economics and Trade (KIET) under the Fellowship of the Asia Foundation, Korea Office and KDI School, Korea during November-December 2012. This paper explores the experience of Korea in promoting green growth which can be a learning process for Bangladesh where environmental problems can stand in the way towards its sustainable economic growth.

Independent Review of Bangladesh's Development (IRBD)

CPD has prepared the first reading of the IRBD titled "Analytical Review of Bangladesh's Macroeconomic Performance in Fiscal Year 2012-13 (First Reading)". The first part of the review analyses the performance of Bangladesh economy in FY2011-12 which sets the benchmarks for following section. The report thus presents the review of the initial months of FY2012-13 which indicates that the economy is moving towards a lower-level equilibrium. The second part includes three thematic issues of interest in the present context of Bangladesh economy. These include: (i) a brief interim review of the implementation of the SFYP with a specific focus on macroeconomic framework and a selected set of sectoral issues; (ii) a review of the performance of the manufacturing sector of Bangladesh; and (iii) an analysis of the state of governance in the banking sector in the backdrop of the recent financial scam. Members of the CPD research team contributed to this report.

Southern Voice on Post-MDGs

The *Southern Voice on Post-MDGs* initiative intends to leverage the evidence-based knowledge and policy experience of the Southern think tanks to influence the emerging global development agenda. CPD organised an EGM in Dhaka on 11-13 January 2013 in order to articulate the agenda and identify a set of activities to be undertaken by the initiative in 2013 and 2014. Apart from the interested members of the TTI network, UN officials and a number of experts attended the meeting to define the larger set of works to be undertaken by the initiative. As part of the post-MDG initiative, the recommendations of the Dhaka EGM are being compiled as inputs to the report of the high level panel on post-MDGs. *Dr Debapriya Bhattacharya*, Distinguished Fellow, CPD is the Chair of this initiative.

Adapting to Climate Change: Issues for South Asia

A Discussion Paper titled "Adapting to Climate Change: Issues for South Asia", authored by *Dr Fahmida Khatun*, Research Director, CPD and *Samina Hossain*, Programme Associate, CPD has been published by South Asia Watch on Trade, Economics and Environment (SAWTEE), Kathmandu, Nepal, in December 2012. The impact of climate change on South Asia's agricultural production and productivity threatens the livelihoods of the majority of its populations, which are dependent on agriculture. It also makes ensuring food security even more challenging. In this context this paper identifies the impacts of climate change on food security in South Asia. In order to minimise the potential damage to agricultural production due to climate change and ensure food security in South Asia, a number of adaptation strategies have been suggested in this report.

On CPD Global Initiatives

Titled "Southern Voice on Post-MDGs: Setting the Agenda," the first Expert Group Meeting (EGM) of the *Southern Voice on Post-MDGs International Development Goals* brought together 28 participants from institutions that are awardees of the Think Tank Initiative (TTI) spread over three continents, as well as UN officials and experts on MDG-related issues.

As the initiative's secretariat, CPD organised the EGM on 11-13 January 2013 in Dhaka. The event consisted of seven separate sessions focusing on five key themes concerning the ongoing discussions on the post-2015 development agenda, namely (i) Framework Issues; (ii) Reflections on the Unfinished Agenda; (iii) Issues for the Future; (iv) Partnership and Resource Mobilisation; and (v) The Ongoing Consultations.

The EGM conferred that the ongoing consultation process on the post-2015 development agenda presents a unique opportunity for the Southern think tanks to inform national policy from the global perspective, and at the same time, to feed local level knowledge into global discussions and debates.

The EGM agreed that Southern Voice, a network of 48 think tanks from South Asia, Africa, and Latin America, is prepared to take advantage of this opportunity through a work programme that includes a combination of relevant research, policy analysis and strategic outreach towards this end. Accordingly, an activity plan was prepared during this EGM.

As part of the post-MDG initiative, the recommendations, titled the 'First Approximations on Post-MDG International Development Goals,' of the Dhaka EGM are being compiled as inputs to the report of the UN-Secretary General's High Level Panel on the Post-2015 Development Agenda.

Southern Voice on Post-MDGs Dhaka Expert Group Meeting



Participants of the Dhaka EGM of Southern Voice on Post-MDGs

Media Briefing on the Southern Voice on Post-MDGs EGM

Dr Debapriya Bhattacharya, Chair of the Southern Voice on Post-MDGs and Distinguished Fellow, CPD briefed the media about the objective and expected outcome of the Dhaka EGM at a press conference on 9 January 2013 at the CPD office.



The Second EGM of LDC IV Monitor was held in Dar es Salaam, Tanzania on 4-6 February 2013, where a CPD team participated as keynote speakers and designated discussants in various sessions.

The EGM was organised by the Economic and Social Research Foundation (ESRF), a partner institution of the LDC IV Monitor.

The CPD team included Executive Director *Professor Mustafizur Rahman*, Distinguished Fellow *Dr Debapriya Bhattacharya*, Research Director *Dr Fahmida Khatun* and Additional Director (Research) *Dr Khondaker Golam Moazzem*. The EGM

discussed issues related to remittance, domestic resource mobilisation, ODA and economic growth, and FDI.

CPD team at LDC IV Monitor EGM in Tanzania



CPD four-member team at the LDC IV Monitor EGM in Tanzania Photo © ESRF Tanzania

Dr Debapriya Bhattacharya chairs the LDC IV Monitor network, an independent partnership set up to monitor the implementation of the Istanbul Programme of Action (IPoA) which was adopted in the Fourth UN Conference on the LDCs (2011).

The Dar es Salaam EGM was convened as a follow-up to the first CPD-hosted EGM in Dhaka, Bangladesh, in September 2012, and consolidated the work done towards the preparation of the first biennial report of LDC IV Monitor, due in Fall this year. Partners and experts reviewed the chapters in a near-finished state before sending them to external referees. Around 30

participants attended the meeting, including invitees from UN-OHRLS and UNCTAD.

BCIM Forum calls*(from page 2)*

To boost trade and investment, speakers emphasised the need for promoting connectivity in the region, particularly highlighting the necessity of a multimodal transport system to explore new business corridors and opportunities.

Session Two

In the second thematic session titled "Strengthening Multimodal Connectivity", speakers highlighted that the BCIM countries should essentially adopt internationally acceptable facilitation measures, such as Transit Transport Framework Agreement (TTFA) as adopted by ASEAN, GMS to promote seamless movement across international borders.

In the session held on 24 February 2013, it was recommended that BCIM should establish its own mechanism for transport cooperation. The session was chaired by *Mr Win Naing*, Director General, International Organization and Economic Department, Ministry of Foreign Affairs, Myanmar, while *Mr M A N Siddique*, Secretary, Roads Division, Ministry of Communication, Government of Bangladesh was the Chief Guest.

Speakers highlighted that BCIM countries have got access to deep sea port which can be availed through the South route that would provide direct and shortest connectivity from Yunnan, China to Sonadia, Bangladesh. It was felt that over the last 13 years, BCIM has been operating at Track-II level. They reflected that time has come now for the governments of these countries to work more proactively to make further progress.

Participants also identified and focused on issues such as coordination between central and local governments, environmental considerations, border and security management, harmonisation of rules and regulations, sustainable financing for strengthening seamless connectivity.

Session Three

Lack of initiative for a multilateral mechanism for energy cooperation remains a major concern in the BCIM region, agreed speakers in the third thematic session titled "Shaping Energy Cooperation."



Kazi Akram Uddin Ahmed, President, FBCCI addresses the Business Forum

Speakers suggested to jointly tap the energy resources of BCIM countries to boost the development of the energy sector, design energy cooperation mechanism and construct energy infrastructure in the region. They implied that cross-border energy trade could lead to effective utilisation of natural resources, and it would act as the single most effective confidence-building measure through the participation of multiple stakeholders.

Speakers also stressed upon identifying the barriers of bilateral and multilateral energy trade and recommended for effective policy

measures and institutional framework for energy cooperation in the BCIM region.

Mr Mohammad Mejbahuddin, Secretary, Implementation Monitoring and Evaluation Division (IMED), Ministry of Planning, Government of Bangladesh attended the session as the Chief Guest. The session was presided over by *Dr A B Mirza Azizul Islam*, Former Advisor to the Caretaker Government.

Session Four

Sub-regional cooperation through BCIM would bring more benefit to the people in the region, opined speakers in the fourth thematic session titled "Institutional Arrangements for Effective Cooperation" of the 11th BCIM.

Participants in this session posited a number of propositions for creating institutional arrangement of the BCIM Forum such as creating a common fund, initiating research and advocacy projects, promoting cultural and academic exchanges, etc. They also suggested adopting institutional arrangement of other Forums such as the Kolkata to Kunming (K2K) Forum.

The session was chaired by *Ambassador Eric Gonsalves*, Member, Governing Body, Centre for Policy Research (CPR), India. *Barrister Anisul Islam Mahmud, MP*, Former Foreign Minister of Bangladesh attended the session as the Chief Guest.

CPD Professionals in National Fora**Mustafizur Rahman**, Executive Director

- Attended the 54th meeting of the Parliamentary Standing Committee on Ministry of Finance, on 20 January 2013.
- Attended a seminar as Guest of Honour titled *Realizing the Ambition of Middle Income Status: Opportunities and Challenges for Bangladesh*, organised by the Bangladesh University of Business and Technology (BUBT), on 14 February 2013.

Debapriya Bhattacharya, Distinguished Fellow

- Delivered a lecture on *Sustainable Development of Bangladesh Economy*, at the National Defence Staff College, Dhaka, on 9 January 2013.
- Delivered a lecture on *Mahatma Gandhi's Socio Economic Ideas and their Relevance to the Contemporary World*, at the Department of Peace and Conflict Studies, University of Dhaka, on 30 January 2013.
- Delivered a lecture on *Current Challenges of Bangladesh Economy and Role of Energy Sector* at the France-Bangladesh Chamber of Commerce & Industry (CCIFB), Dhaka, on 30 March 2013.

Fahmida Khatun, Director, Research

- Made a presentation on *Green Growth Strategy for Bangladesh: Areas for Korean Support*, at the Korean Embassy in Bangladesh, on 11 February 2013.

Khaleda Akhter, Senior Research Associate

- Attended a Seminar on *Why SAARC is less-effective?: A neo-realist explanation of India's role in SAARC*, organised by Bangladesh Institute of Law and International Affairs (BILIA), on 23 March 2013.





CPD staffs celebrate the International Women's Day 2013 on 8 March 2013

CPD organises a Research Colloquium

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urbanisation. He opined that the current political crises would not have cropped up if the country had stronger and functional local government institutions.

Discussant *Dr Iftekharuzzaman*, Executive Director, Transparency International Bangladesh (TIB) said that people lack trust in local government, and that they would pay taxes willingly only if the money is utilised properly, and accountability is ensured.

Discussant *Dr Tofail Ahmed*, Local Government Advisor, UNDP Bangladesh criticised the current local government system as 'chaotic'. He apprehended that having elected representatives with criminal records by default decrease the accountability and credibility of the system.

Local government representatives attending the dialogue voiced that development in the local government cannot be attained unless the lawmakers stop meddling in its affairs. They opined that Members of the Parliament (MPs) are supposed to make laws and not run the local government.

Special Guest of the dialogue *Mr Abdul Awal Mintoo*, Former President, Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) stated that the local government cannot function properly with contradictory laws prevailing. He criticised the culture of allocating more fund to pourashavas having ruling party-backed mayors.

Dialogue on Economic Growth and Energy Sector Development in Bangladesh: The Role of FDI

Political confrontation, corruption, insufficient rules and regulations, inadequate infrastructure and logistic support are the major bottlenecks in attracting foreign direct investment (FDI) in the country's energy sector. Speakers stated as such in this session presided over by *Mr M Syeduzzaman*, Member, CPD Board of Trustees and Former Finance Minister of Bangladesh.

Dr Fahmida Khatun, Research Director, CPD presented the keynote paper titled "FDI in the Energy and Power Sector in Bangladesh: Revisiting Policies and Contribution." It stated that though the country's investment regime is dubbed the most liberal in Asia, the flow of FDI to the energy sector has subsided over time. She informed that the flow of FDI to the power, gas and petroleum sectors in 2010 stood at around USD 2.25 billion, which was one-fourth of the years' total FDI flow.

Special Guest of the session *Mr Rashed Khan Menon, MP*, Chairman, Parliamentary Standing Committee on Ministry of Education shared with the dialogue that to ensure the country's energy security, a bill on banning the export of mineral resources is being planned to be placed before the Parliament in the next session.

The other Special Guest of the session *Major General (Retd.) Md Shubid Ali Bhuiyan, MP*, Chairman, Parliamentary Standing Committee on Ministry of Energy and Mineral Resources called for reasonable energy prices to attract international companies.

Mr Md Aziz Khan, Chairman, Summit Group of Companies remarked that the current energy pricing is not attractive for FDI and current state of investment in the sector is not an isolated incident. He criticised that the local companies are facing discrimination regarding investment and suggested for attracting expatriate Bangladeshis to invest in the energy sector.

CPD organises in-house discussions

- Expert Group Consultation on "Analytical Review of Bangladesh's Macroeconomic Performance in FY2012-13 (First Reading)"
The working document prepared by the CPD-IRBD 2012-13 team was shared at an in-house meeting on 2 January 2013 at the CPD office with a distinguished group of policymakers, academics and professionals who shared their views, insights and comments on the draft report.
- Expert Consultation on "Industrial Waste Management in the Textile Sector of Bangladesh: Challenges for Improving Environmental Compliance" on 9 January 2013 at the CPD office.
- Expert Consultation on "Legal Framework for Geographical Indications and Commercial Interests for Bangladesh" on 28 January 2013 at the CPD office.

Dr M Asaduzzaman, Former Research Director, Bangladesh Institute of Development Studies (BIDS) highlighted that the country's FDI policy regarding power sector is liberal yet it is failing to attract FDI flow in the country.

Mr Gary Lye, Executive Director of GCM Resources implied that there are unofficial road blocks in the regulatory regime which are necessary to be removed to attract FDI. Speakers remarked that FDI should not be disproportionately bashed as many local companies developed their capacities through joint ventures with foreign companies.

The speakers agreed that inadequate energy sector growth is holding the country back from realising its true growth potential though it has been the most talked-about sector since the current government has come to power.

Dialogue on Entrepreneurship Development in Bangladesh: Role of Human Capital

The third dialogue of the colloquium titled "Entrepreneurship Development in Bangladesh: Role of Human Capital" was presided over by *Sir Fazle Hasan Abed*, Member, CPD Board of Trustees and Founder and Chairperson, BRAC. *Dr Khondaker Golam Moazzem*, Additional Director, Research, CPD and *Dr Arne Wiig*, Senior Researcher, CMI, Norway jointly presented the keynote of the session where Hon'ble Minister of Education *Mr Nurul Islam Nahid, MP* attended as the Chief Guest.

The study found that business problems faced by entrepreneurs have reduced significantly between 2012 and 2005 as 43.4 per cent of the respondents of 1,612 households said that they had no problems in 2012, whereas 34.7 per cent claimed as such in 2005. It was revealed that female self-employed are lagging behind than their male counterparts in terms of better educational background and quality of education.

The paper therefore suggested that the government should invest more for enhancing quality education at primary, secondary and tertiary levels in order to develop productive human resources as the research also showed that an additional year of schooling increases an entrepreneur's income by 11 per cent and labour market earnings by 7 per cent.

Education Minister *Mr Nurul Islam Nahid, MP* remarked that to build a better Bangladesh, the country needs entrepreneurs. This need cannot be fulfilled only through traditional education system unless private investments are made in the education sector. He emphasised on investing in developing technical education in this regard. Private investment in education should not, however, turn out to be a profit-making business, he cautioned.

Special Guest of the session *Dr M Osman Farruk*, Former Education Minister of Bangladesh opined that apart from education and training, business climate, energy supply, tax rates and infrastructural development are important factors in developing entrepreneurship in Bangladesh.

Discussants at the dialogue criticised the poor quality of education provided by many private universities and apprehended that such quality cannot contribute in developing human capital.

Sir Fazle Hasan Abed informed that Bangladesh spends only 2 per cent of its GDP in the education sector and remarked that with such meagre allocation it is difficult for the country to generate quality human capital.



CPD Professionals in International Fora

Rehman Sobhan, Chairman

- Received the *BDI Lifetime Achievement Award* at the "2013 International Conference on Bangladesh," organised by the Bangladesh Development Initiative (BDI) and the Center for South Asia Studies (CSAS), University of California, on 23 February 2013, in Berkeley Campus, University of California, USA.

Mustafizur Rahman, Executive Director

- Attended the Second Expert Group Meeting (EGM) of the LDC IV Monitor titled *Development Challenges of the Least Developed Countries: Tracking the International Commitments*, organised by the Economic and Social Research Foundation (ESRF), on 4-6 February 2013, in Dar es Salam, Tanzania.
- Attended the 3rd Regional Meeting of the Think Tank Initiative (TTI) and Resource Mobilization Workshop, organised by the Institute of Policy Studies of Sri Lanka (IPS), on 13-17 March 2013, in Sri Lanka.
- Attended the United States Trade Representatives (USTR) public hearing on Generalized System of Preferences (GSP) facility as part of the Bangladesh Government Delegation, on 28 March 2013, in Washington D.C., USA.

Debapriya Bhattacharya, Distinguished Fellow

- Attended the *OECD Policy Dialogue on Aid for Trade*, organised by the Organisation for Economic Co-operation and Development (OECD), on 16-18 January 2013, in Paris, France.
- Attended the Second Expert Group Meeting (EGM) of the LDC IV Monitor titled *Development Challenges of the Least Developed Countries: Tracking the International Commitments*, organised by the Economic and Social Research Foundation (ESRF), on 4-6 February 2013, in Dar es Salam, Tanzania.
- As part of an outreach mission for the *Southern Voice* initiative:
 - Attended a roundtable organised by the Overseas Development Institute (ODI), on 14-15 February 2013, in London, UK.
 - Attended a Policy Dialogue as Speaker, organised by the UN Foundation, on 18-19 February 2013, in New York, USA.
 - Attended a roundtable as Principle Commentator organised by the Center for Global Development (CGD), on 20 February 2013, in Washington D.C., USA.
- Attended the EGM on Theme Study for the 69th Session of ESCAP *Building Resilience to Natural Disasters and Major Economic Crises*, organised by the United Nations Economic and Social Commission for Asia and the Pacific (UN-ESCAP), on 26-27 February 2013, in Bangkok, Thailand.
- Attended the 3rd Regional Meeting of the Think Tank Initiative (TTI) and Resource Mobilization Workshop, organised by the Institute of Policy Studies of Sri Lanka (IPS), on 13-17 March 2013, in Sri Lanka.
- Attended the High-Level Post-MDG Consultation Meeting titled *Beyond the MDGs: What Development Framework after 2015*, organised by the Global Development Network (GDN), on 19 March 2013, in New Delhi, India.

Anisatul Fatema Yousuf, Director, Dialogue & Communication Division

- Attended and chaired sessions at the *South Asia Sub-Regional Meeting of the CSO Partnership for Development Effectiveness (CPDE)*, on 5-7 March 2013, in Kathmandu, Nepal.

Fahmida Khatun, Director, Research

- Attended the Second Expert Group Meeting (EGM) of the LDC IV Monitor titled *Development Challenges of the Least Developed Countries: Tracking the International Commitments*, organised by the Economic and Social Research Foundation (ESRF), on 4-6 February 2013, in Dar es Salam, Tanzania.
- Attended the 3rd Regional Meeting of the Think Tank Initiative (TTI) and Resource Mobilization Workshop, organised by the Institute of Policy Studies of Sri Lanka (IPS), on 13-17 March 2013, in Sri Lanka.

Khondaker Golam Moazzem, Additional Director, Research

- Attended the Second Expert Group Meeting (EGM) of the LDC IV Monitor titled *Development Challenges of the Least Developed Countries: Tracking the International Commitments*, organised by the Economic and Social Research Foundation (ESRF), on 4-6 February 2013, in Dar es Salam, Tanzania.

- Participated at the "Capital Goods Industry" Panel of the *2013 International Conference on Bangladesh*, organised by the Bangladesh Development Initiative (BDI) and the Center for South Asia Studies (CSAS), University of California, on 23 February 2013, in Berkeley Campus, University of California, USA.

Khaleda Akhter, Senior Research Associate

- Attended an international conference on *BIMSTEC: What have been Achieved and Where to Go*, organised by the Centre for Studies in International Relations and Development (CSIRD), in collaboration with the Institute of Foreign Policy Studies (IFPS) of University of Calcutta, on 12-13 March 2013, in Kolkata, India.

F I M Muktadir Boksh, Research Associate

- Participated at the ARTNeT capacity building workshop on *Use of Gravity Modeling*, organised by the Asia-Pacific Research and Training Network (ARTNet), on 19-22 March 2013, in Bangkok, Thailand.

CPD Publications

CPD Working Paper

Paper 101: Analytical Review of Bangladesh's Macroeconomic Performance in FY2012-13 (First Reading)

CPD-CMI Working Paper

Paper 4: Impact of Indian Policies on Rice Price in Bangladesh
Selim Raihan and Towfiqul Islam Khan

CPD Dialogue Report

Report 108: ২০১২-১৩ অর্থবছরের বাজেট পর্যালোচনা

Publications from Outside of CPD

Discussion Paper

Khatun, F. and Hossain, S. 2012. *Adapting to Climate Change: Issues for South Asia*. Kathmandu: South Asia Watch on Trade, Economics and Environment (SAWTEE).

Working Paper

Khatun, F. and Ahamad, M.G. 2012. *Investigating the Determinants of Inflationary Trends in Bangladesh: An ARDL-Bounds F-Test Approach*. MPRA Paper 42572. Germany: University Library of Munich.

Policy Brief

Deb, U.K., Ahamad, M.G., Islam, A.K.M.N., Al Amin, M., Khaled, N., Nabi, A., Bantilan, M.C.S. and Singh, N.P. 2013. *Mainstreaming Grassroots Level Adaptation and Building Climate Resilient Agriculture in Semi-Arid Tropics Bangladesh*. Policy Brief No. 21. India: International Crops Research Institute for Semi-Arid Tropics (ICRISAT).

Newspaper Articles and Interviews

- Bhattacharya, D. 2013. ঐকমত্যই বড় আকাঙ্ক্ষা.
Bangladesh Protidin. 2 January.
- Bhattacharya, D. 2013. পদ্মায় দুর্নীতিতে উচ্চমহল জড়িত থাকতে পারে.
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- Bhattacharya, D. 2013. পদ্মা সেতু দুর্নীতিতে সরকারের উচ্চ মহল জড়িত.
The Daily Ittefaq. 6 January.
- Bhattacharya, D. 2013. Padma financing prospect by WB fades.
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- Rahman, M. 2013. Country posts major progress despite odds.
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- Bhattacharya, D. 2013. এটি আমাদের আন্তর্জাতিক অর্থনৈতিক ও কূটনৈতিক পরাজয়.
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- Bhattacharya, D. 2013. আদর্শ ধরে রাখলে দেশের চেহারা পালটে যাবে.
Bangladesh Protidin. 13 February.
- Rahman, M. 2013. উত্তম কর্মপরিবেশ উত্তম অর্থনীতিও বটে.
Prothom Alo. 16 February.
- Rahman, M. 2013. Strengthen connectivity in BCIM region.
Daily Sun. 20 February.
- Rahman, M. 2013. Attracting FDI from the US ought to be given high priority.
The Daily Star. 22 February.
- Bhattacharya, D. 2013. বাস্তবায়ন ঘাটতিতে বৈদেশিক বিনিয়োগের সুফল.
Dainik Inqilab. 12 March.

