

Report No. 43

**MAKING THE UN LDC III WORK FOR BANGLADESH:
A CIVIL SOCIETY PERSPECTIVE**

Center for Policy Dialogue

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The Centre for Policy Dialogue (CPD), established in 1993, is an innovative initiative to promote an ongoing process of dialogue between the principal partners in the decision-making and implementing process. The dialogues are designed to address important policy issues and to seek constructive solutions to these problems. The Centre has already organised a series of such major dialogues at local, regional and national levels. These dialogues have brought together ministers, opposition frontbenchers, MPs, business leaders, NGOs, donors, professionals and other functional groups in civil society within a non-confrontational environment to promote focused discussions. The expectation of the CPD is to create a national policy consciousness where members of civil society will be made aware of critical policy issues affecting their lives and will come together in support of particular policy agendas which they feel are conducive to the well being of the country. The CPD has also organised a number of South Asian bilateral and regional dialogues as well as some international dialogues.

In support of the dialogue process the Centre is engaged in research programmes which are both serviced by and are intended to serve as inputs for particular dialogues organised by the Centre throughout the year. Some of the major research programmes of CPD include The Independent Review of Bangladesh's Development (IRBD), Governance and Development, Population and Sustainable Development, Trade Policy Analysis and Multilateral Trading System, Corporate Responsibility, Governance, Regional Cooperation for Infrastructure Development and Leadership Programme for the Youth. The CPD also carries out periodic public perception surveys on policy issues and developmental concerns.

*As part of CPD's publication activities, a CPD Dialogue Report series is brought out in order to widely disseminate the summary of the discussions organised by the Centre. The present report contains the highlights of the dialogue held at Hotel Sonargaon, Dhaka on April 21, 2001 on the theme of **Making the UN LDC III Work for Bangladesh: A Civil Society Perspective.***

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Dialogue on
**Making the UN LDC III Work for Bangladesh:
A Civil Society Perspective**

SECTION I: INTRODUCTION

Premise of the Dialogue

The *United Nations Conference on Least Developed Countries* is held every ten years to articulate the demands and aspirations of the most vulnerable sub-group of countries within the developing world. The Conference provides this particular group of nations an opportunity to negotiate with the developed countries as regards many of the critical global issues of interest to them. The first and second conferences were held in Paris in 1981 and 1990 respectively. The third UN Conference on LDCs was held in Brussels during May 14-20, 2001. The Conference was hosted by the EU. Prime Minister Sheikh Hasina led the Bangladesh delegation to this Conference. Bangladesh's participation in the conference has added importance to this important event as since she is also the leader of LDC group of countries.

The Government of Bangladesh (GOB) prepared the country paper which articulated the government perspectives, demands and priorities keeping in view the Conference agenda. The Economic Relations Division of the Ministry of Finance, GOB was entrusted with the responsibility of preparing the country document. CPD prepared a paper entitled "Third UN Conference on the LDCs: Making It Work for Bangladesh" with a view to present the civil society perspectives on the third LDC Conference. The paper dealt with such issues as the outcome of the second LDC Conference, major challenges facing the LDCs at the current juncture, the draft global as well as country documents, and possible negotiating strategies at the Conference. A dialogue was subsequently organised to discuss the CPD paper and get feedbacks from important stakeholder groups. The dialogue provided an opportunity to put under scrutiny the Bangladesh country document and critically evaluate the draft document prepared by the UNCTAD. The present dialogue is a reflection of CPD's continued effort to ensure the participation of multistakeholders in the designing of policies which are of critical importance to country's development.

Objectives of the Dialogue

The major objectives of the dialogue were as follows:

- To enhance stakeholders' awareness about the context and content of the third UNCTAD Conference.
- To evaluate the outcome of Programme of Action adopted by the second LDC Conference.

- To discuss national and global documents for presentation at the Conference.
- To discuss Bangladesh's negotiating strategies to be pursued during the Conference.
- To add insights to the on-going discourse by drawing on the accumulated wisdom and experience of the various stakeholder groups.

The Participants

The dialogue, held at Hotel Sonargaon, Dhaka on April 21, 2001, was attended by cross-section of people including high level government officials, academics, leaders of business chambers, leading private sector entrepreneurs, NGO activists, and development partners including diplomats and representatives from different international institutions, Ministers and high government officials. The dialogue was moderated by *Professor Rehman Sobhan*, Chairman, CPD. Hon'ble Minister for Finance Mr. S.A.M.S Kibria was present at the dialogue as the *Chief Guest*, hon'ble State Minister for Foreign Affairs Mr. Abul Hassan Chowdhury attended as a *Special Guest*. The list of participants is attached to this report as *Annex 1*.

SECTION II: INTRODUCTORY REMARKS

Introductory Remarks by the Chairperson

The Chairman of the Centre for Policy Dialogue, *Professor Rehman Sobhan*, initiated the dialogue with a brief comment on the context in which the LDC III was being held and placed a number of critical emerging issues before the participants which the dialogue was to address.

Underscoring the need for civil-society participation in the preparation of the country document Professor Sobhan quoted from the stipulated guidelines set forth at the UN LDC III Conference: emphasis should be made on the fact that each of the country documents, which articulates their respective position, should be prepared keeping in view the notions of the civil-society. He was of the opinion that the country document should reflect the opinions of the broad spectrum of interest groups in the society. He emphasised the need for incorporation of suggestions and recommendations made by civil-society CPD groups as regards the focus and context of the country document in order that the document could be accepted as a truly national document.

Professor Sobhan noted that since Bangladesh has been entrusted with the responsibility for representing the LDC community and articulate the demands of the entire LDC group, she had to voice the concerns and aspirations of all 49 LDCs. He termed this opportunity as a unique one, and emphasised that this should not be considered as a routine input.

Professor Sobhan, himself a member of the high level panel set up by the UNCTAD to review the outcome of Programme of Action adopted by LDC II,

shared his personal experience concerning the preparation of the country documents, the general practice as regards. *...designing of the policy documents, is that a high level group of experts provide inputs to the drafting of the Conference report, which is subsequently circulated amongst the participant countries. The panel of experts travel around the LDCs in order to assess the views as regards this draft and also opinion about the outcomes of the earlier Conferences. However, it had been subsequently recognised that there was a lack of adequate preparedness in many of the LDCs in terms of having appropriate policy designs for addressing the attendant challenges emanating from the changing global system..... from this point of view it is important that the respective LDC governments are sufficiently ready with a set of strategies to address the attendant issue..*

He mentioned that in the earlier two Conferences, it was recognised in the panel reports that virtually all the LDCs were exposed to a structural atrophy because of narrow range of their production possibilities and the slow pace in diversifying their exports. Such structural rigidities perpetuated their status as an LDC. Consequently, it will not be possible to satisfactorily address all the problems caused by a host of resource related complexities until they attain the capacity to initiate a process of structural change in the economy. If such a process could be initiated, Professor Sobhan noted, the respective economies of the LDCs will be in a position to harness the opportunities emanating from the globalisation process and also will be able to cope with the increasingly severe challenges which globalisation is imposing on countries currently least equipped to face the situation.

Identifying the issue of market access as a major challenge for the LDCs, Professor Sobhan viewed that entire trading system has been experiencing a transition because of the emergence of the WTO. He pointed out that the international trading system should enable the LDCs to bring about necessary structural changes by providing greater market access opportunities to them. Appreciating the initiatives put forward by the European Union, Sobhan expressed his hope that the issue of market access for the LDCs would be on the top of the upcoming LDC Conference agenda. He also hoped that the dialogue organised by the CPD would come up with concrete proposals for strengthening Bangladesh country position at the third LDC which will also be sensitive to the concerns of all the LDCs as a group. He was particularly happy with the diverse background of the dialogue audience which included many key policy players such as high level policy makers, including the Finance Minister, the State Minister for Foreign Affairs and also the ERD Secretary, who is responsible for preparing the country document, the Swedish Ambassador whose country is currently chairing the EU and also the Ambassador of the European Union.

Professor Sobhan informed the audience that the CPD is trying to play an active role as a civil-society think tank by organising dialogues with various stakeholder

groups on issues related to this important event with a view to providing policy inputs to the government as well as to the private sector in this regard. He mentioned that, CPD was interested to provide inputs to the GOB, both in term of preparing the country document and in terms of taking part in the negotiating process of the Brussels conference. He further emphasised the need for a multi-stakeholder participation in the policy making process.

Subsequent to the opening statements, Professor Sobhan invited *Dr. Debapriya Bhattacharya* to present the paper titled "*Third UN Conference on the LDCs: Making it Work for Bangladesh*" which was prepared by Dr. Debapriya Bhattacharya and *Professor Mustafizur Rahman*.

SECTION III: A RESUME OF THE KEY NOTE PRESENTATION*

The keynote paper entitled *Third UN Conference on the LDCs: Making It Work for Bangladesh* was prepared by Dr. Debapriya Bhattacharya and Professor Mustafizur Rahman. The paper focused on the (a) background and context of the UN LDC III, (b) process of preparation of the national document, (c) content of the national document, (d) status of implementation of the Programme of Action adopted by earlier two Conferences and (e) Bangladesh's strategic approach at the UN LDC III. The paper pointed out that according to the Resolution of the UN General Assembly the process of preparation of the national documents was envisaged to be an inclusive one. In this context the paper observed that Bangladesh document was prepared by the External Resource Division (ERD) of the Ministry of Finance which acted as the focal point for the purpose of the Conference. This country document entitled *Action Programme for the Development of Bangladesh 2000-2010* prepared by the ERD was essentially the result of an inter-ministerial effort. Although opinion of stakeholders were sought through a number of meetings, the process could not be termed as an entirely *inclusive* one. The paper noted that the country document faithfully reflected the decisions of the *Inter-Governmental Preparatory Meetings* and *Expert Group Meetings* participated by the GOB. In this connection the paper observed that there is a need for institutionalisation of stakeholder participation in the preparation of critically important country documents. In the above context, it was mentioned that since a number of stakeholder groups in the country has made important contribution to the preparatory work for the Conference at the global level, active involvement of these groups in the *National Preparatory Committee* could strengthen the national preparatory process. This would also have enabled Bangladesh to comply fully with the *Guidelines* set by the Secretariat of the UNCTAD.

* *The background paper has been brought out as CPD occasional paper series no.12*

The keynote paper mentioned that whilst the country document was very strong on Bangladesh's developmental experience, weaknesses and strength, it had not given adequate attention to articulating Bangladesh's concrete demands with respect to the position to be taken during LDC III. The paper argued that the national document should have more forcefully articulated supportive and complementary measures which the developed countries and development partners should pledge to undertake during the Conference in support of the LDCs. The paper thought that the Commitments articulated in the Draft Plan of Action should have been put under scrutiny and prioritised by keeping in view the country perspective.

Dwelling on the context of the Conference the paper pointed out the specific features of the developments in recent years in the background of which the Conference was taking place. The number of countries belonging to the group of LDCs has increased from 25 in 1971 to 49 in 2001; only one country has managed to graduate from the status of LDC during this period, Burkina Faso. Since the Second LDC Conference in Paris in 1990 the LDCs have experienced further marginalisation, as producers, importers, exporters, and recipients of FDI. To a large extent the objectives of the *Plan of Action* adopted during the Paris Conference remained unrealised. LDCs share in global export came down from 0.7 per cent of early 1990s to 0.4 percent in 1999. Since the early 1990s, long term net capital inflows to the LDCs has come down by about 25 per cent in nominal terms. Though, private capital flows to LDCs has registered some increase, it had strong geographical and sectoral concentration. Although commitments were undertaken at the Paris Declaration to increase the ODA as a share of respective GNP of the major donor countries, the share has actually halved over the last decade. In nominal terms total amount of ODA to the LDCs came down by over 25 per cent in the 1990s. A significant decline in allocation of ODA for economic and productive sectors is also visible. On the other hand, a major development in the macroeconomic structure of the LDCs in the 1990s was that many of the LDCs had to undertake often unpopular trade liberalisation measures, in most cases as a precondition for receiving aid. The fast pace of trade-related reforms led to a situation where domestic industries in the LDCs have been facing increased competitive pressure from imported commodities. The paper argued that LDCs should be provided with adequate assistance to cope with the attendant difficulties of the liberalising reforms.

The keynote paper put emphasis on the fact that Bangladesh was one of the most suitably positioned countries amongst the LDCs to take advantage of the possible initiatives which may emerge from the conference. Bangladesh was one of the few LDCs which has been able to achieve major targets set by various international agreements. Consequently, the paper argued, Bangladesh should in principle, be ready to undertake commitments which LDCs may need to agree during the

Conference. At the same time, Bangladesh should pay utmost attention to fashion a common LDC approach during the upcoming Conference.

The paper came up with a number of suggestions as regards Bangladesh's strategic approach to the Conference. The paper noted that in the proposed *Programme of Action* the targets for the LDCs have been described in very precise terms whilst initiatives and measures to be undertaken by the developed countries continue to remain vague. A major effort of Bangladesh should be to firm up the Commitments. Bangladesh should also highlight the fact that the global community has failed to comply with their earlier commitments towards the LDCs. At the same time, the paper felt, it will be prudent for Bangladesh to take a positive and constructive stance during the negotiation process. In accordance with the major demands of the LDCs as a group, Bangladesh should play the lead role in negotiating issues such as global zero tariff access, flexibility in the rules of origin, withdrawal of non-tariff barriers, trade related technical assistance, non-debt creating capital flows etc. Bangladesh should also vigorously pursue the case for assistance to encourage new forms of foreign capital flow which would strengthen public-private partnership in overcoming supply side bottlenecks. The paper argued that amongst the seven Commitments articulated in the Draft Plan of Action for LDC III Bangladesh should put relatively more importance to Commitment 5 and Commitment 7 which relate to supportive measures on enhanced market access and trade related assistance. The paper further suggested that Bangladesh should ask for more effective policy coherence amongst development partners in implementing the Commitments negotiated during the Conference as part of the new *Programme of Action*.

SECTION IV: THE DISCUSSION

Following the presentation by Dr. Debapriya Bhattacharya, Professor Rehman Sobhan invited Mr. SAMS Kibria, Minister for Finance, Government of Bangladesh to share his views with the dialogue participants.

Introductory Remarks by the Chief Guest

Mr. SAMS Kibria recalled his experience at the First UN LDC Conference held in Paris in 1981. He observed that there was a lot of enthusiasm as well as skepticism within the community of the LDCs as regards the upcoming event. According to Mr. Kibria the UN Conferences on LDCs are very important events since these conferences extensively focus on the demands and aspirations of the LDCs. It was felt by the global community that the LDCs would need special treatment and that adequate measures and development programmes will need to be put in place towards their structural and social changes in order to help them to graduate from the status of an LDC. However, Mr. Kibria lamented that global attention suffered gradual erosion due to inadequate focus of the western media, the failure of the

international community to meet their respective commitments, and also due to failure on the part of the LDCs in bringing about dynamic changes in their respective socio-economic structures and systems.

Mr. Kibria drew attention of the dialogue participants to the title of the *Programme of Action* of the First Conference held in Paris in 1981, which read "*New Substantial Programme of Action*" while the title of Programme of Action of the Second Conference was "*Programme of Action*". He pointed out the omission of the phrase "*New Substantial*" from the title of the document, which, in his view, reflected the declining attention of the global community on the demands and aspirations of the LDCs. He hoped that this trend would not be repeated in the upcoming Conference. However, he evinced a sense of pessimism. He thought that the upcoming UNLDC III will not stand up as an event with a difference blessed with concrete benefits and that the members of the LDC group will be highly disappointed unless energetic departures are made from the earlier two Conferences. "Noting that LDCs have very few options to exercise," Mr. Kibria said. "We need to be patient since we are hardly in a position to bargain strongly to ensure that our interests are cared for on an urgent basis."

The Finance Minister observed that Bangladesh has a dual role to play one as the spokesman and leader of the LDC group and the other as a member of the LDC group itself. He warned that special attention should be given to avoid the conflicts between the national interest and the interests of the LDCs as a group. Since the group of LDCs contains a large number of African countries, which perceive themselves to be somewhat different from other members, particularly in matters of receiving benefits from developed countries, there is always an inherent possibility of conflicts of national priority and interests within the LDC group.

Mr. Kibria emphasised the need for debt reduction for the LDCs, which has drawn attention of the global community in recent times thanks to the HIPC initiatives. He asserted that the LDCs should be brought under extended by the developed countries, since most of the LDCs have already fulfilled the criteria laid down by the United Nations. Mr. Kibria found no justification in the definition of the HIPC countries where certain countries were excluded even when these are eligible to receive such benefits. To him, this particular definition in effect would mean that, to be eligible under the HIPC initiative, a country has to borrow as long as it became highly debt-burdened and structurally and functionally weak to fulfill the debt obligations. He, however, assured the Ambassadors and the representatives of different development partners present at the dialogue, that Bangladesh does not want to become a HIPC country only to receive debt remission benefits; rather, it is the right of Bangladesh to be entitled to the benefits of the HIPC initiative as it has a good track record in terms of debt profile and meeting other debt related obligations.

Kibria reaffirmed that Bangladesh has its own goals and perceptions as regards attaining a definite target and it will pursue development initiatives to reach the desired end regardless of the new criteria for receiving various benefits which are being designed. He said, *...these new criteria are creating indecisiveness..... now the new ball game pulls and counter pulls which often splits a particular vested group.*

Kibria highly appreciated the role of EU, agreeing to host the third UN Conference and bringing together LDCs and the development partners in a common platform to share past experiences, concurrent achievements and future deliverables. He mentioned that despite sincere efforts on the part of some of the development partners, in reality the commitments were quickly forgotten once the conferences were over. He hoped that history would take a different course this time specially because the EU has taken the lead role to monitor the outcome of the Conference through hosting multiple meetings in the coming months. He hoped that *follow-up* initiative would be taken to monitor implementation of the decisions of LDC III which would emerge from the discussion at the Brussels Conference. Mr. Kibria was concerned about the need for a broad discussion between the two groups, the LDCs and development partners, about the issues of governance, selection of criteria for receiving benefits, flow of ODA and market access. Mr. Kibria pointed out that setting of standards by the developed countries for accessing various global benefits is becoming a barrier to the LDCs particularly those which have poor infrastructure, low per capita income and inadequate access to technology. As regards the setting of standards, Mr. Kibria called for more cautious steps before setting standards for a particular group or country. There are different groups of countries i.e. developed, developing and least developed. Therefore, it is quite impossible to set a standard which will be equally applicable to all the three groups. He went on to urge, *don't set the standards so high that one cannot cross.*

Kibria termed the LDC grouping as “*heterogeneous*” and mentioned that the performance of the LDCs in terms of the growth rates achieved in various sectors, pace of the reform process, and the success in the global trade regime might vary significantly from country to country. Some member countries have already shown remarkable achievements in these areas. Such a situation would make it difficult to have a common and acceptable goal for the entire LDC group, Kibria asserted.

Mr. Kibria advocated in favour of increased support and assistance for the development of the LDCs and suggested the following steps to help the LDCs successfully face the challenges stemming from the changed global scenario:

1. The flow of ODA must increase; the current deceleration in the aidflow must be arrested to help the LDCs move forward in a meaningful manner.
2. LDCs which have already developed capacities to benefit from increased trade opportunities and access to open markets, must be ensured further scope for development.

3. Issues related to increased FDI flows to the LDCs and the transfer of technology should be on the top of the priority list of the development partners. Transfer of technology should, as a rule, be associated with adequate investment.

Mr. Kibria emphasised that to meet the abovementioned goals are to design an integrated plan which would contribute towards good governance, speed up the reform process, and improve the social and functional structures in the LDCs both development partners and LDCs should work together. Kibria hoped that if these issues are adequately addressed and effectively pursued, an effective package of outcomes and concrete doables would emerge out of the discussions at the upcoming Conference in Brussels.

SAMS Kibria asserted that Bangladesh could take full advantage of the challenges emanating from the continuing globalisation process if she could make best use of the support extended to her by global partners. Since Bangladesh has already tied itself to the global markets, particularly in the apparels sector, which amounts to the largest share of country's foreign exchange earnings, more support and joint collaboration in the form of FDI and ODA flows, technology transfer, infrastructural development etc. would be needed for Bangladesh to cope with the attendant challenges.

Mr. Kibria observed that official development assistance (ODA) is recognised as an effective channel for providing resources, particularly in case of the Least Developed Countries. However, recent trends show that the flow of ODA to the LDCs is declining sharply and access to these channels have become increasingly difficult. Comparing the present global ODA flows with those of a decade ago, Kibria urged upon the development partners to increase ODA flows to the LDCs. This increase could be of much help to LDCs as they implement programmes targetted for poverty reduction and development of social infrastructure.

Mr. Kibria concluded his remarks by expressing hope and optimism as regards the outcomes and progress which will be achieved during the deliberations of the Conference in Brussels. He said that he will go to Brussels with an optimistic mind and hopes to come back with a *Programme of Action* adopted by the Conference and to be implemented over the next decade which will be able to make a substantial difference for the LDCs.

The Open Discussion

Professor Rehman Sobhan thanked Mr. Kibria and remarked that since Bangladesh has already assumed a leadership role of the LDCs, she should faithfully perform the duty bestowed upon her. He hoped that we would reach Brussels with a pre-determined set of obligations, not just to ourselves but also to the LDC community as a whole, and she would be expected to discharge these obligations in a credible

way. Professor Sobhan invited participants to share their views on the keynote presentation, the remarks by the Minister and on other issues of interest.

Preparing For The LDC III: The Process

Dr. Mashiur Rahman, Secretary, ERD, dealt on the issue of process as regards the preparation of the country document. He also elaborated on the nature of participation of the line Ministries including Finance, Commerce and Foreign Affairs, and the civil-society organisations including NGOs in this process. He informed the audience that during the preparatory process, the Ministry of Finance held a number of consultation meetings with the representatives from the civil-society organisations and collected inputs from different stakeholder groups. Suggestions and recommendations of different interested quarters were sought for incorporation into the country document. The CPD was also invited during the last consultation meeting when representatives from civil society organisations were asked to share their thoughts as regards the content and strategies of the country document, he informed.

Mr. Waliur Rahman Bhuiyan, President, FICCI, emphasised the need to follow a participatory approach in preparing the country documents. He questioned the Secretary, ERD as to how private sector participation would be ensured in the preparatory process. He also argued for private sector participation in the official team which would represent Bangladesh in the upcoming Conference.

Ms. Alena Sindelar, the visiting WTO specialist, shared her experience at the training session on the WTO issues hosted by the Tariff Commission. She was of the opinion that there was a lack of coordination between the line Ministries in matters related to the WTO. Since the WTO involves complex issues and procedures, there was a need to develop indigenous capacity to formulate policies in line with the changing global scenario, she elaborated.

Focusing on the concluding section of the keynote paper, Mr. Farooque Ahmed, a former diplomat, shared his personal experience concerning the follow-up and monitoring of agreed decisions. He criticised the failure of the global community to reach an agreement as regards the status of the LDCs. Mr. Ahmed had an opportunity, as an UNCTAD official, to coordinate the work of a number of LDCs. He said that except for a few countries such as Bangladesh, the policy makers in most LDCs did not even scrutinise the draft document before the Conference. Therefore, there is little hope to expect greater cooperation and coordination between the development partners and the LDCs in matters related to content and context of the document.

Unity Among the LDCs

Dr. Mashiur Rahman explained that the basic strategy adopted in preparing the country document for Bangladesh was to take into account the spirit and outcome of negotiation and the discussions which had taken place earlier in Geneva and New York and then to match these with our national goals and demands. There was an effort to establish some compatibility between our national concerns and those of other LDCs, he observed. He agreed with the approach which was suggested by Dr. Bhattacharya and informed the participants that the government was also thinking of pursuing similar strategies. However, he explained that there remains a distinction between the ideal situation and a realistic options, specially since the GOB delegation would have to interact with G-77 countries, which includes both the LDCs and the developing countries. These two groups have different mandates, perspectives and objectives. Rahman cautioned that if there exists any conflict of interests within the LDCs, the group as a whole would not only receive less support but also they would be discriminated by the developed countries in terms of extending benefits to the LDCs.

Rahman cautioned that there was always a possibility of a lack of consensus even among the members of the LDCs, since certain members have already received a number of benefits under recent trade initiatives whilst some others have been excluded. Such discrimination would definitely and negatively affect the spirit of common approach amongst the LDC countries and might as well jeopardise the unity amongst the member states. He confirmed that Bangladesh has already taken cognisance of this emerging issues, and as the leader of the LDCs would take appropriate steps to strengthen the existing commonalities and make commitments which would be consistent with capacities of individual member countries.

Mr. Abul Hassan Chowdhury, the State Minister for Foreign Affairs, stressed Bangladesh's intention to maintain unity amongst the LDCs saying, *I think that we shall go to Brussels with all sincerity because we hope to achieve concrete results not just for our own interest, but also for the interests of other LDCs.* He urged upon the developed countries to proceed with an open mind, dedication and sincerity in the matters of the rights and demands of the LDCs. Isolation was an impossible game in the present changing world – what happens next would largely affect the socio-economic conditions of other countries irrespective of their economic status and geographical locations.

The Approach to the UN LDC III

Dr. Mashiur Rahman stressed the need for articulating a workable strategy for arresting marginalisation of countries such as in the face of rapid pace of globalisation. Mr. Farooq Sobhan, a former Foreign Secretary of Bangladesh, recalled his experience about the first Conference held in 1981. He observed that since then the flow of foreign assistance has declined sharply: the figures amounted to 0.15% and 0.05% of the GDP of the developed nations in 1981 and 2001 respectively. The actual flow of resources to LDCs declined by two-thirds when

compared with commitments which were made 20 years back. He observed that what makes the upcoming Conference significantly different from the earlier ones was the shift in emphasis which has taken place in the global economic situation over the last few years. LDCs have been excluded from the debt relief measures under the HIPC initiative and FDI flows were being absorbed in the developed and the developing economies. Giving a bleak picture about the scenario of FDI flows to the African LDCs, Sobhan noted that the LDCs are having only 1% share in the global FDI flows. Consequently he looked for more concrete outcomes and tangible results from the upcoming UN LDC III Conference as regards policies that guide FDI flows.

Dr. Mashiur Rahman agreed with Mr. Sobhan's observations in that Bangladesh should argue for more flow of FDI. He also stressed the need for greater flow of ODA to address the demand for infrastructure development and accelerated economic growth of the LDCs. He pointed out that Bangladesh must have absorbing capacity to utilise increased FDI and ODA flows to sustain economic growth and also to ensure success of ongoing reform process.

Mr. Abul Hasan Chowdhury particularly drew the attention of the development partners present at the dialogue to the fact that Bangladesh is not just asking for aid, rather she is striving to increase the volume of trade as a response to the declining trend in the ODA flows. He mentioned that there is an adjustment cost when development partners gradually reduce their aid commitments. Since in that case LDCs would need increased amount of other resources to build infrastructure and improve the capacities to cope with the attendant challenges stemming from globalisation. LDCs would have to adjust their strategies taking into cognisance the reality and the emerging risks and threats.

Mr. Farooq Sobhan stressed the need for more discussion on the issues of FDI flows during the upcoming Brussels Conference and urged multilateral financial institutions for devising additional mechanisms for attracting FDI flows to the poorest economies. He expected that appropriate initiatives would be taken by the General Secretary of the United Nations to bring together the developed nations to address the emerging issues relating to FDI flows. He called for formation of a high level investment advisory committee which will be of much help to the LDCs. ... *capacity building initiatives, human resource development and infrastructure development are very important aspects for preparing the LDCs for coping with the globalisation process*, he stressed.

Regarding the FDI inflows to the country, Mr. Waliur Rahman Bhuiyan asserted that unless the bottlenecks that constrain the proper functions of the government are removed Bangladesh could hardly expect to receive FDI in any substantial amount. From a business point of view, he continued, regional cooperation and the integration are likely to be the critical factors in the near future. In this connection he stressed the need for more active cooperation amongst the neighboring countries

in South Asia and also with development partners who are major players in the region.

Professor Momtazuddin Ahmed of the University of Dhaka disagreed with the assumption that the design of a wish list would be enough to enable the LDCs to attract FDI inflows to their respective economies. He suggested that LDCs should rather try to enhance the absorption capacity of their respective economies through improvement of the manufacturing base in order to attract the flow of FDI. He went on to say that, in the coming years, the advantage of low wage rates will not be the determining factor in attracting FDI. As a result, focusing on improvement of confidence in the potentialities of the country's manufacturing sector was more crucial compared to emphasis only on the issues related to comparative advantage.

We have to be ready to attain very high standards of product quality, product design and attract customers from all over the world by improving the quality of our service, he observed.

Exodus of Youth

Some of the participants perceived *brain drain*, a concomitant phenomenon of globalisation, to be a major threat for the LDCs. Dr. Mashiur Rahman, for example, was worried that brain drain from LDCs in the form of mass exodus of the youth from the country has been an alarming development in recent times. He termed this as giving rise to social imbalance and drew attention of the audience to this emerging issue. He said, *...this is going to create a serious social imbalance which will, in turn, create an additional problem for our long term economic development and, as a result, negatively impact on the social scenario prevailing in the country.* He appealed to the development partners to extend support in addressing this problem and in taking up measures to arrest brain drain and keep the educated youth in the country. In this context he emphasised the need for creating employment opportunities within the country, putting in place enough incentives for young people to stay in the country. He highlighted the importance of environmental safety and security in the country, and the need to develop new leadership. In this connection he was also expressed his concern about the deteriorating standard of education in the country. He noted that we would not be able to make good use of whatever assistance or development we receive from the development partners unless we have a sound infrastructure for basic education since only an educated young entrepreneurial class can contribute effectively to the socio-economic development.

Poverty Eradication

Mr. Syeduzzaman former Finance Minister and Member of CPD's Board of Trustee, stressed the need for focused attention on the matters related to poverty

eradication in the LDCs. Flaunting some statistics, Mr. Syeduzzaman told that at the beginning of the 21st century the gap between the rich and the poor nations has widened, the actual number of people living in abject poverty has increased from 800 million to 1200 million and the number of LDCs has increased from 25 to 49.

Mr. Syeduzzaman pointed out the linkage between the changes in the global trading regime and the evolving opportunities for poverty eradication. He blamed misguided policies, weak institutional framework, poor governance and lack of participatory process in policy making as major reasons causing abject poverty in the country. He observed, *...external aid worked in a positive manner where there were sound policies, strong institutions and good governance*. He was concerned by the deceleration in the flow of ODA to LDCs since this played a major role in LDC efforts towards poverty eradication. According to him this particular issue should be given priority attention during the UN LDC III Conference.

Pessimism vs Optimism

Dwelling on the outcome of the last two *Programme of Actions* adopted respectively by UN LDC I and UN LDC II and the prospect of UN LDC III, Mr. Syeduzzaman observed that he was not fully agreeable to the pessimistic tone he detected in the presentation of the Finance Minister as regards the possible outcome from the Conference. He noted that to determine whether there were any concrete positive outcome emerging from the past two PoA, it is important to take cognisance of what has happened in the 1990s in development philosophy and development strategy, and also in the instruments and mechanisms for implementation of the doable.

Mr. Salman F Rahman, President of BTMA, however, was agreeable to the observations of the Finance Minister concerning the possible outcome of the LDC III. He shared the pessimistic outlook and thought that nothing concrete would come from this Conference – LDCs will not receive increased ODA flows and past trends would continue. He thought that Bangladesh will also not receive increased FDI in the near future since the East-European countries, China and, possibly India, are emerging as preferable destinations for the foreign investors.

Mr. Jamal Uddin Ahmed, a former Deputy Prime Minister of Bangladesh, also supported the views of the Finance Minister as regards the possible outcome from the Conference. He was worried that the upcoming Conference would result in some vague outcomes, as was the case for the last two Conferences. He thought that some proposals will be made, which would be subsequently ignored and will not be implemented by the developed nations.

Prioritised Agenda

Barrister Anisul Islam Mahmud, former Foreign Minister of Bangladesh, drew attention of the audience to the realities faced by the LDCs as regards the issue of

preferential treatment such as market access, debt relief measures and ODA flows. As ODA flow shows declining trends and FDI tends to move on to the emerging economies, Bangladesh and other LDCs should primarily concentrate on issues of market access and the debt relief measures during LDC III. He observed that, since Bangladesh has a very narrow export base largely dependent on the garments sector, unless herculean efforts are made to ensure greater market access, it would be impossible for Bangladesh to sustain robust growth in export sector attained in the 1990s.

Quoting the concluding remarks of the paper, Mr. Rouf Chowdhury, Director of FBCCI, mentioned that low value addition and weak manufacturing base were the major reasons behind Bangladesh's inability to develop and diversify her export base and create new opportunities for employment. Chowdhury stressed the need to focus on these particular issues in order to solve long-term barriers to accelerated growth and reform.

Dwelling on Bangladesh's perspectives as regards UN LDC III the State Minister for Foreign Affairs, Mr. Abul Hassan Chowdhury remarked that Bangladesh was in a peculiar position as the leader of the LDCs as well as the member of that particular group. He agreed with Dr. Bhattacharya that Bangladesh should not *break the rank*, even if there were departures in the articulated demands of those

LDCs which are somewhat better positioned than others. He asserted that, in spite of various difficulties and hardships, Bangladesh was in a position to make new commitments since she has been able to achieve a 6 per cent growth rate in GDP in recent years despite devastating floods in 1998, attain self-sufficiency in food, achieve remarkable progress in checking population growth, and was able to achieve a quantum leap in the literacy rate now reaching almost 65 per cent.

Mr. Jamal Uddin Ahmed pointed out two specific issues which should be included into the prioritised agenda of Bangladesh. *One*, mobility of labour and *two*, the issue of market access. He observed that unless the mobility of the natural persons was ensured, transfer of technology and technical know-how would continue to remain constrained. The flow of foreign currency resources to the poorest countries will also continue to remain at low levels.

Mr. Ahmed also thought that greater flow of foreign investment in the private sectors is needed to speed up reforms in the economic sectors and for promoting private investment in infrastructure development. Recognising the decline of ODA flows as a reality, Mr. Ahmed stressed the need for pragmatic approach to impose pressures on the developed nations to fulfill their commitments which have already been made. He supported the view that the decline in ODA flows should be substituted by an increase in FDI flows. To this end, the investment climate in Bangladesh should be made congenial and favorable for the foreign investors.

Rules of Origin

Mr. Anisul Islam Mahmud suggested that Bangladesh should be careful about amendments to the *Rules of Origin*. He thought that relaxation of rules of origin criteria might come to the benefit of other countries from where we import raw materials such as fabrics. This in turn, may hinder the development of domestic backward linkage industries. This may appear to be detrimental to the long-run interest of the economy particularly in the context of quota-free and duty-free regime. This is particularly relevant for Bangladesh since it has a large concentration on the garments industries whilst an effective backward linkage industry is yet to be put in place. He called for a wide range of research activities to determine which products should be covered under the RoO criteria.

Market Access

Mr. Anisul Islam Mahmud termed the current restrictions imposed by the EU and Japan on importing agricultural products as major barriers to natural flow of trade. He expressed his apprehension that, since Bangladesh has already achieved self-sufficiency in the food supply, it would face difficulties in the near future in exporting the surplus agricultural products to the foreign markets. He called for the removal of such constraints.

As regards the market access issue, Ms. Salima Ahmad, Director of Nitol Group, observed that unless the LDCs had easy and cheap access to modern technology, the extension of the market access facility to the LDCs would not contribute much to the economic development of these countries. She appealed to the development partners to facilitate the process of technology transfer and provide assistance and expertise to stimulate technological development. This, according to her, was crucial in terms of promoting private investments in these countries. She also raised the issue of environmental degradation which is threatening the socio-economic development of LDCs, particularly countries having weak legal and institutional framework. In this regard she emphasised the need for vigorous campaign by way of organising seminars and workshops.

...it is expected that the ODA flows will decline in the near future, and we do not have much time to place on board the issue of labour mobility at the upcoming Conference. Therefore, we should concentrate our mind more on market access issues - Mr. Farooque Ahmed placed his views on the table. Based on his personal experiences gained at the Singapore Ministerial Meeting of the WTO, he urged that the Bangladesh delegation take a definitive stand as the leader of the LDCs with respect to the issue of market access. He asserted that, since the developed countries agreed to extend such preferential facilities to the LDCs, we are now on a strong footing to demand our rights more aggressively compared to any time in the past. LDCs, having a common goal from a single platform, can even threaten the developed countries with a boycott of the upcoming Doha Ministerial if their demands are not met.

Referring to the recent export trends of the LDCs, Mr. Farooq Sobhan observed that market access issues should be given the highest priority in the agenda; this was of particular interest to Bangladesh, since its export basket is largely concentrated in the garments industry. Sobhan considered the recent US initiatives to extend preferential facilities to African and Caribbean Basin LDCs as a violation of the commitments undertaken by developed countries during the Singapore Ministerial. Sobhan urged the US to follow EU, New Zealand and Japan in extending equal market access opportunities to all the LDCs irrespective of their status and geographical locations. He hoped that, with the effective interventions of the EU, something tangible would come out from the Conference on this particular issue.

Mr. Suhel Ahmed Chowdhury, Secretary, Ministry of Commerce agreed with Dr. Bhattacharya and supported the approach that Bangladesh should concentrate basically on two commitments: Commitment 5 and Commitment 7. Recalling his experience at the recently held meeting in New York, the Secretary informed the audience that three issues still remain basically unresolved, these are, removing all the barriers to trade, provision of duty-free and quota-free access for all products of LDCs, and the relaxation of the rules of origin. He termed it "very difficult" to harmonise the existing rules of origin, though it was critically important that this task be undertaken. He found solutions to this particular problem in relaxation of the RoO since it is quite easy to pursue.

Media Interest in the UN LDC III

Mr. Kibria pointed out the lack of media interest in UN LDC III.

Mr. Rouf Chowdhury agreed with the Finance Minister that there is the lack of media interest in the developed countries as regards the concerns of the LDCs. The LDCs share only 1% of the global FDI and GDP even though they have 20% of the world's population and they were not a threat to the economic interest of the developed countries. He thought that Bangladesh, as the leader of the LDCs, should take energetic measures to mobilise efforts to attract the western media on issues of interest to LDCs and focus the demands and rights of the LDCs on global resources. He called for greater cooperation between the concerned Ministries to stimulate media interest in events that will take place during and after the Conference.

Mr. Waliur Rahman Bhuyian agreed to the Finance Minister's observation and also pointed out that western media shows little interest in LDC Conference and is least bothered about the demands and perception of the LDCs. Rahman thought that the political commitment was the key to attract western media interests in the discussions during the upcoming LDC III Conference. Rahman appealed to the development partners to take note of this issue and urged upon them to take appropriate steps to attract media attention on this important event.

In the above context, Mr. Jamal Uddin Ahmed observed that it is something new that the western media is reluctant to focus the issues and problems of the LDCs. In addition to appealing to the developed nations to focus on LDC demands and aspirations, we should also mobilise our own efforts to attract the western media to focus on various problems and issues of the LDCs which relate to the LDCs, he asserted.

Concentration on the Garments Sector

Mr. Salman F Rahman termed our external sector and the possible sources of foreign currency earnings as "too focused and concentrated" on the garments sector. *...although we are receiving 5 billion US dollar worth for foreign earnings annually from garments exports, because of the low value addition, we are actually receiving only 2 billion US dollar*, he noted. He focused on the need for strengthening the infrastructure for the development of the manufacturing sector. Mr. Rahman saw more future opportunities in the service sector, particularly in the areas of information technology, where Bangladesh had potential scope for earning substantial foreign currency through exports of services. Rahman noted that, in case of information technology, Bangladesh would not need to worry about the market access barriers. In this connection, he appealed to entrepreneurs to come forward and invest in this lucrative sector. He urged upon them to be realistic in their approach and earnestly go for software development, data entry business, development of web page etc.

Labour Mobility

According to Mr. Waliur Rahman "labour mobility" should be put at the top of the agenda at the upcoming Conference. He asserted that, since LDCs do not have a strong legal framework, they are unable to attract foreign investment in sectors which require urgent development. He called upon the government to take appropriate steps to strengthen the legal framework and put in place adequate monitoring mechanism in order to attract FDI to the country. Rahman also drew attention of the audience to the current reforms and urged upon the government to use local expertise in designing policies and procedures related to the continuing reform initiatives in the country.

Perception about EU Role in UN LDC III

Mr. Abul Hassan Chowdhury highly appreciated the EU for taking a proactive role in hosting a Conference where the LDCs will be able to articulate their demands by taking the advantage of such a prestigious international forum. Terming EU's role as an important intermediary of the developed nations, he urged the EU representatives to take adequate initiatives to bring together all the developed countries in a common platform and induce them to extend preferential facilities to all the LDCs without exceptions. He also drew attention to the anti-dumping issue which has emerged as a significant barrier to normal flow of trade.

Mr. Anders Johnson, the Swedish Ambassador to Bangladesh, reaffirmed EU's commitment as the host of the Conference and hoped that the Conference would be successful in terms of coming up with a focused agenda, ensuring high-level participation and ensuring concrete results for the benefits of all the LDCs. Quoting the remarks of the Prime Minister of Sweden on the commitments of the EU to strengthen global support initiatives for the LDCs, he confirmed that the EU has taken various initiatives, the most important of which was the opening up of the EU market to the LDCs. He was aware about Bangladesh's interests and the critical importance of the EU market for her exports and assured the audience about the EU's continuing support to the developmental interests of the country. He also underscored the importance of meaningful dialogue between developed countries and LDCs on matters like implementation of commitments under the *Plan of Action*.

Mr. Anders drew the attention of the participants to the threats and risks underlying the globalisation process and looked for joint efforts and undertakings to reduce the attendant uncertainties. ...*globalisation can be shaped and managed to respond to the needs of the poor, and the poorest countries*, he observed. In this regard, he urged upon the policy makers to make best use of the emerging opportunities and give particular attention to the issues of governance, structural changes and the ongoing reform process. He also shared the remarks of some of the other participants pertaining to increased flow of ODA and FDI to ensure domestic trade related capacity building and industrial development of the country.

Mr. Anders assured that the EU would take energetic initiatives for more effective targeting of aid to the most deserving countries to help them with capacity building, promotion of investment and building up of institutional capacities. EU will also help the LDCs to build regional stepping stone for their successful integration into the world economy. He informed the audience that the EU has already taken necessary steps to host another Conference at Stockholm to sort out channels to make globalisation work for the poor and determine possible European contribution to this effort. The agenda of the Conference would be: (a) globalisation and poverty reduction; (b) globalisation and the development needs for policy coherence, and (c) institutional capacity building. He appreciated the comments of Dr Debapriya Bhattacharya as regards the role that Bangladesh should play in the upcoming Conference. He also agreed to the remarks of the Finance Minister in this regard. He emphasized the need for joint collaboration between the LDCs and developed countries and noted that it was important to find out the points of convergence and divergence in the approaches, identify what further efforts were needed, what we can learn from each other and how we can help each other more effectively.

Mr. Farooq Sobhan highly appreciated the role of EU for its proactive role in hosting the Conference and giving the LDCs an opportunity to put forward their demands in a common platform. He viewed that participation of the high level

officials of most of the European nations would effectively contribute in making the Conference a success. He was of the opinion that collective efforts would be more strengthened if the participants also had the USA on board. He expected that the EU would give considerable importance and outcomes to be generated to the issue of follow up of the results at the Conference and urged the EU to assign officials to specifically monitor the follow up activities.

Achievements and Status of the LDCs

Mr. Abul Hassan Chowdhury said that it is not easy to build institutional capacities in Bangladesh, where democratic governance is still at its nascent stage. In most of the democratic countries, the process of democratisation took decades to be well established. *...surely we have sincere commitments and dedication to improve governance in the social and the economic system; issues which are impediments should not be brought to the mainstream to block the great advancements that we have so far made* - Chowdhury asserted. Highlighting the recent promising trends in the areas of women empowerment in Bangladesh, he hoped that the similar achievements would also be made by the other LDCs.

Dr Toufiq Ali, Secretary of the Ministry of Foreign Affairs, shared his experience as regards the meetings held prior to the earlier Conferences and said that this time all the participating LDCs are rather confused as their respective positions are not clearly defined and articulated as was the case with earlier Conferences. On earlier occasions, series of ministerial meetings were organised which gave an opportunity to collectively put under scrutiny the *Draft Programme of Action* by the member countries.

In this regard, Dr. Ali appreciated the role that the CPD has been playing to bring forth relevant issues on the table for indepth discussion. He agreed with the approach suggested by the CPD to be pursued in the upcoming Conference. Referring to the concluding section of the paper, he focused on the bracketed sections, bold sections and agreed sections, and observed that the LDCs will have few opportunities to change the texts of the document. In this regard, he called upon CPD to help the GOB in its efforts to identify areas where changes should be incorporated in the texts of the document. Dr. Ali hoped that concrete suggestions received from CPD would be of great help to the negotiators in articulating their demands during the Conference.

He stressed the need for participatory approach in the negotiating process and called for greater collaboration with the private sectors and civil-society organisations. Formation of joint alliance of NGOs, from both the developed and developing nations, would contribute significantly to impose pressures on the developed nations to fulfill their commitments, he observed.

Mr. Jamal Uddin Ahmed raised the issue of solidarity of the LDCs and asserted that there is always a tendency on the part of the developed nations to manipulate the

LDCs whenever they negotiate with each other. Sharing one of his personal experience in this connection, he appealed to the developed nations not to attempt to utilise the LDCs' weak bargaining power for their own benefits.

Mr. Ahmed stressed upon effective steps in the following three areas:

- Ensure peace and stability to sustain growth in the economy,
- Create an investment-friendly climate to attract FDI, and
- Provide adequate infrastructure facilities to promote private investment.

Debt Relief

As regards the questions of the recent debt relief measures brought out by the developed countries under the HIPC initiative, Mr. Abul Hassan Chowdhury noted that Bangladesh should easily qualify for the benefits under debt relief measures since it has an excellent commercial debt profile which is much better than many of the beneficiary countries. Citing the example of East European countries, he said that some of the East European countries were able to reduce debt burden by 90% under the debt relief measures initiated by the developed countries.

Monitoring Mechanism

Regarding the proposal for establishing a new monitoring mechanism to put the implementation of PoA under scrutiny, Mr. Farooque Ahmed observed that Bangladesh, as the leader of the LDCs, should support this proposal. Such monitoring mechanism should be set up in all LDCs. He thought that the mechanism can be strengthened and be effective if the Secretary, ERD takes the lead responsibility as the *Chair* and all the Ministries and the civil-society organisations including the NGOs are integrated into the monitoring mechanism. He called upon the representatives of the international development organisations including the World Bank and the UNDP to be more attentive to the suggestions and recommendations of such a body.

Benefits of Globalisation

Mr. Farooque Ahmed was curious to learn how the globalisation would work for the benefit of the poorest countries when these were beset with such problems as weak infrastructure, low level of skill, poor governance and lack of strong institutional and legal framework.

Mr. Jamal Uddin called for equitable distribution of the benefits of globalisation and suggested that assessment be made in all LDCs as regards the impact of globalisation on economic development of the individual member countries. If case of negative impacts, corrective measures should be undertaken immediately in accordance with recommendations made through a participatory mechanism. He also underscored the need for establishing a strong monitoring mechanism to assess the follow-up actions by the developed nations subsequent to the Conference.

Technology Transfer

Professor Momtazuddin Ahmed attached importance to the need for extensive efforts to improve the negotiating capacity of the LDCs to ensure easy access to modern technology. He suggested that LDC policy makers should demand for establishment of a special fund to help LDCs finance their research and development activities. He put forward a proposal to establish a special fund equivalent to US Dollar 2 billion to promote research and development activities in the LDCs.

Section V: Concluding Remarks

Concluding Observations by the Secretary, ERD

Dr. Mashiur Rahman made a brief presentation on the position of the government and dealt on a number of points raised during the discussion. He informed the audience about the major focus and strategic approach put forward in the country document. He also gave an idea about further improvements to be made following the various suggestions placed by the discussants at the dialogue. He highly commended CPD's effort and also appreciated the contribution of the participants.

He agreed that commitments under 5 and 7 are extremely relevant regarding the market access issue and capacity building initiatives. These will be on the top of the Bangladesh agenda in the upcoming Conference. From Bangladesh's point of view, one major concern will be identifying ways and means to make aid work as a complementary force to help Bangladesh's ongoing capacity building initiatives in the area of trade.

Dr. Mashiur Rahman observed that the action plans adopted by the earlier two Conferences could not be materialised because they were vague and often lacked focus.

He, however, stressed that as the leader of the LDCs, Bangladesh could not take a public posture of pessimism. It should be believed that some positive outcome would emerge from the Conference.

Dr. Rahman agreed with the views espoused by the dialogue participants that market access issue should be given top priority. However, there are differences in approach between the developed nations and the beneficiary nations. Bangladesh always endeavoured to thrash out a common approach on this particular issue, he stressed.

Regarding the ODA flows, Dr. Rahman noted that there are difficulties related to accessing increased flow of ODA since in most cases stringent conditionalities are attached to the commitments. Therefore, even though there did exist opportunities for increased assistance, it was often found very difficult to actually access those resources.

As regards transfer of technology Dr. Rahman observed that the country document did give adequate attention to the issues of technological advancement and resource development to stimulate Bangladesh's technological upgradation.

Dr. Rahman hoped that Bangladesh would continue to provide leadership to the LDCs and her position would be strengthened by focusing on the common issues on which all LDCs have to work together.

....I think, at the end of this evening, we have come up with some important conclusion which reflect the opinions of the civil society and I am delighted that some of the points will be taken on board by the Government, Dr. Rahman observed.

In his concluding remarks, Dr. Rahman noted that although most of the issues which were discussed during the dialogue are already there in the country document, the government always appreciated inputs from the private sector representatives and the civil-society members to further strengthen the focus and context of country position in the Conference.

Concluding Remarks by the Chairperson

Professor Rehman Sobhan concluded the session by thanking all the participants for their active engagement during the dialogue. He thanked Dr. Mashiur Rahman for giving an outline of the government's position as regards Bangladesh's position at the upcoming Conference. He also appreciated the approach of GOB in welcoming suggestions and recommendations articulated by the civil society with respect to Bangladesh's strategies during LDC III.

Professor Sobhan observed that, during the last few decades, Bangladesh has demonstrated impressive performance in economic and social spheres. Recognising the fact of declining ODA flows and poor investment scenario in the infrastructure sector, Professor Sobhan noted that Bangladesh needs substantive amount of investment over the next five years, particularly in such areas as power generation and telecommunication sector. He stressed the need to bridge the gap between supply of and demand for assistance through increased flow of FDI. In this regard, he appealed to the international development partners to curtail their lending to the developed nations and to channel funds thus released in order to stimulate development of LDC economies.

Professor Sobhan appreciated the initiatives of the EU, Japan and New Zealand for their extensive support favouring the LDCs especially in the area of market access. Professor Sobhan made an appeal to them to bring their North American Colleagues on board in a discussion on a specific set of issues including global market access. He called for a proactive campaign for the restructuring of international development organisations in a manner which would allow those institutions to channel increased resources for the development of infrastructure in the LDCs.

Section VI: Brief Summary of Recommendations of the CPD Dialogue

Major recommendations emerging out of the CPD dialogue were as follows:

- Bangladesh should put more emphasis and importance to commitments 5 and 7 in the *Draft Plan of Action* which relate to enhanced global market access and trade related capacity building in the LDCs.
- As a strategy Bangladesh should be ready to take upon herself well thought out commitments on the part of the developed countries.
- The third UN Conference on LDCs should focus on a concrete set of doables in the *Plan of Action* which LDCs and the development partners will together commit to implement over the subsequent decade.
- An effective monitoring mechanism should be set up to monitor implementation of the *Plan of Action* adopted by UN LDC III.
- Efforts should be taken for adequate reporting of the conference outcomes in the western media. LDCs should mobilise their efforts in this regard.
- Bangladesh should not break the ranks of LDCs. Retaining the leadership of the LDCs, Bangladesh should actively pursue the group's demand in the course of discussion during the Conference.
- Bangladesh should play a proactive role to ensure greater market access for the LDCs.
- In the context of the declining ODA commitments, the issue of enhanced FDI flow should be given high priority.
- Bangladesh should actively pursue the issue of debt relief so that all LDCs come under the purview of the HIPC initiative.
- Bangladesh should strive to forge a common forum with the LDCs as regards the focus and context of PoA.
- Bangladesh should demand increased support from developed world for capacity building and technology transfer in order to ensure sustainable development of the LDCs.
- The EU should take adequate initiatives to bring USA and Canada on board as regards the question of market access.
- Bangladesh should strive to pursue the USA to follow the initiatives of EU, Japan and New Zealand in the area of zero-tariff, zero-quota to ensure market access for all the LDCs.
- LDCs should be ready to commit themselves to good governance in order to create a conducive investment-friendly environment for increased flow of FDI.
- Preferential facilities should be extended to all the LDCs, irrespective of their status and geographical locations.

Annex 1

List of Participants
(In alphabetical order)

<i>Mr. Abu Ahmed Abdullah</i>	Director General , Bangladesh Institute of Development Studies (BIDS)
<i>Mr. Uzair Afzal</i>	Bangladesh Garments Manufacturers and Exporters Association (BGMEA)
<i>Ms. Selima Ahmad</i>	Director , Nitol Group
<i>Professor Momtazuddin Ahmed</i>	Department of Economics University of Dhaka
<i>Mr. Jamaluddin Ahmed</i>	Former Deputy Prime Minister
<i>Mr. Salehuddin Ahmed</i>	Deputy Executive Director, BMC
<i>Mr. Zahir Ahmed</i>	Senior Information Officer, Ministry of Commerce, Government of Bangladesh
<i>Mr. Mohammad Shah Alam</i>	Deputy Secretary, Economic Relations Division, Ministry of Finance Government of Bangladesh
<i>Dr. Toufiq Ali</i>	Secretary, Ministry of Foreign Affairs Government of Bangladesh
<i>Mr. Khairul Anam</i>	Former Secretary Government of Bangladesh
<i>Mr. ARQ Baksh</i>	Deputy Managing Director, Square Group
<i>Ms. Ferdous Ara Begum</i>	Secretary, Dhaka Chamber of Commerce and Industry (DCCI)
<i>Dr. Debapriya Bhattacharya</i>	Executive Director, CPD
<i>Mr. Waliur R. Bhuiyan</i>	President, Foreign Investors Chamber of Commerce and Industry (FICCI)
<i>Mr. Musharraf Hossain Bhuiyan</i>	Ministry of Finance Government of Bangladesh
<i>H E Mr. David Carter</i>	High Commissioner British High Commission
<i>Mr. AB Chowdhury</i>	Vice Chairman Export Promotion Bureau (EPB)
<i>Mr. Suhel Ahmed Chowdhury</i>	Secretary, Ministry of Commerce Government of Bangladesh
<i>Mr. Abul Hassan Chowdhury</i>	Hon'ble State Minister for Foreign Affairs Government of Bangladesh
<i>Mr. MA Rouf Chowdhury</i>	Director, FBCCI
<i>Mr. Khurshid Hamid</i>	Former Ambassador to Italy
<i>Mr. Altaf Hossain</i>	Deputy Chief, Ministry of Commerce Government of Bangladesh
<i>Mr. Md Sarwar Hossain</i>	Joint Secretary, Ministry of Commerce Government of Bangladesh
<i>Mr. S M Al-Husainy</i>	Fellow, CPD

<i>Mr. Hasanul Haq Inu</i>	General Secretary, JSD
<i>Mr. Nazmul Islam</i>	Research Assistant, BIISS
<i>Mr. Hilde R. Johansen</i>	Embassy of Norway
<i>H E Mr. Anders Johnson</i>	Ambassador, Embassy of Sweden
<i>Mr. Syed Kamaluddin</i>	Far Eastern Economic Review and Dawn Karachi
<i>Mr. J V Ketelsen</i>	First Counselor, Commission of the European Communities
<i>Mr. S A M S Kibria</i>	Hon'ble Minister for Finance Government of Bangladesh
<i>Mr. Nazrul Islam Khan</i>	Secretary General, Bangladesh Institute of Labour Studies (BILS)
<i>Mr. Ove Fritz Larsen</i>	Minister Counselor Royal Danish Embassy
<i>H E Mr. Michel Lummaux</i>	Ambassador Embassy of the Republic of France
<i>Barrister Anisul Islam Mahmud</i>	Former Minister Government of Bangladesh
<i>Mr. Jan Mass</i>	Counselor Royal Netherlands Embassy
<i>H E Mr. Antonio De S. Menezes</i>	Ambassador, Commission of the European Communities
<i>Ms. Nasreen Awal Mintoo</i>	President, Women Entrepreneurs Association of Bangladesh
<i>Mr. John Moore</i>	Head of Aid Canadian High Commission
<i>Dr. A K M Mashiur Rahman</i>	Secretary, Economic Relations Division Ministry of Finance Government of Bangladesh
<i>Mr. Shamsur Rahman</i>	Senior Research Fellow, BIISS
<i>Mr. Atiqur Rahman</i>	Department of Economics North South University
<i>Mr. M H Rahman</i>	Managing Director Arenco Trade Ltd.
<i>Mr. Waliur Rahman</i>	Director, Bangladesh Institute of Law and International Affairs (BILIA)
<i>Mr. S F Rahman</i>	President, Bangladesh Textile Mills Association (BTMA)
<i>Professor Mustafizur Rahman</i>	Research Director, CPD
<i>Mr. Z H Razi</i>	Economic and Information Officer European Commission
<i>H E Mr. Uwe Schramm</i>	Ambassador, Embassy of the Federal Republic of Germany
<i>Mr. A K M Shamsuddin</i>	Managing Director Rhône-Poulenc Rorer Bangladesh Ltd.

<i>Professor Hafeez G A Siddiqui</i>	Pro-Vice Chancellor North South University
<i>Ms. Alena Sindelar</i>	WTO Counselor
<i>Professor Rehman Sobhan</i>	Chairman, CPD
<i>Mr. Farooq Sobhan</i>	Former Foreign Secretary Government of Bangladesh
<i>Mr. Bo Sundstrom</i>	DFID, British High Commission
<i>Mr. M. Syeduzzaman</i>	Member of Board of Trustees, CPD
<i>Mr. M I Talukdar</i>	Former Division Chief, General Economics Division, Planning Commission
<i>Ms. Fahmeeda Wahab</i>	Development Advisor, CIDA
<i>Mr. Markus Waldvogel</i>	Swiss Embassy
<i>Mr. Jonas Wendel</i>	First Secretary, Embassy of Sweden

***List of Journalists
(In alphabetical order)***

<i>Mr. Farid Ahmed</i>	Independent
<i>Ms. Noor Ayesha</i>	Reporter, News Network
<i>Mr. Mujtahid Faruqui</i>	Daily Jugantar
<i>Mr. Indrajit Ghosh</i>	Daily Ajker Kagoj
<i>Mr. Titu D Gupta</i>	Staff Correspondent, UNB
<i>Mr. Rashed Hossain</i>	Daily Matribhumi
<i>Mr. Amirul Islam</i>	Daily Prothom Alo
<i>Mr. Rashidul Islam</i>	Daily Sangram
<i>Mr. Salim Jahid</i>	Daily Ajker Kagoj
<i>Mr. Shafiqul Islam Jibon</i>	Daily Manobjamin
<i>Mr. Humayun Kabir</i>	Correspondent , Alpha TV Bangla
<i>Mr. Masumur Rahman Khalili</i>	Daily Inquilab
<i>Mr. Asjadul Kibria</i>	Daily Prothom Alo
<i>Mr. Subir Kumar</i>	Daily Arthoneeti
<i>Mr. Monzur Mahmud</i>	Daily Star
<i>Mr. Ziaur Rahman</i>	Financial Express
<i>Mr. Selim Reza</i>	Correspondent, ETV Bangla
<i>Mr. Ajit Sarkar</i>	Bangladesh Sangbad Sangstha (BSS)
<i>Mr. Syed Shamsuzzaman</i>	Daily Arthoneeti
<i>Mr. Asif Showkat</i>	Daily Arthoneeti

