

# POVERTY REDUCTION STRATEGY FOR BANGLADESH: A CPD REVIEW OF THE I-PRSP DRAFT

## I. BACKGROUND

In September 1999, the World Bank Group and the IMF determined that nationally-owned participatory poverty reduction strategies should provide the basis for all their concessional lending and eligibility for debt relief under the enhanced *Heavily Indebted Poor Countries* (HIPC<sup>1</sup>) *Initiative*. This approach, building on the principles of the *Comprehensive Development Framework* (CDF<sup>2</sup>), has led to the development of *Poverty Reduction Strategy Papers* (PRSPs) by country authorities for submission to the World Bank and IMF Boards. The development and implementation of poverty reduction strategies should be “country-driven”, “results-oriented”, “comprehensive”, “prioritized”, “partnership-oriented”, and “based on a long-term perspective” for poverty reduction (World Bank Website). *Poverty Reduction Strategy Papers* (PRSPs) are expected to be prepared by the member countries through a participatory process involving domestic stakeholders as well as external development partners, including the World Bank and IMF. To be updated every three years with annual progress reports, PRSPs describe the country's macroeconomic, structural and social policies and programs over a three year or longer horizon to promote broad-based growth and reduce poverty, and also to identify associated external financing needs and major sources of financing.

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

The World Bank group feels that many countries are currently not in a position to fully develop a PRSP. In order to prevent delays for countries seeking debt relief under the HIPC

---

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

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

Initiative or assistance from the IMF, an *Interim PRSP* (I-PRSP) can be formulated. Interim PRSPs (I-PRSPs) summarize the current knowledge and analysis of a country's poverty situation, describe the existing poverty reduction strategy, and lay out the process for producing a fully developed PRSP through a participatory process<sup>3</sup>. This is meant to outline a country's existing poverty reduction strategy and to provide a road-map for the development of a comprehensive PRSP (a timeline for poverty diagnostics, recognition of policy areas that need evaluation and reform, envisaged participatory process, etc). A full PRSP would then follow in due course.

Currently, a PRSP, I-PRSP, or annual progress report, supported by the Boards of the World Bank and IMF within the preceding 12 months, is a condition for: (i) HIPC countries to reach a decision or completion point; (ii) Approval of the IMF's PRGF<sup>4</sup> arrangements or reviews; (iii) IDA (World Bank) concessional lending. The Country Assistance Strategies (CAS)<sup>5</sup> and CAS updates should be timed to follow PRSPs and I-PRSPs along with their accompanying Joint Staff Assessments (JSAs)<sup>6</sup>. From July 2002, all CASs in IDA countries are based on a PRSP.

The Boards of the World Bank and the IMF will consider the overall strategy in the PRSP or I-PRSP as an integrated whole. However, each institution will focus upon and endorse those policies and programs within its area of responsibility.

As of 01 April 2003, 26 countries have prepared PRSPs and 45 countries have prepared I-PRSPs (see Box 1 and 2, for the list of countries). Five countries (Uganda, Tanzania, Burkina Faso, Mauritania, and Nicaragua) have submitted PRSP Progress Report. Uganda has submitted two PRSP Progress Reports: in May 2001 and July 2002. Burkina Faso has also submitted two PRSP Progress Reports: in December 2001 and November 2002. India has declined to prepare a PRSP and argued that her Ninth Five-year Plan (1997-2002) adequately

---

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

<sup>4</sup> Poverty Reduction Growth Facility (PRGF) is an IMF program for the poorest countries. It replaces Enhanced Structural Adjustment Facility (ESAF) and would be based on a country's PRSP.

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

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

addressed the issue of poverty reduction and it contains everything needed for poverty reduction.

**BOX 1: LIST OF COUNTRIES COMPLETED PRSP**

<b>Year of Completion</b>	<b>Countries</b>
<b>2000</b>	Uganda, Burkina Faso, Tanzania
<b>2001</b>	Mauritania, Mozambique, Bolivia, Nicaragua, Honduras
<b>2002</b>	Niger, Zambia, Gambia, Guinea, Rwanda, Malawi, Ethiopia, Senegal, Vietnam, Albania, Tajikistan, Yemen, Guyana
<b>2003</b> (As of 01 April 2003)	Mali, Benin, Cambodia, Kyrgyz Republic, Sri Lanka

**BOX 2: LIST OF COUNTRIES COMPLETED I-PRSP**

<b>Year of Completion</b>	<b>Countries</b>
<b>2000</b>	Tanzania, Mozambique, Sao Tome & Principe, Senegal, Benin, Chad, Kenya, Zambia, Ghana, Mali, Cameroon, Guinea Bissau, Gambia, Madagascar, Niger, Malawi, Rwanda, Guinea, Albania, Tajikistan, Macedonia, Moldova, Bolivia, Honduras, Guyana, Nicaragua
<b>2001</b>	Central African Republic, Lesotho, Ethiopia, Sierra Leone, Cambodia, Vietnam, Lao, Mongolia, Georgia, Armenia, Azerbaijan, Kyrgyz Republic, Yemen, Djibouti, Pakistan,
<b>2002</b>	Cote D'Ivoire, Cape Verde, Congo DR, Fed. Rep. of Yugoslavia
<b>2003</b> (As of 01 April 2003)	

This short note reviews PRSP preparation process in Bangladesh and the draft IPRSP titled *Bangladesh: A National Strategy for Economic Growth, Poverty Reduction and Social Development*.

**II. PRSP PREPARATION: PROCESS AND STATUS**

As required by the donors, the Government of Bangladesh also started to prepare a *Poverty Reduction Strategy Paper* (PRSP). Development partners expressed their willingness to fund this activity and desired to be involved in the PRSP development process. UNDP was initially assigned the task of coordinating the resource support on the part of the development partners. Unfortunately, there was a mismatch between the development partners and

government's expectations of support which led to a decision on the government's side to prepare the PRSP document through its own funding.

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

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

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

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

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

### ***Pre-Draft Consultations***

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

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

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

One international seminar on PRSP was held on February 12-14, 2002. The Government of Bangladesh, International Monetary Fund (IMF) and World Bank at Dhaka jointly organized the seminar. The seminar focused on the key principles and objectives involved in the PRSP process, and the best "practices" learnt from other country cases. It was geared to Bangladesh's situation, but shared experiences and lessons learnt in other countries (Pakistan, Cambodia, Thailand, and Vietnam) in the region. The seminar included key participants in the PRSP preparation process from Bangladesh, inside and outside of government, as well as other countries in the region. Representatives from other donor countries, World Bank, ADB, and IMF participated as stakeholders and resources persons. *Once again, no document on Bangladesh PRSP was made available to the participants of the seminar. Accordingly, the seminar essentially dealt with framework issues, not with the substance of the Bangladesh PRSP.*

### ***Post-Draft Consultations***

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

### ***A Critique of the preparation process***

The first issue, which may be raised about the PRSP process in Bangladesh, relates to suitability of the ERD as the focal point of the exercise. One may maintain that ERD does not possess any comparative advantage amongst the public agencies in preparation of the PRSP. More importantly, designation of the ERD in the lead role in the PRSP preparation process gives out the message that PRSP is a donor-driven document. One would have expected that the *Planning Commission*, the strategic think-agency of the government, would lead the exercise. Now that both Finance and Planning Ministries have been placed under one Minister, it is reckoned that such a prospect has become more viable.

It may be pointed out that representatives of the civil society were not involved in the designing stage of the exercise. Even though civil society were consulted at the later phase of the exercise, it does not absolve the process for the need to take inputs from wider cross section of the domestic stakeholders in designing the exercise in Bangladesh.

Concurrently, the number of consultations is not always the best indicator of participation. It is the process through which the consultation is undertaken and mechanisms for inclusion/exclusion of views presented by the participants. The first round of consultations

which was completed in January 2002 by the PRSP team focussed on issue based discussions. Usually at the beginning of the meeting a short talk on the economic growth scenario, development bottlenecks, sectoral situation and regional issues (such as river erosion in Barisal) was presented and then the floor was opened for discussion. During the consultative meetings no paper was distributed and these were not structured (i.e, no specific meeting schedule was prepared). The group of poor people at the Upazila level meetings included NGO beneficiaries as well as people without any membership with NGOs. It is commendable that the PRSP team was able to discuss with traditionally less consulted groups through these meetings. BRAC has prepared a *Report on Workshop on Poverty Reduction Strategy Paper. The Report has documented the issues discussed in a structured way but has not mentioned the recommendations put forward by the participants in these meetings except for three consultation meetings. In the absence of recommendations of the consultation meetings, it is not possible to track whether recommendations of the grass-root level participants were reflected in the I-PRSP document or not. It is not clear from the Report whether absence of recommendations is a facilitation failure or documentation failure.*

Post-draft consultation meetings held after April 2002 usually continued for half-day where PRSP team members including lead consultants were present. Number of participants in these meetings varied between 50-100. Participants in the post-draft consultation meetings were professionals, women's representatives, NGO representatives, environmentalists, business associations, and other civil society groups. Thus provided enough opportunity to get views and suggestions of different stakeholders. Usually participants in these meetings sat around tables in the round table fashion and one Chairperson facilitated discussions. Duration of the meetings was generally half-day and most of the times continued beyond the scheduled time. *Even with these formal arrangements, these meetings were mostly informal in the sense that no formal minutes of these meetings were prepared and sent to the participants of these meetings. The PRSP team informed that they have taken notes of the suggestions, recommendations and views put forward by the participants in these consultation meetings and those are reflected in the revised drafts. However, since nothing was made public, it is difficult to assess to what extent these were reflected in the revised drafts, how conflicting suggestions were resolved or whose recommendations got priority.*

It is likely that at the outset of the process the government officials did not have a clear idea about what was expected from the PRSP process. According to some sources, the prevailing



perception on the government side was that the government needed to prepare a "paper" detailing the government's poverty reduction strategy, in order to meet the precondition for accessing concessional assistance from the *Poverty Reduction and Growth Facility* (PRGF) of IMF or the *Poverty Reduction Support Credit* (PRSC) of the World Bank. After repeated pressure from various development partners including the IMF and the World Bank, the government finally realized that the *Poverty Reduction Strategy Paper* must be prepared by countries through a participatory process involving domestic stakeholders as well as external development partners.

Preparation of the PRSP through the consultants indicates a positive signal that the government is willing to draw upon expertise from outside the government to help it in this task. At the same time this approach raises concerns about the inadequacy of in-house capacity within the government to discharge its responsibilities as a policy designer. This principal lacuna within the government will inhibit annual reviews and periodic updating of the PRSPs. This is a pressing concern and need to be addressed.

If the government is constrained in building up in-house capacity for the PRSP it could *contract this responsibility to an established research institution such as BIDS rather than to individual consultants*. In fact, BIDS researchers produced most of the background papers in their individual capacity. BIDS, which is a semi-government body, could assume the institutional responsibility for undertaking the necessary professional work for the PRSP and its follow up and can be held accountable, as an institution for the quality of their work. BIDS could be helped to enhance its capacity for this task and could remain as the reference point for the PRSP and serve as its institutional memory.

### **III. DRAFT I-PRSP: AN OVERVIEW<sup>7</sup>**

The Draft I-PRSP titled "*Bangladesh-A National Strategy for Growth and Poverty Reduction*" contains seven chapters and also includes an Executive Summary. Chapter 1 introduced the topic and addressed the question as to "what are the broad lessons from the past development experience". Chapter 2 dealt with the state of poverty in Bangladesh, and reviewed the trends in poverty and poverty reduction policies. Chapter 3 reported the results of consultation meetings and implications of the suggestions provided by participants at

---

<sup>7</sup> This overview is written on the basis of the I-PRSP draft (March, 2003).

various consultation meetings for poverty reduction strategy. Major targets and goal posts to be achieved by 2015 are mentioned in Chapter 4. Chapter 5 discussed the methods for achieving the targets and highlighted major policies and institutional measures required to achieve the long-term poverty reduction and social development objectives. Chapter 6 spelt out the macro economic framework in the medium term for poverty reduction strategy. Monitoring and evaluation system along with the indicators for poverty reduction is reported in the last chapter (Chapter 7). Road map for full PRSP is also mentioned in the last chapter.

In Chapter 1, the I-PRSP document candidly summarised the considerable success made by Bangladesh during the last three decades. These include achievements in population control, reduction in child mortality and child malnutrition, disaster mitigation, mainstreaming women into the development process, catalysing grass-roots activism through NGOs and CBOs, and in making democratic transition. It has rightly observed that the growth performance and income-poverty reduction have also improved in the decade of the nineties compared with the previous decades. These signs of improvement indicate that development is possible through the concerted efforts of public sector and NGOs and also reinforces the importance of further actions for more improvement in these areas.

Chapter 2 reviewed the poverty trends in terms of income-poverty and human poverty. The review showed that Bangladesh has made considerable progress in reducing both income-poverty and human-poverty. The progress on human poverty reduction front was faster than in case of income-poverty. Rate of decline in income-poverty was faster in the 1990s compared to the 1980s but the pace of poverty reduction was modest (1 percentage point per year). It revealed that income as well as consumption inequality is rising in both rural and urban areas. It also draws our attention to the regional variation in income-poverty and social indicators, and the existing wide gaps between the poor and the poorest (“extreme poor”). Analyses in this chapter revealed that though there have been impressive improvements in social indicators but gender inequality persists in both income and human poverty, especially at the lower end of the income distribution.

Chapter 3 documented the views expressed by the participants during the consultation meetings. Participants confirmed that there is progressive reduction in poverty and improvement in social indicators. Participants also echoed their concerns about lack of physical infrastructure; poor law and order situation, prevalence of organised crimes,

extortion and economic violence; lack of effective local government and decentralisation, poor quality of education, health, safe water supply and environmental sanitation, and other social services; lack of coordination among development agencies and institutions operating at the local level; lack of remunerative employment and economic opportunities; lack of social capital at the community level resulting in low-level of collective action; and democratisation of political processes. These “*consultations also advocated higher allocations to education and health for financing quality services, on the one hand, and indicated the need for greater involvement of the local government in the overall supervision and management of these sectors*” (section 3.18, p. 20; italics are mine).

In Chapter 4, major milestones for poverty targets and key social development goals are mentioned. The vision proposed for poverty reduction adopted “a comprehensive approach premised on a rights-based framework, which highlights the need for *progressive realization of rights in the shortest possible time*”. The Strategy visualised that, by the year 2015, Bangladesh would achieve the following goals/target:

- (i) Remove the ‘ugly faces’ of poverty by eradicating hunger, chronic food-insecurity, and extreme destitution;
- (ii) Reduce the proportion of people living below the poverty line by 50 per cent;
- (iii) Attain universal primary education for all girls and boys of primary school age;
- (iv) Eliminate gender disparity in primary and secondary education;
- (v) Reduce infant and under five mortality rates by 65 per cent, and eliminate gender disparity in child mortality;
- (vi) Reduce the proportion of malnourished children under five by 50 per cent and eliminate gender disparity in child malnutrition;
- (vii) Reduce maternal mortality rate by 75 per cent; and
- (viii) Ensure availability of reproductive health services to all;
- (ix) Reduce substantially, if not eliminate totally, social violence against the poor and the disadvantaged groups, especially violence against women and children; and
- (x) Ensure comprehensive disaster risk management, environmental sustainability and mainstreaming of these concerns into the national development process.

The Paper stated that attainment of the target of poverty reduction by half will require significant additional efforts given the past growth performance. It added that *if the goal of reducing the incidence of national poverty by half is to be achieved by 2015, Bangladesh needs to sustain a GDP growth rate of about 7 per cent per year over the next 15 years*. Regarding other indicators, as stated in the Paper, the likelihood of target attainment is higher given the encouraging performance of the nineties in reducing child mortality and child malnutrition as well as success in removing gender inequality at primary and secondary schooling. The Paper indicated that these targets would not be met through economic growth

alone. Pro-active public actions will play a significant role in attaining the millennium development goals (MDGs) and national priorities.

The Poverty Reduction Strategy, as described in Chapter 5, recognised many roots and multidimensional characteristics of poverty and stated: “all routes matter for the poverty reduction strategy”. The Poverty Reduction Strategy has proposed five broad components—i.e., five sets of institutions and policies—to constitute the antipoverty strategy to be followed. The proposed five strategic directions are:

- (i) Promote *pro-poor economic growth* for increasing income and employment of the poor;
- (ii) Foster *human development* of the poor for raising their capability through education, health, nutrition and social interventions;
- (iii) Support *women’s advancement and closing gender gaps* in development;
- (iv) Improve *social protection measures* for the poor, especially women, against anticipated and unanticipated income/consumption shocks through targeted and other efforts; and
- (v) Promote *participatory governance* for enhancing *voice* of the poor and improving non-material dimensions of well-being including security, power and social inclusion by improving the performance of anti-poverty institutions and removing institutional hurdles to social mobility.

The Paper also mentioned that policies and institutional actions delineated under the poverty reduction strategy would be designed to reach out to the poorest and the remote rural areas, which are vulnerable to adverse ecological process (including *chars* and river erosion affected areas) and those with high concentrations of socially disadvantaged and marginal ethnic groups. Special attention will be given to the development problems of the hill people of Chittagong Hill Tracts and tribal population residing in other parts of the country.

A Medium Term Macroeconomic Framework (MTMF) has been specified, in Chapter 6, for facilitation of the implementation of the poverty reduction strategy. The framework was worked out on the basis of the estimated values of FY03 as benchmark. The framework integrated the national accounts, balance of payments and monetary and fiscal accounts. It also provided a detailed budgetary expenditure framework indicating the public resource

envelope and expenditure pattern required to achieve the desired growth and poverty reduction targets. Main features and expectation of the MTMF are:

- (i) a stable macroeconomic environment;
- (ii) achieve an accelerated growth rate of GDP in real terms rising from 5.5 percent in FY04 to 6.5 percent in FY06.
- (iii) Low and stable rate of inflation. The rate of inflation is expected to be 4.0 percent in FY05 and remain stable afterwards.
- (iv) Continuation of moderate savings and investment ratios.
- (v) Increase revenue/GDP ratio and tax/GDP ratio. The Government plans to mobilise larger amount of domestic revenue so that the revenue/GDP ratio would rise from 10.6 percent in FY03 to 11.9 percent in FY06 and the tax/GDP ratio from 8.3 percent to 9.7 percent during the same period.
- (vi) Significant increase in public expenditure. Within the medium term framework, total government expenditure as a proportion of GDP will increase from 15.2 percent in FY03 to 16.4 percent in FY06. The rise in expenditure/GDP ratio would largely reflect the additional public expenditures required to finance new poverty reduction projects. The size of ADP will grow from 5.8 percent of GDP in FY03 to 6.9 percent in FY06 indicating expanded and improved absorption capacity of the key sectors in utilising additional development resources.
- (vii) Budget deficit will be kept under control in the neighbourhood of 3.8 to 4.0 percent (4.5 to 4.7 percent excluding grants) of GDP and will be financed by both domestic and foreign resources. Net foreign financing excluding grants as proportion of GDP would increase from 1.6 percent in FY03 to 1.8 percent in FY06. Net domestic financing has been projected at 1.9 percent of GDP in FY06. The monetary and credit program for the medium term has been designed to ensure higher growth of GDP as well as price stability. Broad money growth rate would decline from 12.5 percent in FY03 to 11.9 percent in FY06.
- (viii) The balance of payments (BOP) situation would also improve during the program period. The gross official reserves would increase from US\$2.0 billion (2.1 months import equivalence) in FY03 to US\$3.3 billion (3.2 months import equivalence) in FY06.
- (ix) Exports are likely to increase from US\$6.13 billion in FY03 to US\$7.87 billion in FY06, implying an annual growth rate of nearly 9 percent during the period.

During the same period, imports are expected to increase from US\$ 9.10 billion to US\$ 11.62 billion.

A comprehensive poverty monitoring system is suggested in Chapter 7 for monitoring and evaluating the progress in implementing the strategy. Institutional Mechanism as well as Monitoring Indicators for this purpose is identified. Institutional mechanism include: (i) a *Poverty Focal Point* (Poverty Monitoring Unit) would be created in the General Economics Division (GED) of the Planning Commission; (ii) a *National Poverty Reduction Council (NPRC)* chaired by the Prime Minister with broad participation within and outside the government. Regular monitoring of poverty trends by the Poverty Monitoring Unit would be done using *participatory poverty assessment (PPA)* methods. In addition, civic initiatives for monitoring poverty would be supported for *poverty monitoring* and also to function as an *advocacy group* for influencing policy. It is planned that Poverty Focal Point and civic initiatives would in operation by July 2003.

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

#### **IV. EXISTING POLICY DOCUMENTS AND PRSP**

##### ***PRSP suggested allocation versus budget allocation in FY2003***

Original draft of the I-PRSP (April 2002) had provided detailed budgetary estimates about income and expenditures for revenue and development but the final draft (March 2003) has scrapped those tables. In the absence of those it is difficult to know whether the priorities and strategies portrayed are consistently followed through allocation of resources or not. This also provides a signal that a sound I-PRSP having consistency with existing policies and resource allocation is yet to be emerged.

##### ***Relationship with other official documents***

The preparation of a PRSP is an inherently complex and inter-linked process. The government of Bangladesh has, over the years, prepared many perspective plans, five-year

plans and specific policies for different sectors of the economy. A series of long-term policies for development of different sectors such as agriculture, fisheries, industry and other sectors have been designed in recent years. The draft I-PRSP has cited relevant documents and mentioned that the implementation plan of the I-PRSP will be in harmony with the policies mentioned in these documents. The I-PRSP document also mentioned that the government will formulate a Three Year Rolling Plan (TYRP) in the light of the PRSP.

### ***Relationship to civil society's policy documents***

The *Task Force Report* (1991) prepared during the first *Non-party Caretaker Government of Bangladesh* contained the germs of many ideas that influenced the policies and programs of poverty reduction undertaken over the last decade. The Report rested on four pillars, namely, (a) pro-poor economic growth, (b) capability raising interventions in education, health and nutrition, (c) social safety net programs, and (d) developing institutional capability of the poor (UPL, 1992). The first component emphasized those elements in the growth process which have maximum potential for reducing poverty such as irrigation, roads, electricity, flood control, micro-credit, agricultural diversification and exports. The second component put greater reliance on direct provisioning of education, health, and nutrition. The third component gave emphasis on targeted employment, housing, and income transfer schemes. The fourth component emphasized the idea of building grassroots organizations of the poor and strengthening the “voice” of the local community to foster a demand-driven mechanism from below.

Prior to the National Parliament Election 2001, the *Centre for Policy Dialogue* (CPD) prepared a set of policy briefs which set out an actionable agenda for a newly elected government. The programme was developed to conscientise political parties during the election campaign regarding important issues of public concern, and to focus on possible policy alternatives. Initiated in June 1999, the programme was implemented through a highly interactive process. The policy briefs are envisaged as CPD's contribution to good governance in Bangladesh. Following the organisation of six Regional Consultation Meetings, sixteen Task Forces were set up to address the issues which were identified through a multistakeholder participatory process. These include, amongst others, macroeconomic policies such as budgetary discipline and fiscal programmes, development and governance of the energy sector, agricultural development and the rural economy,

industrial and trade policy, poverty eradication and employment generation, gender equality and women's empowerment, education policy, health and population sector policy, governance and land administration.

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

The Task Force Report on *Poverty Eradication and Employment Generation* advanced further the ideas and options laid down in the 1991 Task Force Report of the Caretaker government to address the contemporary concerns relating to poverty. This Report spelled out an anti-poverty strategy for the medium-term, reflecting the priorities facing the country in the next five years. It advanced the idea of graduating the policy agenda towards a “macro-perspective on poverty” as distinct from the prevalent micro-approach to poverty reduction through individual projects and programs. The central idea of this report was the concept of *democratisation of the market-based economy* where the distributional balance in the allocation of market and non-market resources is tilted in favour of the poor. The CPD Task Force report has successfully elaborated the broad contours of this new approach, based on the principle of empowering the poor, by increasing their access to resource via market and non-market channels.

Therefore, it is quite natural that the PRSP team would take the recommendations from the Report of the *Poverty Eradication and Employment Generation Task Force* since these Task Forces remain one of the best available examples of designing national policy agendas through a broad consultative process. It may be noted that the Task Force Report put forward 32 specific recommendations under 12 categories: multiple routes to attack multiple roots of poverty, creating appropriate legal and institutional framework for social entrepreneurialism, access to assets, ensuring universal primary and secondary education, improving health, improving nutritional status of mother and children, creating well-functioning and



empowered local government, addressing regional imbalances, universalising the IG-VGD approach, reaching out to the left-outs in micro-credit, spreading the reach of the social safety nets, institutional mechanisms for monitoring and advocacy. *A review of the I-PRSP document revealed that 11 recommendations of the above-mentioned CPD Task Force Report are fully reflected the I-PRSP document while 13 recommendations are partially reflected. On the other hand, 8 recommendations are not reflected at all in the I-PRSP document. In other words, 75% of the recommendations of the CPD Task Force are fully or partially reflected in the I-PRSP document (See Table 3, for details).*

**TABLE 3. I-PRSP CONTENT ANALYSIS: REFLECTION OF THE RECOMMENDATIONS OF THE CPD TASK FORCE REPORT ON “POVERTY ERADICATION AND EMPLOYMENT GENERATION”**

<b>Recommendation of the CPD Task Force</b>	<b>Reflection in the I-PRSP</b>
<b>Multiple Routes to Attack Multiple Roots of Poverty</b>	
<ul style="list-style-type: none"> <li>Poverty can be reduced in different ways. This is because poverty is caused by many factors. Despite the diverse nature of the causes of poverty, one can group them into some broad policy-relevant categories. Poverty can be influenced via six channels, namely, macro-stability, growth projects, human development, microcredit-based self-employment, income transfer programs (often known as "safety nets"), and social mobilization (empowerment at the gender, income category, and institutional levels). Identification of the channels of intervention is a necessary but not sufficient condition for faster poverty reduction.</li> </ul>	Fully reflected
<b>Creating Appropriate Legal and Institutional Framework for Social Entrepreneurialism</b>	
<ul style="list-style-type: none"> <li>An appropriate legal framework must be put in place to remove barriers to creating “corporations of the poor”. Legal provisions need to be made so that organisations serving the poor can function as corporate entities with shareholder participation by the poor and ensuring accountability to the poor. Legal provisions also need to be made to allow them to function (and compete with private enterprises) as social entrepreneurs in all major spheres of private economic activity. The hallmark of these social enterprises would be (a) the poor will be equity owners, (b) the management of the enterprises will be run commercially, and (c) profits will be used for anti-poverty and social development purposes. The current legal framework regulating the NGOs/CBOs does not allow these possibilities and hence, a change in the rules and procedures is the absolute pre-condition for operationalising the ideas laid out in the “macro-perspectives on poverty reduction”.</li> </ul>	Partially reflected
<ul style="list-style-type: none"> <li>The current allowance for tax-breaks for philanthropic activities is very limited and far less in both magnitude and coverage compared to the developed countries. Tax-breaks for encouraging philanthropic activities need to be expanded. Non-resident Bangladeshis need to be encouraged to come forward for contributing to the process of poverty reduction. Social entrepreneurs can take the initiative to mobilise funds from them and invest in anti-poverty activities.</li> </ul>	Not reflected
<ul style="list-style-type: none"> <li>Creating a favourable legal/institutional framework for encouraging social entrepreneurialism will not be at the expense of other players. The proposed framework will take into account the issue of a level playing field with the private sector.</li> </ul>	Partially reflected
<ul style="list-style-type: none"> <li>Social entrepreneurs will ensure that the savings of the poor be invested in profitable ventures/activities. Social enterprises will be run on a for-profit basis as any other commercial enterprises but its profits would be re-cycled into activities that benefit the poor. Thus, profits of these enterprises may be re-cycled into social development activities (such as education and health) where foreign aid may dry up in the future.</li> </ul>	Not reflected
<ul style="list-style-type: none"> <li>These entrepreneurs need to be supported by macro-policy instruments as well as special funding arrangements. The idea of the Social Development Foundation (SDF)—</li> </ul>	Fully reflected

<b>Recommendation of the CPD Task Force</b>	<b>Reflection in the I-PRSP</b>
modeled on the idea of PKSF-- to support social entrepreneurs needs to be actively supported.	
<ul style="list-style-type: none"> <li>If NGOs convert themselves into for-profit corporate bodies they may not be eligible for donor's grants that are currently provided for financing social development activities. Hence, the allowance should be made for NGOs to have two separate wings, one functioning as a for-profit corporate body, and the other as a not-for-profit corporate body.</li> </ul>	Not reflected
<b>Access to Assets</b>	
<ul style="list-style-type: none"> <li>There is a need for reviewing the current pattern of operational use of entire <i>khas</i> resources (such as agricultural land, ponds, forest) held under government ownership. While precise estimates are difficult to come by--there is significant informational rents associated with such statistics--it is widely held that the amount of actual khas lands and ponds is much higher than what is reported by official statistics. These khas lands and ponds are used inequitably and often inefficiently. The present Task Force, therefore, recommends the distribution of all khas lands and ponds to the poor and the poorest on a priority basis by evicting their illegal owners both in rural and urban areas.</li> </ul>	Fully reflected
<ul style="list-style-type: none"> <li>Apart from the access to physical assets, it is important to provide the poor with access to corporate assets via setting up "mutual funds" that invest the savings of the poor people in buying corporate assets, by equitising these industrial assets. Thus, the opportunities for democratising ownership of corporate wealth can be extended to workers, to own shares in the enterprises where they work. Workers of the ready-made garment workers may be given an equity stake in their respective factories. This step would be beneficial even from the perspective of maintaining wage competitiveness in the face of fierce competition in the global export market for textiles, especially after the withdrawal of MFA. This would also allow these enterprises to address the concerns over labour standard. Developed countries can be requested to provide special incentives to those Bangladeshi exporters who would give their workers an equity stake. The same principle of equitisation can be applied to the entire range of export products and services.</li> </ul>	Not reflected
<b>Ensuring Universal Primary and Secondary Education</b>	
<ul style="list-style-type: none"> <li>The focus on universal primary and secondary education needs to be pursued vigorously with emphasis on capacity building (both hardware and software), improving the access of the poor, ensuring quality education for the poor, and removing the gender gap.</li> </ul>	Fully reflected
<ul style="list-style-type: none"> <li>The idea of FFE needs to be combined with the <i>School Feeding Program</i>. FFE has been successful in reaching out to the poor, but its nutritional impact on the children has been found to be minimal. School Feeding Program providing early snacks in the morning can improve the nutritional status of the children as well as enhance the cognitive ability of the children. The current practice of distributing FFE wheat through dealers needs to be abolished because of widespread corruption and leakage.</li> </ul>	Partially reflected
<ul style="list-style-type: none"> <li>Given the fast expansion of primary education, the demand for secondary education is expected to increase at a rapid pace in the near future. This should be taken into consideration in making sub-sector allocations within the broad education sector.</li> </ul>	Not reflected
<ul style="list-style-type: none"> <li>Policies and institutional measures need to be undertaken for <i>reducing the quality gap</i> contributing to the widening of the "education divide" between the rich and the poor. Adequate scholarships for the meritorious students coming from poor families, covering tuition and hostel fees with scopes for on-campus work, may be given to encourage their entry at the level of higher (University) education.</li> </ul>	Partially reflected
<ul style="list-style-type: none"> <li>Private donations, especially by the Bangladeshis living abroad, to construct quality schools and colleges at the village level may be encouraged by simplifying the procedure for setting up of such schools.</li> </ul>	Not reflected
<b>Improving Health</b>	
<ul style="list-style-type: none"> <li>The poor suffer from both communicable and non-communicable diseases, with the rise in the proportion of the latter in recent years. The scope and coverage of ESP needs to be increased to include not only reproductive health care and child health care components (which is the present emphasis), but also curative health services for the</li> </ul>	Partially reflected

Recommendation of the CPD Task Force	Reflection in the I-PRSP
poorest and the most vulnerable.	
<ul style="list-style-type: none"> <li>Given the rising importance of non-communicable diseases for the poor (such as road injuries, violence, diabetic, and heart attack) future health strategies need to give due attention to addressing these problems.</li> </ul>	Partially reflected
<ul style="list-style-type: none"> <li>There is an urgent need for setting up the basic primary health infrastructure (with a provision for the referrals) in the urban areas especially designed to cater to the services of the urban poor.</li> </ul>	Fully reflected
<ul style="list-style-type: none"> <li>Health education, <i>Behaviour Change Communication</i> (BCC), women's empowerment, development of health insurance schemes are some of the important avenues for influencing health outcomes apart from the traditional health sector based interventions.</li> </ul>	Partially reflected
<ul style="list-style-type: none"> <li>A health compact between consumers of health services and civil rights activists needs to be developed to combat the harm caused by the health providers through malpractices, inadequate attention to patients, inadequate care, etc.</li> </ul>	Not reflected
<ul style="list-style-type: none"> <li>Government has a primary responsibility in addressing major public health problems facing the country. At the moment there is no special cell within the health ministry dealing with the growing menace of arsenic-contamination, dengue fever, re-appearance of malaria, and TB. Awareness about the possible adverse consequences of arsenicosis is still low, while the current technology for treating arsenic contaminated tubewells is both costly and unsustainable. There is a serious need for rethinking the past strategy of ground water use for safe drinking purposes with possible emphasis on surface water use (and the procedures for its easy purification), retention of rain water, repair of wells, etc. Existing tubewells should be periodically checked for possible contamination and de-contaminated through close interaction involving the government, the NGOs and the local community. Such a role on the part of the local community and NGOs is also absolutely critical in confronting the threat of dengue fever, malaria and tuberculosis. Active research programs on arsenicosis and dengue fever need to be supported by the government.</li> </ul>	Partially reflected
<ul style="list-style-type: none"> <li>Emphasis should be given to the adequate supply of mid-level health workers (such as paramedics and nurses) to increase the access of the poor to public health services.</li> </ul>	Partially reflected
<ul style="list-style-type: none"> <li>The government health sector alone cannot make the difference. Training and mainstreaming of non-government (formal and informal) health providers within an appropriate regulatory framework remain an absolute necessity for effective coverage for both preventive and curative care. NGOs/CBOs can be encouraged to be actively involved in providing community-level primary health services (including family health care) while THCs can provide higher-order curative and emergency services. There is a need for re-inventing the idea of the <i>Community Health Clinic (CHC)</i> at village level. This plan cannot be achieved through government initiatives alone. Both as a source of alternative finance and as a mobilising agent NGOs must play a key role in the implementation of the CHC program.</li> </ul>	Partially reflected
<ul style="list-style-type: none"> <li>Given the intersectoral impact on health outcomes, health concerns need to be built into the design and implementation of non-health projects and programs, ranging from manufacturing to transportation, housing to agriculture.</li> </ul>	Partially reflected
<b><i>Improving Nutritional Status of Mother and Children</i></b>	
<ul style="list-style-type: none"> <li>Priority attention must be given to maternal health care and mother's nutrition to ensure better nutritional status of children and hence, to protect and enhance the productivity of future generations. Since a mother's well-being cannot be seen in isolation from the issue of ensuring the well-being of women (and the girl child) in general, the approach calls for eliminating all forms of female disadvantages in nutrition, health care and schooling. Caring for women while important in its own right thus also becomes an issue of policy choice, an instrumental means, for promoting economic growth and broad-based social development. To this end support should be provided to the further expansion of the <i>National Nutrition Program (NNP)</i> which targets pregnant and lactating mothers, and children under 2 years of age. The implementation of NNP in all</li> </ul>	Fully reflected

<b>Recommendation of the CPD Task Force</b>	<b>Reflection in the I-PRSP</b>
upazillas of the country by the year 2010 must be viewed as one of the most important social targets.	
<b><i>Creating Well-Functioning and Empowered Local Government</i></b>	
<ul style="list-style-type: none"> <li>There has been very little progress in creating an effective (well-functioning and empowered) local government structure in the country. The recommendations of the Local Government Commission have not been put into practice. Local government has special relevance for improving the performance of public education and health sectors in rural areas. Education and health delivery at the primary and secondary levels should be local subjects, entirely under the control of the well-functioning local government, backed up by the “voice” of the local community (parents, consumer of health services, etc.).</li> </ul>	Fully reflected
<b><i>Addressing Regional Imbalances</i></b>	
<ul style="list-style-type: none"> <li>The spatial dimensions of economic and social well-being should be given due attention in resource allocations, project selection and program implementation with particular emphasis on the poor areas.</li> </ul>	Partially reflected
<b><i>Universalising the IG-VGD Approach</i></b>	
<ul style="list-style-type: none"> <li>Through the innovative IG-VGD approach, hardcore poor members of VGD programs have been linked with the regular microcredit program of BRAC. Such a principle needs to be replicated for targeting the hardcore poor and for upgrading of the existing programs for the hardcore poor.</li> </ul>	Not reflected
<b><i>Reaching out to the Left-Outs in Microcredit</i></b>	
<ul style="list-style-type: none"> <li>All willing poor borrowers should get access to microcredit as a way of climbing out of poverty. Large and small NGOs should come together to cover all the segments of the poor who have been left-outs from the MFI operations. Umbrella organisations such as PKSF can play a key role in the process.</li> </ul>	Fully reflected
<b><i>Spreading the Reach of the Social Safety Nets</i></b>	
<ul style="list-style-type: none"> <li>Social security programmes such as Old Age Allowance Programme for the Poor Elderly and the Allowance Scheme for Widowed and Husband Deserted Distressed Women merit further expansion through budgetary support.</li> </ul>	Fully reflected
<b><i>Institutional Mechanisms for Monitoring and Advocacy</i></b>	
<ul style="list-style-type: none"> <li>Create a <i>Poverty Focal Point</i> within the Government for effective poverty-monitoring and tracking progress in implementing anti-poverty policies and programs.</li> </ul>	Fully reflected
<ul style="list-style-type: none"> <li>Support a consultative process with civil society at suitable levels of social and regional disaggregations in preparing a pro-poor national poverty eradication plan such as the <i>Poverty Reduction Strategy Paper</i> (PRSP).</li> </ul>	Partially reflected
<ul style="list-style-type: none"> <li>Create an independent institution supported by the <i>Concerned Group of Citizens for Attacking Poverty and Vulnerability</i> within civil society—similar to the <i>Social Weather Station</i> in Philippines—to provide an independent assessment of trends in poverty as well as poverty reduction policies. Such a group of concerned citizens can act not just as a <i>poverty-monitoring</i> group, but also as an <i>advocacy group</i> for influencing policy. The activities of this group should help trigger collective action in respective sectors for reducing poverty and vulnerability.</li> </ul>	Fully Reflected

### *Civil society's response to the draft IPRSP*

After the release of the Draft I-PRSP in April 2002, members of the civil society and several organisations responded to the I-PRSP by taking part in various activities such as translation of the document in Bangla for wider dissemination and awareness building, organised dialogues to solicit views of the participants from all walks of life, written articles in the newspaper or websites, and echoed their views and suggestions for a credible PRSP. Organisations involved in holding dialogues/publishing views include Peoples Empowerment Trust (PET), Action Aid, *Sushashaner Jonnya Procharavijan—Supra* (in English, Campaign for Good Governance, CCG), Bangladesh Unnayan Parishad (BUP), Bangladesh Left Front, Adibasi Forum, Economics Practice Centre of the University of Dhaka. Many writers including Professor Muhammad Yunus, Professor M.M. Akash, Rashed Khan Menon, Md. Giasuddin Ahmed, Economists Rushidan Islam, Quazi Shahbuddin, Omar Hyder Chowdhury, Zaid Bakht, Quazi Khaliquzzaman Ahmed, Simeen Mahmud have written about the I-PRSP Draft. PET organised six dialogues with various stakeholders where 221 persons participated and 82 took part in discussions. Campaign for Good Governance has translated the I-PRSP draft in Bangla, published, disseminated and organized seminars and press briefing in 41 districts. On September 14, 2002 they have also organised a national level seminar.

We have summarised the suggestions, comments and recommendations of various civil society members, groups and individuals about the draft I-PRSP. We have also conducted a content analysis of the I-PRSP Document (March 2003 version) to know how far the views and suggestions were adopted in the revised draft (see Table 4, for details).

**TABLE 4. I-PRSP CONTENT ANALYSIS: REFLECTION OF THE SUGGESTIONS OF CIVIL SOCIETY**

<b>Recommendations by Civil Society</b>	<b>Reflections in the Draft I-PRSP</b>
<b><i>Ownership of the I-PRSP Document</i></b>	
Involve all stakeholders in a genuinely participatory process. I-PRSP has been prepared to get foreign loan not to eradicate poverty.	Silent
The I-PRSP that has been prepared without taking opinion of ethnic minority will not benefit them.	Partially addressed
PRSP should be prepared through parliamentary discussion	Not addressed
PRSP should not be prepared due to donor pressure or for getting foreign aid. PRSP should be prepared with direct participation of poor people	Partially addressed
The I-PRSP draft should be discussed at various levels (union, Thana, and parliament)	Partially addressed

<b>Recommendations by Civil Society</b>	<b>Reflections in the Draft I-PRSP</b>
Ensure that all discussions between Government of Bangladesh and donor agencies relating to PRSP must be transparent and open for public scrutiny	Not addressed
Scholarship, education loan and subsidy should be provided to meritorious students of poor families	Partially reflected
Reduce unemployment through education and by creating positions	Partially reflected
<b><i>Children and women</i></b>	
Specific programmes to eliminate child labour. PRSP document has omitted the issues of child rights, child labour and adolescent group	Not reflected
Women need regular employment, reasonable incomes, descent work conditions and safe workplace	Partially reflected
Better access and justice for women	Partially reflected
The strategy for social protection appears the most divorced from reality because it fails to take into account livelihood insecurity faced by people, which is much greater for poor women and for female headed households and a major cause for a slide back into poverty	Fully reflected
<b><i>Macro-Economic Perspectives</i></b>	
Macroeconomic perspectives of I-PRSP deviates from the past trend. Unless concrete measures are taken to revamp the export and the external sector poverty cannot be reduced at a faster rate.	Partially addressed
The I-PRSP envisage a very sharp increase in revenue earnings in relation to the trend	Not addressed
Target revenue expenditure is shown in the I-PRSP as a constant proportion of GDP over the medium term period. This means that revenue expenditure will be growing at the same rate as the GDP. The rationale behind the accelerated growth of revenue expenditure is not clear. Fiscal prudence would demand putting a tab on the growth of revenue expenditure	Not addressed
Identify the programmes, organisations, institutions, ministries, agencies, policies, even persons, who made negative contribution to poverty reduction during the past 15 years.	Not reflected
<b><i>Poverty Reduction Targets</i></b>	
Without a I-PRSP, the rate of poverty reduction has been 1.1 percentage point per year during the 1990s. Therefore, IPRSP's target of 1.6 percentage point poverty reduction per year is not as high as expected. Moreover, no target for the reduction of extreme poverty has been specified in the document.	Not addressed
<b><i>Micro-credit Policy</i></b>	
Self-employment through micro-credit.	Fully reflected
Lessons learnt from micro-credit can be applied with equal success in providing agricultural credit, and providing credit to the people who do not have access to credit from conventional banks.	Not reflected
<b><i>Good governance</i></b>	
Give the citizens peace, personal safety and security, and clean governance.	Partially reflected
<b><i>Food insecurity</i></b>	
Food insecurity has received only some scant attention in the document. An elaborate discussion on the strategies and alternative policy options to enhance household food security in the context of both (rice) price stabilization and targeted food distribution in the face of declining food aid is essential.	Not reflected
<b><i>Monitoring and evaluation system</i></b>	
Creation of a strong poverty monitoring outfit for continuous monitoring of poverty upazilla by upazilla	Partially reflected

### ***Participation of stakeholders***

Views of different stakeholders may differ on the subject of poverty eradication. These contradictions need to be resolved in the process of drawing up a PRSP. It is not clear from the Draft of IPRSP what were the divergent positions over the poverty reduction strategy, echoed by different groups and how were those divergent positions resolved. A PRSP prepared and endorsed by the government which finds acceptance from the World Bank and IMF may provide a formal national ownership but may not necessarily establish ownership of the citizens of the country over the strategy. The Draft I-PRSP is not yet discussed and endorsed by the parliament. Therefore, the document is not yet accepted by all. Moreover, the Report on the consultation meeting did not clearly mentioned the recommendations of the meetings except for two. *In the absence of recommendations of the consultative meetings, it is not clear how such a consultation process was used, in practice, to fine-tune the drafts of the PRSP to reflect not just the popular will but also the will and commitment of the government to implement the PRSP.*

### ***Role of donors***

Reports published in the newspaper suggest that the IMF is trying to incorporate many of its traditional reform programs into the PRSP, which the government is not ready to buy. IMF is not and will not provide assistance unless these measures are also incorporated into the PRSP. On the other hand, the government cannot afford to forgo the donors' funding particularly in the form of fungible resources. Therefore, it is possible that the government may incorporate IMF reform agenda into the PRSP, even if this is not in line with the outcome of the public consultations on the PRSP. *Such an emerging contradiction within the PRSP process may once again mean that the actual PRSP may not command authentic domestic ownership which may compromise the GOB's commitment to fully implement the strategy of the PRSP.*

## **VII. CONCLUDING REMARKS**

The inherited atmosphere of mistrust regarding the intentions of the donors and the common people's understanding about the expectations from a poverty reduction strategy are likely to emerge as the dominant constraint in finally implementing the strategies delineated in the draft I-PRSP. *The perception of a large section of people is that the PRSP is the traditional IMF and World Bank recipe for reforms which must be accepted in order to access their*

*resources. The PRSP is seen as the sugar coating for the reforms process and may face the same fate as the earlier generation of unowned reforms.*

To erode mistrust about a genuine commitment to poverty reduction and to ensure a broad-based participation and consensus in the preparation and support of the PRSP, public debates on the actionable programmes based on the strategies mentioned in the PRSP Draft should be encouraged.

The Draft should be discussed in the Parliament and with all political parties in an informed and objective manner. This would provide scope for informed debate and introduce greater transparency into the PRSP process. Through this process *a credible PRSP will emerge out of a credible process of public and political consultation.* Debate and endorsement by the Parliament will ensure national ownership, consistency in resource allocation and thus, pave the way for implementing the strategy.

