

Poverty Rate Declines in Bangladesh: Survey

Poverty in Bangladesh declined by about 1.8 percentage points a year between 2000 and 2005, compared with only 1 percentage point a year declines in the preceding decade, according to the recent Household Income and Expenditure Survey (HIES) conducted by the Bangladesh Bureau of Statistics with support from ADB and the World Bank.

The sharp decline in poverty during 2000-2005 is attributed to consumption growth, particularly at the lower deciles. The impressive decline in poverty was fueled by higher gross domestic product (GDP) growth of 5.5% annually during 2000–2005, compared with 5.0% during the preceding decade. The steady increase in access of the poor to microcredit, workers' remittances, and social services also contributed to the steep decline in poverty.

The average monthly national nominal consumption expenditure was estimated at taka (Tk) 1,231 in 2005, a 40% increase from Tk877 in 2000. In rural areas, the consumption expenditure increased by 41.5% and in

urban areas 26.3%. Mean real per capita monthly consumption increased by 11.9% at the national level. No significant changes in consumption inequality has been noted, but the income inequality has increased, the HIES revealed.

The HIES reports that the number of the poor fell to 40.0% in 2005, from 48.9% in 2000. During the period, urban poverty declined by 1.4% per year, from 35.2% to 28.4%; while rural poverty declined by 1.7% per year, from 52.3% in 2000 to 43.8% in 2005. The number of the "very poor" was reduced to 25% in 2005 from 34% in 2000. Poverty dropped significantly in Dhaka, Chittagong, and Sylhet divisions, while minor changes were observed in Barisal and Khulna divisions.

If the current trends continue, poverty incidence will decline to 22% by 2015. The country needs to address major development challenges to sustain higher GDP growth, including substantial improvements to infrastructure, policy regime, and governance. ■

ADB President Congratulates Nobel Peace Prize Awardee



Mohammad Yunus

ADB President Haruhiko Kuroda congratulated Mohammad Yunus, Bangladesh's Grameen Bank head and founder, on 13 October, on being awarded the 2006 Nobel Peace Prize.

"Your efforts to pioneer microfinance and to spread it across the world as a poverty reduction measure, especially for women, are a matter of pride for all of us. Bringing empowerment and hope to millions of the poor is indeed the worthiest cause," President Kuroda said. "Microfinance as a means for inclusive development is extensively supported by ADB operations. ADB is honored that we in the past had the chance to work together with you and the Grameen Bank; and we look forward to continuing our collaboration and support in the future. We will continue to be inspired by your achievements," President Kuroda added. ■



BUILDING A BRIGHTER TOMORROW Bangladesh can achieve Millennium Development Goal No. 1 on halving poverty incidence by 2015 if its potentials are unlocked successfully

ADB Lends \$685.1 Million to Bangladesh in 2006

In 2006, ADB approved five loans totaling \$685.1 million for Bangladesh for railway sector reform, rural infrastructure improvement, secondary education, secondary towns water supply and sanitation, and capital market and insurance governance improvement. Through a multi-donor development partnership comprising ADB, World Bank, and Japan Bank for International Cooperation, the Railway Sector Investment Program will help revamp the entire sector and improve its performance.

The Secondary Towns Water Supply and Sanitation Sector Project will help the Government meet the water-related Millennium Development Goals (MDGs) and its own poverty reduction targets. The Secondary Education Sector Development Project will support policy reforms aimed at strengthening the management and governance of the sector, curricula and national examinations, and teacher education. It will also promote policy reforms, which aim to develop school facilities and provide stipends to poor students including girls. The Rural Infrastructure Improvement Project will help expand economic opportunities for the rural poor in Bangladesh by improving rural infrastructure and local governance.

\$5.4 million grants to improve government capacity

Six technical assistance grants totaling \$5.45 million were also approved during the year to support government agencies in preparing projects and improving their institutional capacity. ADB also supported the Government of Bangladesh with training on project management, accounting, auditing, monitoring and evaluation, statistical methodology, and macroeconomic management.

Quarterly updates on Bangladesh's economy and several economic, thematic, and sector studies were also prepared.

Improving infrastructure and human development

ADB operations in 2006 focused on improving key infrastructure and human development, with greater attention to addressing poverty and achieving the MDGs. ADB's

policy dialogue with the Government contributed to fostering reforms in the energy, education, and railway sectors, focusing on improving governance, transparency, and efficiency in public procurement. In the energy sector, reforms aim to further restructure the power sector to ensure adequate and reliable power supplies at competitive prices through increased private sector participation, improved management, and operational efficiencies.

In coordination with 10 other donors, ADB assisted the Government in increasing access to and improving the quality and equity of primary education through the Second Primary Education Development Program (PEDP-II). The railway sector focuses on increasing the sector's efficiency by revamping the Bangladesh Railway with improved financial governance, human resource, and operational systems.

Good progress toward MDGs

Bangladesh has made good progress toward achieving the MDGs in sanitation and infant mortality. According to the latest Household Income and Expenditure Survey results, national poverty declined by about 1.8 percentage points a year between 2000 and 2005, compared with only 1.0 percentage point a year declines in the preceding decade. If the current trends continue, poverty will decline to 22% by 2015. With 140 million people, Bangladesh is among the few countries that is likely to meet key MDGs by 2015.

Key challenges

Bangladesh has tremendous potential to be a middle-income country by year 2020 by seizing the opportunities created by regional and subregional cooperation and globalization. With higher GDP growth rates of 8% to 9% per year, Bangladesh can be a middle-income country even before 2020. Bangladesh, however, needs greater domestic resource mobilization, better physical and social infrastructure, and improved governance to move on to a higher growth path. ■

ADB to Engage More with Civil Society

Civil society organizations (CSOs) play dual roles as critics and allies of ADB and its members to broaden strategic alliances for poverty reduction, according to a report recently released by ADB's Operations Evaluation Department (OED). The report analyzes the complex relationship between ADB and CSOs, and recommends ADB to engage more with civil society. Below are excerpts from the report.

Relationships among CSOs, ADB, and ADB members are complex, with CSOs being both beneficiaries and critics of ADB-supported operations; thus, they should develop longer-term relationships based on mutual trust and confidence and shared interests through regular communication. All parties—ADB, governments, and CSOs—must equally demonstrate transparency and accountability to achieve poverty reduction.

CSO involvement in loans and grants has increased in the past decade largely due to the commitment of ADB senior management and the establishment of ADB's NGO and Civil Society Center. ADB has increasingly engaged CSOs in preparing country-specific strategies and programs; but CSOs are still largely restricted to consultations at the early stages.

ADB's strategies for involving CSOs in gender and development work have been effective. However, ADB needs to engage more actively with CSOs for governance and anticorruption work to harness them in fighting corruption systematically.

ADB 40th Annual Meeting in Kyoto, Japan

The Fortieth Annual Meeting of ADB's Board of Governors will be held in Kyoto, Japan from 6 to 7 May 2007.



Reforming the Power Sector

Over the past 10 years, Bangladesh's power sector has undergone substantial reforms. As a result, the unbundled power utilities, particularly the Dhaka Electric Supply Company (DESCO) and the Power Grid Company of Bangladesh (PGCB), have been reducing system loss and increasing collection/billing ratios, under improved financial management. By the end of 2007, when the transmission network in the western region is completed, transmission capacity should meet expected demands for the next 15 years.

Despite this progress, Bangladesh's power sector continues to suffer from high system losses, lack of or poor quality supply, weak financial management, large payment arrears, and the absence of a pricing policy to recover operational costs. ADB's

proposed Sustainable Power Sector Development Program, scheduled for Board consideration in early 2007, will support the Government's goal of providing reliable electricity to the entire country by 2020.

The program will improve the sustainability of the power sector through financial and organizational restructuring. It will focus on five key outputs that will (i) develop a national action plan for power sector reforms; (ii) establish a functional, legal, and regulatory framework; (iii) improve the financial health of power sector entities; (iv) further restructure sector entities; and (v) promote private sector participation and public-private partnership. Along with other development partners, ADB is supporting power sector development, focusing on transmission, distribution, and increasing the capacity of power plants. ■



ADB supports Bangladesh's goal of providing reliable electricity supply to the entire country by 2020

Improved Governance, Infrastructure Can Create Asia's New Tigers: SAER

Improved governance, regulations, and infrastructure can help South Asian economies emerge as the "New Tigers" of Asia, according to ADB's South Asia Economic Report (SAER).

The report highlights common problems among South Asian countries: highly bureaucratic nature of government administration, lack of coordination among different ministries and government agencies, overstaffing, and inadequate pay and benefit levels in the public sector.

Despite a shift toward market liberalization, South Asia continues to be over-regulated. As a result, it is not fully realizing its growth potential. Firms are frequently confronted with a heavy burden of administrative regulations, the report says.

The SAER recommends that public investments target areas with emerging infrastructure bottlenecks such as electricity. Private generators have to provide 15% of electric consumption in South Asia, compared with 2% in the People's Republic of

China and 3% in Thailand. Transport infrastructure also needs to be improved, the report says. Intraregional trade and investment offers opportunities to accelerate growth and reduce poverty in South Asia, according to SAER. India could become a hub for stimulating the growth of intra-industry trade and boost foreign investments into South Asia. "South Asia stands at a critical juncture today, where the potential for sustained high growth and poverty reduction is excellent," said Kunio Senga, Director General of ADB's South Asia Department. "A unique opportunity exists to drastically reduce poverty over the next decade, provided the right choices are made," he said. ■

BRM Mainstreams Managing for Development Results

ADB's Bangladesh Resident Mission (BRM) is mainstreaming managing for development results (MfDR) in ADB-assisted projects. The initiative aims to strengthen results-based management by creating a feedback mechanism to policy, planning, resource allocation, operations, and monitoring systems to improve performance and sustain development.

The MfDR initiative will also support reform measures, including implementing results-oriented national poverty reduction strategies; medium-term expen-

diture frameworks; reform of intergovernmental fiscal relations such as fiscal decentralization, poverty monitoring, civil service reforms, and anticorruption initiatives.

Under a regional technical assistance (RETA) project covering Bangladesh, Nepal, and Pakistan, BRM has selected four government executing agencies to pilot MfDR. The project aims to introduce MfDR as a public sector management practice and help the country continuously apply results-oriented approaches. An MfDR

readiness assessment will be conducted. Strategy and implementation plans will also be developed to mainstream MfDR under ADB-financed pilot initiatives.

The results-based country strategy and program (CSP) for Bangladesh for 2006–2010 includes a results framework that identifies the results sought by the Government, and to which ADB would contribute. According to the CSP, sectoral results profiles with key milestones and monitoring indicators are being updated to monitor the results orientation.

Framework to Fight Fraud and Corruption

Leading multilateral banks and international financial institutions (IFIs) have jointly developed a framework to prevent fraud and corruption in their operations. They include ADB, African Development Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, International Monetary Fund, and World Bank.

The joint actions were outlined, recog-

nizing that corruption undermines sustainable economic growth and is a major obstacle to poverty reduction.

To enhance transparency and accountability, the institutions will continue to work together to assist their member countries in strengthening governance and combating corruption, in cooperation with civil society, private sector, and other stakeholders and institutions such as the press and judiciary. ■

Many Asian Countries Fall Short of MDG Targets

The Asia and Pacific region as a whole is on track to achieve most of the Millennium Development Goals (MDGs); but many individual countries need to perform better to meet the MDGs, according to the report on Millennium Development Goals: Progress in Asia and the Pacific 2006.

The report says that regional targets such as halving poverty and hunger, achieving universal primary education, and eliminating gender disparity in education are on track or have already been achieved. Progress on these issues is impressive, compared to sub-Saharan Africa and even Latin America, says the report that was released in October 2006.

The report points out that two thirds of Asians—or a total of 1.5 billion people—are still without access to basic sanitation. The region is also home to underweight children and people living on less than \$1 a day, roughly three times as many as those in sub-Saharan Africa and Latin America combined.

The region is not progressing fast enough to meet some important targets, including infant mortality and access to basic sanitation in urban areas. Meanwhile, HIV prevalence is on the rise and the proportion of people with access to improved water sources is declining, the report says.

The report highlights Bangladesh's success in reducing income poverty and

achieving gender parity. However, it also underscores the need for Bangladesh to further improve in some areas, including child malnutrition, reducing the number of school dropouts, and decreasing disparities in schooling between urban and rural areas and also between genders. ■

ADB and ADBI Launch Toolkits to Improve Public Service

ADB and the ADB Institute (ADBI) have launched two e-learning toolkits to improve transparency and accountability in public service delivery in Asia. The toolkits—citizen report card (CRC) and continuous improvement and benchmarking (CIB) techniques—were designed and developed with technical and grant support from ADB and the Tokyo-based ADB Institute.

The e-learning toolkits will enable users to develop basic skills using self-paced learning modules to understand the conceptual, technical, managerial, and operational details of the CRC methodology and CIB techniques. ■

Strengthening Secondary Education

ADB will assist Bangladesh in improving the quality and relevance of secondary education while increasing poor students' access to schools.

The Secondary Education Sector Development Project, funded by a \$30 million loan, will support policy reforms aimed at strengthening the management and governance of the sector, the curricula and national examinations, and teacher education. It will also promote policy reforms targeted at developing school facilities and providing stipends to poor students, including girls.

Complementing these reforms will be an \$85 million loan to furnish and equip schools, train personnel, and upgrade the curricula. Computer studies and e-learning will be piloted in 20 schools.

"The ADB-supported education projects in Bangladesh aim to more closely match secondary education to the needs of the country's labor market," says Hua Du, ADB Country Director for Bangladesh. "Relevant and quality education will support the continued social and economic development of the country, which, in turn, will expand job opportunities."

Poor quality of education remains a major issue although Bangladesh has achieved significant increases in secondary education enrolment in the past two decades, mainly through the fast growth of nongovernmental schools and madrasah that together comprise more than 97% of schools offering secondary education.

Dropout and failure rates across the general secondary schools and madrasah remain high. Thus, the quality of the curriculum, teaching, and examinations need to be improved.

ADB Online

- For news about ADB, visit www.adb.org
- For news about ADB operations in Bangladesh, visit www.adb.org/brm

Improving Water Supply, Sanitation in Small Towns

About 1.6 million people in 16 secondary towns in Bangladesh will have sustainable access to improved and safe water supply and sanitation services with the help of ADB.

ADB, through a \$41 million loan from its soft lending window, will support the Secondary Towns Water Supply and Sanitation Sector project, which aims to help the Government meet the water-related Millennium Development Goals and its own poverty reduction targets.

The project will rehabilitate, develop, and expand water sources, treatment facilities, and piped water supply systems in selected *pourashavas* (small towns), ensur-

ing that only arsenic-free groundwater sources will be used.

To help the Government achieve its 100% sanitation coverage target by 2010, the project will educate communities on the link between proper hygiene and sanitation and health to increase demand for improved sanitation. Community, school, and public latrines will also be constructed.

The project will also help build *pourashavas*' capacity to operate and manage water supply and sanitation investments, and the Department of Public Health Engineering's capacity to oversee the sector and implement the Government's development program for water and sanitation.

While the country has made good progress in increasing access to water supply and sanitation, about 28% of the urban population and 41% of the rural population still do not have access to safe water. With

sanitation, only 74% of urban areas and 57% of rural areas are covered.

Contamination of water sources is a serious problem in the country, with 22% of its roughly 7 million tube wells contaminated with arsenic beyond the Bangladesh standard of 0.05 milligrams/liter. In about a third of *pourashavas*, limited piped water supply is available from 2 to 12 hours a day. However, the water often has a high iron and mineral content. The rest of the population generally relies on hand tube wells, ponds, and other sources of doubtful quality.

"The Government is placing a strong focus on the water sector development in its poverty reduction strategy, which has broad support from funding agencies," says Hua Du, ADB Country Director for Bangladesh. "Momentum within the sector is significant, and the environment is conducive for change." ■

Helping Boost Capital Markets and Insurance Sector

ADB is helping Bangladesh boost investor confidence in financial markets by improving governance in the capital market and the insurance sector.

ADB's assistance will strengthen the regulation and supervision of the capital market, improve regulators' capacity, and recommend ways to address market gaps to increase demand for and supply of securities. The project will also support reforms, including a revamp of the insurance legislation and the establishment of a new regulatory authority, based on international best practices.

"Activities in the capital market and the insurance sector should be revived with better governance and greater investor participation so that the capital market can play a more significant role in mobilizing long-term funds for infrastructure and industry, and for spurring economic growth," says Hua Du, Country Director for ADB's Bangladesh Resident Mission.

"The Government's national poverty reduction strategy aims to substantially increase private investment, savings, and economic growth; and the development of the country's financial sector is critical to achieving this," adds the BRM Country Director. ■

Supporting Crop Diversification

Crop diversification by introducing high-value crops (HVCs) could further increase Bangladesh's food production. To ensure food security for the growing population, the country needs to improve market systems, increase productivity, and expand commercialization by promoting agribusiness. To increase labor productivity and employment generation, particularly for women, post-harvest operations and value addition in the sector deserve greater attention.

Crop diversification has high potentials for private profitability in Bangladesh, particularly fruits and vegetables. Rapid demand growth for HVCs is increasing because of their export potential, and rapid urbanization and steady gross domestic product (GDP) growth. Added value in processing that should drive farm diversification is also increasing.

With financial support from ADB, the Government is carrying out a 7-year project to promote and develop HVCs in the north-west region covering 61 upazilas in 16 districts. The Agribusiness Development Project aims to stimulate commercial activities in the agriculture sector, ranging from preproduction support to post-production



COMMERCIAL SUCCESS Introduced by ADB-supported project, Apple Kool (Jujube) has become a commercially successful high-value crop

handling including processing, storage, and marketing. In its sixth year, until the end of 2006, the project formed 10,000 groups involving 186,000 targeted farmers; and trained and extended credit support to 120,000 beneficiary farmers with almost 100% repayment rate. These activities resulted in 43,000 additional hectares planted to HVCs.

In project areas, 77 rural markets are being upgraded to introduce HVC marketing facilities and provide marketing assistance to beneficiaries. Most beneficiaries have increased their income after joining the project's small farmers groups. ■

Improving Governance and Infrastructure to Expand Economic Opportunities

ADB is assisting Bangladesh to expand economic opportunities for the rural poor by improving rural infrastructure and local governance. Through a \$96.1 million loan, ADB is financing the Second Rural Infrastructure Improvement Project that will upgrade a total of about 9,980 kilometers of tertiary roads that make up the rural road network, 370 rural markets, and the offices and facilities of 190 union councils, to help reduce poverty in 23 districts in north and central Bangladesh.

The 23 districts, located in Rajshahi, Dhaka, and Chittagong divisions, were selected, considering their poverty, poorly developed road infrastructure, and need for strengthened local governance. About 55% of rural residents in the area covered by the project live below the poverty line, and less than half of its rural roads are in good condition.

The project will also strengthen local government units to enable them to manage and maintain the local infrastructure. Bus owners and operators, rickshaw drivers, farmers, and local traders will be consulted on their transport needs. More than 6 million people are expected to benefit from better access to markets and social services, resulting in about 20% increase in a family's average farm income. The retail areas of growth center markets, especially set aside for women, will reduce gender dependence of rural women producers to market their products. About 7,000 women will become self-employed and/or gain employment opportunities in the retail area, and sub-district and village roads and roadside plantations. Extensive need-based training will be provided to increase gender awareness and empower women to play a more effective role in local governance.

“Efficient rural transport and support-

ing infrastructure are indispensable to reducing poverty and achieving rapid economic development in Bangladesh,” says Hua Du. “These improvements will provide local inhabitants with more efficient transport to markets and trading centers, as well as access to social and welfare services. This should lay the foundation for better economic opportunities.”

Due for completion in 2011, the project is also being cofinanced by the United Kingdom's Department for International Development and German Development Cooperation through the Kreditanstalt für Wiederaufbau (KfW) and Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ). The project, costing about \$260 million equivalent, will be implemented by the Local Government Engineering Department (LGED) under the Ministry of Local Government, Rural Development and Cooperatives. ■

Developing Transport Infrastructure for Economic Growth

Bangladesh needs to significantly improve its transportation system to attain higher levels of GDP growth. To maximize its potential, the transport sector needs greater efficiency, reduced costs and more balanced resource allocation among the different modes of transport.

Because of inefficiencies in Chittagong Port, the roads and railways, Bangladesh's average cost for exports and imports is 80% and 35%, higher respectively than most other countries of the region. The road network carries over 80% of national passenger traffic, serving as the backbone of the transport sector, while Bangladesh Railways only handle about 10 percent of the national passenger and freight traffic. The ports, railways, roads and inland container depots need to be improved in an integrated manner so that the Dhaka-Chittagong corridor can more effectively handle exports and imports. With some 700 rivers and tributaries

crisscrossing the country, Bangladesh has one of the largest inland waterway networks in the world. The potential of inland water transportation needs to be better harnessed, as an inexpensive and environment friendly mode of transport that particularly serves the needs of the poor, and is also most useful during periods of widespread flooding. The inland water transportation systems need to increase operational efficiency and safety.

Roads

Although the road network has been substantially expanded and improved, a lack of adequate resource allocations for maintenance threatens its sustainability. The Government approved a National Land Transport Policy in 2004 to improve the policy and institutional environment for roads and railways in the country. The main constraints facing the road sector include inadequate road maintenance funds and weak operational efficiency. Major pending

reform actions include approval of an integrated multi-modal transport policy; expediting preparation of a 20-year transport master plan; addressing acute transport problems in Dhaka; and approval of the draft Road Fund Act to create a road maintenance fund. The planned construction of a bridge across the Padma River will significantly improve the

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DEVELOPING TRANSPORT INFRASTRUCTURE
Railway is critical for accelerating economic growth and poverty reduction

Bangladesh's Economy Strong in FY2007: Quarterly Economic Update

Despite political uncertainty and infrastructure constraints, Bangladesh's overall macroeconomic fundamentals remain strong with sustainable external and internal balances, according to the September 2006 issue of the Bangladesh Quarterly Economic Update (QEU). Released by ADB's Bangladesh Resident Mission in December 2006, the QEU forecasts that gross domestic product (GDP) growth may decrease to 6.0% in fiscal year (FY) 2007 (ending in June 2007) from 6.7% in FY2006 because of moderation in agriculture growth from the post-flood high growth in

the preceding year. The industry sector, lifted by strong external demands, will continue to show robust performance.

Exports will continue to grow during the first quarter of FY2007, increasing by 31.5% over the corresponding period of FY2006. The current account surplus has increased to \$408 million from \$132 million during the same period because of solid increase in exports and remittances. The major capital market indicators will show an uptrend during the first four months of FY2007.

According to the QEU, the point-to-

point inflation rate declined from 7.5% in June 2006 to 6.9% in September 2006. Although declining, inflation remains high because of the expansion of domestic credit and the rise in commodity prices in the international market. Although fiscal management remains prudent, revenue collection has fallen short of projection. Critical impediments to moving on to a higher growth path include political disruption, infrastructure constraints, power shortage, volatility in oil prices, and stiff competition following the phase out of Multi-Fiber Arrangement.

Developing Transport Infrastructure

connectivity between the southwest and the eastern zones of the country.

Railway

ADB, Japan, World Bank and DFID are jointly supporting the Government's efforts to transform Bangladesh Railway into a well-managed, customer-focused organization. The assistance will contribute to improve infrastructure and network expansion, and make institutional and governance improvements in Bangladesh Railways to increase its operational efficiency. The multi-year, multi-donor railway sector improvement program will help to adopt a modern and transparent financial management system, and better human resource planning and incentives. As identified in Bangladesh's national poverty reduction strategy (2005), improvement of the railway is critical for accelerating economic growth and poverty reduction.

Chittagong Port

Increasing Chittagong Port efficiency is critical for Bangladesh's economy. The port handles nearly 85% of imports and 80% of exports, but suffers from low productivity, labor problems and weak management. For example, the cost to export a container is \$902 in Bangladesh compared with \$797 for Sri Lanka, \$481 for

Malaysia, and \$335 for the People's Republic of China. Contracting out port operations to the private sector; outsourcing management of the new container terminal to a private operator; allowing private sector investment in port infrastructure; and restructuring the management of the port are among the measures being considered to improve the port's efficiency. ADB is assisting the Government to improve the port's infrastructure facilities and management systems, including introducing a paperless Custom's document management system and development of port environment management facilities.

Land ports and Regional Transport

According to the Country Strategy and Program for Bangladesh (2006-2010), ADB is working with the Government to develop transport corridors for trade facilitation. Under a proposed project to facilitate trade, promote economic development and reduce poverty, ADB will assist Bangladesh in developing transport corridors to turn the country into a transport and transshipment center for the sub region.

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Under the proposed project, improvements in the physical transport infrastructure links, land ports, and gateways will be complemented by improvements in cross-border arrangements and procedures, particularly operations, customs documentation, and clearance procedures for the cross-border movement of goods, to maximize the benefits from trade facilitation.

Developing and improving the physical infrastructure along transport corridors and improving the procedures for the cross-border movement of goods could make Bangladesh more attractive to foreign and domestic investors.

The Inland Waterways

Increasing the operational efficiency and safety of inland water transport (IWT) is critical to meet the potential passenger and freight transport demand of the extensive IWT network. A National Shipping Policy was approved in 2000 to introduce reforms and private sector participation in ports and inland waterways. Currently the inland waterways sector receives only 3% of the Government's budget allocations. Resources are urgently needed to update the IWT network maps and upgrade IWT facilities.



RECOGNIZING THE BEST IMPLEMENTERS Representatives of the award-winning teams with Hua Du (first row, fifth from left), Country Director for ADB's Bangladesh Resident Mission, ADB staff members, and government officials at the awards ceremony

BRM Awards Best-Performing Projects

The Bangladesh Resident Mission (BRM) of ADB has awarded three of its best-performing project teams, recognizing efficient project implementation in 2006.

Hua Du, BRM Country Director, presented the awards to project directors representing the Urban Governance and Infrastructure Improvement Project (UGIIP) and the Second Small Scale Water Resources Development Sector Project (SSWRDSP), both being implemented by the Local Government Engineering Department under the Ministry of Local Government, Rural Development and Cooperatives; and the Second Primary Education Development Program (PEDP-II) implemented by the Directorate of Primary Education, Ministry of Primary and Mass Education. "The awards recognize the project teams' excellent performance, efficiency, integrity, transparency in procurement, effective project implementation, achievement of targets, innovations, strong leadership, overcoming project start-up delays, efforts in women's empowerment, and other criteria," she says.

UGIIP aims to promote human development and good governance in selected municipalities to enhance management accountability and strengthen capabilities in providing services; develop physical infrastructure and urban services to increase economic opportunities; and reduce vulnerability to environmental degradation, poverty, and natural hazards.

SSWRDSP aims to improve livelihoods and reduce poverty by assisting stakeholders to form water management associations and upgrade physical facilities in flood management, drainage improvement, water conservation, and command area development.

PEDP-II is a large, sector-wide approach to primary education, undertaken by the Government of Bangladesh and supported by 11 development partners with ADB as the lead agency. Launched in July 2004, PEDP-II aims to provide quality primary education to all eligible children in the country and sustain socioeconomic development and equity as envisaged in the Millennium Development Goals. ■

SA Leaders Meet on Investment, Trade, Transport

Government officials and private sector leaders from Bangladesh, Bhutan, India, and Nepal met in Bangkok in November 2006 to review progress and chart the next steps for developing transport, trade, and private sector cooperation in the South Asian sub-region.

Working groups for transportation, trade, investment, and private sector cooperation of the South Asia Subregional Economic Cooperation (SASEC) also convened in joint sessions to harness synergies between the transportation and trade sectors.

SASEC was established in 2001 with ADB support, following South Asia Growth Quadrangle's request for assistance in promoting the subregion's economic cooperation initiatives in the areas of transport; tourism; trade, investment, and private sector cooperation; energy and power and environment; and information and communication technology. The program is now on its third phase. Participants include SASEC's member countries—Bangladesh, Bhutan, India, and Nepal, with Sri Lanka as a member of the Tourism Working Group. ■

ADB to Create Knowledge Hub

ADB and two United Nations agencies are jointly establishing a knowledge hub on "Reduce, Reuse, and Recycle" (3R) at Bangkok's Asian Institute of Technology (AIT).

The knowledge hub will function as a think tank on technology, good practices, policy strategy and management, and issues related to 3R—promoting sustainable production and consumption of limited natural resources, and improving economic and environmental efficiency.

The knowledge hub will undertake research, disseminate new concepts on 3R, promote information sharing, help build research capacity, and devise and promote new information products on 3R, including periodicals, websites, newsletters, workshops, and training courses.

NEWS FROM

Bangladesh

The quarterly newsletter of the Asian Development Bank (ADB) Bangladesh Resident Mission (BRM) aims to enhance communications between ADB and its client groups. *News from Bangladesh* disseminates information on ADB activities and provides a forum on development issues in Bangladesh. Articles in the newsletter, however, do not necessarily reflect the official ADB view. We welcome readers' comments and suggestions.

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