

## ADB to Assist Disaster Rehabilitation in Bangladesh

The Asian Development Bank (ADB) will provide \$120 million from its concessionary Asian Development Fund to rehabilitate and restore the damage caused by the 2007 floods and cyclone. An additional \$90 million is expected to be mobilized for the initiative through cofinancing arrangements with the Governments of Canada, Japan, and the Netherlands. The assistance followed the discussions between Bangladesh's Chief Adviser Fakhruddin Ahmed and ADB Vice President Liqun Jin during the latter's visit to Bangladesh in October 2007.

The assistance will enable disaster victims resume their normal lives by restoring access to livelihoods and basic infrastructure. Designed based on a joint damage and needs assessment with the Government and development partners, the project aims to contribute to sustainable economic growth by minimizing the devastating impact of severe floods and cyclone, and reducing future risks from similar disasters. The rehabilitation project focuses on capacity building and training to strengthen



**TOP-LEVEL MEETING** ADB Vice President (Operations I) Liqun Jin met with Chief Adviser Fakhruddin Ahmed during a visit in October 2007 to discuss ADB operations in Bangladesh

the Government's disaster preparedness by adopting cost-effective, flood-resistant infrastructure design standards and improved early warning systems through increased subregional cooperation. The project will focus on priority areas through a participatory approach involving the Government, nongovernment organizations,

and civil society.

The new project will build on the experiences of the ADB-financed Emergency Flood Damage Rehabilitation Project, initiated soon after the devastating floods in 2004, which was successfully completed ahead of schedule in mid-2007, within its 2-year implementation period. ■

## ADB's Bangladesh Resident Mission Celebrates 25th Year

ADB's Bangladesh Resident Mission (BRM) celebrated its 25<sup>th</sup> founding anniversary on 11 and 12 October 2007. ADB Vice President Liqun Jin, Bangladesh's Finance Adviser Mirza Azizul Islam, senior government officials, development partners, civil society representatives, and business leaders attended the functions including a reception marking the silver jubilee. On this occasion, VP Liqun Jin reaffirmed ADB's commitment to help Bangladesh unlock its potential for economic and social development.

The Bangladesh Resident Office, as it was originally named, was opened on 22

July 1982 after ADB signed an agreement with the Government on 16 July of the same year. Operations of ADB's first resident office in Dhaka started at the Hotel Sonargaon with nine staff. As its responsibilities and staff members expanded, the resident office transferred locations several times. Finally, on 30 October 2002, the office laid the foundation stone of its own building. The BRM then relocated to the new building on its completion in 2004.

BRM was piloted to improve working relationships with the Government, strengthen ADB's aid coordination efforts with other development partners, and enhance focus on implementing ADB-assisted

projects. By 1984, BRM's contribution to improving ADB's operations and activities in Bangladesh had validated the resident mission concept and provided the basis for replication in other ADB developing member countries. BRM is now among ADB's largest field offices with 52 staff and the highest level of portfolio delegation among all ADB resident missions.

### Key Functions of BRM

- country programming
- economic, thematic, and sector work and studies
- processing loans and technical assistance

(continued on page 2)

projects

- managing the portfolio of ongoing loan and technical assistance projects
- processing loan disbursements
- managing relations and undertaking policy dialogue with the Government and other national stakeholders, including the private sector, academia, and nongovernment organizations (NGO)
- seeking co-financing from grant and concessional loan sources and coordinating with other development partners active in Bangladesh
- external relations and information dissemination

### Portfolio Management

BRM is involved in all stages of portfolio management—administering loan and technical assistance projects, including private sector projects, assisting in the administration of nondelegated loan and technical assistance projects, preparing project and technical assistance completion reports, and conducting annual country portfolio reviews. Since 1998, BRM has been responsible for loan disbursement processing of the entire portfolio.

### Project Processing

BRM participates in preparing all projects in Bangladesh, providing significant inputs in the policy dialogue with the Government, and interacting with the executing agencies to resolve project implementation constraints.

### Country Programming

Country programming refers to planning and scheduling ADB's operations in a developing member country (DMC) and seeking to harmonize ADB's overall strategic objectives with the DMC's development priorities. Since 2000, BRM has been responsible for all matters pertaining to country programming, including:

- conducting the annual country program mission and country program confirmation mission,
- preparing the country strategy and program (CSP) and its annual update, and
- coordinating with the Government and relevant departments and project divisions at ADB headquarters in Manila.



BRM at 25 ADB Vice President (Operations I) Liquan Jin speaks at the reception marking the 25th anniversary of ADB Bangladesh Resident Mission

### Economic and Sector Work

BRM conducts sector studies and prepares the *Quarterly Economic Update (QEU)* for Bangladesh, the Bangladesh section in the *Asian Development Outlook*, and the *Asian Development Outlook Update*. The economic and sector work program forms the basis for ADB's support to policy reforms, capacity building, and institutional strengthening. The QEU has large readership and is considered by the Government, development partners, private sector, and academia as a dependable source on macroeconomic assessments in Bangladesh.

### Aid Coordination

BRM plays an important role in aid coordination, maintaining and facilitating coordination and consultation with funding agencies. BRM actively participates in the local consultative group (LCG) of development partners to coordinate external assistance, and is a permanent member of the LCG executive committee. BRM also plays a lead role as chair of specific LCG subgroups, coordinating development partners' assistance to support the Government's reform initiatives in the transport, energy, education, and urban sectors.

### Information Dissemination

BRM's external relations unit oversees the implementation of ADB's public communications policy in Bangladesh. It promotes

ADB operational activities to the public through quarterly newsletters, press releases, and press briefings to mark special occasions, including visits by high-level officials and publication of key reports such as the *Quarterly Economic Update* and the *Asian Development Outlook*. A public information center, with internet facilities, is also available in BRM to provide public access to ADB publications, reports, and information resources.

### Cooperation with NGOs and Civil Society

BRM facilitates cooperation with NGOs and civil society in close consultation with apex bodies and umbrella organizations of local NGOs and other organizations. BRM actively promotes the participation of NGOs in programming, planning, designing, and implementing ADB's loan and technical assistance projects.

BRM staff regularly monitor and review the work of NGO partners, discussing issues and acting as an intermediary between the project executing agency and the NGO partners. Recognizing NGOs' experience in a wide range of areas, BRM periodically brings together NGO representatives to brief them on ADB activities and solicit feedback. The CSP for Bangladesh (2006–2010) was prepared through extensive consultations with NGOs and civil society. ■

## ADB's Resident Mission Policy Successful

**A**DB's 2000 Resident Mission Policy, framed in the context of its 1999 Poverty Reduction Strategy is successful and effective, according to an evaluation by the independent Operations Evaluation Department of ADB.

The study found resident mission operations compliant with the policy, and 'effective and efficient' in the delivery of services to both internal and external clients. More decentralization and a larger deployment of resources to resident missions would likely have resulted to higher effectiveness and efficiency ratings, the study said.

"Moving forward, ADB should consider undertaking the preparation of a corporate decentralization strategy," says the study. "In preparing the strategy, attention should be given to the strategic management principles of organizational decentralization, and to the lessons learned from the emerging best international practices among the multilateral development banks".

"A culture of managing for development results at ADB and a decision making process that encourages delegation are important prerequisites for success. Organizational decentralization is a major challenge that has to be carefully assessed, planned, and managed, since it will have significant implications on ADB's business practices and may have major resource implications."

ADB opened its first resident mission in Bangladesh in 1982. It now operates a network of 23 resident missions and several other types of smaller field offices, covering over 80% of its developing member countries at an annual operating cost of about \$44 million. ADB resident missions aim to provide the primary interface between ADB and the host countries and maximize the efficiency, effectiveness, and impact of ADB's operations there. ■

## Infrastructure

### Improving Dhaka Water Supply

**T**he Dhaka Water Supply system is being revamped to provide 24-hour safe, reliable, and efficient water supply. The Government is working to achieve this with the help of ADB, in collaboration with the World Bank, Danish International Development Agency, and the Governments of Japan and Korea.

To realize the initiative, ADB and the Government of Bangladesh on 12 December 2007 signed loan agreements totaling \$202.5 million to help improve water supply services in Dhaka to promote better health and contribute to sustainable economic growth.

The loans will support implementation of the Government's national Water Supply and Sanitation Sector Development Program (WSSDP). The WSSDP aims to improve the delivery of water supply and sanitation services to the people, including measures to improve the management and operations of urban water supply and sewerage authorities, improve local governance, strengthen local institutional frameworks, and improve financial performance, reducing non-revenue water from a high 40% to an acceptable level and recovering outstanding dues .

The Dhaka Water Supply Project will

rehabilitate water lines, service connections, 32 existing overhead reservoirs; install digital water meters; provide chlorination equipment for all deep tube wells; and construct 15 new overhead water tanks. In preparing the project, ADB conducted extensive consultations with the government, labor union leaders, nongovernment organizations, water and sanitation experts, researchers, lawyers, civil society members, consumers, and development partners in 2006 and 2007 to seek support, feedback, and suggestions.

Earlier, ADB assisted the Government in piloting various options for improving the quality of water supply services in Dhaka's Manikdi area. The pilot project identified best practices used in designing the proposed project, which will begin in 2008. The Manikdi pilot project demonstrated how reliable and high quality water supply could be ensured by improving water pressure, source, quality, pipe condition, supply, metering, meter reading, and billing. The project focused on solving problems such as pilferage, illegal connections, inadequate operation and maintenance, and management. The project also trained around 400 plumbers from the DWASA area to build skills on distribution networks and extension of new pipelines. ■

### Telecommunications and Poverty Reduction

**A**DB has helped finance the construction, expansion, and operation of Grameenphone Telecommunications project that provides nationwide cellular telephone services in the main cities, and a village-pay-telephone service in the rural areas. It reaffirms ADB's role in the information and communication sector by supporting the private sector to lead information technology (IT) networks development; encouraging government to create a predictable, transparent, and nondiscriminatory policy and regulatory environment; and ensuring that IT rules

and practices are responsive to the emerging revolutionary changes in the way people conduct business.

Availability of phones in the rural areas has created new opportunities for income generation and self-employment offering real-time business and market information, promoting health care awareness, developing agribusiness, and raising social status. Innovative value-added services such as community information centers—providing Internet access, voice communications, videoconferencing, and other IT services—have facilitated connectivity. ■

# The Padma Bridge: Realizing Dreams

**B**uilding on the success of the Jamuna Multipurpose Bridge, ADB and other development partners are preparing to support the construction of the \$1.5 billion Padma Multipurpose Bridge.

ADB has provided technical assistance in preparing the bridge project, which verified the findings of a feasibility study by the Japan International Cooperation Agency that construction of the Padma Bridge would increase gross domestic product (GDP) growth by 1.2%, and generate over 700,000 employment opportunities. The project preparatory technical assistance also confirmed that the bridge would

generate substantial benefits for economic development, particularly of the relatively underdeveloped western region of the country, by facilitating an increase in production, employment, and income, thus helping reduce poverty. It will also contribute at the subregional level by providing Bangladesh with a second access for transit of goods among its South Asian neighbors, including Bhutan, India, and Nepal.

Meanwhile, ADB and the Government of Bangladesh on 12 December 2007 signed a loan agreement for \$17.6 million to help prepare the detailed design for the proposed Padma Multipurpose Bridge. Bangladesh will provide \$4.4 million to complete fund-

ing for the project.

The project involves the preparation of a detailed design and engineering documents for the construction of the Padma Bridge, including river-training works and approach roads. The project will also assist the Jamuna Multipurpose Bridge Authority in engaging contractors for the actual construction.

“A bridge over the Padma is critical for socio-economic and industrial development of the southwest zone, which lags behind the more advanced eastern zone of the country,” said Hua Du, Country Director of ADB’s Bangladesh Resident Mission. ■

## Agreement to Improve Water Supply and Sanitation

**T**he Government on 10 November 2007 signed a partnership framework agreement with five development partners to improve water, wastewater, and drainage services in Dhaka and Chittagong through institutional strengthening, financial management improvement, and expanding service delivery.

Economic Relations Division (ERD) Secretary Md Aminul Islam Bhuiyan and Safar Raj Hossain, Secretary, Local Government Division jointly signed for the Government. ADB Country Director Hua Du, Ambassador of Denmark Einar Hebogaard Jensen, Ambassador of Japan

Masayuki Inoue, Ambassador of the Republic of Korea Suk Bum Park, and World Bank Country Director Xian Zhu signed for the development partners at a ceremony at ERD, Sher-e-Bangla Nagar, Dhaka.

The initiative to improve water supply and sanitation in the two largest cities of Bangladesh aims to achieve the Millennium Development Goal (MDG) target for reducing by half the people without access to safe drinking water and improved sanitation by 2015, as envisaged in Bangladesh’s national poverty reduction strategy. The development partners will support the Government’s strategy to improve and expand sustain-

able service delivery of water, wastewater, and drainage services to the people of Dhaka and Chittagong, including slum dwellers. The strategy includes improving governance and accountability and increasing the transparency of operations and the efficiency of resource utilization of the service delivery institutions. The partnership framework outlines a sector investment plan for the next 10 years which will help achieve sector targets, and capacity building needs within the available resources. The framework agreement has provision for other development partners sharing the same vision to join the partnership in the future. ■



**FORGING PARTNERSHIP** (Seated from left to right) ERD Secretary Md Aminul Islam Bhuiyan, Local Government Division Secretary Safar Raj Hossain, Adviser for LGRD Anwarul Iqbal, ADB Country Director Hua Du, Ambassador of Denmark Einar Hebogaard Jensen, Ambassador of Japan Masayuki Inoue, Ambassador of the Republic of Korea Suk Bum Park, and World Bank Country Director Xian Zhu at the agreement signing ceremony

# ADB Approved \$965.7 Million Projects for Bangladesh in 2007

In 2007, ADB approved a total of \$965.7 million in loans for Bangladesh for the Sustainable Power Sector Development Program, Good Governance Program, Padma Multipurpose Bridge Design Project, Dhaka Water Supply Sector Development Program, Railway Sector Improvement Program, and South Asia Subregional Economic Cooperation Information Highway Project. ADB also approved eight technical assistance grants totaling \$7.692 million.

The \$465 million Sustainable Power Sector Development Program will help increase power generation, improve transmission systems, and reduce system losses, making more power available to support sustained economic growth.

The \$200 million Dhaka Water Supply Project aims to help improve management and operations of urban water supply and sewerage authorities, improve local governance, strengthen local institutional frameworks, and improve physical infrastructure of the water supply system.

The \$150 million Good Governance Program loan intends to strengthen anti-corruption reforms, support judicial reforms, strengthen the role and outreach of Anticorruption Commission (ACC), and mainstream good governance and anticorruption initiatives within selected sectoral level agencies.

A \$17.6 million technical assistance loan will help prepare detailed engineering design of the proposed Padma multipurpose bridge, including river-training works and approach roads.

The \$3.1 million loan under the South Asia Subregional Economic Cooperation Information Highway Project will help enhance the availability of affordable broadband Internet connections, skilled manpower, and local content and Internet applications in line with efforts to promote inclusive growth and reduce poverty. Besides, \$130 million was approved for the Railway Sector Improvement Project.

Policy dialogue with the Government has helped foster reforms in energy, education, urban infrastructure, urban water supply and sanitation, and governance areas. The dialogue focused on transparency and efficiency in public procurement, portfolio performance, and preparation of operational risk mitigation action plans to address key governance risks.

ADB operations have helped remove constraints on the investment climate and on empowering the poor by improving governance in the energy, transport, education, and integrated urban infrastructure sectors.

Energy reforms aim to ensure adequate and reliable power supply at competitive prices through increased private sector participation and more efficient management and operations.

The second primary education development program, which will improve primary education and its accessibility to poor children, is performing satisfactorily with ADB as the lead agency, together with 10 other development partners. ■

## ADB Lowers Charges on LIBOR Loans

ADB has reduced its loan charges on LIBOR-based loans to borrowers with sovereign guarantees negotiated on or after 1 October 2007.

Under the new loan pricing structure, the effective lending spread has been reduced to 0.20% per annum and ADB has eliminated the annually approved waiver mechanism.

New LIBOR-based loans will carry a small commitment charge of 0.15%, down from 0.75% for program loans and 0.35% for project loans. Additionally, front-end fees have been eliminated. The exact level of ADB's lending rate can vary because it is determined by the cost of borrowings and LIBOR.

"This demonstrates ADB's commitment in providing resources for developmental lending at the lowest and most stable funding cost and on the most reasonable lending terms, while safeguarding ADB's financial strength," says ADB Treasurer Mikio Kashiwagi. ■

## Developing a National Involuntary Resettlement Policy

ADB is assisting Bangladesh to develop a national policy on involuntary resettlement to complement the present Acquisition and Requisition of Immovable Property Ordinance II (1982).

The policy is being formulated through broad stakeholder consultation, addressing broader social and economic impact of land acquisition and resettlement. These include land replacement or land compensation paid as replacement cost; income restoration; relocation assistance and allowances; consultation and grievance redress; assistance to vulnerable groups such as indigenous people, informal settlers/squatters, female-headed

households, the elderly, and disabled; and provision for resettlement sites and services.

The policy will set standards and provide the legal and administrative framework for efficient resettlement management of development projects. ■

### ADB Online

- For **business opportunities** with ADB, go to [www.adb.org/business/opportunities](http://www.adb.org/business/opportunities)
- For **media inquiries** and the **latest news**, go to [www.adb.org/media](http://www.adb.org/media)
- For **publications**, go to [www.adb.org/publications](http://www.adb.org/publications) or fax +632 636 2648

## Education

# Government, Development Partners Reaffirm PEDP-II Progress

**T**he Second Primary Education Development Program (PEDP-II) has made good progress after 3 years of implementation. The Government and the development partners (DP) supporting the program reaffirmed its progress following the final wrap up of a joint mid-term review (MTR) of the program in December 2007.

The MTR noted that the overall progress of PEDP-II at its midpoint is satisfactory. Major achievements until end of October 2007 include the establishment of a finance and procurement division in DPE; the transfer of over 11,000 positions and over 8,000 staff from the previous project (PEDP-I) to the revenue budget in 2005; recruitment of 12,034 new teachers (target 35,000) in 2006 and another 12,744 teachers by December 2007 under the revenue budget; completion of over 15,000 new classrooms (target 30,000) with new furniture; distribution of over 50 million textbooks to all eligible primary school children on time; distribution of 18 titles of supplementary reading materials for all grades to PEDP-II schools; and training of over 45,000 new and existing teachers (target 90,000) in the 1-year Certificate in Education (C-in-Ed) program while another 19,000 teacher trainees were undergoing this training.

Some of the reforms implemented include adoption of key performance indicators and primary school quality level standards; establishment of baseline information including student achievement to monitor progress against targets; establishment of procedures for school level improvement plans; transfer of funds to schools (Tk20,000 per school) in 13 *upazilas* along with a plan to provide funds to schools in another 13 *upazilas* soon; award of ten innovation grants to improve access and quality at the school level; approval of strategies and action plans for gender, tribal children, children with special needs, and vulnerable children (implementation has



**EDUCATION FOR ALL** Senior government officials and heads of missions and representatives from the agencies and organizations supporting the PEDP-II visited a school in Manikganj as part of the program's mid-term review in November 2007

started); and approval of stipends to approximately 4.3 million children every year, comprising around 40% of the poorest children from all eligible schools in rural areas.

The MTR highlighted priorities and included an action plan to improve quality of teaching and learning in the classroom and enhance access to primary education by the target groups. Four priorities are most critical: decentralization, teacher development, availability of reliable data every year to assess progress against targets, and innovation grants.

PEDP-II is the first subsector wide program (SWAp) in the primary education sector in Bangladesh and is one of the largest SWAps in the world, with a total funding support of \$1,815 billion for 6 years from the Government (\$1,161 million) and 11 DPs (\$654 million) including Australia, Canada, European Union, Japan, the Netherlands, Norway, Sweden, United Kingdom, UNICEF, and World Bank, with ADB as the lead DP. The main objective of PEDP-II, a flagship program of the Government and DPs, is to improve the quality of primary education. ■

## Integrating Gender in Project Implementation

**A** regional seminar on gender, poverty, and infrastructure held in Dhaka in November 2007 called for better integration of gender issues in project implementation to enhance sustainability of development interventions. ADB organized the seminar to help improve technical skills in developing and implementing project-specific gender action plans and share knowledge of good practices.

ADB is actively pursuing the gen-

der and development agenda, which is central to its poverty reduction strategy, Hua Du, Country Director for ADB Bangladesh Resident Mission told the seminar. "In the infrastructure sector, ADB projects address poverty increasingly with a gender mainstreaming approach."

ADB gender specialists, development partner representatives, and senior government officials from 10 countries participated in the seminar. ■

## Governance

# National Integrity Strategy to Fight Corruption

**T**he fight against corruption in Bangladesh is being intensified. The Government, assisted by ADB, is developing a national integrity strategy (NIS) and institutionalizing anticorruption measures through a strategic framework.

The NIS will set a time-bound action plan to ensure political ownership and leadership for the fight against corruption. It will focus on structural changes, legislation, procedures, enforcement and prevention measures, and international commitments based on broad-based

consensus on timetables for milestones and assignment of responsibilities.

Under the NIS, the establishment of the National Advisory Committee on Anti-Corruption (NACAC)—to be chaired by the Prime Minister and comprising representatives of major political parties, civil society, business chambers, and academe—has been suggested. The Committee will act as an apex oversight and advisory body, providing policy guidance and coordinating assistance in the preparation and implementation of the NIS. All relevant ministries and divisions will be involved in drafting the

strategy.

“ADB has set good governance as one of its strategic priorities in its assistance program to Bangladesh,” says Hua Du, Country Director, ADB Bangladesh Resident Mission. “Good governance, including anticorruption actions, is critical for achieving higher economic growth and rapid poverty reduction. Establishment of the NIS is an important part of our commitment to help Bangladesh ensure development effectiveness and achieve the goals of economic growth and poverty reduction.” ■

## ADB, Bangladesh Sign Agreement to Improve Governance

**A**DB and the Government of Bangladesh on 1 November signed a loan agreement of \$150 million from ADB’s concessional Asian Development Fund resources to better equip Bangladesh in its fight against corruption and to foster economic growth by strengthening its system of governance.

ADB is also extending a \$1.5 million technical assistance grant that will enhance the capability of concerned agencies to implement policy reforms and effectively manage the Good Governance Program.

Denmark’s Human Rights and Good Governance Program is providing a \$1 million grant for the technical assistance.

The Good Governance Program seeks to support the Government to strengthen the ongoing consensus building on good governance, integrity, and anticorruption reforms; support judiciary separation and reforms with a focus on the performance, transparency, and accountability of the judiciary, particularly on its role in the anticorruption agenda; strengthen the role and reach of the

government’s Anticorruption Commission; and mainstream good governance and anticorruption initiatives within selected sector level agencies to enhance their effectiveness.

The result will be a set of long-term policy reforms in good governance, particularly those related to instituting good practices in combating corruption, specifically at the sector agency level. The loan will also help the Government formulate and implement a national integrity strategy. ■

## Asia Doing Well in Achieving MDGs, Says Report

**T**he Asia and Pacific region as a whole is forging ahead on many of the Millennium Development Goals (MDG), but there is uneven progress within countries and many of the less developed economies need global support to plug some of their key development gaps, says a report released in October 2007.

The report on *The Millennium Development Goals: Progress in Asia and the Pacific 2007* states that the region is well on track and ahead of its peers in Latin America and Sub-Saharan Africa to reduce extreme poverty by half, attain universal education, and achieve gender parity in education by 2015.

The MDG 2007 report was produced

through a regional partnership among ADB, UNDP, and UNESCAP.

The MDG 2007 report says if the countries in the region that are off track—either slow or regressing—were able to speed up and meet the MDG targets by 2015, then some 196 million people in the region would be lifted out of grinding poverty, 23 million more children would no longer suffer from hunger, and nearly one million children would survive beyond their fifth birthday. The region’s greatest failures lie in addressing the issues of child mortality, nutrition, improving maternal health, and providing safe drinking water and sanitation facilities. The region’s overall maternal mortality ratio, at over 300 per 100,000 live births, is more than 30%

higher than in Latin America and the Caribbean, and maternal deaths in Asia and the Pacific account for almost half of the global total.

The other key areas where the Asia and Pacific region is making slow progress are provisions of access to safe drinking water and basic sanitation facilities. Across the region, over 560 million in rural areas lack access to improved water sources while over 1.5 billion are without basic sanitation facilities. The report warns that environmental pressures arising out of land degradation, poor water management (including flooding), rising pollution in urban areas, carbon dioxide emission contributing to climate change, and other factors could push more people into poverty. ■

# Combating Climate Change

**A**DB assists its developing member countries, in partnership with developed and developing nations, and leading knowledge institutions in Asia and the Pacific, to help meet the challenges of climate change. The support in combating climate change includes filling gaps in financing, capacity and knowledge building, helping create enabling policy and regulatory environment, and promoting collective action.

Subsequent to the Kyoto Protocol, at the request of several developing member countries, ADB undertook a capacity building program on Implementation of the Kyoto Protocol and the Clean Development Mechanism in 15 developing member countries, targeting the relevant government departments and organizations in each country. Under its Asia Least-cost Greenhouse Gas (GHG) Abatement Strategy program, ADB led in developing the first set of national level GHG inventories and in

identifying mitigation projects for 11 countries (Bangladesh, People's Republic of China, India, Indonesia, Republic of Korea, Mongolia, Myanmar, Pakistan, Philippines, Thailand, and Viet Nam).

In 2006, ADB joined the Methane to Markets (M2M) Partnership promoted by the United States Environmental Protection Agency to capture methane and utilize it for energy purposes.

Under the Energy Efficiency Initiative launched in 2005, ADB intends to expand investments in energy efficiency projects to \$1 billion a year by working closely with its developing member countries to identify high priority intervention areas that have replication and scale-up potential.

The Clean Development Mechanism (CDM) Facility at ADB was established in August 2003 to provide technical support to developing member countries in accessing additional financial resources for CDM-eligible projects. During its 3-year

implementation, the CDM Facility assisted developing member countries in sourcing funds for emission reduction and processing the CDM requirements for identified projects.

ADB's Carbon Market Initiative (CMI) was established to support sustainable development goals of developing member countries, address global climate change concerns, and assist developed countries to meet their emission reduction commitment. CMI will provide a project cofinancing facility, carbon credit marketing program, and technical support for preparation and implementation of CDM-eligible projects and their developers.

The Asia Pacific Carbon Fund (APCF) is a trust fund established and managed by ADB on behalf of fund participants. The APCF provides upfront cofinancing to CDM projects in ADB's developing member countries for future delivery of certified emission reductions. ■

## Rethink Water Management to Avoid Crisis: ADB Report

**T**o avoid a crisis in water security, developing countries in Asia will have to rethink how they manage their vital water resources, according to a new report produced for ADB.

The Asian Water Development Outlook (AWDO), authored by a team of experts led by Asit Biswas, 2006 Stockholm Water Prize Laureate, says government leaders in the region can protect their nations' water resources, but they will need to concentrate on some key areas to ensure water security for their populations, and the region as a whole.

"We can confidently predict that Asian developing member countries should not experience or expect a crisis in the future because of physical scarcity of water, but because of inadequate or inappropriate water governance," says Mr. Biswas. Areas of concern include

education for professionals in the water industry, environment's water needs, impact of an aging population to water consumption, and impact of food production and energy generation and development. A major challenge for Asian developing countries will be how to "integrate appropriately all the concerned resource policies in the areas of water, energy, food, and environment," says Biswas. "Such integration has been very difficult to accomplish in the past and is likely to be even more complex and difficult in the future."

"A common message from many papers in the AWDO is that commitment and leadership need to be further developed among senior managers and officials," says Woochong Um, Director, ADB Energy, Transport and Water Division. ■

## ADB to Update Safeguard Policy

**A**DB will update its safeguard policies to improve their effectiveness and relevance to changing client needs and ADB's new lending modalities and instruments.

A wide range of stakeholders are being consulted in various developing member countries to enhance ADB's understanding of stakeholders' perspectives and establish a shared understanding of safeguard objectives, principles, and requirements. The safeguard policy update is being undertaken in light of ADB's reform agenda and the Paris Declaration on Aid Effectiveness. The update intends to improve the policy's clarity, coherence, and consistency; broaden focus on results; and ensure adaptability with ADB's lending products and innovative financing schemes.

ADB has three safeguard policies: Policy on Involuntary Resettlement (1995), Policy on Indigenous Peoples (1998), and Environment Policy (2002). ■

# Japan, ADB Help Bangladesh Prepare Urban Health Care Program

Japan and ADB are assisting Bangladesh in laying the groundwork for a proposed urban health care program.

The Japan Special Fund will provide \$650,000 for the technical assistance to Bangladesh for preparing the Urban Primary Health Care Sector Development Program. The Government of Bangladesh will contribute \$165,000 to complete funding for the technical assistance. ADB will manage the funding.

The technical assistance aims to design a sector development program that will explore policy, legal, institutional, and municipal financing aspects to strengthen urban public and primary health care in Bangladesh. The proposed program will enhance access to urban primary health care, improve municipal public health governance, and strengthen the capacity of urban local bodies to implement their mandate on food safety and hospital and solid waste management, in partnership with the private sector.

ADB has been supporting urban pri-



**URBAN HEALTH** A mother with her child at an urban primary health care service delivery center in Dhaka

mary health care in Bangladesh since 1998 through the first and second urban primary health care projects. The technical assistance is a continuation of that support, and

aims to institutionalize the urban primary health care and expand further into areas of public health importance, such as food safety and waste management. ■

## Regional News

### ADB Provides \$21 Million to Develop ICT in South Asia

ADB is providing \$21.2 million for the development of information and communication technology (ICT) in Bangladesh, Bhutan, India, and Nepal to promote inclusive growth and reduce poverty. The assistance highlights that ICT infrastructure is as important as road and rail networks and telephone and power systems to economic growth.

With this assistance, the South Asia Subregional Economic Cooperation (SASEC) Information Highway Project will establish a regional network with fiber-optic and data interchange capacity directly connecting the four countries. It will also set up a SASEC village network to expand broadband access to 110 rural com-

munities and provide direct connections among the communities for local networking and information sourcing. The project will establish a SASEC research and training network to build technical and business skills in developing local ICT content and Internet applications that serve the needs of the poor in particular.

Internet traffic in South Asia often goes through third parties and depends on satellite transmission. Regionally integrated and high-quality broadband capacity would do away with third party connections, optimize the cost of interconnection within the region, help bring down the prices of ICT services, and boost ICT use across borders.

ADB will also extend a \$4.4 million

grant to increase technical and business skills in developing local ICT and Internet applications particularly for the poor. The technical assistance will help reshape the role of ICT research institutes in knowledge development, capacity building for the community, and business development.

SASEC was launched in 2001 with ADB assistance to facilitate regional cooperation initiatives in six priority sectors: energy and power; environment; information and communication technology; tourism; trade, investment, and private sector cooperation; and transport. It provides a venue for policy dialogue, information sharing, and confidence building among participating countries to enable better economic cooperation. ■

## Regional News

# ADB Promotes Cooperation in South Asia by Improving Research Capacity

**A**DB is extending a \$1.2 million grant to promote regional cooperation in South Asia by enhancing the capacity of research institutes, think tanks, and experts in the region.

The grant, Technical Assistance for Supporting Network of Research Institutes and Think Tanks in South Asia Phase II, covers consulting services, regional conferences, research programs,

and publications. These activities intend to help mold public opinion and influence the views of leaders in the region, contributing to stronger political will for cooperation.

Those studies and workshops will recommend policies and plans to enhance cooperation among members of the South Asian Association for Regional Cooperation established in 1985 by Bangladesh, Bhutan, India, the Maldives, Nepal,

Pakistan, and Sri Lanka.

“The project will promote regional economic cooperation in South Asia through knowledge sharing, policy formulation, and improving the capacity of research institutes through studies and workshops,” said Shunsuke Bando, Economist, ADB South Asia Department. ADB is the executing agency while research institution networks are the implementing agencies. ■

## Donors, ADB Meet to Boost Funding

**A**DB officials and government representatives from international donor community and selected aid recipient countries met in Vientiane, Lao PDR in November 2007 to discuss the 10<sup>th</sup> replenishment of Asian Development Fund (ADF) resources administered by ADB. Fouzul Kabir Khan, Secretary for Power Division represented Bangladesh at the meeting.

Discussions focused on the demand for ADF X resources, preliminary findings of an ADF resources evaluation,

ADF support for regional cooperation, implementation of ADB’s approach to weak-performing countries, and progress on ADB’s reform agenda. The first ADF donors’ meeting took place in Sydney, Australia in September 2007. It discussed aid effectiveness and results, role and priorities of ADF X, long-term financing issues, and proposed refinements of the performance-based allocation system.

ADB’s ADF provides targeted concessional assistance to help low-income countries in Asia and the Pacific

to fight poverty by fostering economic growth and extending basic social services.

Established in 1973, the ADF is the oldest and largest of ADB’s existing special concessionary funds, which consist mainly of contributions mobilized under periodic replenishments from ADB’s members and reflows from ADF loan repayments. At the end of 2006, loans from the ADF accounted for around 27% of cumulative ADB lending. ■

## ADB Supports Regional Cooperation

**A**DB recognizes economic cooperation as an important means of achieving more efficient use of regional resources; making economies more complementary and promoting the orderly expansion of foreign trade, in particular, subregional and interregional trade.

Improving connectivity, facilitating trade and investment, developing regional tourism, facilitating cooperation in energy to meet growing regional energy needs, and promoting private sector cooperation are the key strategic objectives of ADB’s regional cooperation strategy and program (RCSP 2005–2008) for South Asia.

ADB’s RCSP for South Asia focuses

on the need to accelerate economic cooperation among Bangladesh, Bhutan, India, and Nepal. Subregional projects being formulated include improving road networks connecting the participating countries, and regional railway and power networks.

The ADB-supported South Asia Subregional Economic Cooperation (SASEC) program identifies several multiregional projects and initiatives. Other subregional groupings, such as the Bay of Bengal Initiative for Multisectoral Technical and Economic Cooperation (BIMSTEC), are advancing rapidly and will serve to broaden the regional cooperation focus from South Asia to parts of East and Southeast Asia. ■

## ADB Reviews its Long-term Strategy

**A**DB has begun a review of its Long-Term Strategic Framework (LTSF) that will determine the organization’s future direction and vision to 2020. The review entails broad participation of development partners including governments, project agencies, international agencies, civil society organizations, private sector institutions, and academia.

The region faces many challenges and risks including poverty and low levels of income and human development, adverse impact of rapid economic progress on environment and natural resources, and the need for continued efficiency and regional integration into the global economy.

# Independent Report Gives ADB High Marks for Accountability

**A**DB has been ranked second among 10 intergovernment organizations in terms of accountability to the people the organizations affect.

The 2007 Global Accountability Report, published by One World Trust, assesses the accountability of 30 of the world's most in-

fluential organizations from intergovernment, corporate, and nongovernment sectors. The report analyzes organizations according to four dimensions of accountability defined by the Global Accountability Framework: transparency, participation, evaluation, and complaint and response mechanisms. One World Trust, a nongovernment organization based

in the United Kingdom, initiated the annual accountability reports in 2006.

One World Trust rated ADB as one of the three top performers among all 30 assessed organizations, achieving high scores in all four dimensions of accountability, including 100% in transparency and 81% in overall accountability. ■

## ADB Partners with NGOs, Civil Society to Improve its Services

**A**DB recognizes civil society organizations (CSO) and nongovernment organizations (NGO) as significant players in the development process, and works in partnership with them to improve the impact, sustainability, and quality of its services. NGOs provide value-added services in promoting sustainable development, characterized by innovation, accountability, responsiveness, participation, and sustainability.

CSOs and NGOs provide inputs for the country programming mission and the country portfolio review mission every year. They also play the following roles in implementing ADB projects:

### Large Infrastructure Development

NGOs implement the resettlement plan and manage grievance mechanisms, undertake awareness campaign for selection of project sites, provide training on maintenance of infrastructure, build capacity of people to cope with disaster threats, and provide advisory support for the disaster preparedness plan.

### Second Urban Primary Health Care

NGOs provide primary health care services through a GO-NGO partnership framework in geographically defined partnership areas covering about 200,000 to 300,000 people.

### Northwest Crop Diversification

Four NGOs extend credit and technical training for small-scale farmers. They identify beneficiaries, organize them into groups, train them on high-value crop cultivation and processing technology, and assist them in marketing.

### Chittagong Hill Tracts Rural Development

Six NGOs work on community facilitation, information dissemination, community development committee formation, training, identifying subprojects, and ensuring participation of the local ethnic population in the subprojects.

### Jamuna-Meghna River Erosion Mitigation

NGOs conduct community campaign for health and hygiene and provide education and training on income generation. They also provide primary healthcare services to the urban poor, especially women and children, through the Urban Primary Healthcare Project in cities and municipalities.

### Rural Infrastructure Improvement

NGOs support women in participating in local-level infrastructure planning and construction, developing savings from their income, and identifying income-generating opportunities. ■



**INSPIRED BY NGOs** NGOs play an important role in organizing rural women, increasing their awareness and mobilizing them to diversified trades and works

# Post-disaster Rehabilitation, Agricultural Production to Determine Bangladesh's Economic Prospects: QEU

**B**angladesh's gross domestic product (GDP) growth is expected to be below 6% in 2008, compared with 6.5% during the previous year, because of the extensive flooding and cyclone Sidr, and a slowdown in external demand for garments, according to the September 2007 issue of the *Bangladesh Quarterly Economic Update* (QEU).

Economic prospects will depend on postflood and postcyclone rehabilitation, agricultural production, recovery of the garments sector, and political stability in the lead-up to the general elections scheduled at the end of 2008. The severe cyclone of mid-November 2007 added to the uncertainty of economic prospects.

Released by ADB's Bangladesh Resident Mission, the QEU observed that the growth outlook points to the need to boost business confidence, and restore livelihoods and infrastructure affected by the floods and cyclone. Although revenue performance has improved, challenges in fiscal management remain. Inflation continues to remain high.

Despite an increase in workers' remittances, the surge in the trade deficit puts pressure on the current account while foreign exchange reserves remain comfortable. Copies of the QEU may be accessed from ADB website [http://www.adb.org/Documents/Economic\\_Updates/BAN/default.asp](http://www.adb.org/Documents/Economic_Updates/BAN/default.asp). ■



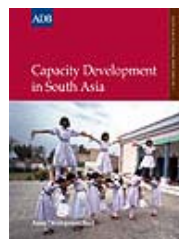
## Publications



### Moving Toward Knowledge-Based Economies: Asian Experiences

Developing countries that fail to transform effectively into knowledge-based economies

will fall further behind more advanced countries, widening the disparities between developed and developing economies. This publication takes a look at the ingredients of a knowledge-based economy and society and how Asian governments have been planning to move their economies and societies to be more knowledge-based.



### Capacity Development in South Asia

This publication is based on a sample of capacity development interventions from the rural infrastructure

and power sectors in Bangladesh, Nepal, and Sri Lanka; the capital markets subsector in Bangladesh; and the livestock subsector in Nepal. The study analyzes the impact of ADB's capacity development interventions to key executing agencies' performance, and how this impact could be further enhanced.

## New BRM Staff



**Javed Hossain** joined ADB's Bangladesh Resident Mission in July 2007 as Assistant Programs and Operations Analyst. Prior

to joining ADB, he worked for various international consulting firms, and was involved in several consultancy assignments. Mr. Hossain also worked in one of the ADB-financed projects in agriculture sector as Office Manager. Javed completed his masters degree in Australia. He will be assisting the programs and operations division of BRM.

## 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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*In this issue, \$ refers to US dollar.*

## ADB Online

- For news and information about ADB operations in Bangladesh, visit [www.adb.org/brm](http://www.adb.org/brm)
- To receive general ADB updates, go to <http://mms.adb.org/e-notification/register.asp>
- For information about water sector interventions, visit: <http://www.adb.org/water/>
- To know more about ADB's disclosure systems, visit <http://www.adb.org/disclosure/>