

ADB

NEWS FROM BANGLADESH

A Quarterly Newsletter of the ADB-Bangladesh Resident Mission

November 1999 Volume 1 Number 3

The quarterly Newsletter of the ADB-Bangladesh Resident Mission (BRM) aims to enhance communication between ADB and its client groups. News FROM BANGLADESH disseminates relevant information on ADB activities, and provides a forum on development issues in Bangladesh. Articles in the Newsletter, however, do not necessarily reflect official ADB views.

Bangladesh Resident Mission

BSL Office Complex
Second Floor, Sheraton Hotel Annex
1 Minto Road, Ramna
Dhaka 1000, Bangladesh

Telephone (880-2) 933-4017
Telex (780) 642736 ADB BJ
Facsimile (880-2) 933-4012
Inmarsat-A (873) 154-5176
E-mail: adbrm@mail.asiandevbank.org

Resident Representative

Phiphit Suphaphiphat

ADB Finances Bangladesh's Cellular Telephone System

The Asian Development Bank has approved a private sector loan of US\$16.67 million and a US\$1.6 million equity investment for the GrameenPhone Project in Bangladesh. The project entails the construction and operation of a nationwide cellular telephone system that will provide common cellular services in the main cities and a village pay telephone (VPT) service in rural areas.

Fund. The borrower is GrameenPhone Limited, a public limited liability company incorporated in Bangladesh. The project sponsors are Telenor Invest AS of Norway; Grameen Telecom of Bangladesh; Marubeni Corporation of Japan; and Gonofone Development Corporation of USA.

(continued on page 3)



The related agreements were signed by the parties concerned on 7 July 1999 at the Bangladesh Resident Mission of ADB. Mr. Phiphit Suphaphiphat, Resident Representative, signed on behalf of ADB.

The project is cofinanced in the amount of US\$33.3 million by the International Finance Corporation, the Commonwealth Development Corporation, and the Southasia Regional

BRM Undertakes Poverty Study

A study on the impact of ADB's assistance to poverty reduction in Bangladesh was undertaken by BRM to provide inputs for formulating ADB's Country Operational Strategy. Important findings of the study include the following.

- Bangladesh faces four major challenges in the broad area of equity. The first challenge relates to the income dimension of poverty: the pace of reduction has been too slow; it needs to be accelerated and sustained. The second challenge pertains to the human poverty dimensions: despite considerable progress, the overall record is yet to be comparable vis-à-vis some

(continued on page 5)

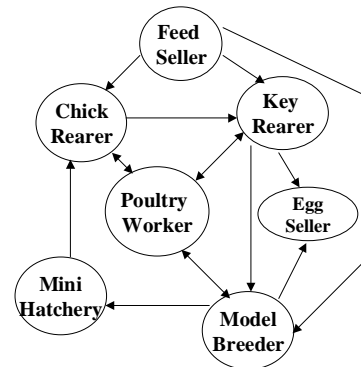
ADB Takes a Participatory Approach to Livestock Development in Bangladesh

Poverty among women and rural communities in the northwest and north-central regions of Bangladesh is significantly higher than the national average. In the fight against poverty, emerging integrated livestock programs involving selected smallholder livestock enterprises, microcredit, and related services have shown that the incomes of the poor can be quickly and sustainably raised. The Bangladesh Government sees the potential of this form of livestock development as a major part of its national strategy to reduce rural poverty. ADB has provided Bangladesh a loan of US\$19.7 million from the Bank's special funds resources, approved on 19 June 1997, to assist the Government in developing this strategy through the implementation of the Participatory Livestock Development Project.

The project aims to improve the status of women, reduce poverty, and increase employment in the rural areas. The target beneficiaries of the project are women and other rural poor, comprising landless or near-landless farm laborers, with an emphasis on households headed by females. Focused at the *thana* level, the project employs an integrated approach that involves all stakeholders through village-level organizations that act as channels for the delivery of benefits directly to poor households.

The project has four parts, of which one key component is the development of village livestock systems for the reduction of rural poverty by (i) providing microcredit through non-government organizations (NGOs) for smallholder poultry, beef-fattening, and goat-raising enterprises; and (ii) supporting institutional, technical, microcredit, and training services to poor farmers by NGOs. Microcredit is provided through the Palli Karma Shahayak Foundation to participating NGOs for investments in poultry, beef-fattening, and goat-raising enterprises. The participating NGOs, through their area offices, are responsible for the loans to poor farmers. The Directorate of Livestock Services, through local

thana livestock development offices, monitors the technical implementation; provides support training to participating NGO staff; and provides animal health services, feed quality analytical services, and support for improved animal fodder to participating farmers.



Integrated Smallholder Poultry Production

This integrated and participatory project has provided income-generating opportunities for poultry workers, egg sellers, smallholder poultry farmers, and feed sellers in the rural areas. The project has targeted to benefit directly 360,000 smallholder poultry enterprises and service providers and 4,000 beef-fattening enterprises in 89 thanas through the services of 10 selected NGOs. Of the 89 *thanas*, 50 *thanas* have been brought under implementation during fiscal year 1998-1999 and the remaining 39 *thanas* will be brought under implementation during fiscal year 1999-2000. At the end of April 1999, NGOs had identified a total of 132,321 beneficiaries against a target of 107,400 for fiscal year 1998-1999 in eight different cadres of the project. As of April 1999, 22,901 beneficiaries had availed microcredit amounting to Tk59,977,000 for various enterprises under the project.

The administration of the project has been delegated to BRM since January 1999. BRM fielded a mission comprising Mr. Karimul H. Talukdar, Sr. Project Officer; Mrs. Rokeya H. Choudhury, Project Implementation Officer; and Mr. Nazmul Alam, Project Analyst, to conduct a detailed review of the project from 17 to 23 May 1999.

The mission visited sites in Rangpur, Dinajpur, Thakurgaon, and Kurigram to review the implementation of the microcredit component of the project. The mission visited beneficiaries engaged in different cadres of the poultry production cycle, beef-fattening enterprises, and other related services under the project. Early results indicated that poor rural women could benefit a great deal under the project.

Here are testimonies of beneficiaries on the project.

Sheuli Begum: I am a housewife with four children of school age. I was struggling to make ends meet to feed, clothe, and educate my children. My husband operates an indigenous factory that recycles rubber thongs for sponge sandals. The earning from the factory is not enough to meet all the requirements of my family. I came to know about the microcredit program under this project and became interested in starting a chick-rearing unit. I received a loan of Tk7,200 after receiving a three-day training on chick rear-



ing. With this money I purchased 250 day-old chicks at Tk8 each. This is my first venture. I expect to sell the remaining 236 chicks at Tk40 each. The sale of the poultry will be arranged by the NGO concerned. I expect to earn a profit of Tk2,711 from my first venture.

Kohinoor Begum: I want a comfortable life for my family and want my only daughter to have a good education. My husband's income from plying a rickshaw is not enough. When I

(continued on page 4)

Capital Market Development in Bangladesh

By Narhari Rao, Senior Economist

Bangladesh has a small and relatively underdeveloped financial sector. This is one of the main factors underlying the low levels of domestic saving and investment. Lack of adequate financial market infrastructure and ineffective regulatory mechanisms deter the inflow of portfolio and direct foreign investment. The Government of Bangladesh has been attempting to reform the financial market with assistance from several donors, most notably ADB and the World Bank. ADB has an ongoing program aimed at reforming the nascent capital market in Bangladesh. This article briefly outlines the major features of the ADB's capital market program.

ADB approved in November 1997 a Capital Market Development Program (CMDP) loan of US\$80 million (equivalent) to Bangladesh. The objectives of the CMDP are to broaden the capacity of the equity market and to develop a fair, transparent, and efficient capital market. The CMDP, which will be implemented over three years (1998-2000), has six main policy components: (i) strengthening of market regulation and supervision, (ii) developing capital market infrastructure, (iii) modernizing capital market support facilities, (iv) increasing the supply of securities in the market, (v) developing institutional sources of capital to improve the demand for securities, and (vi) improving policy coordination. The policy conditions will be implemented in two phases. The first phase of policy changes was accomplished prior to the release of the first tranche of the loan in January 1998. The second phase of policy changes is currently being introduced and it is expected that the Government will be able to satisfy the tranche release conditions by the end of 1999.

Strengthening market regulation and supervision is a critical element in creating a fair, transparent, and efficient capital market. It will be achieved by enhancing the capabilities of the Securities and Exchange

Commission (SEC); making SEC into an autonomous agency to insulate it from outside interference and to centralize capital market regulatory powers in the organization; and institutionalizing and expediting the resolution of securities cases. To enhance the capabilities of SEC, additional staff have been recruited, with experience in monitoring and surveillance. The Government is also considering ways of augmenting the compensation package of SEC staff to attract professionals with requisite caliber and experience.

As part of the second tranche release conditions, two SEC members will be appointed from the private sector while the two part-time government nominees (from the Bangladesh Bank and the Ministry of Finance) will be replaced by full-time members, preferably with private sector experience. Over the program period, the SEC Act will be amended to incorporate and consolidate all existing legislations concerning securities. SEC will thus be empowered to make rules and regulations, consistent with the SEC Act and other statutes in force,

without prior approval of the Government. To increase the regulatory efficiency, the authority vested with the Registrar of Companies over the contents of prospectuses will be formally transferred to SEC. SEC will also be given direct authority over the clearing, settlement, and depository functions. Its powers to impose monetary fines and other types of sanctions will be broadened. The ADB is also exploring the feasibility of making SEC a self-financing organization with authority to levy fee for its services.

To develop capital market infrastructure, the program aims to strengthen the accounting regulations and conditions for disclosure of listed companies. Internationally applicable accounting standards will be adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). The stock exchanges will also take measures to increase accountability and transparency of their operations. All listed companies will be required to make immediate disclosure of any

(continued on page 6)

ADB Finances Bangladesh's Cellular Telephone System

(continued from page 1)

The project is the first significant private sector investment in the country in the underdeveloped telecommunications sector with a high level of unmet demand. It will, therefore, significantly contribute to the economic development of Bangladesh, improve access to health, education, and government services, and strengthen cultural and social ties.

The loan/equity investment covers the first four years of investment and operations, after which the project will become self-financing. A key component of the project is a 1,800 kilometer optical fiber transmission system for which the owner, Bangladesh Railway, has entered into a lease agreement with GrameenPhone for excess capacity. The system will provide a

nationwide network linking cities and rural areas together into a single system.

The VPT service will be set up and managed through Grameen Telecom, a nonstock, nonprofit company established under the laws of Bangladesh at the initiative of Grameen Bank. It will lease telephones to village entrepreneurs who will sell the telephone service to fellow villagers.

Through this arrangement, Grameen Bank will make available its network of 1,050 branches and its microcredit facilities to finance and operate the VPT service. The VPT concept was developed in line with the approach of Grameen Bank to reduce poverty through generation of self-employment.

Livestock Development in Bangladesh

(continued from page 2)

learned about this program, I decided to avail a loan to set myself up as a key rearer because the feed cost is minimal as the chicks do not need to depend



totally on purchased feed. They can also scavenge for their feed. I took a loan of Tk2,000 and purchased from the project's chick rearers 10 two-month old chicks of local and high-breed pullets, including two high-breed roosters at Tk300. At the end of three to four months, I will sell the chicks to model rearers at Tk120 each. I can also sell the eggs at Tk3 each to the egg-seller. I am very happy that I can do this. In three months, I have made a profit of Tk625.

Zulekha Begum: I am a widow with four children. I want to earn more money so that I can provide a better future for my children. My eldest daughter is studying in college. When my husband died, my eldest son had to give up studying and earn money to support the family. When I learned about this program, I wanted to be a poultry

worker as well as a key rearer. I have taken a loan of Tk2,000 and used part of the loan to purchase the kits and vaccines needed for a poultry worker. My income is generated from the service charge of Tk0.50 per vacci-



nation. I have so far vaccinated 300 chicks and earned Tk150. I expect to earn more when more people are involved in poultry raising. I regularly visit the poultry rearers and also attend to them whenever I am called. I am excited when I also get calls from poultry rearers outside the project's scope. I realize that poultry workers are a vital role player in the activities of the various cadres of poultry rearing under the project. It makes me feel proud that I am doing worthwhile work that will benefit my family.

Mosammat Anju Begum: My husband works as a day laborer. The money he earns from this is not enough for our large family. I wanted to do something to add to the family income.



I was really glad to get this opportunity. I have taken a loan of Tk11,000 to start a feed selling business. I am lucky that I can do this from my house and don't have to go far to set up shop. Since I run the business from the house, I can also carry on my usual household chores. My husband actively supports me in the business during his free time. My business really took off from the day I started. I make a profit of about Tk1.50 on every kg of feed that I sell.

Zelekha Begum: I am a widow with two daughters. My husband was killed in 1986 during violence at an election campaign. I work as a domestic help and eke out a very meager living. I gave my elder daughter in marriage about three years ago but she is facing abuse due to a lack of dowry. My younger daughter dropped out of secondary school as I can no longer pay the costs. I am glad that I have this opportunity to earn some extra money by being a model rearer. Part of the



loan I have taken was used to build a hen house, purchase some equipment like feeder, drinker, laying boxes, etc. The rest of the loan was used to purchase the poultry and feed. The poultry I am raising are high-breed. I sell the eggs to egg sellers and mini hatchery owners within the project scope. Sometimes, I also sell the eggs in the market. I get a good price for the eggs, about Tk3 each. I can also sell the culled birds at Tk80 each. I am able to earn Tk630 each month.

Sadeka Begum: Sadeka Begum was shy at first to talk in front of strangers. However, she opened up after a while and said: I have a large family that includes my husband, three daughters, and one son. My eldest daughter is married and the younger three children are studying in secondary school. My husband is a farmer and his earnings are not enough to maintain such a large family. I was inter-



ested to earn some extra money and the beef-fattening enterprise attracted me as an easy and quick way of earning some extra money. I took a loan of Tk11,000 and purchased three male calves for fattening. After keeping them for three months I was able to sell them for Tk4,000 each. I was also able

(continued on page 5)

ADB Pursues Cooperation with NGOs

ADB is pursuing an expanded program of cooperation with NGOs with a view to strengthening the effectiveness, sustainability, and quality of development services that ADB provides. The objective of ADB's cooperation with NGOs is to work with them to incorporate their experience, knowledge, and expertise into ADB operations, so that the development efforts ADB undertakes would more effectively address the issues and priorities reflected in the ADB's development agenda. It is the intention of ADB to cooperate with competent, experienced NGOs that have substantial

knowledge in their fields of expertise, and with which cooperation is appropriate and mutually beneficial for ADB, NGOs, and governments. In

project programming work, ADB cooperates with NGOs when such cooperation supports and contributes to the
(continued on page 8)

Livestock Development

(continued from page 4)

to sell the cow dung for 50 paisa per kg. After paying the feed costs and interest on the loan, and meeting other incidental costs, I have earned a profit of Tk7,480.

Marjina Begum: I have two sons aged 12 and 9 who go to school. My husband works in the paddy fields as a day laborer and earns about Tk40 per day. This is too little for my family. My husband encouraged me to take a loan to start a mini hatchery. I was given training on how to operate a hatchery. The work is very interesting. One hatching cycle needs 21 days. The eggs are kept inside paddy dust in large hollow baskets made of bamboo. The baskets with the eggs are placed in a dark and temperature controlled room. After six days, I check the eggs and sort them to remove the ones which will not hatch. I then replace the fertile eggs in the hatching baskets. I sell the unfertile eggs at Tk3 each. When the chicks hatch, these are immediately sold to the project's chick rearing units. The sale is arranged by the NGO working in my area.



BRM Undertakes Poverty Study

(continued from page 1)

regional countries. The third challenge relates to the significant differentiation in both income and nonincome dimensions of poverty across various regions within the country. The fourth challenge is about having a society where distribution of incomes and social opportunities would become more equitable over time.

- Poverty reduction was minimal despite considerable flow of resources into rural areas through budgetary allocations as well as massive expansion of traditional microcredit. This is not to deny the importance of microcredit for the poorest. The question is whether poverty reduction in Bangladesh should be defined in future as "microcredit plus." Expansion of microcredit for the poor should be seen in the broader context of infrastructure development. Such a packaging will not only enhance the return to microcredit schemes, but will also accelerate the rate of poverty reduction.
- Two sectors, which merit special attention but have so far remained downplayed in ADB's development concerns, relate to noncrop agriculture which has strong growth potentials, and health which has implications for reducing poverty through its influence on income erosion. While allocating resources to social sector projects, ADB should be more careful to adopt a balanced approach recognizing the role of all three elements: education, health care, and nutrition for the poor.
- Development of human capital has the largest impact on poverty, followed by investments in physical infrastructure such as road and electricity. There is a need to balance

investments in social and physical infrastructure as they both provide critical inputs in the overall process of sustainable poverty reduction.

- The impact of ADB's road projects on poverty, as suggested by the wage effects, has been considerable. The poorest of the poor were benefited by the implementation of such projects. In some cases, the wage impact may be higher than is usually observed in the case of microcredit projects. The evidence also amply demonstrates the poverty reducing effects of the area development projects with irrigation and credit-for-the-poor components.
- Given the increasing importance of urban sector in national poverty reduction, the rising share of urban portfolio in ADB projects has been a shift in the right direction. However, differential demands of various categories of urban poor need to be conceptualized better.
- The pace of poverty reduction cannot be accelerated within the given national boundary. The role of transboundary factors has increased over the nineties across the globe and Bangladesh is no exception to this. Greater emphasis needs to be given to regional and subregional issues, which were virtually missing in the ADB's past lending strategy.
- The Bank should increase its gender focus through the implementation of road, water, and forestry sector projects where the scope for gender involvement is considerable, especially in maintenance programs.
A seminar will be organized by BRM to present the findings of the study.

Capital Market Development in Bangladesh

(continued from page 3)

material information concerning their state of affairs and to ensure that all investors have access to relevant information. For listing a company, the stock exchanges will adopt rules which will evaluate performance criteria such as record of dividend payments, track record of profits, solvency ratios, etc. To ensure continuing listing on the stock exchanges, the companies will be required to immediately make known decisions regarding dividend declarations, issue of rights and bonus shares, substantial change in ownership, and other relevant information relating to the function of the company.

The second tranche release conditions will require that (i) councils/board of directors of the stock exchanges will include at least 50 percent nonbrokers with adequate representation from issuers and investors; (ii) entry rules for brokers will be made stricter by raising qualification standards and the minimum capital requirements of brokers will be raised; (iii) risk-based capital adequacy norms will be introduced for member brokers; (iv) to promote efficiency and competition among the stock exchanges, the mandatory requirement of dual listing of securities in the two stock exchanges will be eliminated and companies will be free to choose the stock exchange in which they wish to list their securities; (v) to protect investors and to avoid possible conflict of interest, the dealership operations of brokers will be separated from their securities dealings so that these two operations will be carried out by separate entities, as distinct organizations with separate books of accounts; and (vi) the stock exchanges will establish an Investor Protection Fund, funded out of brokers' contributions to compensate investors for losses arising from defaults from member brokers and dealers on account of insolvency and dishonesty.

Masures to improve and modernize capital market support facilities will include the establishment of an automated central depository system (CDS) and an automated trading

system in the stock exchanges with remote access facilities. Good progress has been made by the two stock exchanges in their automation efforts. It is expected that stock exchange facilities will be available in most parts of the country. The second tranche conditions require that an automated CDS, based on appropriate legal and regulatory framework, is made fully operational. Similarly, the two stock exchanges will automate and extend their services nationwide.

Increasing the supply of securities in the market is sought to be accomplished by providing incentives for securitization; encouraging Government to divest its shareholding in some state enterprises, public national companies, and multinationals; facilitating the issuance of securities through public offerings in the market; and by developing the long-term debt market. The Government will also provide tax incentives to induce banks, financial institutions, insurance companies, and nonresident companies to list their securities.

The second tranche conditions require the introduction of legislation to reduce further the corporate tax rate for all listed banks, insurance companies, financial institutions, and nonresident companies to 35 percent. This uniform rate for all listed companies was introduced in the 1998 budget. The various acts and regulations are being amended to vest exclusive authority for merchant banking functions with SEC. Furthermore, once the merchant banks become operational, the current practice whereby SEC fixes the price of new securities will be done away with. The Government is also expected to divest shareholdings in certain public, national, and multinational companies.

The main factors delaying privatization are the lack of enabling legislation, and the current weak capacity and lack of autonomy of the Privatization Board. These weaknesses are being addressed under the program. To develop the long-term debt market, the Government is issuing

securities on a regular basis, of not less than two years' maturity, through an auction system. A secondary market in debt securities will be developed through the establishment of secondary market institutions such as discount houses or a network of primary accredited dealers, with technical assistance from the International Monetary Fund (IMF).

The main instrument for developing institutional sources of capital for the securities market is by liberalizing investments of the contractual savings institutions, insurance companies, and pension and provident funds; expanding the merchant banking industry and mutual funds operations by opening them to the private sector; and restructuring the Investment Corporation of Bangladesh (ICB). In the first phase, the Mutual Funds Regulations are being strengthened and eight merchant banks have been licensed. ICB's securities operations are also being brought within the ambit of SEC regulations.

The second tranche conditions include restricting mandatory investment by insurance companies in government securities and investments to 30 percent of total investible funds. Legislation is also being introduced to allow at least 25 percent of private pension and provident funds, which are currently invested in government securities, to be invested in the capital market.

The Government will also license private sector-sponsored mutual funds to operate. Furthermore, separate entities will undertake merchant banking, mutual fund operations, and stock brokerage; these separate firms will have no interlocking ownership and management. Finally, ICB will be unbundled and restructured into three separate entities under the Companies Act to carry out operations of merchant banking, mutual fund operations, and stock brokerage activities.

To improve policy coordination and facilitate smooth implementation of conditionalities of the

22 ADB Missions to Bangladesh in Third Quarter 1999

CMDP, a Policy Coordinating Committee was formed with representatives of the Ministry of Finance, Bangladesh Bank, SEC, and the National Board of Revenue.

To build capacity and strengthen the institutional capabilities of the various participants in the capital market, CMDP also provides for technical assistance in three key program areas: (i) capacity building of SEC and the stock exchanges; (ii) implementing insurance industry and pension and provident fund reforms; and (iii) institutional strengthening of the Privatization Board.

The ADB's medium-term strategy in the financial sector of Bangladesh is to develop an efficient and transparent sector, and to enhance private sector participation to facilitate efficient mobilization and allocation of resources to attain sustained economic growth. To achieve this objective, successful and timely implementation of the CMDP is an important step.

Simultaneously, the Banking Sector Restructuring reforms being suggested by the World Bank will also need to be implemented as early as possible. Successful development of the financial sector will also require continued close policy coordination with the IMF on macroeconomic management.

In the medium term, with the successful implementation of the reforms, the necessary legal and institutional framework for an efficient financial sector would be in place. Deepening of the financial market would occur through project investments financed by the long-term debt market.

The market will also be in a position to offer a range of financial instruments, services, and institutions. In the medium term, ADB will be involved in assisting Bangladesh develop an efficient long-term debt market for financing infrastructure development, term lending for industrial development, and increasing the diversity of financial institutions, their standards, and the range of financial services. These investments will further deepen the capital market.



Private Sector Mission led by Director Yang.

Twenty-two missions from ADB headquarters visited Bangladesh between July and September for consultation, review, and evaluation.

- Consultation Mission for Private Sector Development Strategies

A high-level Consultation Mission of ADB visited Bangladesh from 31 July to 1 August 1999 to develop a comprehensive Private Sector Development Strategy. The Mission was headed by the US Director to ADB, Ambassador Linda Tsao Yang, and included ADB Board Directors Zhao Xiaoyu from the People's Republic of China, John Millett from the United Kingdom, and Prasit Ujjin from Thailand, as well as Bank staff from relevant offices.

The Mission met the Minister of Finance, Minister of Commerce and Industry, Chairman of the Privatization Board, senior government officials, various chambers of commerce and industry,

NGOs, and the media to discuss a wide range of issues including (i) country-level issues related to private sector participation in the economy; (ii) expected role of the Bank's public sector operations in helping develop the private sector; and (iii) role, priorities, and instruments of the Bank's private sector investment operations.

- Review of Promoting Good Urban Governance in Dhaka City
Ms. Gulfer Cezayirli, Urban Development Specialist, visited Bangladesh on 5-6 August 1999 to review the progress of the advisory technical assistance for Promoting Good Urban Governance in Dhaka City.

The long-term objective of the technical assistance is to improve the management capabilities of Dhaka City Corporation (DCC). The immediate objective is to create an impetus for reform in DCC through increased transparency, accountability, and responsiveness by focusing interventions at the ward levels.

New Books and Videos

- **First Workshop on Economic Cooperation in Central Asia: Challenges and Opportunities in Transportation.**

Price: US\$15 per copy

- **Second Workshop on Economic Cooperation in Central Asia: Challenges and Opportunities in Energy.** Price: US\$15 per copy

- **Environmental Management of the Republic of Maldives—An Overview.**

Price: US\$10 per copy

- **Key Indicators of Developing Asian and Pacific Countries 1999, Volume XXX.** Price: US\$38 per copy

- **Sustaining Effective Social Programs: Financing Immunization in Cambodia, Lao PDR, and Viet Nam:** Price: US\$10 per copy

- **Women in Sri Lanka:** 42 pages.

- **Empowering Women in Nepal—Credit Where It's Due.** Video. Price: US\$10 per copy

Cooperation with NGOs

(continued from page 5)

effectiveness and sustainability of operations. In policy development, ADB cooperates with NGOs toward the formulation of policies that are consistent with ADB's mandate and that strengthen ADB's development policy agenda. Many approaches to operations, reflected in ADB's current Medium-Term Strategic Framework, are areas in which NGOs have significant strengths, and in some cases, comparative advantages. Where desirable and appropriate, ADB promotes government-NGO dialogue and cooperation in development efforts.

ADB often has worked extensively with NGOs in countries with established NGO communities such as in Bangladesh, Indonesia, and Philippines. In these countries, NGOs traditionally have played a significant role in development efforts, both official and nonofficial, and have established some degree of comparative advantage in various aspects of the development process.

Sectors in which ADB and NGOs have most often cooperated include agriculture and rural development, water supply and sanitation, health and population, education and human resource development, small-scale industry and microcredit, and environmental protection. In an increasing number of cases, NGOs are being engaged as implementing agencies for ADB loan and technical assistance projects. Such cooperation with NGOs is being realized in projects

concerning health, education, microcredit, and environmental protection. As NGO capacity develops, new opportunities for such cooperation will be further enhanced.

NGOs are the main implementers of nonformal education programs, which are being established under the ADB's Nonformal Education Project in Bangladesh. A key function of NGOs in the implementation of the various sub-projects is the effective management of all field activities, especially in carrying out baseline surveys including a profile of the target population, and maintaining records of student intake, delivery services, output evaluation, financial and accounting records, and continuing outreach programs.

The Second Secondary Towns Infrastructure Development Project involves NGOs in solid waste management in two wards of each town, implementation of sanitation programs, community organization, primary health care, and family planning.

The Third Rural Infrastructure Development Project involves NGOs in training members of the local contracting society for maintaining and taking care of plantations, and social development skills in basic health, family planning, nutrition, etc. NGOs are also involved in income-generating activities.

The Second Water Supply and Sanitation Project has foreseen

Publications and Video Orders

For orders, contact
Publications Unit
Office of External Relations
Asian Development Bank
E-mail:
adbpub@mail.asiandevbank.org
Facsimile: (63-2) 636-2648