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Bangladesh



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1. Summary

The macro-economic development in Bangladesh was encouraging during 2003. Despite this no real break-through was made in the rate of poverty reduction. The Government completed the Interim Poverty Reduction Strategy Paper (I-PRSP) and embarked upon the work of a final PRS.

The confrontational politics between the two major parties, BNP and AL, continued to severely hamper the functioning of the Parliament. The law and order situation remained a cause of great concern. The fight against corruption remained high on the Government's agenda and legislation for an independent Anti Corruption Commission was enacted. The establishment of an independent Human Rights Commission and a Parliamentary Ombudsman as well as the separation of the judiciary from the executive was still outstanding.

The total aid-flow to Bangladesh continued to decrease during 2003 and many donors faced difficulties in utilising allocated resources. The Swedish disbursement within the framework agreement with GoB was only about 70 MSEK compared to the average annual allocation of more than 200 MSEK. Serious delays were encountered in the GoB approval process in most sectors.

2. Strategic Country Development Trends

2.1 Poverty Reduction: Overall Trends and Perspectives

Bangladesh made considerable progress in poverty reduction especially during the nineties. Between 1990 and 1999 the income poverty declined by 1 percentage point per year and most of the social indicators improved significantly. In absolute terms, however, the numbers of people living below the poverty-line decreased only marginally. In 2002 about 34 per cent of the population lived on less than 1 USD per day. Although there are no data available for 2003 there are reasons to believe that there was no serious breakthrough in the poverty reduction rate in the year.

The World Bank has estimated that in order to get a real impact as regards poverty reduction, not only in terms of the share of people living below the poverty line, but also in terms of the absolute number, the growth rate of GDP needs to increase to at least 7 per cent per year. In 2003 the growth rate fell short of this by almost 2 percentage points. Moreover, the experience during the nineties was that the growth in GDP was accompanied by a rising inequality. In fact most of the dynamic sectors of the Bangladeshi economy generated inequality. There were no signs that this pattern was reversed in 2003 and even though Bangladesh's Gini-coefficient was still lower than those in India, Pakistan, Sri Lanka, Nepal and China a pertinent part of a future poverty strategy will be to combine growth with reduced inequalities.

The interim PRSP entitled *Bangladesh: A National Strategy for Economic Growth, Poverty Reduction and Social Development* was adopted by the Government of Bangladesh (GoB) in 2003. The document had been prepared through a participatory process of national consultations with various stakeholders. The key objectives to be supported through the PRS were promoting pro-poor growth, faster human resource development, women's advancement, social protection and participatory governance. The I-PRS served as an important input to the Bangladesh Development Forum (BDF) that was held in Dhaka on May 16–17 under the chairmanship of the Finance Minister Mr Saifur Rahman.

The I-PRS sets a series of social development targets to be met by 2015, guided by the need to increase the pace of poverty reduction from about 1 per cent per annum during the nineties to 3,3 per cent between 2000 and 2015. Even though this represents an ambitious target the

prospects are reasonably good that Bangladesh will achieve several of the MDG:s in 2015. A major exception, however, is the maternal mortality rate where Bangladesh has amongst the highest figures in Asia and drastic measures would be needed in order to reach the goal in 2015.

2.2 Macro-economic Development

The development on the macro-economic side was rather encouraging during 2003 and the economy remained on track for a higher GDP-growth in 2004. According to the Asian Development Bank (ADB, Quarterly Economic Update, December 2003) the increase in GDP was forecast at 5,7% for fiscal year (FY) 2004/05 as compared to 5,3% for FY 2003/04. The merchandise export increased by more than 10 per cent in 2003. Also imports showed a significant increase of more than 15% in 2003 thereby widening the trade deficit. Remittances from abroad increased by about 7%. As a result the current account of the balance of payments for July – October 2003 stood at a surplus of 321 million USD as compared to 558 million USD the corresponding period the year before.

Despite the largely positive developments during 2003, the challenges for the Bangladeshi economy are manifold. Even though it remained high on the agenda of the government, a truly efficient recipe for a "pro poor growth" remained to be initiated.

The rate of inflation was manageable although the trend during 2003 did not go in the right direction. In December 2003 the rate of inflation had risen to 6,2 per cent on a year by year basis. The increasing prices was a cause for concern especially since the prices of food and other basic necessities were increasing faster than the general growth in consumer price index.

Reforms in state-owned enterprises and banks were slower than expected. A recent decision to let each ministry take on the responsibility for the privatisation of the companies under their control was not necessarily expected to speed up the process. The rate of recovery of defaulted loans of the Nationalised Commercial Banks continued to be disappointing during 2003.

The foreign direct investments in Bangladesh were negligible during 2003. Indecision on the development of the infrastructure and, above all, a deteriorating situation as regards law and order most likely contributed to the fact that potential investors seemed to shy away from Bangladesh despite the potential that a country with a population of 140 million people should offer. To really "take off" Bangladesh would need to come to terms with the corruption and law and order situation as well as the repeated general strikes ("hartals") called by the opposition and to upgrade, at a higher speed than in the past, its infrastructure including the power sector, roads, telecommunications and ports.

Still, despite all the shortcomings listed above the economic policy during 2003 in many ways proved the Government's commitment to reforms and stabilisation of the economy. The introduction of a flexible exchange rate, the increase (although from a very low level) in the revenue collection (around 10,5% of GDP in 2003) and the sharp increase in the foreign exchange reserves were some of the signs of successful economic governance in 2003.

2.3 Political Development, Good Governance and Human Rights

In the domestic political arena 2003 was a year of continued confrontational politics between the two major parties – the leading party of the government coalition, Bangladesh Nationalist Party (BNP) and the leading opposition party, Bangladesh Awami League (AL). The lack of co-operation severely hampered the functioning of the Parliament. The AL was boycotting the Parliament during much of 2003 claiming that it was harassed by the ruling coalition and not allotted sufficient time to speak in the sessions in parliament. The formation of the Standing Committees was in many cases seriously delayed and the meetings of the Committees were less frequent than prescribed. The AL was not participating in the Standing Committees. A number of hartals disrupting the economic life were called by AL and other parties.

From 25 January to 16 March local elections were successfully held to most of the country's 4451 Union Parishads (the second lowest tier of Bangladesh's local government system). In September /October 2003 the Government established the so-called "Gram Sarkars" (the lowest tier of local government) all over the country. Some 500 000 selected members of the Gram Sarkars will, according to their mandate, function as a support institution of the Union Parishad. How this will function in practical terms remained to be seen at the end of the year.

Politically motivated violence was reported on numerous occasions. Bangladesh was for the third consecutive year labelled as the most corrupt country in the world by Transparency International. Although the Government strongly objected to the "method of ranking countries" it still reiterated on many occasions that the fight against corruption was high on its agenda. In line with this, legislation for an independent Anti Corruption Commission was enacted (in early 2004). The legislation is promising and to start with the establishment of the Commission will be important to prove the Government's sincerity with the issue.

The situation for human rights in Bangladesh remained fragile. Despite strong verbal commitments from the Government to improve the situation, human rights abuses continued to be frequently reported in media. The Government was yet to live up to its election promise of setting up an independent Human Rights Commission and a Parliamentary Ombudsman.

The improvement of the law and order situation in the country continued to be high on the Government's agenda during the year. In October 2002 the Prime Minister decided to deploy the Army to assist the police in restoring law and order in the country. A country wide anti crime drive, "Operation Clean Heart", was launched on October 17. The decision met with broad support among the general public. However, frequent reports of deaths in custody evoked increased criticism and allegations against the military and police for torture and other human rights violations. Operation Clean Heart ended on 9 January 2003. The same day the Government adopted an ordinance to indemnify the armed and police forces for their acts committed during the Operation. The Bill that was passed by Parliament on 23 February allowed soldiers to face court martial for offences during the Operation.

As regards the foreign policy the relations to India continued to play an important role. At the same time Bangladesh pursued a balancing "look East policy" in order to strengthen its links to the countries in South-East Asia and East Asia. The commitment to the regional co-operation within SAARC remained as strong as ever. As the spokes-country for the Least Developed Countries (LDC) Bangladesh played a key role in the preparation and co-ordination of LDC:s for the Cancun WTO-meeting of the Doha Development Agenda. The efforts to find a formula for reducing the negative impact of the scrapping of the Multi Fibre Arrangement (MFA) in 2005 was given high prominence in Bangladesh's trade policy. However, concrete measures to counter this potential "body-blow" to the Bangladeshi economy remained largely outstanding at the end of the year.

2.4 Development Co-operation and Partnership

In the Bangladesh Development Forum held in Dhaka in May 2003, the development partners recognised the GOB:s achievements in stabilising the economy and launching structural reforms, even though it was pointed out that the unfinished structural agenda was substantial. There was general agreement in the meeting about the critical importance of better governance – including improvement of law and order, human rights and security, anti-corruption strategy, addressing extortion and toll-taking and improving NGO relations. Corruption remained a core governance issue. The GOB:s decision to hold also next years BDF in Dhaka was welcomed by the development partners.

The total aid-flow to Bangladesh has been gradually decreasing over the past years. This declining trend continued during 2003 and ODA as a share of GDP amounted to about 2 per cent of GDP. The co-ordination between the donors remained extensive throughout the year within the framework of the Local Consultative Group (LCG) and its 22 sub-groups as well as in several other donor constellations.

3. Swedish Development Co-operation

3.1 Strategic Assessment and Considerations

The country strategy, with its emphasis on health, education and local governance remained highly relevant and in line with the priorities in the GoB:s Poverty Reduction Strategy. However, the experience during the first two years of the present country strategy has been that of constant delays in most phases of project preparation and unacceptably lengthy approval procedures once the project documents have been handed over to the GoB. As is shown under 3.2 below this has resulted in a severe under-utilisation of available resources. Thus, to increase the efficiency it may be necessary to explore ways and means of introducing an element of greater flexibility in the system of aid-delivery. Alternative modalities of channelling the funds may have to be used to a greater extent than at present, implying e g that a larger share of the country allocation may have to be allocated directly to the implementing agencies. To channel funds through the formal GoB-system to projects implemented by UN-agencies or NGO:s has regrettably proven to be overly cumbersome even in cases where the concerned line ministry has been in favour of the project as such.

3.2 Overall Country Programming Review

The utilisation of the allocation under the bilateral development co-operation agreement between Sweden and Bangladesh was not up to the expectations. Disbursements under the Framework Agreement were only about 70 MSEK compared to the average annual allocation of more than 200 MSEK.

The progress in the preparation of the next phase of the Primary Education Development Program, PEDP2 was progressing well during the year while the health sector was facing problems in the collaboration between the development partners and the GoB. Preparation for the new sector programme (HNPS) was delayed and while the GoB intended to launch the programme in 2004 it was envisaged that donors would be able to support the programme only from 2005. A donor supported contingency plan for 2004 was under consideration but not yet decided by the end of the year.

The preparation of the Local Governance and Production Programme, LGPP, was continuing during the year. In March 2003, the GoB formally submitted its LGPP proposal to Sida.

3.3 Follow-up of Country Programme Performance

Education

Bangladesh was in the process of finalising its National Plan of Action II (NPA II), for basic education for the period 2002–2015 based on its Education for All (EFA), Dakar, commitments. This was linked to the Millennium Development Goals (MDGs) in the context of poverty reduction and to the PRS process.

Bangladesh has one of the largest basic education populations in the world, (primary education – over 17 million, non-formal education over 40 million).

To provide adequate, needs-based education for such a population is a formidable task.

The focus of Bangladesh's commitment to basic education is on quality, gender, equity, more efficient decentralisation and governance, improved management, monitoring and human resource development, interventions in the areas of child labour, child rights, ethnic minorities, children with special needs, and sustainability in the context of inclusive education.

The development of basic education is dependent on the rights of the child. The Bangladesh Committee on the Rights of the Child, which monitors the implementation of the Convention of the Rights of the Child (CRC) in Bangladesh has recommended to the Government, that the revised National Plan of Action for Children should ensure all rights under the CRC, the MDGs, and the World Fit for Children Action Plan, and be integrated into the PRSP. The National Plan of Action for Children and the National Plan of Action II (NPA II) for basic education need to complement each other, and the co-ordination between the relevant ministries needs to be strengthened. When it comes to the rights of adolescents and adults who have no access to education, or have dropped out of the formal system, the rights ensured under the Constitution and reflected in the NPA II for Non-Formal Education should be carried out based on socio-economic needs.

In 2003, Sweden continued its support to the following basic education programmes which will be completed by June, 2004:

- 1) Development of Primary Education through Intensive District Approach (IDEAL). A project with GOB and UNICEF.
- 2) Non-Formal Education Project 3 (Basic Education for Hard to Reach Urban Working Children) with GOB, UNICEF and DFID.

Many NGOs are partners in the implementation of these NFE projects.

Based on the long-term Swedish investment in basic education, the experiences gathered, and lessons learnt, on-going preparations on further Swedish support for basic education was carried out with the GOB, NGOs, and donors, with the aim of commencing support from 2004. These interventions are:

- 1) Primary Education Development Programme II (PEDP II). Elements of a SWAp in terms of pooled funding, joint reporting, reviewing, monitoring, etc. Target – primary school age children.

- 2) Non-Formal Education Project 3 (Second Phase) which will include a pilot livelihood skills development component with linkage to the market. Target urban working children.
- 3) Non-Formal Innovative Intervention. Basic education linked to poverty reduction through a more needs-based, strategic, innovative approach in the rural/urban context. Target adolescents and young adults.
- 4) Centre for Mass Education in Science (CMES). An NGO that runs basic education programmes, skills training, and access to employment for rural children and adolescents, with emphasis on female participation.

Sweden's support to basic education has been part of a national process to develop long-term, sustainable interventions that can contribute towards poverty reduction from a rights based gender perspective. In the future, Sida also needs to explore linkages with secondary education to expand and strengthen the basic education process.

The above process is an on-going endeavour in collaboration with the Government, donors, NGOs, communities and other stakeholders at the national and sub-national levels. The process needs to continue with a better focus on priorities, realistic planning, and national capacity to match, in an environment that has limited national resources, with growing disparity between the rich and poor, both nationally and internationally.

At the national level, one key issue in education is better management of resources including development assistance. This entails many interdependent elements within the education sector that need to act together in a much more coherent manner to contribute towards poverty reduction. Based on lessons learnt, attempts have been made in primary and non-formal education to address some of these issues through needed reforms and strategies, especially with regard to capacity. This needs to be an on-going, well-monitored process.

With regard to capacity and reform, the planning of large-scale national programmes with increased government funds and development assistance can only yield desired results, if the agenda is not overburdened with too many expectations within a limited time-frame. Prioritised and phased planning based on resources available, and flexibility need to play a key role in the process. Defining clearer roles for the Government, NGOs, CBOs, donors and the private sector is also relevant.

Sida's future perspective on support to education in Bangladesh also needs to include the scope for developing strategic approaches that can contribute to capacity development at the community level to enhance the linkage between education and poverty reduction, thereby strengthening human resource development and national ownership.

Health and Population

Due to slow implementation the Health and Population Sector Programme (HPSP) was extended up to December 2003 without any additional funding. A decision by GoB to separate the two wings of the

Ministry – health services and family planning – as soon as the HPSP period was over was received with concern by the development partners who requested the Government to submit an alternative technical proposal in March 2003. In June 2003, the Ministry of Health and Family Welfare (MOHFW) proposed an alternative action plan to be implemented under the HPSP and Sector Wide programme at large. The MOHFW would inform of actions completed during bi-monthly meetings between MOHFW, Economic Relations Division and the pool financiers. In 2003 two meetings were held to review the implementation of the Action Plan. The pace of implementation of the activities was satisfactory under the extension phase.

The Government finalised the Conceptual Framework of the new Health Nutrition and Population sector Programme (HNPSP). There was also an annex on health sector in the I-PRSP. Based on these the Government prepared the Programme Implementation Plan (PIP). The PIP was in the process of revision to accommodate comments from different stakeholders like Government agencies, professional bodies and development partners. While the Government planned to launch the HNPSP in 2004 it was envisaged that donor funding will be forthcoming in 2005 subject to a positive outcome of the appraisal process led by the World Bank.

In response to a formal request by MOHFW the Embassy positively appraised a one-year bridge-financing proposal up to June 2004 in support of Menstrual Regulation service delivery. The support of up to 10,3 MSEK should enable three NGOs, Bangladesh Association for Prevention of Septic Abortion (BAPSA), Reproductive Health Services, Training and Education Programme (RH STEP) and Bangladesh Women's Health Coalition (BWHC) to continue Reproductive Health (RH) service delivery, service promotion and technical training with a focus on Menstrual regulation. The projects meet the objectives of key Sida and Government of Bangladesh's health policies.

HIV/Aids

In May 2003 a framework agreement amounting to SEK 15 million was signed between Sweden and GoB on support to HIV/Aids interventions. One objective with the agreement was to facilitate the future project approval process of GoB of small and medium sized projects implemented by Government organisations, NGO:s or UN and other international organisations. Two project proposals were assessed and approved by the Embassy in consultation with the regional HIV/Aids advisor and Sida-S. The proposals were submitted to the Ministry of Health and Family Welfare for endorsement. However, the endorsement process proved to be cumbersome despite the "facilitating" framework agreement and still at the end of the year neither of the projects had been approved for Swedish funding.

Local Governance/Rural Development

The preparation of the Local Governance and Production Programme (LGPP) was progressing. In December 2002, GoB (Ministry of Local Government, Rural Development and Co-operatives, MLGRDC) presented its LGPP proposal to Sida. In late February 2003 a concept paper

of the LGPP was presented to the Sida Project Committee (PC) in Stockholm. In mid March 2003 the Embassy received a formal request from ERD about Swedish support for the program. Based on the PC-discussion and subsequent discussions with ASIA department it was decided to go for an in-depth assessment of the LGPP during 2003. Towards the end of the year ASIA department issued its new mandate to the Embassy to make the final in-depth assessment of the possible support to the LGPP.

Following discussions between Sida and GoB it was agreed that the project document needed some further refinement. Accordingly it was decided that "A Facilitation Team" would be procured to assist GoB in developing the project document into a Project Concept Paper (PCP) and a Technical Assistance Project Paper (TAPP) which are the documents required for the GoB budget-process 2004/2005. It was envisaged that the Facilitation Team would be in place in May 2004 with a view of preparing for a first implementation phase starting early 2005.

During the period of reporting NATUR visited Bangladesh twice and assisted the Embassy in the preparation of the LGPP program. In November 2003 three members of the Sida LGPP co-ordination group (NATUR, INEC(URBAN) and ASIA) visited Bangladesh. The mission was much appreciated by the Embassy and gave good possibilities to co-ordinate efforts.

The Local Capacity Development Initiative (LCDI) aims to strengthen the interface between the central level in Dhaka and the local level institutions in Greater Faridpur and to facilitate the interaction between the local community and the local authorities to jointly plan, design, implement and maintain development projects.

The LCDI was running in its second and third phase during FY 2002/2003 and FY 2003/04 respectively. During the second phase the initial work in four Unions in Greater Faridpur was extended to four more Unions in new districts. Additional financing of 6.5 MSEK was provided for FY 2002/03 but the Agreement was only signed on 21 January 2003. The implementation of the project was hampered due to the Operation Clean Heart (October 2002–January 2003) and the Union Parishad elections that were held during 25 January –16 March. In view of the elections a Government Ordinance issued late in 2002 restricted the development work of the UPs. Due to the substantial delays in the implementation of LCDI as well as in the preparation of the LGPP it was decided to extend LCDI for a third phase up to 30 June 2004. The project was on going although, again, the extension of the agreement was delayed and had not been signed by the end of 2003.

The LCDI project was evaluated in August-September by a Swedish consultant (Steinar Langbakk) who submitted his report in October. The consultant concluded that LCDI had succeeded well in implementing the programme even though some shortcomings e.g a weak gender input, insufficient training and a lack of a long-term strategy were also noticed. The consultant recommended that the project should be closed down in June 2004 and that the gap between the closedown of LCDI and a start of LGPP should be minimised. Meetings were held with LGED/LCDI as well as with other donor's interested in the field of local governance to disseminate the results of the evaluation.

The Developing Business Service Markets (DBSM) project aims to provide services to strengthen small and medium enterprises (SMEs) in Bangladesh. It is funded by a donor consortium consisting of DFID, the lead donor, SDC and Sida. The project has a national focus but also a component called "Support to Weaker Rural Markets" where Greater Faridpur will be the first pilot area. The inception-phase of the DBSM, funded by DfID and SDC, lasted for six months and ended 31 March 2003. During March the pre-cursor to DBSM, the SDC funded BDSP program, was evaluated and the findings were used in the preparation of the DBSM project.

A TAPP produced by GoB (Ministry of Commerce), with the assistance of the donors, was presented to the NPC SPEC committee in late December 2002. However, for reasons not fully comprehended by the donors the TAPP was still awaiting the Planning Commission's final approval by the end of the year.

The Productive Employment Project (PEP) is the only remaining component of the old RESP project. The Swedish support to the core-PEP was phased out in June 2003 and the responsibility for all project staff and credit operations was handed over to BRDB. In FY 2002/03 an additional amount of 5.8 MSEK was allocated by Sida to finance a new Arsenic component as well as to extend the TA-component with a further year up to June 30 2003. However, also here the agreement signing was much delayed by ERD and did only happen on 4 December 2002. In practise, this meant that the Arsenic component could start hiring and planning for implementation of the project first in December 2002. Based on a submission from ERD in September 2003 Sida agreed to a "no-cost" extension up to June 2004. The agreement with GoB was signed on 8 December 2003.

In February 2003 an international consultant assisted by a local counterpart evaluated the original PEP. The commission to the consultants included also the task of exploring how PEP could be sustained without Sida's financial support. The recommendations was shared with the GoB (BRDB) in February and further discussed in the March Quarterly Review Meeting.

A Workshop to further explore the possibilities to find a long-term sustainable solution was planned for the first half of 2003. However, for practical reasons it was not possible to hold the workshop before the original PEP-agreement expired. Later in the year the Embassy received a request from BRDB to finance the workshop from the Personnel and Consultancy Fund. An endorsement from ERD to this suggestion was still outstanding at the end of the year.

The PEP Credit program has maintained its presence in Greater Faridpur since 1 July 2003 and is continuing with its credit- and savings operations linked to the PEP-member groups. So far the BRDB has made some positive changes in relation to the project in order to retain and give them more flexibility to continue their work as earlier. Extra funds have also been allotted by the GoB, through the ADP funding, which has meant securing credit operations. What has suffered so far is the reduced training (of members) and maintenance aspects related to the project (IT equipment's etc.).

A Sida evaluation cum appraisal (see below) of the support to the NGO SAMATA's program in Greater Faridpur (supported 2000–2002) as well as the Land-rights network organisation was conducted in October 2002. The evaluation concluded that in most parts the two projects had been successful and the social mobilisation had helped poor landless families getting legalised ownership of government owned land.

In August 2002 SAMATA requested Sida to continue supporting the efforts of SAMATA and their Land-Network from January 2003 for another five years. Based on the results of the evaluation and substantive discussions with SAMATA Sida approved a revised proposal in March 2003. A total amount of 17.5 MSEK was allocated to the project for the period 2003–2007.

In September 2003 a MOU was signed and a Donor Management Committee (DMC), comprising DFID, NORAD and Sida was formed in order to reduce transaction-costs and to maximise donor harmonisation in the support to SAMATA. The DMC will have an acting focal point for communication with SAMATA and also formally meet with representatives of SAMATA twice a year to review financial issues and the progress of the programme based on progress reports prepared by SAMATA.

Sweden is part of a donor consortium supporting Transparency International Bangladesh (TI-B). The consortium consists of DFID (lead agency), Denmark, Norway and Sweden. A MOU was signed in December 2002 between the donors. Sida has allocated a total amount of 10 MSEK to the TI-B program called "Making Waves". The agreement between TI-B and Sida was duly signed in 2003. The first instalments were made towards the end of 2003.

The project encountered delays in its implementation during the year, due to the absence of the Executive Director (Manzoor Hasan left in May 2003) and that his position alongside with some other senior management were not filled by the end of the year. An institutional and competency building consultancy firm were brought in, Verulam Associates, to advise in the work to strengthen TI-B.

The support to the NGO BURO Tangail came to a close in June 2003 after a final support that focused on institutional capacity building of the management staff. Final report and audit reports were submitted by the organisation.

Arsenic Mitigation Projects

The Sida supported project with ICDDR,B, 'Arsenic in Tubewell Water and its Health Consequences in Bangladesh' (2001–2003) was approved for a no-cost extension up to end of January 2004. Although field activities were completed in July 2003 and arsenic analysis was completed by end of November 2003, some of the mitigation activities of the project took more time than was expected and thus led to the delay.

ICDDR,B submitted a project concept note in February 2003 requesting Sida to support a continuation of the project during the period 2003 – 2006. The aims of the continued project will be to further study the variations in arsenic exposure through tube well water, the health effects, the mitigation process and to further strengthen the competence at ICDDR,B and BRAC to deal with the arsenic problem in Bangladesh.

Sida entered into an agreement with ICDDR,B in October 2003 for the new three-year project.

Concessionary Credits

In October 2003 the Swedish Government authorised Sida to support the construction of the third Karnaphuli Bridge in Chittagong. The total cost of the project was estimated at 69,5 million Euro. The project will be co-financed by Sida, Dutch FMO and the Government of Bangladesh. The bridge is considered by the GOB to be an essential and most urgent requirement for the development of the country in general and the Chittagong area in particular. In December 2003 a financing offer was submitted by the Swedish and Dutch Governments to ERD.

In August 2003 Sida decided to extend a concessionary credit not exceeding SEK 67 million for the construction of Barapukuria Substation and Bogra – Barapukuria transmission line. The financing agreement between Swedish Export Credit Corporation and ERD was signed in November 2003.

A project review mission from ADB visited the TRIDP-I project in May and October 2003. The mission concluded that the project continued to progress well. Currently the focus is on constructing roads, market places, flood shelters etc as agreed in the programme plan.

In October 2003 ERD submitted a request to Sida for credit financing of another 95 Volvo double-decker buses for Dhaka City. Further processing of the request will await an evaluation/preappraisal that was scheduled to be undertaken early 2004.

Democracy & Human Rights

The first half of the reporting period was busy with evaluation-related activities since most of the agreements with the NGO's expired on 31 December 2002. In the case of three NGO's a six months bridging period became necessary in order to complete the planned activities and prepare for a new phase. Thus the Agreements were extended up to June 2003 with no additional funding. All common reports such as Annual Narrative Reports, Annual Audit Report, half-yearly narrative and financial reports were received and approved by the Embassy.

At the beginning of 2003 a joint TOR was finalised for the evaluation of the support to Bangladesh National Women Lawyers Association (BNWLA). A three member local consultants team was hired to do the assignment. The outcome of the evaluation was largely positive but included also some recommendations for improvement. After integrating all the recommendations a revised project proposal for 2003 to 2005 was submitted to the donors. The donor consortium, consisting of Sida, Norad and NOVIB signed a no cost extension to allow BNWLA to complete their planned activities and subsequently a new Agreement was signed to support BNWLA's new phase for the period April 2003 to December 2005.

During 2003 BNWLA conducted 26 awareness sessions through schools and colleges, organised and demonstrated 2 village theatre and conducted 108 Shalish/ local mediations to raise awareness on violence against women and children. BNWLA received 1891 complaints, registered 258 court cases, filed 15 Public Interest Litigation (PIL) related to

protection to deprived women and children and completed 16 awareness campaigns through press media, published 2 newsletter, selected 1 issue for research and conducted 1 study on violence against women under the project component Advocacy/Lobbying on Women and Child Rights. Due to a delay in the project preparation BNWLA could not achieve all its planned activities for the last six months.

A no cost extension of the support to Ain O Salish Kendra (ASK) was approved by the donors (Sida, Norad and NOVIB) in order to make it possible for ASK to complete some of their planned activities, allow an external evaluation and prepare a new project proposal. The evaluation undertaken by one international and one national consultant was positive but included also some recommendations for improvements. Taken into consideration these recommendations ASK submitted a revised proposal that was approved by the donors and a new three-year Agreement (July 2003 to June 2006) was signed. During the reporting period ASK's Training unit provided 91 training sessions on different HR related issues which has generated about one million taka for ASK. They conducted 52 Salish (traditional local court sessions) to prevent 48 Human Rights violations. 395 different issue-based drama was performed by the popular theatre unit to raise the awareness on Violence against women and HR issues. 5791 complaints were registered out of which 3610 were settled through mediation and 385 settled through litigation. ASK also provided protection to 905 working children.

Due to non-availability of qualified gender consultants, the evaluation of the support to Steps Towards Development (STD) could not start at the beginning of the year. To complete the evaluation properly by a professional consultant the Embassy signed a no cost extension up to 30 June 2003. In the meantime STD started their present phase activities with the help of Dutch funds. On the basis of an agreed TOR the evaluation was completed. The overall report was positive with a recommendation of continued support. A new Agreement was signed to support Steps for the period of July 2003 to June 2006.

To fulfil its objectives, Steps has tried to cover a significant course with the support of its partners, Gender Change Agents (GCA) Groups and Like Minded organisations. With help from Steps, 80 partner organisations developed their own Gender Policy, gender monitoring tools and indicators. Along with other like-minded organisation, they contributed to develop and submit the CEDAW Shadow report to UN. The landmark contribution of Steps in that report was the evaluation of the Government Initiatives on CEDAW and Bangladesh.

Based on the Norwegian Embassy's recommendation and their earlier evaluation of the support to Association for Community Development (ACD) it was decided not to have another evaluation at the end of 2002. A new project proposal for the period of 2003 to 2005 was submitted by ACD to the Embassy. After internal assessment a three-year Agreement (Jan 2003 to Dec-2005) was signed to support the new project.

During the reporting period ACD organised 4 training on "capacity building of community people through PRA", organised 3 meetings on "Development of Local Level Democracy", 7 meetings on "Strengthening the Rule of Law", 4 meetings on "Equal Opportunity and Wages ensured", 2 training sessions on "Political Empowerment". All of the above

activities were targeted towards Elected UP Chairmen, elected UP members, women labourers, social leaders, teachers, marriage registrars, imams, club members, social workers, group members and in some occasions officers from local administration i.e. U.N.O, Assistant Commissioner etc.

An independent evaluation of the support to Bangladesh centre for Development, Journalism and Communication (BCDJC) was conducted on the basis of an agreed joint TOR. The report was positive with a strong recommendation to continue the support to BCDJC. Consequently the Embassy received a new proposal covering the period 2003 to 2005. After internal assessment of the proposal the Embassy decided to support the project and a new Agreement was signed. During this reporting period BCDJC conducted three training-courses on Journalism to organise and sensitise the reporters on the core issues (Human Rights, Gender & Good Governance). They also arranged three Colloquiums with newspaper editors/gatekeepers to discuss the press situation in the region and the coverage of Gender & Human Rights issues in Newspapers. BCDJC also published a book on Journalism and successfully organised a national seminar on "Women in Mass Media".

The present phase of the support to the IRBD project (Independent Review of Bangladesh's Development) carried out by the Centre for Policy Dialogue (CPD) ended 31 August 2003. During the reporting period CPD hosted one annual review meeting with the like minded donors and presented their achievements against planned activities. Beside their regular activities CPD produced and distributed a very good update on Bangladesh development just before the "Bangladesh Development Forum" that was very helpful for the delegates participating in the forum. CPD also presented a concept paper for their future 5-year programme starting from August 2003. The donor consortium decided to have an evaluation before starting the next phase. On behalf of the donors, Canadian CIDA took the responsibility to bring the consultants and perform the evaluation. One international and one Bangladeshi consultant conducted the evaluation. The final report was very positive and recommended a continued support to CPD. The next CPD's IRBD proposal will be for five years. All the members of the donor consortium have indicated their willingness to support the project. In January there will be an in-house appraisal of the project and hopefully by the end of March 2004 a new Agreement will be signed with Cida (the lead agency of the LMG).

The agreement with Integrated Development Foundation (IDF) ended on 31 December 2002. For the last seven years Sida supported IDF to improve the socio-economic condition of the deprived minority / tribal people of Chittagong Hill Tract through its micro credit programme. The latest evaluation of IDF programme found a very positive impact on the socio-economic condition of the minority / tribal people. It also suggested that IDF should do some work on different rights related issues of those people. Realising the need of the people, IDF prepared and submitted a concept paper to the Embassy for support. The concept paper was reviewed at the Embassy and IDF was asked to undertake major revisions of their proposal. The revised proposal is yet to be submitted to the Embassy. Hopefully in early 2004 it will be possible to decide on possible future support to IDF.

With support from Sida the National Democratic Institute (NDI) introduced the Swedish model of study circles for a one year period. Four NGO:s were involved in the implementation of the project. A Study Circle Steering Committee was formed involving the four partner organisations. A total of about 800 people participated in 74 study circles on different topics. The topics included Environment and Health, Union Parishad Activities, Alternative Dispute Resolution, Role of Members of Parliament, Transparency and Accountability in Primary Education and Primary Health Care Services.

Sida also supported Manabik Sahajya Sangstha (MSS) to establish a Study Circle Resource Centre to facilitate the implementation of the Swedish model of Study Circle at the grassroots level. The project will be ending on 31st January 2004.

3.4 Office and Administrative Issues

The Counsellor completed his assignment and left Dhaka in July 2003. His successor was expected to join the Embassy in early 2004. The vacancy during the latter half of 2003 was temporarily filled by a programme officer

from Sida-S. The Embassy had a total staff of 23 during the year. The programme unit consisted of three Swedish (incl. one bilateral associate expert) and four Bangladeshi staff.

Annex 1

Publications Received

Index for Inclusion, Developing Learning and Participation in Schools, Centre for Studies on Inclusive Education, May 2003

Literacy in Bangladesh, Need for a New Vision, Education Watch CAMPE, October 2003

Renewed Hope, Daunting Challenges – State of Primary Education in Bangladesh, Education Watch, CAMPE, August 2003

Learning Throughout Life, Challenges for the 21st Century, UNESCO, June 2003

Draft National Private-Sector Survey of Enterprises in Bangladesh, 2003. Prepared by Lisa Daniels for DfID, USAID, SDC and Sida. August 2003.

Evaluation of the Local Capacity development Initiative (LCDI) Implemented by the Local Government Engineering Department (LGED). Draft Report. Steinar Langbakk, Langbakk Consulting AB. August 2003.

Briefing Note on Project Implementation of TRIDP/NRIDP (RDP-21), LGED, October 2003.

Improving the Use of Technical Assistance in Bangladesh's HNP Sector, Review of Technical Assistance to HPSP, Christopher Willoughby et. al, September 2003

Demand Side Financing: A Protocol for Intervention Pilot. The Assessment of Health Care Financing Options for the Poor, WHO Bangladesh, July 2003.

Action Plan for Completion of Agreed Reform Agenda, Ministry of Health and Family Welfare, 13 August, 2003.

Bangladesh. A National Strategy for Economic Growth, Poverty Reduction and Social Development. Government of Bangladesh. March 2003.

Annex 2

Basic Facts

Official name:	The People's Republic of Bangladesh
Capital:	Dhaka
Area:	148 000 sqkm
Population:	Ca 140 million (2003)
	75% rural, 25% urban
	38,8% under age of 15 3,2%
above age of 65 (2001)	
Population growth:	Ca 1,8%
Language:	Bangla 95%, others 5%
Religion:	Muslims 88%, Hindus 10%, others
(mainly Christians and Buddhists)	
Constitution:	Republic with ceremonial president
Head of State:	Professor Dr. Iajuddin Ahmed
Prime Minister:	Begum Khaleda Zia
Foreign Minister:	M. Morshed Khan
Major political parties:	Bangladesh Nationalist Party (BNP), Bangladesh Awami League (AL)
General elections:	October 2001
Next general elections:	2006
Currency:	Taka
Exchange-rate:	1 USD = Ca 58,2 Taka (February 2004)
GDP (total):	47,3 billion USD (2002)
GDP/capita:	350 USD (2001)
GDP/capita (PPP)	: 1610 USD (2001)
GDP-growth:	5,3% (FY 2002/03)
Inflation:	5,1% (November 2003)
Unemployment:	Ca 4% (2000). ("Excluding underemployed)
Major industrial sectors (share of GDP):	Agriculture 16%, Manufacturing 15%, wholesale and retail trade 13%
Fiscal deficit:	Minus 4,4% (FY 2002/03)
Foreign Exchange Reserves:	2,6 billion USD (January 2004)
Foreign debt:	17,3 billion USD (FY 2001/02)
Curr. Account Balance:	Plus 294 billion USD (FY2001/02)
Export (share of GDP):	14% (2002)
Export-growth:	7,3% (FY 2002/03)
Major export-products:	Garments, frozen food, jute
Import (share of GDP):	19% (2002)
Major trading-partners:	EU, USA
Swedish export to Bangladesh:	316 MSEK (2003)
Swedish import from Bangladesh:	1095 MSEK (2003)
Share of population living below 1 USD a day:	34% (2002)
Swedish aid-volume (MSEK):	600 MSEK (2002 –2004)
Total aid volume ODA):ODA as share of GDP:	1024 million USD (2001)2,2% (2001)

Life expectancy at birth (years):	60,5 (2001)
Adult literacy rate (% age 15 and above):	40,6 (2001)
Human Development Index (HDI):	0,502 (2001)
HDI rank:	139 (2001)
Under five mortality rate: (per 1000 live births):	77 (2001)
Maternal mortality rate (per 100000 live births):	600 (1995)
Public expenditure on education (% of GDP):	2,5 (2000)
Public expenditure on health (% of GDP):	1,4% (2000)
	Military expenditure (%)

Annex 3

Swedish Development Co-operation with Bangladesh

Contribution Number	Financial follow-up programme Bangladesh. 2004	Country Updated on January 14'	Status	Period of Agreement	Agreed amount	Amount for Planned Agreement	Disbursed upto & incl 2002	Disbursed 2002	Disbursed 2003 as of 31st. Dec.2003	Planned Disb. 2003	Estimated Disb. 2004	Estimated Disb. 2005	Estimated Disb. 2006
	1. Budget allocation per country				582.54	886.00	470.22	76.93	53.43	78.02	226.32	184.00	209.00
	1A. Development Coop./Agreement Contributions												
	Social sector				508.00	751.00	421.56	67.06	44.58	66.54	181.11	144.00	154.00
42003214	NFEII (Non Formal Education Project)		A	9701 - 0406	150.00	-	128.66	2.05	1.83	2.35	5.91	-	-
42003216	NFEIII (Non Formal Education Project)		A	9701 - 0406	45.00	-	44.45	-	-	-	0.55	-	-
42000095	NFE - II Phase 2		P		-	100.00	-	-	-	-	20.00	20.00	20.00
42000115	NFE Monitoring		A	0105 - 0206	6.00	-	4.64	1.66	-	-	-	-	-
42003212	IDEAL Primary Education		A	0001 - 0406	47.00	-	32.75	12.67	0.22	0.19	2.70	7.00	7.00
42000098	NFE for Poverty reduction		P		-	35.00	-	-	-	-	50.00	50.00	50.00
42000096	PEDP - II		P		-	250.00	-	-	-	-	-	2.00	2.00
	Basic Education in Faridpur / LGPP		I		-	6.00	-	-	-	-	-	-	-
42000063	Fifth Health & Population Sector Programme		A	9807 - 0312	260.00	-	211.06	50.69	42.52	44.00	4.95	-	-
42000137	HPSP - TA		P	-	-	9.00	-	-	-	-	3.00	3.00	3.00
42000138	Finance Health Prog. in G. Faridpur		P	-	-	6.00	-	-	-	-	2.00	2.00	2.00
42000139	Finance HM / AIDS		P	-	-	15.00	-	-	-	-	15.00	-	-
	UNUSMI		P	-	-	30.00	-	-	-	20.00	10.00	-	-
	HNFSF		P	-	-	300.00	-	-	-	-	60.00	60.00	70.00
420001089	Infrastr. priv sect. urb. water/san				54.20	135.00	38.99	8.54	7.99	10.36	35.20	40.00	55.00
42000107	IGB (SP & PCU)		A	0007 - 0306	19.50	-	18.97	0.54	-	-	-	-	-
42000120	PER		A	0007 - 0312	20.30	-	14.73	3.98	3.72	4.57	1.00	-	-
42000142	LCDI		A	0107 - 0312	14.40	-	5.29	4.02	4.27	5.79	4.20	30.00	50.00
	LGPP		P	-	-	110.00	-	-	-	-	20.00	10.00	5.00
	LCDI - III		P	-	-	25.00	-	-	-	-	10.00	-	-
	Agric, Fishery and Environment				-	-	-	-	-	-	-	-	-
	Research Cooperation				-	-	-	-	-	-	-	-	-
	Other				20.34	-	9.67	1.33	0.87	1.13	10.01	-	-
42000064	Personnel & Consultancy (II)		A	9807 - 0112	8.34	-	8.81	0.47	-	-	-	-	-
42000126	Personnel & Consultancy		A	0201 - 0506	12.00	-	0.87	0.87	0.87	1.13	10.01	-	-
	Total DISB Dev. Coop. Agreement				582.54	886.00	470.22	76.93	53.43	78.02	226.32	184.00	209.00
	Annual amount							120.00		150.00	200.00	200.00	200.00
	Balance Brought Forward							50.00		93.07	165.05	138.73	154.73
	Total Available for year							170.00		243.07	365.05	338.73	354.73
	Disbursement & Planned Disbursement for year							76.93		78.02	226.32	184.00	209.00
	Balance Carry Forward							93.07		165.05	138.73	154.73	145.73

Contribution Number	Financial follow-up programme Bangladesh. 2004	Country Updated on January 14'	Status	Period of Agreement	Agreed amount	Amount for Planned Agreement	Disbursed upto & incl 2002	Disbursed 2002	Disbursed 2003 as of 31st Dec.2003	Planned Disb. 2003	Estimated Disb. 2004	Estimated Disb.2005	Estimated Disb. 2006
	1 B. Outside Dev. Coop. Agreement				162.54	63.20	64.15	27.50	21.63	23.56	35.24	29.30	19.20
	Social Sectors				9.89	18.00	-	-	4.78	5.00	11.09	6.00	6.00
42000165	CMES / NGO		P		-	18.00	-	-	-	-	6.00	6.00	6.00
42000154	Reproductive Health(RHSTEP)		A	0307/0412	5.19	-	-	-	3.00	2.50	2.69	-	-
42000153	BAPS-A		A	0307/0413	1.46	-	-	-	1.00	0.80	0.76	-	-
42000155	BWHC		A	0307/0414	3.23	-	-	-	0.78	1.70	1.63	-	-
	Infrastr. priv sect, urb, water/san				12.00	30.00	4.95	2.50	2.81	3.00	7.30	8.25	5.00
42000090	SAMATA		A	0001 - 0306	2.50	-	2.35	0.90	-	0.10	-	-	-
42000117	ICDDR,B		A	0106 - 0305	3.50	-	2.60	1.60	0.81	0.90	-	-	-
42000149	ICDDR,B		A	0307 - 0606	6.00	-	-	-	2.00	2.00	2.00	2.00	-
	DGSM		P		-	30.00	-	-	-	5.30	6.25	5.00	-
	Democratic Governance & HR				41.25	15.20	-	-	9.35	10.36	16.85	15.05	8.20
42000135	Integrated Development Foundation (IDF)		P		-	3.60	-	-	-	-	1.20	1.20	1.20
42000145	SAMATA-Land(Greter Faridpur)		A	0301 - 0712	18.00	-	-	-	3.06	3.50	3.50	3.50	3.50
42000146	Transparency Int. Bangladesh		A	0301 - 1208	10.00	-	-	-	0.29	0.30	3.70	2.00	2.00
42000129	Ain O Salish Kendra (ASK)		A	0307 - 0606	4.05	-	-	-	1.20	1.20	1.40	1.45	-
42000130	BMWA		A	0304 - 0512	4.00	-	-	-	1.20	1.20	1.40	1.40	-
42000131	Steps Towards Development (STD)		P		-	5.10	-	-	1.60	1.70	1.70	1.70	-
42000132	Assoc. For Community Development (ACD)		A	0301 - 0512	1.50	-	-	-	0.44	0.50	0.50	0.50	-
42000133	BCDJC		A	0301 - 0512	1.50	-	-	-	0.50	0.50	0.50	0.50	-
42000134	Center for policy Dialog (CPD)		P		-	2.00	-	-	0.85	0.85	0.80	0.80	-
42000148	NDI		A	0301 - 0312	1.00	-	-	-	0.85	0.15	-	-	0.50
42000141	Upa Zila Election Observation		P		1.20	-	-	-	0.21	0.21	0.50	0.50	-
42000156	Seminar & Minor Studies		A	3001 - 0512	-	3.00	-	-	-	-	1.00	1.00	1.00
	Child Rights Initiative		I		-	-	-	-	-	-	-	-	-
	Soft Credits				94.20	-	59.20	25.00	-	-	-	-	-
71000996	Rural Road Investment - II		A	9807 - 0104	35.00	-	-	-	-	-	-	-	-
71000023	TRDP - I		A	9711 - 0206	34.20	-	34.20	-	-	-	-	-	-
71001533	TRDP - II		A	0207 - 0412	25.00	-	25.00	25.00	-	-	-	-	-
	Others				5.20	-	-	-	4.70	5.20	-	-	-
42000136	Financing Local Post		A	0301 - 0312	1.20	-	-	-	0.95	1.20	-	-	-
41003512&21	Programme funded staff		A	0301 - 0312	4.00	-	-	-	3.75	4.00	-	-	-
(1 A+1 B)	TOTAL PLANNED DISB COUNTRY ALLOCATION				745.08	949.20	534.37	104.43	75.07	101.58	261.55	213.30	228.20
	PREL. COUNTRY ALLOCATION									150.00	200.00	200.0	200.0
	2. Outside Country Allocation				82.80	325.00	82.80	-	-	-	313.00	-	-
	Concessional Credits				82.80	325.00	82.80	-	-	-	313.00	-	-
71000835	BGD, GSM Network Gramin		A	0004 - 0104	24.00	-	24.00	-	-	-	-	-	-
71000959	Urban Transport BGD		A	9906 - 0106	48.60	-	48.60	-	-	-	-	-	-
71000853	BGD Generator for DNWSA		A	9808 - 0106	10.20	-	10.20	-	-	-	-	-	-
71000987	Surface Water Treatment		P		-	140.00	-	-	-	-	128.00	-	-
71010440	BGD Bora Substation		I		-	50.00	-	-	-	-	50.00	-	-
71001188	Third Carnaphuli Bridge		P		-	135.00	-	-	-	-	135.00	-	-
	GRAND TOTAL BANGLADESH				827.88	1 274.20	617.17	104.43	75.07	101.58	574.55	213.30	228.20

Halving poverty by 2015 is one of the greatest challenges of our time, requiring cooperation and sustainability. The partner countries are responsible for their own development. Sida provides resources and develops knowledge and expertise, making the world a richer place.



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