

SUMMARY REPORT

1ST ROUND OF CONSULTATIONS FOR PREPARATION OF:

**Systematic Country
Diagnostic and Country
Partnership Framework
for Bangladesh
for FY16-20**

November 2014



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EXECUTIVE SUMMARY

The World Bank had organized a series of consultations in Dhaka, Sylhet, Chittagong and Jessore with different stakeholder groups in November 2014. The purpose of the consultations were to collect the views of the stakeholders, which will be feed in to the Systematic Country Diagnostic to inform the formulation of a new Country Partnership Framework (CPF) for Bangladesh for the period FY 2016-2020.

Consultations schedule was as follows:



DATE	Stakeholder Group	VENUE
November 6, 2014	Officials of ERD, GOB	ERD, Dhaka
November 10, 2014	Staff meeting	World Bank office, Dhaka
	Civil society/NGO/media	World Bank office, Dhaka
	Private sector	IFC Office, Dhaka
November 11, 2014	Civil Society, media, NGO, Academia, Local Government representatives, Lawyer, Opinion Leaders, women group	Hotel Nirvana Inn, Sylhet
November 13, 2014	Development partners at the LCG meeting	IFC Office, Dhaka
18 November 2014	Civil Society, media, NGO, Academia, Local Government representatives, Lawyer, Opinion Leaders, women group	Chittagong Chamber of Commerce and Industry
	Private Sector	Chittagong Chamber of Commerce and Industry
20 November 2014	Civil Society, media, NGO, Academia, Local Government representatives, women group, Lawyer, Opinion Leaders	Jagoroni Chakra Foundation, Jessore

Throughout the consultation with different stakeholder groups, some common issues recurrently emerged as priorities for Bangladesh. The stakeholders stressed on infrastructure development to sustain growth, emphasizing the completion of the Dhaka-Chittagong four lane highway and improvement of power sector. Stakeholders also gave paramount importance to improve rail and inland water connectivity. Modernization of Chittagong port was viewed as another priority area. Lack of urban management, specially the traffic in Dhaka is viewed as a bottleneck to Bangladesh's growth. For Bangladesh to benefit from its demographic dividend, many stakeholders talked about the importance of investing in quality education and creating a skilled labor force.

A centralized administration, Lack of capacity of government institution and the debilitating role of corruption were also highlighted as major impediments to development. The stakeholders, especially those outside Dhaka, stressed on decentralization and strengthening of local government. The need for creating more growth poles beyond Dhaka became apparent.

Apart from the common priority issues for Bangladesh, some unique issues to specific stakeholder groups or locations were also discussed. For example, while most of the stakeholder groups spoke about the Economic Zones, the private sector representatives in Dhaka & Chittagong urged more to create Economic Zones. In Jessore, the stakeholders spoke about the importance of agricultural marketing infrastructure for increasing farmers' incomes and for agricultural diversification into high value crops.

The detailed discussions on the respective consultations are given in the Annex.



CONTEXT

The World Bank organized a series of consultations in different geographical regions, namely Dhaka, Sylhet, Chittagong and Jessore with a broad range of stakeholders e.g. government, development partners, civil society, media, private sector, academia and others in November 2014. As part of the preparation of the Systematic Country Diagnostic and Country Partnership Framework (FY16 - FY20) for Bangladesh, these consultations were held to seek stakeholder's input and feedback into the development of the framework for the World Bank's engagement in Bangladesh to support the Government's vision of development. The aim of these early-phase consultations were to listen to the stakeholders views on the World Bank support for Bangladesh, and on strategic priorities that should be part of the future engagement in the country.

The CPF prepared by the World Bank Group starts from the member country's vision of its own development goals, which is determined by a country-owned and country-led process. The new CPF for Bangladesh would be aligned to Bangladesh Government's seventh Five-year plan.

PARTICIPANT TYPES

In Dhaka:

- ERD officials
- Development partners
- Private sector
- Think tanks
- Civil society, Academia and Media

In Sylhet

- Civil Society/ NGOs, Women's group, Media & Local government representatives

In Chittagong:

- Private sector
- Civil Society/ NGOs, Women's group, Media & Local government

In Jessore

- Civil Society/ NGOs, Women's group, Media & Local government

CONSULTATION STRUCTURE

The consultations were held in the preliminary stage of preparation of SCD and CPF, when drafts are not yet ready. The aim at this stage was to listen to the diverse set of stakeholders. The consultation was open ended where the moderator encouraged the participants to share their opinions on Bangladesh's development challenges. However, to provide an anchor for the discussion, the World Bank Country Director Johannes Zutt and in some locations, Lead Economist of the World Bank Dr. Zahid Hussain made a PowerPoint presentation titled 'Bangladesh: Key Priorities for Accelerating Growth and Poverty Reduction' in the beginning. The presentation worked as a triggering factor and was followed by discussion. [See annex for the presentation]

SUMMARY OF DISCUSSION

In every consultation, irrespective of its location, some common issues emerged repetitively as priorities for Bangladesh. Discussions in almost all the consultations were centered on the following: Infrastructure



Development including Transport, Power & Energy, Decentralization, Human Development, Economic Zones, Urbanization, Delta management, Governance. Apart from the common priority issues for Bangladesh, some unique to specific stakeholder groups or locations were also discussed.

Following is the summary of the major priority issues, as identified recurrently across the consultations:

GOVERNANCE

Lack of good governance is impeding Bangladesh's growth potential. All stakeholders groups opined that Bangladesh needs to improve state of governance to achieve its vision of middle income country. The country requires structural and governance reforms. Lack of commitment of the national actors is impeding development. Lack of good governance gave rise to corruption. Corruption has become pervasive in all sectors, which affects project implementation. Inequality will rise further, if corruption is not checked. The incidences around Padma Bridge were referred as an example of a culture of rent seeking.

Stakeholders also mentioned that the national institutions are eroding. The country needs to come out of the culture of impunity and ensure accountability for key institutions. The Government should ensure independence of judiciary. Good Governance can solve many problems.

POLITICS: Confrontational politics has become the biggest impediment to development. This is impeding governance, which ultimately results in sufferings of the common people. For inclusive growth, a participatory political environment is needed. In atmosphere of crony capitalism, there will be huge governance issues for implementing large infrastructure projects.

INFRASTRUCTURE

All stakeholder groups identified lack of Infrastructure development as a big challenge for growth. The transport, power sector and port need urgent attention. For transport, the country needs to invest in city, intercity, rail, road and water connectivity, while ensuring the quality of these infrastructures.

ROAD: The stakeholders termed the Dhaka-Chittagong 4 lane high way as the life line of economy and urged to complete the project on a fast track basis. Absence of commitment and good governance is delaying the completion of Dhaka-Chittagong 4 lane road.

On the other hand, traffic jam in the capital and other major cities has reached to such an unbearable level that the Dhaka & Chittagong city is almost becoming unlivable. Mass transit like metro and Rapid Bus transit is badly needed in the capital. The stakeholders in Chittagong added that the authority is ignoring the Chittagong Master Plan while building new roads, bridges and flyovers in Chittagong. For that, new constructions are not easing traffic congestion. The stakeholders in Sylhet and Chittagong also opined for developing Trans Asian Road and Railway, and investing roads leading to Jafalong, for enabling it to become an important land port. Participants in Sylhet said that a 4-Lane road is needed for Dhaka-Sylhet highway. Participants in Jessore said that a second Padma bridge should be built to connect the south with rest of the country.



RAILWAY: Railway sector is most practical solution for Bangladesh's mass transport needs. Along with nationwide connectivity, rail network should expand to provide commuter train service to connect the capital city with suburban areas. Therefore, the working people would be able live in the suburban cities and commute to capital daily, reducing huge pressure on big cities like Dhaka and Chittagong. The Government should invest to revive and modernize the railway system.

WATERWAY TRANSPORT: Traditional riverine transport can play a vital role in passenger and commodity transportation, because Bangladesh is a country of rivers. The government needs to focus on reviving waterway transportation. The civil society representatives in Dhaka, and mixed groups in Sylhet, Jessore and Chittagong urged to invest to ensure navigability of the rivers.

PORT: Chittagong port is congested by the stack of containers and it takes too long to clear the freights. Modernization of Chittagong Port and building another container terminal, should be a priority for the Government. Deep sea port is another urgent requirement, as Chittagong port alone cannot cater the requirement of the increasing trade volume. The Government should also focus on modernizing land ports such as Tamabil in Sylhet and Benapole in Jessore, stated the stakeholder groups in Sylhet and Jessore, respectively.

POWER & ENERGY

Power sector need to be given utmost importance to keep up pace with growth. All stakeholder groups across regions shared the same view. The country should explore for regional power sharing opportunities. Regional connectivity of power and transport will act as impetus for attracting investments. Expensive quick-rental power plants could meet power in the short term, but cannot be a long term solution for the country. Government need to construct more coal and gas fired power plants. Renewable energy, especially the solar system, may play a vital role in alleviating the power crisis in the country.

The government also needs to focus on its strategy for exploration of gas.

EDUCATION

It is important to invest in quality of education, not only in the number of children attending schools. Quality education and vocational training is important to take full benefit of the demographic dividend. All stakeholder groups expressed concern about the education quality. It is important to ensure quality education from the primary to tertiary level. Without ensuring the quality of teachers, it will not be possible provide quality education to students. The civil society members further stressed that quality of school education in rural and poor areas are particularly a concern. The Government has successfully ensured access but the quality of education is hindering to create a competitive workforce. Not a single university in Bangladesh makes to the list of top 500 universities globally. Science education is dismantled.

Madrasah education is expanding in the country. But the curriculum does not match with the national system. Madrasa education should be mainstreamed, so that those students can also turn into skilled resources.



URBAN DEVELOPMENT

All stakeholders were gravely concerned with unplanned urbanization, and specially Dhaka becoming increasingly unlivable. The population is increasingly migrating to Dhaka due to lack in decentralization. As with increased population pressure, the infrastructure facility has not expanded. Indiscriminate urbanization in Dhaka and Chittagong is rapidly degrading the environment and creating severe traffic congestion. Urban development is required to be planned and policy framework is required for urbanization. The expansions are often ad-hoc and the city master plan often ignored. Unplanned urbanization is creating congestion, water logging and other problems in cities.

Basic infrastructures such as safe water and sanitation are often an issue in big cities. The stakeholders in Sylhet, Chittagong and Jessore urged to ensure safe drinking water supply and solve water logging in metropolitan areas.

DECENTRALIZATION

All stakeholder groups, particularly groups in Sylhet, Chittagong and Jessore underscored the need for decentralization. Lack of decentralization is prohibiting the country's growth. Dhaka-centric growth is responsible for severe traffic congestion, environmental degradation, health hazards and pollution in the capital. Every government and business decision is taken in the capital. Many businesses headquarters have already relocated to capital from the port city. Development of second tier cities is almost nonexistent. The importance of decentralization of different government departments including the High Court has been emphasized. Development cannot be only Dhaka-centric. Without decentralization and development of second-tier cities, Dhaka will choke.

The Government needs to empower the local government. The priority for empowering local government seems to be in the back gear.

ECONOMIC ZONES

The private sector group in Dhaka in particular, along with others, stressed that the Government should develop Economic Zones on a fast track. The economic zones can play a vital role in economy, like the Export Processing Zones. Only few economic zones have been initiated, and even they are facing many issues.

KEPZ: The private sector representatives in Dhaka urged to resolve the issues of Korean EPZ which may otherwise impact the country's reputation and deter foreign investors. The Export Processing Zone Authority should settle the land issue.

PUBLIC PRIVATE PARTNERSHIP (PPP)

The civil society, think tanks, private sector representative in Dhaka and the mixed groups in Chittagong, Sylhet and Jessore, spoke about having the right set of regulatory framework for Public Private Partnership (PPP) to deliver results. It is also important to know whether PPP is really working in the social sector e.g. health & sanitation. Red-tapism and corruption in the public sector demotivates PPP. It is a positive development that a PPP Cell has been established in the Prime Minister's Office. But there is still a long way to go.



DELTA MANAGEMENT PLAN

The civil society representatives in Dhaka, and mixed groups in Sylhet, Jessore and Chittagong opined that for a country like Bangladesh, highly vulnerable to climate change, focusing on a comprehensive delta management plan is important. For this, cross country collaboration will be important. The World can help Bangladesh to take strategic advantage.

POVERTY ALLEVIATION

The civil society and think tank representatives opined that inclusive development is necessary to ensure faster poverty reduction. Bangladesh has made remarkable progress in this sector, but a lot more needs to be done. More people-centric governance is required and all efforts would go in vain if governance is not taken proper care.

Bangladesh is a highly populated country, and the people need to be turned to asset. It is also important to remember that the demographic dividend will not last forever.

READYMADE GARMENTS & OTHER PRIVATE SECTORS

RMG as a major export earner requires GSP facility in the US market. The RMG sector should have a regulatory system, which would enhance the capacity and responsibility of the sector. A focal ministry should be dedicated to regulate RMG sector and coordinate between the RMG related ministries, especially between the Ministry of Finance and Ministry of Commerce.

AGRO-FOOD INDUSTRY: The stakeholders in Jessore highlighted the importance of agricultural marketing infrastructure for increasing farmers' incomes and for agricultural diversification into high value crops. Agro-food infrastructure as storage facilities, transportation system and saline resistant varieties need to be introduced. Further, the farmers in Jessore are renowned for commercial farming of flowers which is exported to India. Proper infrastructure and facilities should be developed.