



JAPAN'S STATEMENT FOR THE BANGLADESH DEVELOPMENT FORUM

8-10 May 2004, Dhaka

1. Policies and Programs to Deliver the PRSP and MDG Goals

The Government of Japan welcomes the Bangladesh Government's initiative and ownership in formulating its **Poverty Reduction Strategy**. It is encouraging that the PRSP is prepared in a participatory manner, which involves concerned ministries and agencies through thematic group approach, and private sector, NGOs/CSOs and development partners through a series of consultation meetings.

However, we would like to emphasize that the success of PRSP, and thus achieving MDGs, fully depend on its **implementation**. We hope to see the Government's firm **determination and commitment** to implement the PRSP. We would also like to stress that **capacity building, budgetary allocation** as well as **monitoring and evaluation** in line with PRSP are of critical importance for its implementation.

2. Promoting Good Governance and Human Security

We firmly believe that **strong ownership and political leadership** supported by a firm **national consensus** among the people is of paramount importance in realizing sustainable development of Bangladesh. Japan commends the Government of Bangladesh for committing itself to tackling various issues in the fields of **law and order and corruption** with its own initiatives.

In addition to the earliest possible operationalization of the **Anti-Corruption Commission**, we believe that the improvement of the **civil service system**, including the **raising of pay structures**, would be useful for improving the quality of governmental service and avoiding corruption. We would like to urge the political leaders to launch a drive for continuous **nation-wide anti-corruption campaign** so as to raise people's awareness. It is vital for Bangladesh to iron out minor differences, unite under a common banner, and strive hard for economic and social development of this nation state.

Human security is one of the pillars of Japan's development cooperation. Japan endorses the view that human security is rather achieved by **protecting and empowering people through strengthening the community** than simply by protecting human rights. Japan supports the Government's efforts for ensuring human security through education, health and community development programmes. For example, Japan has contributed to the **participatory rural development**, which strengthens rural

communities to enhance access to various public service provisions. Several cabinet ministers of Bangladesh recently visited the site and observed the villagers' activities. We commend such actions by cabinet members, which greatly encouraged all the people related to this project.

3. Enhancing Partnerships between Government and NGOs

We are aware that both national and foreign NGOs including several Japanese NGOs in Bangladesh have been playing important roles in providing necessary social services for the poor and the disadvantaged ever since Bangladesh was born in a difficult situation. We hope that the **Government and NGOs** continue to **work together as partners** to most effectively achieve the intended results in health, education, and other sectors, and we will support such efforts.

As to the **NGO Bill**, which is currently under discussion, Japan believes it important that the Government and NGOs strengthen **dialogue** and ensure **transparency** in discussions.

4. Improving Human Development Outcomes

We believe that improved provision of social service requires good **policy planning** at the central level, appropriate **management** of the system and **competent people**. Japan has a firm view that human development is the most important factor for nation building. Japan has been placing particular emphasis on this human development aspect in Bangladesh. We have made and will continue to make our special efforts in **transferring our technology and know-how** in various forms in such fields as health, education, agriculture, rural development, electricity, and arsenic mitigation.

In this connection, we wish to stress that **those people who have received education and training** for technology and know-how transfer should be **fully utilized** by the Government by assigning them in **appropriate posts** in accordance with their individual career plans.

As to the **educational development** in Bangladesh, we support this sector with particular focus on the primary level, recognizing its significant need for quality improvement. Japan considers Primary Education Development Programme-II (PEDP-II) a great vehicle for human development when implemented with strong commitment and initiative of the Government of Bangladesh. We will contribute to **enhancing the quality** of primary education through primary school teachers' training on science and mathematics. This project is based on the finding that the subject of science and mathematics would help the students learn the scientific way of thinking.

With regard to **health**, we are convinced that achieving MDG targets require a comprehensive approach, which include not only the pragmatic **improvement of service delivery** at the community level but also the **reform of the health system** as a whole. We believe that Public-Private Partnership through which the Government, private sector and NGOs concert would be effective in achieving the common goals. Japan will continue its support for the health sector and HNPSP, laying its emphasis on improving **maternal and child health care service** and controlling **infectious diseases**.

Violence against women and girls is an important problem, and it is one of the major obstacles for women to play active roles in the society. In order to attain **gender equality** in Bangladesh, it is crucial to **target adult males for social awareness education** and to **ensure moral education for both men and women** on gender equality from primary to higher education. We believe that the key to achieving the gender-related targets in I-PRSP is to **strengthen the capacity of gender-related government ministries and agencies**, including the Ministry of Women and Children Affairs. We hope this will be addressed in the full PRSP.

5. Improving Trade and Investment Climate

The **private sector is the engine** for achieving targeted **economic growth** (6-7 % GDP growth) and for **diversifying export items** to face the multi-pronged challenges of the post-MFA period. The improvement of business environment is of great importance for private sector development. We fully share the concerns of the Government and various business organizations' concerns about negative impact of frequent general strikes or hartals on the economy.

We welcome that, in response to the Japanese Commerce Association's report on the impediments to business in Bangladesh last August, the Government of Bangladesh formed a **Task Force to improve the investment climate** and has promptly simplified the process of issuing work permits for foreign investors. However, many works still remain to be done. In this age of globalization, investors may easily shift their destination when they face any kind of obstacles, which negatively impact their business. We hope that the Government would intensify its efforts to formulate sound policies and to ensure their implementation, and tackle other unresolved issues such as **shortage of power, gas and water supply, corruption, and law and order situation** in order to ensure more investment-friendly environment.

We would like to stress that the **competition** for getting a larger share of foreign investment is becoming yet harder among developing countries. We do hope that the Government tackle and resolve these obstacles with **a sense of urgency and strong political will**. We wish to see substantial progress achieved in investment climate by next year's BDF.

6. Providing the Infrastructure to Support Growth and Development

Japan believes that **basic infrastructure** such as transport, communication and energy and **networking infrastructure** to link major cities is of critical importance. These are indispensable for activating the economy of major cities, which is a driving force for growth and a source for employment opportunities.

To maximize the impact of infrastructure development, making a **strategic allocation of limited resources to appropriate infrastructure** and promoting a **synergy of various infrastructure and institutional reforms** would be an effective approach. For example, Bangladesh can improve its competitiveness in attracting foreign direct investment by formulating a transport network through a combination of infrastructure projects and by introducing corresponding policies to improve the investment climate.

As a major investor in infrastructure, we welcome the progress of the **power sector reform** and a recent Government decision to **restructure the telecommunication sector**. In both sector reforms, the Government strategy follows a principle of separation of policy making, regulation and operation in order to ring-fence service delivery and pricing from political interference. We support this strategy and would like to stress that **regulators need to play a critical role** for successful reforms. To ensure that the regulators are fully functional, we urge the Government to provide them with sufficient budget and qualified staff resources and to respect their functional autonomy.

7. Aid Governance and Implementation of Development Programs

Since the independence of Bangladesh, Japan has been **supporting the self-help efforts** of the people and the Government of Bangladesh for social and economic development of the country through technical cooperation, grant aid, and Yen loans. Japan has recently signed the Exchange of Notes to **cancel a debt amounting to 158 billion yen, approximately TK 8,400 crore or US\$ 1.46 billion**. The Government of Japan has been respectful of the efforts made by Bangladesh and will remain committed to cooperate with the Government of Bangladesh. Japan hopes that the people and the Government of Bangladesh continue their efforts and initiatives to tackle various challenges for furthering economic growth, poverty reduction and social development.

We appreciate the progress of **simplification and harmonization initiatives** for development cooperation, and we will cooperate with such efforts. Effective modalities for aid need to be carefully considered sector by sector to **maximize the development impact**.