

Bangladesh Development Forum 2010
Address by Mr. Abul Maal A. Muhith, MP
Hon'ble Finance Minister
Government of Bangladesh

Hon'ble Prime Minister,
Esteemed Colleagues,
Distinguished Guests and Participants,
Excellencies,
Ladies and Gentleman,

Assalamu Alaikum and a very good morning to you all.

I consider it a privilege to welcome you all to the Bangladesh Development Forum 2010 at this beautiful city of Dhaka, which has just completed four centuries of its glorious history. The last meeting of the BDF was held in Dhaka on 15-17 November 2005 which focused on implementation of the Poverty Reduction Strategy I.

I would like to express my profound gratitude to the Hon'ble Prime Minister for her gracious presence in the inaugural session of the Forum. I also extend my appreciation to all my colleagues and representatives of development partners for their participation in this Forum. I sincerely hope that this platform will provide us with an opportunity to find common grounds on issues of our mutual concern.

Hon'ble Prime Minister, Ladies and Gentlemen,

The Development Forum began its long association with the development enterprise of Bangladesh in 1974. As Bangladesh Aid Group this Forum used to make pledges for external assistance to Bangladesh in support of development programmes of the country. Very soon Local Consultative Group came up, first to monitor progress of implementation of development plans & programmes and then also to discuss sectoral & other strategies for development of the country. In three and half decades the style and character of development partnership has changed a great deal. These days development assistance is usually provided on multi-year basis and this is not linked to any meeting of Aid Group. The discussion of strategies and action plans for development has moved beyond important economic sectors and simultaneously other issues of governance have come to the centre stage. Although the objective of all development efforts have always been poverty alleviation, focused attention on the subject assumed a new dimension about two decades back.

The Bangladesh Aid Group in the 90s of the last century changed substantially in its programme of work. Understanding on policy reforms became more important than aid commitment. The venue of the Aid Group Meeting also changed from Paris or Washington to Dhaka. The chairmanship of the Group also changed. It was felt that national ownership of the development programme should be reflected also in the chairmanship of the Forum of Development Partners. The Aid Group naturally changed its name to Development Forum.

Ladies and Gentlemen,

This Government assumed its responsibility in January last year in the wake of a huge electoral victory. The Grand Alliance contested the election with a clear and elaborate election manifesto. It affirmed that the Government believes in long-term planning and vision and it intends to set up its action programmes to fulfill the indicative targets. The Government also made it very clear that it is committed to consultation and consensus in formulating and adopting its development policies and plans. In order to meet the global crisis we decided to maintain and expand domestic demand, give the highest priority to agriculture and rural growth, take up special employment programmes, intensify and expand our food and social safety net programmes and assist our export sector to stay afloat with both financial and policy support.

We thought it appropriate to reconvene the Development Forum in early 2010 as we would be in a position to review our performance of a year and also set out our vision and plans a little more elaborately. Although the Development Forum is meeting today and tomorrow, its shadow, the Local Consultative Group became active soon after we took over office.

Excellencies, Ladies and Gentlemen,

Compared to previous events, this Forum bears an added importance because we are at the threshold of restructuring the global financial and monetary systems as well as the development enterprise of the post-world war period. Since October 2008, we witnessed a spate of proactive steps by leading economies, both developed and developing, and a number of high level consultations to chart a course of action to reduce the impact of the recent financial crisis. The G-20 Meetings in London and Pittsburg and the UN Conference in June 2009 were welcome initiatives in the regard and they obviously contributed to the air of confidence that has really thwarted the earlier pessimism about a long and deep recession. The Annual Meetings of International and Regional Financial Institutions (IMF, World Bank and other regional Banks) also added to this air of optimism. It is important that this optimism prevails, however, without giving quarters to a sense of complacency.

The current global economic crisis has led to heavily reduced capital and investment flow, which has in its turn adversely affected the investment

decisions by domestic private sector in the developing countries. It has substantially reduced global trade including a decline in manpower export that has turned into the main export earner of many countries. The unemployment rate in the weaker economies and reduction in public revenues are matters of serious concern. This slowdown has impeded the fight against poverty and is likely to jeopardize the achievement of MDG targets by 2015 in many developing countries including Bangladesh.

As we assess the response of the global system to the present crisis of recession, we find it extremely slow and very limited. To combat the adverse effects of the economic recession, the developing countries need, firstly, grants and concessional loans that are available now at much reduced levels, and secondly, rapid commitment of external assistance without elaborate conditionalities. The theology of export led growth and private sector led release of creative energies needs to be modified with concepts of acceleration of domestic demand, careful regulation of the financial sector and public measures against monopolistic power concentration. The philosophy of development assistance needs to be redefined while financial institutions need to be restructured and reformed.

Excellencies, Ladies and Gentlemen,

The Government's long-term vision for the development of the country is going to be reflected in its long-term Perspective Plan (2010-2021). I am mentioning only some broad points. Some more details of the plan will be provided in the next session. Broadly our objective is to set up a Digital Bangladesh where access to internet is available in all unions and growth centres in the country. We also believe that Bangladesh will move then to e-governance and e-commerce. We think ICT sector will vie with the Textile sector as the largest economic sector of the country and provide the highest opportunity for employment generation. We target the reduction of incidence of poverty level to 15 per cent of the population and we believe that unemployment rate will also decline to about the same level. Bangladesh will be a peaceful and prosperous country enjoying social harmony and enshrining people power and rule of law.

For realizing this vision, the Government would implement the Sixth Five Year Plan (2011-2015) which is being published shortly from July 2010. We hope that the Perspective Plan would be implemented through two successive five year plans and the last year will coincide with the golden jubilee of our independence. The critical concern of the Sixth Five Year Plan (SFYP) would be to achieve higher growth in such a manner that the poorer sections get a proportionately greater share of the benefits of growth, which will move them out of poverty.

Distinguished Participants,

In order to avoid any hiatus in our development enterprise and policy evolution we decided to work on the Poverty Reduction Strategy document (NSAPR II-Moving Ahead) drafted by our predecessor in office. Basing on targets and indicators provided in our manifesto and also on some work we began promptly on our Perspective and Five Year Plans, we decided to revise the document and carry forward our prime objective of poverty reduction to 2011 in an uninterrupted manner. This revised document entitled “Steps Towards Change: National Strategy for Accelerated Poverty Reduction (2009-2011)” is before the Development Forum for its consideration. Further, we are providing some details on our Vision 2021 and the outline of the Five Year Plan in the next session of the Forum. In that session we will cover our strategies for development for our term of office as also for realizing our Vision 2021. We give the highest importance to development of human resources and to good governance. So we have chosen to discuss these issues in what may be called the generic session on Bangladesh development.

Thereafter, we have chosen five other important sectors for a threadbare discussion in the subsequent sessions of today and tomorrow. Our choice of these subjects reflects both our priority as well as the problems that we face.

- Energy and power is a problem-ridden sector and without rapid and substantial progress it is difficult to move forward with investment and output growth. We are working on a three-year crash programme to meet the current crisis and we are hopeful that we shall be over the hump by calendar year 2011 and then our programme for 2014 and beyond will be in place.
- We believe that agriculture and rural development deserve the highest priority in any development programme of Bangladesh. Naturally food security, water resources and agriculture are topics for another session. I must, at the same time, point out that water resource and food security are also important factors under the topic of environment and climate change.
- Therefore, these two subjects will also be covered in our session devoted to environment and climate change which is the topic of the third session. It is a global perception that Bangladesh has been behaving most responsively for the protection and upgrading of the environment. But because of the global situation it is the most vulnerable country to climate change. Our Prime Minister has been playing a leadership role in the climate change negotiations. We expect firm commitment on emission levels. We expect vigorous efforts in adjustment, adaptation and mitigation of climate change. Therefore, we give the highest emphasis to technology transfer and financing of adaptation and mitigation measures.
- Our fourth topic is transport and communication. For expansion of economic activities and ensuring overall growth of the economy we

find that transport and communication is a deciding factor. We want to overcome all transport bottlenecks and for that we are not only seeking investment for expansion and improvement of transport network – multi-modal development of road, railway and water transport, but also its upgrading to facilitate connectivity in the region. Geographically Bangladesh is a transit country and, as promised by the Father of Nation, we are now attempting after 38 years to fulfill our dream of Bangladesh as the Switzerland of Asia.

- The last special topic for discussion is ICT sector and the plan for Digital Bangladesh. This is the most favourite subject of our Hon'ble Prime Minister and she is in the seat of an architect for this enterprise. We believe that developing the appropriate manpower, setting up the infrastructure for information connectivity and simultaneously developing adequate software with indigenous efforts we can move to e-governance and e-commerce very fast. Computerization of Government offices and functions is our first target. We have successfully launched 64 portals in all our districts within the first year of our administration. The emphasis on digital Bangladesh is for a variety of purposes. It improves and speeds up the disposal of business by Government. It makes all operations of Government transparent and open to the public. It is undoubtedly the strongest weapon against corruption. It is fundamental for any progress in the process of good governance.

Excellencies, Ladies and Gentlemen,

Finally, I would urge all of you to engage in fruitful discussions in the subsequent six sessions of the Development Forum. The first session is a kind of generic session on the proposed Five Year Plan as explained earlier. Development strategies, governance and human development are the major subjects that will be covered in this session. The five subsequent sessions highlight the major themes of our development thinking. I can tell you that these themes have been chosen in consultation with our development partners. I expect your appreciation and comments on our presentations. I also expect your ideas and recommendations on resource needs estimated by us and your proposals for means for meeting this challenge of mobilizing resources. We believe that appropriate policies and strategies along with removal of constraints to promote investment in the real sectors would be *sine qua non* for transporting us to our dream of a prosperous and peaceful country by 2021. This journey is not expected to be smooth. There will be many bumps ahead. But if we work together, we can overcome many of those apparently insurmountable problems. I am confident that we will continue to receive full support of our development partners in this endeavour.

Thank you, Ladies and Gentlemen, for your kind attention.

Joy Bangla!

Joy Banagbandhu!