



Bangladesh: Out of Fragility?  
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# THE FUTURE OF DEVELOPMENT PARTNERSHIPS

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# Overview



- Country Status
- Development Needs/Vulnerabilities
- Partnership Possibilities
- Funding Mechanisms
- Dimensions of Development Partnerships

# Country Status



- ◎ Low income (but beyond LDCs)
  - 2012 income per capita - \$840
  - 31.5% below national poverty line (2010)
- ◎ 8% growth rate required for sustained poverty reduction and to graduate to middle-income by 2021 – current rate 6%

# Development Needs/Vulnerabilities

- ◎ Continued Economic growth
  - Private Sector Development
    - Employment Intensive Growth
    - Moving Up the Value Chain
  - Infrastructure particularly, energy
- ◎ Stable Governance
  - Accountable, pro-poor governments
  - Elections must go on
  - Fiscal Policy Reforms



# Development Needs/Vulnerabilities

- ◎ Environmental/Climate Change mitigation and adaptation
  - Reduce impact of global warming
  - Address floods and natural disasters
  - Reduce pollution



# Partnership Possibilities



- Bangladesh is not aid dependent
- Remittances now at \$15 billion

Country/ Region	Aid as % of GNI	Aid as a % of gross capital formation	Aid as a % of imports
Bangladesh	1.3	5.8	4.6
Sub-Saharan Africa	4.3	18.8	9.9

# Partnership Possibilities



- ◎ Targeted Poverty Reduction
  - Support the government to lead basic human needs provision
  - Parallel service provision must be circumspect
  - Promote employment-intensive growth
  - Reducing absolute poverty ?

# Partnership Possibilities



## ◎ Private Sector Development

- Move beyond micro-credit – fund the “missing middle”
- Support growth of large-scale enterprises
- Infrastructure development
- Build enabling environment



# Partnership Possibilities

## ◉ Stable Governance

- Approach with care – can external agents affect fundamental changes?
- Help build institutions (only when asked)
- Support pluralistic, representative governments (more of a foreign policy than an aid issue)

# Partnership Possibilities



- ⦿ Environment/ Climate Change mitigation and adaptation
  - Support global sustainability efforts
  - Fix the rivers
  - Clean Bangladesh

# Funding Mechanisms



- ◎ Grants
  - Targeted poverty reduction
  - Some climate change issues
  - Flexible mechanisms to support governance reform
- ◎ Concessional loans
  - “Missing middle”
  - Large enterprise support
  - Promoting private sector investment flows
- ◎ Conditionality and donor competition

# Bangladesh: Dimensions of Development Partnerships



Country Status	Development needs/ vulnerabilities	Partnership possibilities	Funding Mechanisms	External funding source
<p>Low income, but beyond LDCs</p> <p>Requires about a 8% growth rate for meaningful poverty reduction and movement towards becoming a middle-income country</p>	<p>1.Continued economic growth</p> <p>2. Stable Governance</p> <p>3.Environmental/ Climate change mitigation and adaptation</p>	<p>1.1 Targeted poverty reduction</p> <p>1.2 Private sector development</p> <p>1.3 Infrastructure</p> <p>2.1 Support elections</p> <p>2.2 institutional development</p> <p>2.3 Flexible responsive mechanism</p> <p>3.1 Support global sustainability efforts</p> <p>3.2Fix the rivers – flood control, silt removal</p> <p>3.3Clean Bangladesh campaign</p> <p>3.4 Enforcement?</p>	<p>1.1 Grants</p> <p>1.2 Concessional loans</p> <p>1.3 Concessional loans</p> <p>2.1 Whole of Govt.</p> <p>2.2 Grants</p> <p>2.3 Grants</p> <p>3.1 -3.2 Grants and concessional loans</p> <p>3.3 Support the government/CSOs - grants</p>	<p>1.1 Bilateral , Multilateral agencies, NGOs</p> <p>1.2- Aid agencies, DFIs, Private Sector</p> <p>1.3 Multilateral , PPP</p> <p>2.1 -2.3 Government agencies</p> <p>3.1 -3.2 Global climate Change funding institutions</p> <p>3.3 Multilateral</p>