



# ASIAN DEVELOPMENT BANK AND BANGLADESH A Partnership to End Poverty



## ADB Responsive to Country's Needs

It gives me great pleasure to congratulate the Asian Development Bank on the occasion of the 20th anniversary of the establishment of its Bangladesh Resident Mission. With its Resident Mission in Dhaka, ADB came closer to the country's doorsteps, enabling regular interactions between the Government and ADB for proper design and implementation of programs and projects. On this auspicious occasion, I would like to record my appreciation for the significant support it extended to our efforts to achieve faster economic growth and in our relentless fight against poverty.

ADB has shown great understanding and innovativeness in appreciating our development goals and in defining its operating style here, carefully blending reforms with assistance. Its substantial assistance in different sectors has contributed to major improvements in sectoral performance, and the reforms supported by ADB have led to enhancement of institutional capacity and strengthening of operational frame-

work within the key sectors of the economy.

ADB has always responded positively to our needs. Together, we have implemented major projects and together, we have overcome difficult obstacles to development. We expect ADB to stand beside us, in the future as well, in our efforts to come out of poverty in the quickest possible time.

I am confident the ADB Resident Mission in Bangladesh will continue its good work, and I wish it all success.

**KHALEDA ZIA**  
Prime Minister  
Government of the People's Republic of Bangladesh



## About the Asian Development Bank and Bangladesh Resident Mission

The Asian Development Bank (ADB) is a multilateral development finance institution owned by 61 members, mostly from Asia and the Pacific. Its vision is a region free of poverty. Its mission is to help its developing member countries reduce poverty and improve living conditions. ADB's headquarters is in Manila. It has 23 other offices around the world, including resident missions in 15 Asian countries. ADB has more than 2,000 employees from nearly 50 countries.

The Bangladesh Resident Mission (BRM)—ADB's first resident office—was established in July 1982 to facilitate ADB's operations in the country. Since then, BRM's role has grown and evolved with that of ADB itself. In a recent decision by ADB to decentralize responsibilities, BRM

was chosen for maximum delegation. BRM's functions are to

- Initiate and maintain dialogue with the Government of Bangladesh on issues that are of relevance to ADB operations in the country
- Strengthen project processing and portfolio management
- Prepare the country strategy and program and its annual updates, and monitor the progress of the Partnership Agreement for Poverty Reduction with the Government of Bangladesh
- Strengthen working relations with the Government, development partners, nongovernment organizations, civil society, and the private sector
- Plan and prepare ADB's substantive economic and sector work for Bangladesh, and
- Promote external relations and disseminate

information about ADB and its operations. BRM is headed by a Country Director, who is assisted by 20 professional and 27 support staff members. The year 2002 marks a milestone for BRM: completing 20 years of service, and laying the foundation of its own office building.

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## A Dependable Development Partner

I am happy to know that the 20th anniversary of ADB's Bangladesh Resident Mission (BRM) is going to be held on 30th October 2002. Bangladesh has had close working relations with ADB ever since the country became a member of the organization in 1973. The relationship has been further strengthened with the establishment of ADB's BRM in 1982. BRM has brought ADB's operations—its development projects and technical assistance programs—to be more responsive to the needs of our people, while epitomizing the distinct cultural and institutional characteristics of the country. Today, we are happy to find ADB as a very dependable development partner of Bangladesh.

ADB has provided over six billion dollars in loans to Bangladesh, largely from its concessional funds, alongside the sizable technical assistance. ADB has a long-term involvement in this country, in various sectors including agriculture, social and physical infrastructure, communication, power and gas. ADB is also attaching greater attention to environmental sustainability and good governance and getting increasingly involved in private sector development in Bangladesh and promoting regional cooperation in South Asia. I am pleased to note that, in the

evolving process of development cooperation between Bangladesh and ADB, BRM has always been at the forefront of actions.

I hope BRM will continue to play a key role in implementing ADB programs in Bangladesh in the future, and assist the Government in facing up to the growing challenges of economic growth and reduction of poverty in this country. On this auspicious occasion, I greet all staff of BRM, past and present, for their sincere efforts in working together with us towards acceleration of the social and economic progress of our country, and the improvement of the welfare of our people.

**M. SAIFUR RAHMAN**  
Minister  
Ministry of Finance and Planning  
Government of the People's Republic of Bangladesh



## Resident Mission Strengthens Efforts to Fight Poverty

The 20th anniversary of the opening of our Resident Mission in Dhaka is an occasion to celebrate the development partnership between Bangladesh and the Asian Development Bank (ADB). It is a partnership devoted to achieving our shared vision of accelerated reduction of poverty in Bangladesh.

Our association goes back to 1973, when Bangladesh joined ADB. The opening of the Resident Mission in 1982 as ADB's first Resident Mission, marked an important point in this relationship by strengthening our links at country level, helping us improve coordination with the Government, and enabling us to design and implement our projects better. By giving us a presence in the country and allowing us to devolve responsibility to this country-level office, the Resident Mission has given us a better understanding of the development issues in Bangladesh. It also allows us more flexibility and responsiveness in meeting the country's evolving requirements.

Reducing poverty in Bangladesh and the rest of South Asia is key to meeting the millennium development

goal of halving the incidence of poverty in the Asia and Pacific region and globally by 2015. ADB's country strategy is based on a Poverty Reduction Partnership Agreement signed with Bangladesh in April 2000.

This Agreement continues to guide ADB's assistance to Bangladesh, which over the years has emerged as one of the Bank's largest borrowers. As we celebrate this important anniversary, I am happy to reaffirm ADB's firm commitment to supporting the Government and people of Bangladesh in their efforts to promote growth and development.

**TADAO CHINO**  
President  
Asian Development Bank



## ADB Makes a Difference in Bangladesh

Over the years, Asian Development Bank (ADB) has emerged as one of the most important development partners of Bangladesh. ADB is deeply committed to reducing poverty. This commitment is reflected in its assistance program in Bangladesh that attaches highest priority to promoting broad-based economic growth and improving welfare of the poor.

Unquestionably, ADB has made a difference in Bangladesh—in assisting us to improve key infrastructure, raise the standards of living of our people, and open up opportunities for our children. It has given hope to many for a better future.

I have been particularly impressed by the sensitivity and understanding with which ADB conducts its operations in Bangladesh. I am confident, it will strive its utmost at all times to retain its distinctive character.

The close relationship between ADB and Bangladesh has been strengthened by the existence of its resident mission in Dhaka. It gives me immense pleasure to felicitate the Bangladesh Resident Mission and its staff on the auspicious event of its 20th anniversary.

**ANISUL HUQ CHOWDHURY**  
Secretary  
Economic Relations Division  
Ministry of Finance  
Government of the People's Republic of Bangladesh



## New Office Shows Long-Term Commitment

This is a significant and joyous day for the Bangladesh Resident Mission as we celebrate our 20th anniversary and lay the foundation stone of our new office. For three decades, ADB has provided significant financial assistance to Bangladesh, including over US\$6 billion of concessional loans and US\$146 million of technical assistance grants. ADB has extended support to all major sectors of the economy, and the Resident Mission has played a key role in facilitating ADB's operations in Bangladesh since its establishment in 1982. The mission staff has worked hard to make ADB a reliable partner ready to offer constructive advice, critical analysis, and valuable propositions and suggestions. We will continue to do so.

Together with its development partners, Bangladesh has made major strides over the past three decades. The country has moved from near famine in the early 1970s to boast of food self-sufficiency today. Annual population growth has fallen dramatically. And more children are in school, with a primary-level gross enrollment rate of 97%, up from 59% in 1982, and a student body split almost evenly between boys and girls.

But many challenges lie ahead. Half the population—some 65 million people—still lives below the poverty line. Poor infrastructure, weak governance, and concerns over law-and-order remain major impediments to sustainable private sector-led growth.

The Government is committed to poverty reduction. With its rich human and natural resources and well-established democratic system, Bangladesh has the potential for rapid socioeconomic development. As the country works to develop its people, manage its natural resources and establish an effective and efficient administrative system, ADB will remain an eager partner.

**TORU SHIBUICHI**  
Country Director  
Bangladesh Resident Mission



## Reducing Poverty By Providing People with Opportunities

Since its establishment in 1966, the Asian Development Bank (ADB), a multilateral development finance institution, has been pursuing a policy of supporting and assisting its developing member countries to actively take measures to reduce poverty. Poverty reduction is the main thrust of ADB's work in Bangladesh, as well as in the whole of the Asia and Pacific region. ADB's Poverty Reduction Strategy, adopted in 1999, highlights pro-poor, sustainable economic growth; social development; and good governance. Its other four strategic objectives—promoting economic growth, supporting human development, protecting the environment, and improving the status of women—are pursued in ways that contribute effectively to reducing poverty. ADB also encourages private sector-led development and regional cooperation.

### Bangladesh as a Member of ADB

Bangladesh became a member of ADB in 1973. It is the 13th largest shareholder among its regional members, and 20th among all shareholders with about 1.04% of total shares. Bangladesh has emerged as one of the largest borrowers of ADB's concessional funds, with annual lending rising from US\$33 million in 1973 to US\$330 million in the 1990s.

### Bangladesh Resident Mission

The Bangladesh Resident Mission (BRM)—ADB's first resident office—was established in July 1982 to facilitate ADB's operations in the country. Since then, BRM's role has grown and evolved with that of ADB. In a recent decision by ADB to decentralize responsibilities, BRM has been chosen for maximum delegation. BRM's operational functions include portfolio management, country programming, economic and sector work, project processing, aid coordination, cooperation with nongovernment organizations, and information dissemination.

### ADB in Bangladesh

ADB shares with the Government of Bangladesh a common development goal, the underlying theme of which is poverty reduction. This is reflected in the Partnership Agreement on Poverty Reduction, signed between the Bangladesh Government and ADB in April 2000. The major highlights of the operational strategy of this partnership include building infrastructure, developing human resources, strengthening the private sector, fostering equal participation of women, and protecting the environment.

### Boosting Economic Growth

Poverty can be reduced substantially if the poor are provided opportuni-

ties to participate in the nation's growth process. ADB is assisting Bangladesh to achieve sustainable economic growth, which covers broad-based growth-promoting activities, including investing in physical and social infrastructure; promoting an environment program that supports environmentally sound development; and fostering private sector development. In promoting economic growth for sustainable poverty reduction, ADB also recognizes the importance of an enabling policy environment and good governance conditions. Over the years, ADB has provided numerous programs of assistance in support of policy reforms and good governance to the country to allow the poor to participate in the development process.

### Improving the Quality of Life

Social development has emerged in recent years as a major focus of ADB, with particular emphasis on investing in women and children to reduce disparity and poverty. Investing in education, training, and health improves the quality of life as well as sustains development over the long term through improved skills, productivity gains, and commitment to the development process. ADB's operational focus on social infrastructure covers primary, secondary, and nonformal education; and urban primary health care.

### Safeguarding the Environment

Poor people are both catalysts and victims of environmental degradation. ADB's assistance in the public health and education sectors, and the provision of alternative sources of livelihood for the poor, aim to reduce the need for the underprivileged to further deplete valuable natural resources—such as forests, biodiversity, and fisheries—for their livelihoods.

### Boosting the Private Sector

ADB is especially concerned about designing solutions to problems that impede private sector growth and enhancing the private sector's contribution to poverty reduction. Through its public sector operations, ADB creates enabling conditions for business and generates business opportunities in ADB-financed public sector projects. Simultaneously, ADB catalyzes private investments through direct financing, credit enhancement, and risk management instruments.

In Bangladesh, ADB continues to assist the Government in addressing the constraints affecting capital market development and its privatization efforts.

ADB's assistance for investments in physical infrastructure—energy and transport sectors—is expected to help private businesses run more efficiently. ADB also makes efforts to foster public-private partnerships



A nonformal education project is raising women's literacy levels

Bangladesh: Cumulative ADB Lending and Technical Assistance (as of 31 December 2001)

Sector	No. of Loans	US\$ Million	%
Agriculture and Natural Resources	63	2,161.80	33.3
Energy	23	1,475.70	22.7
Transport and Communication	19	1,190.80	18.4
Social Infrastructure	24	1,021.40	15.7
Industry and Nonfuel Minerals	8	262.50	4.1
Finance	8	217.60	3.3
Multisectoral	2	158.80	2.5
<b>Total</b>	<b>147</b>	<b>6,488.60</b>	<b>100</b>
<b>Technical Assistance</b>	<b>272</b>	<b>145.60</b>	<b>100</b>

that will lower the risks and costs associated with large infrastructure projects.

ADB's public sector projects offer specific opportunities for private sector participation and have a large impact on poverty reduction.

### Mainstreaming Gender

ADB emphasizes strengthening institutional mechanisms for mainstreaming gender in all its development interventions. ADB supports programs and policies of the

Government that generate benefits directly for women, such as the stipend program for girl students at the secondary level, microcredit program in livestock and other agricultural activities with women as the major beneficiaries, and primary health care for poor women and children living in urban areas.