

COUNTRY ASSISTANCE PROGRAM (BANGLADESH)

<1> POLITICAL, ECONOMIC, AND SOCIAL CONDITIONS

(1) Political Conditions

Bangladesh was under long military rule after the 1975 coup d'état, but the inroads made by democracy caused the military government to fall, and in 1991 the country held its first democratic general elections. This resulted in the emergence of the Zia government, with the tentative establishment of democratic procedures as the means of changing governments. However, problems remain in the running of parliament, implementing fair elections, and other practical aspects of putting democracy into practice.

Ever since democratization in 1991 there has been bitter conflict over who will lead the country among the Awami League, the current ruling party, and the Bangladesh Nationalist Party, the major opposition. This conflict stems from past feuds and has a significant impact not only on people's lives but on the national economy as general strikes and other shows of opposition paralyze economic activities. There are as yet no signs that a resolution to the conflict between the parties is in sight, but dialog between the parties and internal political stability are essential to economic development.

(2) Economic Conditions

Bangladesh has achieved a certain degree of economic growth in recent years, but this development is as yet not sufficient to achieving its primary goal of alleviating poverty. The former Zia government that took power in March 1991 achieved economic structural reforms under the guidance of the World Bank and IMF. These reforms cut the fiscal deficit (from 7.2% of GDP in 1990/1991 to 5.7% in 1995/1996), improved the balance of payments, restrained inflation, and brought significant macroeconomic improvements. However, the GDP growth rate was sluggish and the economy was in a slump. The current Hasina government, which came to power in June 1996, was helped by an upturn in conditions in the industrial, construction, and services sectors to achieve gradual rises in the GDP growth rate: 5.3% in 1995/1996, 5.9% in 1996/1997, 5.6% in 1997/1998. However, it is estimated that the figure for 1998/1999 will fall to 5.2% due to major flooding in 1998.

The government has achieved results in its economic programs, which include efforts to promote further economic liberalization, effectively tap private-sector dynamism, attract foreign investment, and develop agriculture. Higher growth rates will be necessary to alleviate poverty (calculations by the World Bank indicate that Bangladesh must sustain an annual economic growth rate of 7% in order to overcome poverty), but this in turn will require the privatization of state enterprises, clean up of the defaulted debts held by the banking sector, appropriate macroeconomic management, and economic and financial reform. In addition, the development of growth industries such as agribusiness to absorb excess labor is an urgent task for poverty alleviation.

(3) Social Conditions

Bangladesh faces wide-ranging problems including over-population, low level of education, large gender disparities, and a worsening environment forming a vicious cycle of causes and results of poverty. Bangladesh has the largest population of any of the world's least developed countries (LLDCs), and, although the population growth rate has slowed to 1.5% (1990-1997 average), it is still large in absolute terms. When the country achieved independence in 1972 it had a population of about 70 million people, while today its population numbers approximately 120 million, and projections indicate it will reach 210 million in 2020. UNICEF reports a 10% mortality rate for children and infants under the age of five (1997) and female literacy of 27% as opposed to a male rate of 50% indicates major disparities between men and women. This reflects gender role attitudes based on religious and customary values, and access to all services and opportunities (i.e., not just education, but health, employment, etc.) is limited for women in comparison to men.

Rural poverty due to limited employment opportunities outside of agriculture is causing rapid population shift to urban areas, with population concentrating in the major cities of Dhaka and Chittagong. This is resulting in serious sanitation, public safety, and environmental problems in the major cities. In addition to natural disasters such as floods and cyclones, environmental problems relating to basic needs include air pollution in major cities and widespread arsenic contamination of groundwater.

<2> CHALLENGES TO BE ADDRESSED IN DEVELOPMENT

(1) Bangladesh's Economic Plans*1

Below is an outline of Bangladesh's current Fifth Five-Year Plan (FY 1997/1998-2001/2002) and how it relates to the DAC Development Partnership Strategy.*2

(A) Outline of Fifth Five-Year Plan

(i) Development goals

Bangladesh's largest development goal is poverty alleviation and it seeks an economic growth rate of an average of 7% per year in order to achieve this. Bangladesh has defined the following priority areas in development:

- 1. Poverty alleviation**
- 2. Promotion of employment**
- 3. Expansion of grain production**
- 4. Human resources development**
- 5. Construction of infrastructure**
- 6. Restraint of population growth rate**
- 7. Improvement of science and technology**
- 8. Spread of female and childhood education**

(ii) Total investment amount

Achieving an annual growth rate in the 7% range will require a total investment of 1,960 billion taka (approximately \$ 40 billion). Bangladesh envisions 44% of this coming from public investments and 56% from private. In particular, it seeks to reduce the proportion of the government development planning budget accounted for by

foreign funds from 51% in the first year of the plan to about 30% by the final year (average of 39% for the five year period).

(iii) Basic concepts for development strategy

Development strategy is based on the promotion of private-sector investment and focuses on investment in agriculture and rural development, and the industrial and transportation/traffic sectors. The plan looks to the industrial and energy sectors to drive economic growth. Within the industrial sector, the plan emphasizes textiles, leather goods, and other export industries. While seeking to achieve private-sector-led economic development, Bangladesh will also emphasize education, health care and sanitation, water supply, and family planning in order to simultaneously achieve social development.

(B) Relationship between targets of Fifth Five-Year Plan and the DAC Development Partnership Strategy

The Fifth Five-Year Plan incorporates the goals and orientations articulated in the DAC Development Partnership Strategy (reduction of poverty, spread of elementary education, reduction of infant and maternal death rates). In many cases it provides specific target values for these areas, though many of these will be difficult to achieve.

(2) Primary Challenges in Development

(A) Poverty alleviation, restraint of population growth

During the eighties, the GDP growth rate was only about 4% per year and the income disparities between the rural and urban areas widened. As a result, economic growth did not necessarily serve to reduce poverty. The poverty rate declined somewhat in the nineties, but over half the population still remains below the poverty line. This indicates that poverty alleviation will require not only higher GDP growth rates but also steps to combat any further widening of income disparities. Also important will be development efforts in social areas, including the education, health and medical areas that will contribute to better living standards for the poor, and comprehensive programs to restrain the population growth that is shackling efforts to reduce poverty.

(B) Agricultural and rural development

The percentage of the GDP accounted for by agriculture has steadily declined, but it still provides approximately 60% of all jobs and 30% of the GDP. It is therefore Bangladesh's most important industry, and it must be recognized that agriculture will continue to be of great importance. In addition to efforts to achieve the Five-Year Plan goal of food self-sufficiency through the conservation of farmland and the improvement of agricultural productivity, promotion of agricultural and rural development is also needed for purposes such as securing new opportunities for to create income in agriculture-related areas.

(C) Industrialization

Industry should take over for agriculture in providing a new driving force for the economy, but as yet it accounts for only 10% of the GDP. Rapid industrial growth will be an important component of future economic policy. Poverty restricts buying

power on domestic markets, so it will be important, from the perspective of industrialization, that Bangladesh develop and foster internationally competitive export goods. Ready-made apparel and knit products are Bangladesh's main export items and currently account for the majority of exports. However, these products have low value-added and will lose their competitive advantage when preferential treatment under the MFA (Multilateral Fibre Arrangement) expires in 2005. Bangladesh therefore needs to create new export items.

(D) Overcoming natural disaster

Natural disaster is a serious challenge to development. In 1998, Bangladesh experienced a series of large floods that put approximately 60% of its land underwater. Cyclones, and the accompanying waves and wind, also do substantial damage each year.

Natural disasters are too large for Bangladesh to tackle on its own. This is an area where there is strong need for assistance from the international community in addition to Bangladesh's own efforts. Flood control will require coordination with neighbors with whom Bangladesh shares river basins.

(E) Improvement of the environment

There is widespread contamination of groundwater with arsenic in Bangladesh. The Bangladeshi government estimates that some 20 million people are affected, and the affected regions are tending to expand. Rapid urbanization is meanwhile degrading the living environment, and air pollution caused by vehicle emissions is negatively affecting the health of urban residents. These large-scale environmental problems need to be quickly addressed through tight coordination between the Bangladeshi government and other donor countries and institutions.

(3) Relationships with International Development Aid Institutions, Other Donors, and NGOs

(A) Relationships with international institutions

The major international aid institutions working with Bangladesh are the World Bank (IDA) and Asian Development Bank (ADB), both of which provide loans to the country. World Bank loans concentrate on infrastructure construction, agriculture, and flood control; ADB loans on infrastructure and human resources development (education, health). Other international institutions active in the country include the United Nations Children's Fund (UNICEF), which works for children's health, and the World Food Programme (WFP), which provides food assistance to the poorest people and poverty-stricken regions. Aid from both institutions is in the form of grants.

(B) Other donors

Bangladesh's main aid donor countries in 1997 were, in order, Japan, the United Kingdom, the Netherlands, Canada, and Germany. Japan has been Bangladesh's largest donor for several years. In 1997, Japanese aid was approximately double that of second-ranked the United Kingdom, giving Japan considerable weight in Bangladesh's foreign aid.

(C) NGOs

In Bangladesh, NGOs essentially provide end-level government administrative services, primarily in social areas. There are about 20,000 NGO groups acting in the country, and, of those registered with the NGO Bureau of the Prime Minister's Office (a prerequisite for accepting aid from overseas), about 1,300 are domestic NGOs and about 150 are international NGOs (as of 1999). NGOs are estimated to administer \$200-300 million in aid. Aid from the United States and the United Kingdom comes primarily through NGOs, which account for 98% and 40% of aid respectively.

<3> JAPANESE AID POLICIES FOR BANGLADESH

(1) Objectives of aid to Bangladesh

(A) Japan acknowledged the independence of Bangladesh in 1972, well ahead of the other Western countries, and has consistently maintained friendly relations with it since that time. There are no major political disputes between the two countries; we are building friendly relations centered around economic and technical cooperation. This, combined with general pro-Japanese sentiment, means that there are very strong expectations for Japanese cooperation among the people of Bangladesh.

(B) A member of the United Nations, the non-allied movement, and the Conference of Islamic Nations, Bangladesh is engaged in vigorous diplomatic activities as a Third World moderate. It also actively participates in peacekeeping activities. In particular, through roles such as non-permanent membership on the UN Security Council from 2000 (for two years), and as chair of the Council of Nonaligned Countries, Bangladesh has recently been expanding its presence in the international arena. Its self-appointment as a representative of the LLDCs*3 (least less-developed countries) is a background factor underlying these activities, and strengthened relations with Bangladesh will likely contribute to Japan's overall diplomacy with developing countries.

(C) Bangladesh proposed to establish the South Asian Association for Regional Cooperation (SAARC), exerting tremendous efforts to strengthen cooperative ties among South Asian countries. Aid to Bangladesh will contribute to its democratization and stability, thereby providing a major impetus to the political stability of the South Asian region as a whole.

(D) In spite of the stature of its role in international affairs, Bangladesh is also one of the world's least less-developed countries (LLDCs), and poverty alleviation is among the biggest challenges before it. Japan needs to implement aid based on Bangladesh's very substantial demand for aid, while also sufficiently taking into account the country's capacity to service its debts.

(2) Relationship with ODA Charter principles*4

Bangladesh was under the de facto military rule after the assassination of its president in 1975. Since the general election of 1991, however, changes of government have adhered to democratic procedures. It has also made great strides in marketizing its economy, including opening the telecommunication and electric power sectors to the private sector. Bangladesh is generally oriented in a desirable direction vis-a-vis Japan's ODA Charter principles. However, military expenditures, basic human rights, and guarantees of freedom need to be carefully monitored in the future with respect to ODA Charter principles.

(3) Orientation for Japanese aid

(A) Japanese aid to date

The High-Level Mission on Economic and Technical Cooperation was sent to Bangladesh in April 1990, and reached an agreement with the country on priority areas of cooperation (basic infrastructure for investment and export promotion; agriculture, rural development, and productivity improvement; flood countermeasures; human resources development; and basic living standards). These areas have since been the center of an active aid package that has been favourably received by Bangladesh. However, Japanese aid covers such a wide range of areas that there is a distinct lack of focus to it.

(B) Poverty alleviation as the highest priority

Poverty alleviation has been clearly positioned as the highest development goal for Bangladesh. It is also in line with the DAC Development Partnership Strategy, and Japan should therefore articulate a stance of providing prioritized aid oriented towards achieving this overarching task.

(C) Orientation for aid over the next five years

In light of the political and diplomatic importance of Bangladesh and the magnitude of the expectation that has been placed on Japan as its largest donor country, and in view of the serious economic and fiscal situation in which Japan finds itself, the general orientation for aid to Bangladesh over the next five years will be as follows:

(i) Japanese aid to Bangladesh has, in monetary terms, risen to very high levels in recent years. In the future, we should seek a greater emphasis on quality. In providing aid, we must take care that we encourage self-help efforts so that Bangladesh does not develop an excessive dependence on foreign aid. We must also consider 1) its efforts at reform, 2) its ability to absorb aid, and 3) its demand for funds and its ability to service debt.

(ii) Given the fact that Bangladesh is an LLDC, Japanese aid will basically be grant aid and technical cooperation. In fiscal 1998, Japan provided about ¥20.0 billion in grant aid, of which about ¥16.0 billion was for debt relief.*5 Grant aid for debt relief is projected to remain at roughly the same levels for the next five years, so it will be necessary to make more effective use of grant aid for debt relief and its counterpart funds.*6

(iii) Bangladesh has large needs for yen loans for economic infrastructure (electric power and transportation sectors, etc.) and rural infrastructure construction. Yen loan requests for projects of appropriate size and of substantial economic benefit will be taken up individually in light of environmental considerations and based on the country's debt service capacity.

(iv) We will continue to strengthen the linkage between technical cooperation and economic cooperation by sending advisory experts*7 and financial sector experts,*8 while the introduction of sector-wide aid will be considered.

(v) Japan will consider the further reinforcement of grant assistance for grassroots projects for NGOs that directly assist the poor.

(4) Aid guidelines for priority areas and challenges

In order to realize the alleviation of poverty, the major issue in development, Japanese aid implementation will place strategic priority on the following areas: 1) agriculture, rural development, and improvement of agricultural productivity, 2) Social areas (basic human needs, health and medical care, etc.), 3) basic infrastructure for investment and export promotion, and 4) disaster control. Care will be taken in implementing aid in these priority areas to address the common challenges of human resources development, institution building, and the environment.

(A) Agriculture, rural development, and improvement of agricultural productivity

In the past, Japanese aid has focused on the construction of infrastructure for the purposes of rectifying the disparities between rural and urban areas and alleviating poverty. However, Bangladesh's population continues to grow, poverty has yet to be eradicated, and the demand for aid remains high.

In the future, aid will focus on improving the food self-sufficiency rate by conserving farmland and increasing agricultural productivity through building infrastructure for agricultural and rural development, spreading agricultural technology, and conducting agricultural research. Aid will also endeavor to create jobs and better income for the rural poor (particularly landless farmers).

Aid programs utilizing small-scale financing (micro credit)*9 have had significant effects in improving the lives of the poor. In the future, Japan will promote more effective implementation of micro credit while simultaneously seeking vitalized productive activities in rural villages and improvements in rural incomes, thus targeting growth in the entire rural economy.

Japan will actively support programs to encourage local participation in social development and to build social infrastructure (small-scale irrigation system, agricultural roads and the like) in conjunction with local NGOs.

(B) Improvement of social areas (basic human needs, health care, etc.)

In the past, Japan has provided grant aid for the construction of water systems, and for the building and equipping of health care facilities. It has also sent JOVC volunteers to provide basic health care cooperation for the poor. These areas will need to be further reinforced in light of the austere welfare conditions currently found in Bangladesh.

Specially, Japan will work in conjunction with other donor countries and NGOs to 1) support reproductive health*10 including improvement of basic sanitation and health care, maternal and child health and population and family planning, and 2) support educational improvements, so as to achieve the goals of the DAC New Development Strategy, particularly in the area of female education.

(i) The government of Bangladesh has a very positive attitude towards health care and medicine. It has, for example, formulated both a fifteen-year long-term program and a five-year plan for this area. However, health conditions remain extremely poor, with the under-five infant mortality rate at 109 (per thousand, 1999, UNICEF). Medical facilities and medical practitioners congregate in the cities, so that much of the population is unable to receive medical attention. In light of this, Japanese aid will concentrate on building medical facilities in line with the true needs of a developing

country, providing pharmaceuticals and equipment, and the development of human resources in the field of public health. The Fifth Health and Population Program, which began in 1998, incorporates the basic ideas of reproductive health articulated in the DAC New Development Strategy. This is a desirable orientation from the point of view of Japan, which has been an advocate of the strategy, and Japan will actively support these efforts.

(ii) The emphasis in the area of education will be on improving basic education. Particular emphasis will be placed on enhancement of scientific and mathematical education as a priority area, with the goals of improving the quality of educational administration and providing better training for those involved in curriculum development and education. At the same time, Japan will also provide continued cooperation for the construction of elementary schools as part of a program to aid the general improvement of basic education. Programs in the area of education will place particular emphasis on cooperation with UNICEF, which has vast experience in this area, in order to better train Japanese aid workers in educational aid. This is an area where progress in the development of Japanese human resources is needed, including exchange of personnel.

(iii) The focus for water projects will be on providing supplies of safe water. In the southwest in particular, consideration is needed of regional cooperation with an eye to the long-term development of the water resources of the Ganges and other international rivers. With respect to the widespread and increasingly serious seepage of arsenic into groundwater in Bangladesh, as well as steadily worsening air pollution and traffic congestion in the major cities, Japan will consider responses in the context of linkage with international institutions, other donor countries, and NGOs.

(C) Basic infrastructure for investment and export promotion

Poverty alleviation requires economic growth, and the construction of economic infrastructure (electric power, transportation, telecommunication etc.) will be essential in order to promote the investment and export that are the driving forces of growth. Although it is praiseworthy that the results of past aid have led to a certain amount of progress in industrialization in recent years, only a start has been made, and Japan will study possible aid for this area in order to keep the economy on the path of steady growth.

Priority of aid will be given to infrastructure (seaports, airports, roads, telecommunications, natural gas, electric power, etc.) in the geographical areas between Dhaka and Chittagong and Dhaka and Khulna (Mungla) in order to foster them as growth centers.

Japan will also identify industrial sectors to be developed from the perspective of improving international competitiveness, and provide aid to these sectors.

Before two-step loan*11 programs financed by yen loans can be considered, reliable intermediary financial institutions will need to be developed. Japan will study the potential for supporting the development of government financial institutions by linking the dispatch of long-term experts with financial cooperation.

(C) Disaster control

Bangladesh's Flood Action Plan is now moving forward as an internationally coordinated effort to deal with flooding. The government of Bangladesh is currently formulating a comprehensive and long-term National Water Management Plan

(NWMP)*12 based on the results of research cooperation provided under the Flood Action Plan. Japan will study cooperation in line with the NWMP.

Japanese cooperation for cyclone countermeasures includes the construction of multipurpose cyclone shelters,*13 and the provision of meteorological observation and early warning systems. In light of the results achieved by these programs, Japan will promote more effective and efficient aid including areas such as greater utilization of the information and communications network.

(5) Matters to note in aid implementation

(A) Strengthening of aid absorbing capacities, and particularly project implementation abilities

The government of Bangladesh does not necessarily have adequate systems in place for absorbing aid. Its project implementation abilities in particular require further strengthening, including reinforcement of the maintenance and management systems of implementation institutions, simplification of procedures, and clarification and reinforcement of the responsibilities of liaison agencies in project monitoring. It will be important to carefully assess Bangladesh's implementing agencies when administering aid in the future, and it will also be necessary to target capacity improvement through measures such as the dispatch of experts.

(B) Linkage with other donor countries and international institutions

A large number of donor countries and international organizations are involved in Bangladesh, and there are aid coordination meeting in more than twenty areas. Japan will continue to take active part in the work of these fora and will provide mutually complementary and coordinated aid. In particular, Japan will place importance on continued collaboration with USAID in the field of population and health under the Japan-U.S.Common Agenda for Cooperation in Global Perspective.

(C) Linkage with NGOs

Bangladesh has made significant strides in waning itself from dependence on aid. The important question for the future will be how to administer aid in such a way as to encourage independence. Cooperation is indispensable in solving the various problems that confront LLDCs, not only from donors, institutions, and the government, but also from local people including NGOs. From this perspective, support is required for efforts to organize local people so as to build independence at the grass roots as well as the government level. These efforts at organization will require strong coordination and cooperation with the NGOs from various countries (including Japan) acting in the country, as well as local NGOs.

Notes

<2> CHALLENGES TO BE ADDRESSED IN DEVELOPMENT

(1) Bangladesh's Economic Plans

*1 Bangladesh's uniqueness in terms of development

As the LLDC having the largest population, and with no natural resources aside from natural gas (no reliable information on reserves), Bangladesh's efforts since independence to build itself as a nation have been made primarily along the axis of aid from foreign countries.

*2 The OECD/DAC Development Partnership Strategy

In May 1996, the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) adopted a document titled The Development Partnership Strategy (Shaping The Twenty-first Century: The Contribution of Development Co-operation). This development strategy sets specific goals and timeframes desired to improve the living standards of all people around the globe. Goals include: 1) reduction by half of the number of people in extreme poverty by 2015, 2) universal primary education in all countries by 2015, 3) elimination of gender disparity in primary and secondary education by 2005, 4) reduction to 1/3 of the 1990 level in the infant mortality rate by 2015, 5) reduction to 1/4 of the material mortality rate during the same period, 6) spread of health and medical access through the primary health care system to reproductive health service, 7) formulation of a national strategy for sustainable development in every country by 2005 so as to reserve the current trends in the loss of environmental resources at both global and national levels by 2015. The strategy emphasizes the importance of a global partnership because it will be essential that developed and developing countries work together if goals are to be achieved.

<3> Japanese Aid Policies for Bangladesh

(1) Objectives of aid to Bangladesh

*3 LLDCs (Least Less-Developed Countries)

LLDCs are countries that have been particularly slow to develop. The United Nations Developing Program Committee defines LLDCs in terms of per capita GDP (\$899 or less in 1999), the level of human resources development (average life expectancy, etc.), and frailty of economic structure (share of manufacturing in GDP). There are currently 48 countries that have been designated as LLDCs (33 in Africa, eight in Asia, five in Oceania, and two elsewhere).

(2) Relationship with ODA Charter principles

*4 ODA Charter Principles

This is the most basic and important document in Japanese ODA policies, defining aid guidelines in light of past achievements, experiences, and lessons from ODA. It was adopted by cabinet resolution on June 30, 1992 as a means of providing a clear statement of Japanese ODA principles and rules. The document covers six areas: basic philosophy, principles, priorities, measures for effective implementation of ODA, measures to promote understanding and support at home and abroad, and ODA implementation systems. The "basic philosophy" for ODA is defined as: 1) humanitarian considerations, 2) recognition of interdependency, 3) self-help efforts, and 4) environmental conservation. The "principles" instruct aid administrators to "take into account comprehensively each recipient country's request, its socioeconomic conditions, and Japan's bilateral relations with the recipient country." They are also instructed to consider four areas: 1) balancing environment and development, 2) avoiding use for military purposes or for aggregation of international conflicts, 3) safeguards against diversion for military expenditure, development and production of weapons of mass

destruction and missiles, and exports and imports of arms, 4) promotion of democratization, efforts to introduce the market-oriented economy, and guarantees of basic human rights and freedoms.

(3) Orientation for Japanese aid

***5 Grant Aid for Debt Relief**

The Ninth Special Session of the Trade and Development Board of the UN Conference on Trade and Development (UNCTAD) adopted a resolution in 1978 calling for debt relief for impoverished developing countries. Japan provides debt relief measures in line with this resolution for LLDCs with yen loan arrangements, and for countries that were most seriously affected by the oil crises (MSAC). For LLDCs, when a yen loan is repaid (loans arranged prior to 1987), grant aid equivalent to the total principal and interest repaid is provided to the country. Between 1978 and 1998, Japan provided approximately ¥340 billion in debt relief grant aid cooperation.

***6 Counterpart Fund of Grant Aid for Debt Relief**

Debt relief grant aid obligates recipient countries to establish a fund consisting of an account at the central bank or similar institution into which the recipient government deposits one quarter of the value of aid provided when goods and equipment supplied under Japanese aid are sold. The fund is used for economic and social development in the recipient country in consultation with the government of Japan.

***7 Advisory experts**

Experts sent to central government ministries and agencies in the recipient country to advise on policy formation and related issues.

***8 Experts for facilitating financial cooperation**

Experts facilitating as well as following up the implementation of projects funded with Japanese grants and loans.

(4) Aid guidelines for priority areas and challenges

***9 Micro Credit**

Small amounts of unsecured credit provided to impoverished borrowers without collateral who would be considered too uncertain to be eligible for lending from private banks (particularly women). The funds provide borrowers with a means of securing and enhancing means of production and improving incomes. They have become internationally recognized in recent years as a necessary and important means of reducing poverty.

***10 Reproductive Health**

A concept that takes a comprehensive view of population and family planning issues in terms of basic health care, AIDS, elementary education, and women's rights. As defined in Clause 2, Chapter 7 of the Action Plan of the International Conference on Population and Development (ICPD): “.. refers to not only diseases and disabilities but to complete physical, mental, and social wellbeing regarding all aspects of the functions and activities of the human reproductive system.”

***11 Two-step Loans**

One form of government loan in which funds are provided, as a first step, directly to development finance institutions of a developing country or through the relevant government, and then, as a second step, these funds are lent by the relevant

development finance institution to small-and medium-sized companies or the agricultural sector.

***12 National Water Management Plan**

The Government of Bangladesh is in the midst of formulating a National Water Management Plan, which is due to be completed by the end of 2001.

***13 Multi-purpose Cyclone Shelter**

The coastal areas of the Bay of Bengal are subject to major cyclone disasters with storm surge resulting in wide-spread damage to life livestock, and property. Shelters are being built which normally function as primary and secondary schools and can be also used as refuges from the onslaught of cyclones. Many of these use elevated floors (piling construction) to counter the high waves accompanying storm surge.