

REFERENCE BOOK  
Not to be removed from  
the Library



REFERENCE BOOK  
Not to be removed from  
the Library

MID-TERM REVIEW  
OF  
THE THIRD FIVE YEAR PLAN  
1985-90

PLANNING COMMISSION  
MINISTRY OF PLANNING  
GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH  
DHAKA

FEBRUARY, 1989

REFERENCE BOOK  
Not to be removed from  
the Library

**MID-TERM REVIEW  
OF  
THE THIRD FIVE YEAR PLAN  
1985-90**

**PLANNING COMMISSION  
MINISTRY OF PLANNING  
GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH  
DHAKA**

*February, 1989*

## FOREWORD

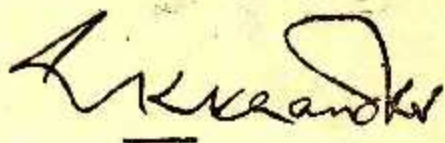
The Third Five Year Plan has already passed through its mid-point. For improving the efficiency of a Plan it is necessary to review its past performance.

Review of the Third Five Year Plan (1985—90) is now being published covering the period, 1985—1988. Although it is a Review and not an Evaluation Report of the Third Five Year Plan, an attempt has been made to make it substantially comprehensive in its scope and coverage. An attempt has also been made to analyse the progress of the economy of Bangladesh both at the macro and the sectoral level for the years under consideration. The Review shows that during the first two years of the Plan, the economy was showing reasonable rate of growth at 4.0% of GDP in 1985/86 and 4.4% of GDP in 1986/87 as against the average plan target of 5.4% of GDP per year. However, the unpredicted flood of 1987 affected the economy so adversely that the growth rate for the year declined to 2.95% and this brought the average growth for the three years down to 3.8% per year.

Nevertheless various measures were taken to reduce the impact of natural calamities on the economy and to improve its performance. On the whole, the country witnessed significant improvement in the balance of payments situation during the period under review. This was due to increase in export earnings, continued rapid growth in worker's remittances and increase in aid disbursements. Total export earnings increased at an average annual rate of 12.1% and totalled \$ 3,817 million exceeding the target by 23.8%.

A number of problem areas have been highlighted in the Review. Export earnings is still far short of import payments. The price level remains under considerable strain. The performance in the field of employment generation particularly for the poor and the disadvantaged is still far from satisfactory. Hence, some attempts have been made to bring these problems in the forefront of the planning. The publication of this Review coincides with the process of formulation of the Fourth Five Year Plan (1990—95) and it is hoped that this Review would, therefore, help in the preparation of the Fourth Plan with greater insight and realism.

The hardwork put in by the officials of Planning Commission in bringing out this Review deserves thankful acknowledgement. The co-operation and assistance extended by the Ministries in the preparation of this Review is also deeply appreciated.



(A. K. KHANDKER)  
AIR VICE-MARSHAL (RETD.)  
Minister for Planning,  
Government of the People's  
Republic of Bangladesh.

DHAKA;

The 6th February, 1989.

## PREFACE

The Mid-Plan Review of the Third Five Year Plan has been prepared under a number of constraints, most important of which are the inadequacy of data and the differences of methodologies in analysing them by the Planning Commission and the Bangladesh Bureau of Statistics. Normally, the Bangladesh Bureau of Statistics should be the main source for statistical data and economic indicators. However, it was found that there were some inadequacies in information at the sectoral level supplied by various agencies and therefore, the Planning Commission had to go for some special studies for filling up these gaps. The situation has now improved somewhat with the reconstruction of Input Output Table for 1981/82 and its updating for 1986/87 in the Planning Commission and the increase in coverage of data collection by BBS. A Committee has been formed to examine the data collected by these two agencies and to reconcile their methodologies. As a result, the GDP and other national accounts statistics have been revised for the years 1984/85—1987/88. However, during this exercise, the Mid-Plan Review was already in the press, and therefore, the new series could not be used for it. It was decided that the Mid-Plan Review would be published on the basis of 'old' series and efforts would be made to incorporate the new series in the Review of the fourth year of the Third Five Year Plan and in the Preliminary Thought for the Fourth Five Year Plan (1990—95), both of which are expected to be published soon.

My thanks are due to the officials of the Planning Commission and other Ministries/Agencies who have worked quite hard for the preparation of this Mid-Plan Review and for improving and updating the GDP and other national accounts statistics.

DHAKA :  
The 4th February, 1989.

DR. SHAIKH MAQSOOD ALI  
*Member,*  
*Planning Commission,*  
*Government of the People's*  
*Republic of Bangladesh.*

TABLE OF CONTENTS

PART I

Economic Framework

CHAPTER	PAGE
FOREWARD	
Preface .. .. .	2
I. Performance of the Economy during 1985-88 ..	3
II. Public Sector Resources Mobilisation ..	27
III. Money and Price Situation ..	43
IV. Balance of Payments and External Resources ..	49
V. Poverty and Employment Situation ..	57
VI. Private Investment .. .. .	65
VII. Upazila Development .. .. .	71

PART II

Sectoral Progress

VIII. Agriculture and Water Resources .. .. .	79
IX. Rural Development and Institutions .. .. .	111
X. Industry .. .. .	117
XI. Energy and Natural Resources .. .. .	137
XII. Transport and Communication .. .. .	165
XIII. Physical Planning, Water Supply and Housing ..	189
XIV. Social Infrastructure—Education, Science and Technology, Sports, Culture, Youth Development, and Mass Media .. .. .	199
XV. Public Administration .. .. .	257
XVI. Health .. .. .	261
XVII. Population Control and Family Planning ..	271
XVIII. Social Welfare and Women's Affairs .. .. .	283
XIX. Manpower and Labour .. .. .	291
Appendices Statistical .. .. .	301

**PART I**  
**ECONOMIC FRAME WORK**

## CHAPTER I

### PERFORMANCE OF THE ECONOMY DURING 1985—88.

#### An Overview :

Bangladesh has followed the course of planned development since her independence. During the period 1973—85, she implemented the First Five Year Plan (1973—78), a Two Year Interim Plan (1978—80) and the Second Five Year Plan (1980—85). However, in spite of the endeavours made over the successive plan periods, to improve the socio-economic situation, poverty, unemployment, mal-nutrition and illiteracy continue to afflict the multitudes of people.

It is in the background of the experiences in planned development in recent past and in response of socio-economic imperatives of the country, the Third Plan was prepared and launched in July 1985. The general approach to the Third Plan was poverty alleviation, increase in the supply of basic needs, generation of productive employment opportunities and human resource development. Emphasis was laid on enhancing productivity of two primary national resources—land and labour through the development of technology and human resources and control of population growth. The objective of the policy was to ensure the poor greater opportunity for productive employment through accelerated development of the rural economy. Around these basic themes the Plan tried to view development in a long-term perspectives. The major objectives of the Plan are:

- (i) Reduction of population growth;
- (ii) Expansion of productive employment;
- (iii) Universal primary education and human resource development;
- (iv) Development of technological base for bringing about a long-term structural change;
- (v) Food self-sufficiency;
- (vi) Satisfaction of minimum basic needs of people;
- (vii) Acceleration of Economic growth; and
- (viii) Promotion of self-reliance.

The Plan aimed at achieving a GDP growth rate of 5.4 percent a year, food output of 20.7 million tons in the terminal year mainly through the expansion of irrigation system, and school enrolment of 70 percent, creation of new employment opportunities for 5.0 million man-years against an entry of 4.0 million people in the labour market and bringing down the population growth from around 2.4 percent to 2.0 percent for the Plan period and to 1.8 percent in the terminal year of the Plan.

In the light of the objectives, strategies and targets, and the resource constraints, the size of the Plan was fixed at Tk. 386,000 million at 1984/85 prices—Tk. 250,000 million for the public sector and Tk. 136,000 million for the private sector. The overall Third Plan size involves an increase of 22.7 percent over the actual outlay of the Second Plan. Share of the private sector was increased from 33.5 percent as realised in the Second Plan to 35.2 percent. The programme outlay is to be financed by Tk. 174,720 million in domestic resources and Tk. 210,280 million in net foreign capital inflow. The share of domestic resources of 45.5 percent which was at about the same level as was in the Second Plan. In the public sector, foreign assistance was expected to be utilised to the tune of Tk. 190,400 million and Tk. 59,600 million of domestic resources was proposed to be raised to finance the remaining outlay. In the private sector, the total investment programme of Tk. 136,000 million was planned to be financed by Tk. 19,880 million of

foreign resources and Tk. 116,120 million of domestic resources. Private sector would have a greater role to play in the industrial sector under the New Industrial Policy than in the Second Plan.

The economy of Bangladesh is now passing through the fourth year of the Third Five Year Plan. A review of the performance of the economy during the first three years of the Plan (1985-88) is of particular importance as it will serve as a guide for strengthening the development efforts towards realisation of objectives of the Third Plan.

#### Growth Rates, Savings and Investment :

The Third Plan envisaged an average annual growth rate of 5.4 percent for the Plan period. The growth rate of 5.4 percent was projected with agriculture growing at 4.0 percent, manufacturing at 10.1 percent; power and gas at 9.6 percent, trade and transport at 6.5 percent and other sectors at 4.5 percent.

The Gross Domestic Product of Bangladesh is estimated to have increased by 11.83 percent in 1987/88 from the level of 1984/85 benchmark giving an annual growth rate of 3.8 percent during the first three years of the Third Plan as was achieved during the Second Plan period (1980-85). This slow growth has been mainly due to resource constraints, the unprecedented floods of 1987/88 and occasional natural calamities affecting the growth of the agriculture sector. The sectoral breakdown of GDP growth by year is shown in Table 1.1.

TABLE 1.1  
GDP and Growth Rates  
(1984/85 prices).

(In million Taka.)

Sector	1984/85	1985/86	1986/87	1987/88 (Provisional)	Annual growth rate (%) (1985-88)
1. Agriculture .. ..	165,910	172,680	178,080	179,235	2.6
2. Industries .. ..	31,250	31,630	34,650	35,989	4.8
3. Electricity & Gas .. ..	2,380	2,580	3,010	3,458	13.3
4. Construction .. ..	7,610	8,150	8,800	9,669	8.3
5. Transport and Communication	17,220	17,930	18,750	20,344	5.7
6. Trade and Other Services .. ..	73,190	75,450	78,810	82,751	4.2
7. Housing .. ..	9,860	10,410	10,820	11,090	4.0
8. Public Services .. ..	21,450	23,220	24,330	25,234	5.6
GDP (Total) .. ..	328,870	342,050	357,220	367,770	3.8
Population (in million) .. ..	100.5	102.9	105.2	107.4	2.2
Per capita GDP (Taka) .. ..	3,272	3,324	3,396	3,424	1.5



In 1985/86 agriculture sector had a growth rate of 4.1 percent largely because of 70 percent increase in jute although food production suffered from drought resulting in a stagnation of output (16.1 million tons) at the level of 1984/85. The growth rate of the agricultural sector during 1986/87 stood at 3.1 percent. However, agricultural production was severely afflicted by the devastating floods during 1987/88 and hence growth in agriculture dropped to 0.65 percent during the year. The annual average growth rate of the agriculture sector is estimated at 2.6 percent during the first three years as against the Plan target rate of growth of 4.0 percent. The growth rate of the industries sector came down from 5.1 percent in 1984/85 to 1.2 percent in 1985/86 mainly due to decline in major manufactures such as jute goods, cotton textiles and sugar. In spite of depressed demand and shortage of production in some industrial goods, industrial growth was estimated at 9.5 percent during 1986/87. For 1987/88 industrial growth rate is estimated to fall to 3.95 percent. As against the target rate of growth of 10.1 percent during the Plan period, the industrial growth rate during the first three years is estimated to increase at an average annual growth rate of 4.8 percent.

The structural change in GDP is shown in Table 1.2

TABLE 1.2  
Structural Change of the Economy.

[In million Taka.]

Sector.	1984/85 (Benchmark).	1987/88 (Provisional)	GDP composition.		Contribution to incremental output (GDP) %.
			1984/85	1987/88	
1. Agriculture .. ..	165,910	179,235	50.45	48.74	34.26
2. Industry .. ..	31,250	35,989	0.50	9.78	12.18
3. Electricity and Gas .. ..	2,380	3,458	0.72	0.94	2.77
4. Construction .. ..	7,610	9,669	2.31	2.63	5.29
5. Transport and Communication	17,220	20,344	5.24	5.53	8.03
6. Trade and other services .. ..	73,190	82,751	22.26	22.50	24.58
7. Housing .. ..	9,860	11,090	3.00	3.02	3.16
8. Public services .. ..	21,450	25,234	6.52	6.86	9.73
Total .. ..	328,870	367,770	100	100	100

It will appear from the above table that although during the first three years GDP has risen and the shares of the agriculture, manufacturing and the other sectors in the GDP have somewhat changed, agriculture still remains the dominant sector of the economy. Share of agriculture sector declined from 50.45 percent to 48.74 percent and that of th

industry sector increased from 9.50 percent to 9.78 percent. The contribution of the rest of the sectors stands at 41.48 percent showing a rise from 1984/85 benchmark level of 40.05. The share of trade services sector rose from 22.26 percent to 22.50 percent. Other sectors that gained in share are transport and communication and construction sectors which accounted for a significant part of the total investment.

#### Saving and Investment :

The growth of GDP and improvement in external resources position resulted in the higher level of saving during the first three years of Third Five Year Plan. The rate of domestic saving increased from 4.9 percent in 1984/85 to 5.4 percent in 1985/86. Investment as proportion to GDP, however, was 14.6 percent in 1985/86 as against 15.1 percent in 1984/85. Total investment was Tk. 5,622 crore in 1985/86 compared to Tk. 5,273 crore in 1984/85. A substantial part of this investment was inventory accumulation in the form of stock of raw jute, agricultural inputs, and industrial raw materials. In 1986/87 domestic savings declined to 4.2 percent. Inventory accumulation was relatively less than the previous year. Improvement of foreign aid position led to the increase of investment of Tk. 6,490 crore in 1986/87 from Tk. 5,622 crore in 1985/86. Import increased significantly in 1986/87. The import of consumption items viz food grain, edible oil etc. went up. The increase of import affected foreign exchange reserve position. Various facilities of IMF including Structural Adjustment Facilities (SAF) for balance of payment support increased Bangladesh Bank reserve buildup without improving position of net foreign assets. It explains why savings rate decline in 1986/87 although rate of investment increased to 15.0 percent in 1986/87 from 14.6 percent in the previous year of 1985/86. Investment in absolute value increased in 1987/88 to Tk. 7,084 crore from Tk. 6,490 crore in 1986/87. This increase is mostly for increase in the stock of foodgrain. There was higher import of foodgrain after severe flood of 1987/88 which caused increase of stock. The savings rate is estimated to 5.67 percent in 1987/88 as against 4.2 percent in 1986/87. The macro indicators during the period from 1984/85 to 1987/88 are given in the following table.

TABLE 1.3  
Macro Economic Indicators  
(At current prices)

Item	(In million Tk.)			
	1984/85	1985/86	1986/87	1987/88 (Provisional)
1. GDP at current market price	348,300	385,360	432,600	482,203
2. Gross Investment	52,730	56,220	64,900	70,340
3. Consumption	339,936	374,588	415,059	467,863
4. Foreign aid (net)	32,087	33,554	41,741	42,500
5. Gross Domestic Savings	17,040	20,610	18,330	27,370
6. As percentage of GDP:				
(a) Investment	15.14	14.59	15.00	14.59
(b) Foreign Aid (net)	9.21	8.71	9.65	8.81
(c) Gross Domestic Savings	4.89	5.35	4.24	5.67

### Growth of Sectoral Output :

The Gross Domestic Product of the country is estimated to have increased by 11.83 percent in 1987/88 from the benchmark level of 1984/85. There has not been any major change in the structure of the economy during the last three years. However, the growth of sectoral output is discussed below with reference to the production performance in agriculture and manufacturing.

**Agriculture :** The programme for attaining food self-sufficiency which was adopted in the First Five Year Plan continues during the Third Plan. The Third Plan envisaged food self-sufficiency by 1989/90 and as such target for cereal production was set at 20.7 million tons against 16.12 million tons in 1984/85. The programmes provided for increased output of protein food from different crops, fish and animal products.

Production target for rice and wheat was fixed at 20.60 million tons by 1989/90 (rice 18.00 million tons and wheat 2.60 million tons) representing an increase of about 4.52 million tons from the base level of 16.08 million tons (rice 14.62 million tons and wheat 1.46 million tons). Due to natural calamities and other factors such as restriction in credit disbursement, production of rice and wheat during 1985/86, the first year of the Third Plan remained almost at the same level of 1984/85. Of course, foodgrain production increased to 16.50 million tons in 1986/87 showing 2.61 percent growth over the benchmark production level. But during 1987/88 due to severe floods along with delay in recession of flood water affected food production and henceforth production declined to 16.46 million tons compared to 16.50 million tons in the year before and 17.51 million tons of target production. The average annual increase during the first three years of the Plan is about 0.7 percent against the Plan target of about 4.5 percent growth per annum. Incremental production has come largely from expansion of HYV of rice and wheat. A total of 10.65 million acres was fixed to bring under HYV cultivation of rice and wheat by 1989/90. HYV acreage under rice and wheat increased from 8.44 million acres in 1984/85 to 9.15 million acres in 1986/87 and 9.51 million acres in 1987/88 showing an increase of 8.4 percent and 12.7 percent respectively over the benchmark level.

Necessary provisions were made to supply HYV seeds of paddy, wheat, potato, jute, oil-seeds etc. to the farmers. The Third Plan target for distribution of HYV seeds of paddy and wheat was set at 10.30 and 27.60 thousand tons respectively and 6.83 and 22.73 thousand tons were supplied to the farmers in 1987/88 representing 66 percent and 82 percent of the Plan target.

The Third Plan target for agricultural credit distribution was set at Tk. 2483.00 crore. The distribution of credit dropped from Tk. 1132 crore in 1984/85 to Tk. 650 crore in 1985/86 and Tk. 657 crore in 1986/87 due to restriction in credit disbursement. The actual distribution of credit during 1985-88 fell far short of the target with only 50% of the target realised in 1985/86 and 62 percent in 1986/87. Such a

situation had an adverse effect on the use of irrigation fertilizer and other inputs. The output of major crops is shown in the table below.

TABLE 1.4  
Output of Major Crops

Item	Unit	1984/85	1985/86	1986/87	1987/88 (Estimate)
1. Rice	.. Million ton	14.62	15.04	15.41	15.41
2. Wheat	.. Do.	1.46	1.04	1.09	1.05
3. Other grains	.. Do.	0.03	0.04	0.02	0.04
4. Sugarcane	.. Do.	6.77	6.64	6.90	7.55
5. Tea	.. Million Kg.	38.21	43.40	40.00	40.31
6. Jute	.. Million bales.	5.11	7.60	6.75	4.70
7. Pulses	.. Thousand tons	195	184	178	250

**Manufacturing :** Although industrialization is a prerequisite for sustained economic development, the share of the manufacturing sector in GDP continues to remain low reflecting the predominance of agriculture in the national economy. It accounts for about 9.97% of GDP. Industries sector provides employment to 2.33 million people, representing about 8% of total employment. Industrial development in the past, was characterised by the predominance of import substitution industries except traditional jute industry. But since the introduction of the New Industrial Policy of 1982 and that of 1986 and subsequent rationalisation measures in policy framework, non-traditional export-industries have been an important sources of industrial growth. The import and export policies of 1987/88 introduced a number of measures to reduce the imbalance in the industrial assistance provided to export industry and import substituting industry. During the first three years of the Plan (1985-88) manufacturing sector attained an annual average rate of growth of 4.8% against the Plan target of 10.1 percent. The slow growth is mainly due to depressed domestic demand and lower demand for jute goods in foreign market.

Depressed demand for manufacturing goods in home market along with a low demand for jute goods in foreign markets resulted in a low growth of 1.2 percent in industries sector during 1985/86. In 1986/87 conditions improved for some industries viz. jute textiles, cotton yarn, sugar, fertilizer etc. and hence a growth rate of 9.5 percent was achieved during the period against 1.2 percent in the previous year. Again flood of 1987 affected rural income and as a result industrial growth is estimated to fall again to 3.95% in 1987/88. However, there were progress in some areas of production; viz. cotton yarn,

fertilizer, cement etc. Production of jute goods, cotton yarn, fertilizer, cement and sugar achieved 90 percent, 62 percent, 66 percent, 37 percent and 79 percent respectively of the planned target by 1987/88. The table below shows the performance of the major manufacturing industries in terms of output during the first three years of the TFYP period.

TABLE 1.5  
Production of selected Industrial Items in 1985/86 to 1987/88

Item	Unit	1984/85 (Bench- mark)	1985/86 (Actual)	1986/87 (Actual)	1987/88 (Actual)	Plan target 1989/90	Achieve- ment by 1987/88 against Plan target.
1. Jute goods	'000' MT	561.00	478.00	593.00	582.00	650.00	89.54
2. Cotton Yarn	Million KG	60.05	56.00	51.64	59.00	95.00	62.11
3. Cloth (Mill made)	Million Metre	72.37	70.11	60.52	61.54	175.00	35.17
4. Fertilizer	'000' MT	809.00	953.04	993.00	1408.62	2150.00	65.52
5. Cement	Do.	243.00	292.06	309.50	310.07	850.00	36.48
6. Paper & Newsprint	Do.	90.00	92.74	92.86	92.25	105.00	87.86
7. Sugar	Do.	88.00	82.00	182.00	178.26	225.00	79.23
8. Steel (Ingot)	Do.	101.00	95.00	82.00	70.0	230.00	30.43

#### Public Sector Resources Mobilisation:

One of the objectives of the Third Plan was to mobilise increased domestic resources in order to take the economy towards self-reliance. The financial outlay of the Third Plan amounting to Tk. 38,600 crore was proposed to be financed by Tk. 17,572 crore in domestic resources and Tk. 21,028 crore in net foreign capital inflow. Thus about 45.5 percent of development outlay was to be financed by domestic resources.

Of the planned development outlay of Tk. 25,000 crore (1984/85 prices) in the public sector, Tk. 5,960 crore (23.84 percent) was estimated to come from domestic resources and the balance of Tk. 19,040 crore from external aid.

The total domestic resources during the first three years of the Plan stood at Tk. 2,055 crore at constant prices of 1984/85 against the Plan target of Tk. 5,960 crore or 34.5 percent of the Plan target. Domestic resource mobilisation in the public sector during the period under review was influenced by such factors as drought and floods affecting agricultural output and income. The growth of the agricultural sector at the rate of 2.6 percent against the plan target of 4 percent resulted in depressed demand for manufactures as well as imports. Depressed domestic demand affected capacity utilisation and sale of public enterprises. The New Industrial Policy initiated in recent years was followed by liberal tax concessions having effect on government tax revenue. Recurrent expenditure rose sharply as a result of increase in compensation of public employees, higher expenditure on operation and maintenance of public assets, social sectors, defence, law and order, debt services and post flood relief and rehabilitation.

Total revenue receipts during the first three years increased at an average annual rate of about 14.6 percent in nominal terms from Tk. 3,477 crore in 1984/85 to Tk. 5,230 crore in 1987/88. However, in real terms it increased at the rate of 7.8 percent against a target of 7.1 percent achieving 57.1 percent of the Plan target. Tax revenue in real terms increased at the rate of 8.6 percent against the Plan projection of 6.9 percent realising 57.4 percent of the Plan target. Non-tax revenue increased at the rate of 10.8 percent in nominal term from Tk. 630 crore in 1984/85 to Tk. 858 crore in 1987/88. In real terms it increased at the rate of 4.3 percent to Tk. 2,229 crore constituting 55.9 percent of the Plan target of Tk. 3,988 crore. Tax-GDP ratio increased to 9.1 percent in 1987/88 against the Plan target of 9.4 percent in 1989/90 as shown in the table 1.6. The details of domestic resources mobilisation in the public sector may be seen in chapter-II.

TABLE 1.6

## Tax Receipts as Percentage of GDP

[Taka in crore]

Year	GDP at current market prices	Tax Receipts			Tax Receipts as a percentage of GDP (col. 5 of col. 2)
		Direct	Indirect	Total	
1	2	3	4	5	6
1984/85	34,965	579 (19.78)	2,348 (80.22)	2,927 (100)	8.4
1985/86	38,536	701 (21.22)	2,601 (78.78)	3,303 (100)	8.6
1986/87	43,261	838 (21.18)	3,031 (78.82)	3,869 (100)	8.9
1987/88 (R/E)	48,058	991 (22.69)	3,376 (77.31)	4,367 (100)	9.1

Note : Figures in Parentheses are percentage of the total Tax Receipt .

## Financing of the Public Sector :

The Third Five Year Plan provided for public sector expenditure of Tk. 25,000 crore in a Plan of Tk. 38,600 crore. The size of the public sector programme to the First Five Year, Two-Year and Second Five Year Plans were Tk. 3,952, Tk. 3,261 and Tk. 11,100 crore respectively. Total public sector development expenditure during the First Plan, Two Year Plan and the Second Plan at constant prices stood at Tk. 2340, Tk. 3,247 and Tk. 10,463 crores respectively.

The size of the Annual Development Programme increased at an average rate of 13 percent between 1985/86 and 1987/88. This is attributed to greater efforts for domestic resources mobilization and higher level of foreign aid inflow and these in turn suggest growing strength of development administration also. Development expenditure in the public sector during the first three years of the Third Plan is estimated at current price

at Tk. 12217.00 crore. The distribution of development expenditure is presented to the table 1.7. After adjustment for price increase, the total expenditure during 1985-88 would however, stand at Tk. 10,875.10 crore. Thus 43.50 percent of the Plan target is estimated to be realised as shown in table 1.8.

TABLE 1.7  
Sectoral Distribution of Development Expenditure in the Public Sector  
(Current prices)

[Taka in Crore]

Sector	1985/86 (Actual)	1986/87 (Actual)	1987/88 (Actual)	Total Expenditure (1985-88).
1. Agriculture, Water Resources and Rural Institutions.	717.24	759.87	801.97	2,278.99
2. Industries ..	536.87	696.93	430.67	1,664.47
3. Power, Gas and Natural Resources	940.47	1145.65	974.20	3,561.32
4. Transport ..	256.11	441.10	466.34	1,163.55
5. Communication ..	44.06	37.03	96.71	177.80
6. Physical Planning and Housing	113.98	138.98	167.47	420.43
7. Education & Religious Affairs.	128.06	197.55	213.34	583.95
8. Labour and Manpower ..	5.87	7.36	2.62	15.85
9. Public Administration ..	12.43	11.01	6.59	30.03
10. SCYSWAM & STR ..	32.80	50.59	48.49	131.88
11. Health ..	66.25	73.34	83.30	222.89
12. Population Control and Family Planning.	87.88	104.77	140.89	333.54
13. Others. ..	686.03	774.91	717.41	2,174.30
Total : ..	3,628.00	4,433.00	4,150.0	12,217.0

Source : IME Division, Ministry of Planning.

TABLE 1.8

## Development Expenditure in the Public Sector During 1985-88

[Taka in crore]

Sector	Plan Allocation (1984/85 prices)	Total Expenditure (1985-88)		Percentage of Plan Target Achieved (col 4. of col. 2).
		At Current Prices	In 1984/85 Prices	
1	2	3	4	5
1. Agriculture, Water Resources and Rural Institutions.	7,060	2,278.99	2,030.32	28.75
2. Industries ..	2,600	1,664.47	1,491.86	57.38
3. Power, Gas & Natural Resources.	5,675	3,060.32	2,729.52	48.10
4. Transport ..	2,637	1,163.24	1,025.70	38.89
5. Communication ..	388	177.80	155.73	40.13
6. Physical Planning and Housing	550	420.43	372.14	67.66
7. Education & Religious Affairs	1,220	538.95	475.73	38.99
8. Labour & Manpower ..	93	15.85	14.33	15.40
9. Public Administration ..	65	30.03	27.18	41.81
10. SCYSWAM & STR ..	367	131.88	116.71	31.80
11. Health -	550	222.89	198.02	36.00
12. Population Control and Family Planning. ..	870	333.54	294.61	33.86
13. Others ..	2,925	2,178.30	1,943.25	66.43
Total ..	25,000	12,217.0	10,875.10	43.50



The Third Plan envisaged that 23.84 percent of the total public sector expenditure would be financed by domestic resources and 76.16 percent by foreign resources. During the first three years about 16.82 percent of the public sector expenditure in current prices is estimated to have been financed through mobilisation of domestic resources and 83.18 percent from external resources. The financing of the public sector during 1985-88, is shown in the following table :

TABLE 1.9  
Public Sector Financing during the first three years of the Third Plan  
(Current Prices)

[Taka in crore]

Item	Third Plan Projection (At 1984/85 prices)	Estimated Actual (Current prices) (1985-88)
<b>A. Domestic Resources</b>		
(a) Tax Revenue .. ..	17,845	11,544
(b) Non-Tax Revenue .. ..	3,988	2,492
Total Current Revenue .. ..	21,833	14,042
Total Current Expenditure .. ..	16,850	12,308
Current Revenue Surplus .. ..	4,983	1,734
Capital Receipt .. ..	977	584
Sub-Total : (A) .. ..	5,960	2,318
<b>B. External Resources</b>		
(a) Food Aid .. ..		471.0
(b) Commodities Aid .. ..		3,678.0
(c) Project Aid .. ..		7,315.91
Sub-Total (B) .. ..	19,040	11,464.91
Total : (A+B) .. ..	25,000	13,782.91
<b>A. As percentage of Total</b> .. ..		
	23.84	16.82
<b>B. As percentage of Total</b> .. ..		
	76.16	83.18

*Note* On the basis of financing the total outlay during 1985-88 comes to Tk. 13,607 crore which, however differs from the estimated expenditure of Tk. 12,217 crore appearing in Table 1.8 (Sectoral Distribution of Development Expenditure) arrived at on the basis of Actual expenditure during 1985-88.

The above table shows that the ratio between domestic and foreign resource in financing the development expenditure in current prices turned out to be 16.82 : 83.18. This has been due to paucity of domestic resources relative to foreign aid inflows. Although revenue receipts showed considerable increase, there was sharp increase in revenue expenditure which reduced the surplus for development. During the period under review current expenditure in nominal terms increased at an average annual rate of 16.5 percent from Tk. 2930 crore in 1984/85 to Tk. 4,638 crore in 1987/88 as a result of increase in compensation of public employees, higher allocation for operation and maintenance of public assets, increase in the prices of stores and materials, defence and law and order, domestic and external debt services, increase in grants-in-aid and increased expenditure on relief and rehabilitation following floods of 1987. The growth of current expenditure resulted in a fall of revenue surplus which amounted to Tk. 1,533 crore (at 1984/85 prices) against the Plan target of Tk. 4,983 crore.

#### **Project Implementation :**

In the past project implementation suffered from a number of problems. In spite of substantial increase in development expenditure very few projects were completed each year due to thinning out of resources over a growing number of projects. Moreover, due to inadequacy in programming techniques resources were inefficiently allocated until emerging bottlenecks forced reallocation of funds or search for new resources. In order to remove these difficulties, a number of measures were taken during the Second Plan for improvement of project implementation. These consisted of two sets of measures, one set directed towards efficient allocation of resource and the other for accelerating resource use. The first set consisted of cost rationalization and pruning of unnecessary project components, dropping and stalling of projects of lesser importance and introduction of cost programme concept in ADP for automatic release of fund. The second set consisted of increased financial delegation to line ministries and their agencies, enhancement of financial authority of project directors for development expenditure for local and foreign purchases, simplification of land acquisition procedure and streamlining of procedure for processing of schemes. A particular problem that needed urgent attention for accelerating utilization of aid was the processing of aided projects starting from negotiation to commitment of aid. Three important steps were taken in this respect : first, consideration of aid proposals in interministerial committee; second, introduction of preliminary project proforma for negotiation of aid and lastly, provision of block allocations for technical assistance and customs clearance.

Total number of projects included in the ADP has been drastically reduced. From around 1500 projects included in the ADP during the late seventies, there are around 900 projects in the ADP for 1987/88 as shown in Table No. 1.10. Gradually the number will be brought down further so that available resources can be effectively allocated for efficient implementation of the ADP projects.

TABLE 1.10

## Operation of the ADP under the Second and First Three Years of the Third Plan

Year	Revised ADP (Tk. in crore)	Actual Expenditure (Tk. in crore)	No. of schemes undertaken	No. of schemes completed
1979/80	2,330	2,188	1,406	359
1980/81	2,369	2,466	1,520	160
1981/82	2,715	2,391	1,675	133
1982/83	3,126	2,688	1,178	166
1983/84	3,585	3,006	992	245
1984/85	3,498	3,168	908	323
1985/86	4,096	3,628	816	103
1986/87	4,513	4,439	842	108
1987/88	4,651	4,150	880	99

Source : IME Division, Ministry of Planning.

The number of unapproved projects included in the ADP is much less now compared to those existing in the past. In the ADP for 1987/88 only about 12.04 percent of the total projects remained unapproved. The slow process of project approved was one of the reasons for inclusion of unapproved projects in the past. In order to overcome this the procedures for processing of projects have been simplified by delegating to administrative ministries the authority to approve projects costing upto Tk. 2.0 crore while at the same time a time phased schedule for processing of projects has been adopted. According to this schedule, a project costing more than Tk. 5.0 crore and so requiring approval of the highest authority (ECNEC) takes 180 days only from the day of its formulation. A Special Project Evaluation Committee (SPEC) has been set-up to expedite the process of approval of technical assistance projects for prompt utilisation of technical assistance.

The ADP presently contains many nation wide programmes and projects in the agriculture, water resources, population and other sectors which are suitable for implementation by local government institutions. In view of decentralisation of development administration, such programmes/projects are being transferred to the Upazila parishads. A set of guidelines relating to the preparation of the Annual Upazila Development Programme (AUDP) has been given to the Upazila parishads. This will enable the national government to concentrate on the implementation of relatively larger projects of national importance and to maintain inter-sectoral balance.

Sector-wise development expenditure in the public sector during the various plan period and the first three years of the Third Plan at respective base-year prices is shown in Table 1.11. It will appear from the Table that the development expenditure in the public sector during the First Five Year and the Second Five Year Plans stood at Tk. 2,340 crore and Tk. 10,463 crore respectively realising 59 percent and 94.26 percent of the plan targets. The expenditure in the public sector during the first three years of the Third Plan is estimated at Tk. 10,875.10 crore or 43.50 percent of the plan target.

TABLE 1.11

## Allocation and Estimated Outlay at Base Year Prices in different Plan Periods

Sl. No.	Sector	[Taka in crore]									
		First Five Year Plan (1973-78)		Two Year Plan (1978-80)		Second Five Year Plan (1980-85)		First Three Years of the Third Plan (1985-88)		Allocation of TFYP (1st Three Years)	
		Allo- cation	Per- cent- tage outlay	Allo- cation	Per- cent- tage outlay	Alloca- tion (Revised)	Estima- ted outlay	Per- cent- tage	Alloca- tion	Estima- ted outlay	Per- cent- tage
1	Agriculture, Water Resources and Rural Institutions.	1,041	70.5	898	971	1,08.1	3,802	3,185	7,060	2,030.32	28.75
2	Industries	738	45.5	570	541	95.0	1,390	1,109	2,600	1,491.86	57.38
3	Power, Natural Resources and Science Technology.	522	60.0	471	501	106.3	2,144	2,013	5,735	2,729.52	48.10
4	Transport	528	76.8	450	497	110.6	1,287	1,279	2,637	1,025.70	38.89
5	Communication	114	68.8	130	102	78.3	237	236	388	155.73	40.13
6	Physical Planning and Housing	315	45.3	250	199	79.6	574	449	550	372.14	67.66
7	Education, Training, Labour and Public Administration.	316	37.1	195	131	67.2	579	523	1,378	519.24	37.68
8	Health and Social Welfare	220	42.9	134	120	89.6	490	444	857	314.73	36.72
9	Population Control and Family Planning.	70	61.1	100	84	83.8	310	300	870	294.61	33.86
1	Others	88	67.6	62	101	162.9	287	925	2,925	1,943.00	66.43
	Total	3,952	59.2	3,261	3,247	99.6	11,100 <sup>1</sup>	10,463	25,000	10,875.10	43.50

Source: Planning Commission.

<sup>1</sup> Based on Revised public sector allocation of Tk. 11,100 crores which constitutes 55.20% of the original allocation of Tk. 20,125 crores.

### Monetary and Price Situation:

The monetary and credit programme for the Third Five Year Plan was drawn up keeping in view the expected increase in GDP, projected rate of inflation and the transaction in the foreign sector. It was envisaged that liquidity expansion during the Plan period should not exceed 17.5 percent a year so that inflation might be kept below 10 percent. Positive interest rate and flexible exchange rate policies are also taken into account throughout the plan period.

Money supply (*i.e.*, narrow money) recorded an expansion of Tk 815.90 crore or 19.3 percent to Tk 5047.70 crore on 30th June, 1988 from the level of Tk 4,231.80 crore on 30th June, 1987. Money supply in 1987/88 increased by about 16 percent from Tk 4,351.60 crore to Tk 5,047.70 crore. Monetary expansion in 1987/88 was caused mainly by expansion of credit to the private sector, credit and investment in the public sector, surplus in the foreign sector (*net*) and miscellaneous factors (*net*); Broad money (*M*), on the otherhand, increased from the level Tk 10,534.20 crore on 30th June, 1985 to Tk 16,408 crore in June 1988 showing an increase of about 56 percent.

Total domestic credit amounted to Tk 12,460.90 crore, Tk 14,534.70 crore, Tk 15,368.10 crore and Tk 17,400.80 crore in June 1985, 1986, 1987 and 1988 respectively, or in other words, total domestic credit increased at an average annual rate of 11.77 percent during the first three years of the Third Plan period as compared to 22.65 percent during the last three years of the Second Plan. Total credit to the government sector as well as to the private sector increased at an average annual rate of 5.3 percent and 16.5 percent respectively during the last three years of the current Plan.

The Bangladesh Bank undertook some important measures for better monetary management. In view of encouraging private investment in the country and hence to reduce the cost of credit, Bank rate was reduced from 11.25 percent to 10.75 percent on July 1, 1986. The lending rates on working capital and export credit for some important sectors *viz.*, jute and tea were also reduced in the country. As part of monetary management, Bangladesh Bank raised the liquid asset requirement from 20 percent to 25 percent for the scheduled banks and cash reserve requirement from 5 percent to 10 percent for all banks (except specialised banks) from October 29, 1987.

The overall price situation in the country during the first three years of the Third Plan remained under considerable strain due to natural calamities like draught and severe flood of 1987/88. Of course in 1985/86 price situation was eased a little compared to the year before and onwards.

The average general consumer price index for middle class people at Dhaka (1973/74 = 100) rose by 11.4 percent in 1987/88 as against 10.4 percent in 1986/87 and 9.82 percent in 1985/86. During 1985-88 the index increased at an average annual rate of 10.6 percent as compared to 10.2 percent in the preceding three years (1982-85). The major contributing factors influencing 10.6 percent average annual increase in the general consumer price index during 1985-88 are: increase in food prices by 11.3 percent, fuel and lighting by 3.8 percent, housing and household requisites by 12.6 percent, clothing and footwear by 7.7 percent and miscellaneous by 10.2 percent. Of course, it may be mentioned here that the government has been successful in containing inflation to around 10 percent, though not below 10 percent. Consumer price index, on the otherhand, for high income families and low income families at Dhaka (1973/74 = 100) increased at average annual rate of 9.1 percent and 11.3 percent respectively compared to 10.6 percent of the middle class families during the period under review. As such the lower income families were relatively in worse position than the high income and middle class people.

1 Note: Statistics on Money supply and credit are based on new system of estimation from June, 1987 and as such statistics from June, 1987 are not strictly comparable with those of the previous years.

The overall real wage situation in the country shows improving trend in recent years. During the first three years of the Third Plan, the general real wage index (1973/74=100) recorded an average annual increase of 7.2 percent from the level of 133 in 1984/85 to 164 in 1987/88. Average annual increase of real wage index in the three sectors—manufacturing, construction and agriculture were 5.8 percent from the level of 151 to 179, 8.8 percent from 121 to 156 and 8.5 percent from 97 to 124 respectively during the same period.

#### Balance of Payments and External Resources:

The balance of payments strategies of the Third Plan consists of containing the balance of payments gap within the limit of available foreign aid, accelerating the pace of growth of exports, exploiting the scope of further import substitution on a competitive basis and encouraging overseas employment and home remittances. As the present estimate indicates, the country witnessed significant improvements in its balance of payments situation during the first three years of the plan and the main objective of the balance of payments (i.e. containing balance of payments gap within the limit of available foreign aid) was realized. The major factors which contributed to such outstanding performance of the external sector are summarized as: about 24% increase in merchandise exports *viz-a-viz* a 1.2% shortfall in imports, continued substantial improvement in remittances resulting in around 69% increases and 8.7% increase in aid disbursement. A statement summarizing the balance of payments situation for the first three years of the plan is given below:

TABLE 1.12  
Balance of Payments, 1985-88  
(at 1984/85 Prices)

[Million US \$]

Categories	Total for three years 1985-88		
	Plan Target	Present Estimate	Achievement
1. Import Payments .. .. .	-9,841	-9,757	99.1
(a) Goods (c. i. f.) .. .. .	-8,555	-8,451	98.8
(b) Services .. .. .	-1,286	-1,306	101.6
2. Export Receipts .. .. .	4,098	4,742	115.7
(a) Goods (f. o. b.) .. .. .	3,084	3,817	123.8
(b) Services .. .. .	1,014	925	91.2
3. Balance of goods & Services .. .. .	-5,743	-5,015	87.3
4. Remittances .. .. .	1,291	2,072	160.5
5. Current Account Balance .. .. .	-4,452	-2,943	166.1
6. MIT Debt Repayments .. .. .	-376	-3,448	119.1
7. Balance of Payments gap .. .. .	-4,828	-3,391	70.2
8. Aid Inflow .. .. .	4,205	4,570	108.7

**Terms of Trade :**

The commodity terms of trade which depicted substantial improvement in the terminal year (1984/85), of the Second Plan deteriorated by 18.4% in 1985/86 due to a severe decline (27.5%) in the average export prices vis-a-vis a 11.1% fall in the average import prices in the wake of sluggish growth in developed countries. However Bangladesh experienced improvement in her external terms of trade during 1986/87. The index of the terms of trade rose from 80.1 in 1985/86 to 91.0 in 1986/87 resulting from 9.7% increase in export prices accompanied by 8.7% fall in average import-prices. A further improvement of 12.7% in the terms of trade was observed in 1987/88 because of a larger increase in the prices of exports than imports as shown in the table below :

TABLE 1.13

**Terms of Trade  
(1979/80=100)**

Year	Import Price Indices	Export Price Indices	Terms of Trade
1979/80 .. .. .	100.0	100.0	100.0
1980/81 .. .. .	113.5 (13.5)	86.8 (-13.2)	76.5 (-23.5)
1981/82 .. .. .	118.7 (4.6)	74.7 (-13.9)	62.9 (17.8)
1982/83 .. .. .	112.5 (-5.2)	76.1 (1.9)	76.6 (7.5)
1983/84 .. .. .	110.9 (-1.4)	89.8 (18.0)	81.0 (19.8)
1984/85 .. .. .	110.8 (-0.1)	108.8 (21.2)	98.2 (21.2)
1985/86 .. .. .	98.5 (-11.1)	78.9 (-27.5)	80.1 (18.4)
1986/87 .. .. .	89.9 (-8.7)	81.8 (3.7)	91.0 (13.6)
1987/88 .. .. . (Estimate)	92.7 (3.1)	95.1 (16.3)	102.6 (12.7)

**Import Trend :**

The Plan envisaged a 2.8% annual average growth in imports. But in view of the sharp decline in foodgrains imports, imports remained much below the base year level in 1985/86. However imports picked up substantially in 1986/87 due mainly to higher levels of capital goods and foodgrains imports. This upward trend continued throughout 1987/88 despite decline in capital goods imports as a result of higher quantity of foodgrains imports in the wake of widespread floods in the middle of 1987. Total imports during the first three years in real terms reached \$ 8,451 million as against the Plan target of \$ 8,558 million showing a shortfall of 1.3%. Import payments as percentage of GDP rose from 20.9 in 1984/85 to 21.9 in 1987/88.

**Export Performance :**

Export performance during the first three years of the Plan was better than anticipated due to higher level of export volumes of raw jute, jute goods, leather, frozen food and garments. Traditional exports increased at the rate of 3.9 per cent and non-traditional exports 29 per cent against the target rate of 1.9 per cent and 9 per cent respectively. Total export earnings grew at an average annual rate of 12.1% over the period and totalled \$ 3,817 million thereby exceeding the target by 23.8%. Export earnings as percentage of GDP increased to 9.4 in 1987/88 from 7.4 in 1984/85.

**Worker's Remittances :**

In view of depressed world price of oil, the plan expected a slower rate of 3.8 per cent annual average growth of remittances. However, remittances exceeded the target growing at the rate of more than 20 per cent during the period under review. Remittances declined sharply to \$ 439 million in 1984/85 but improved significantly during the first three years of the Plan. Total earnings from this source during the period are estimated at \$ 2,072 million, i.e. \$ 781 million or 60.5% higher than the plan expectation of \$ 1,291 million.

**Foreign Aid inflow :**

The Plan envisaged a slower growth (3.1%) of foreign aid than the Second Plan (3.3%) given the aid environment prevailing at the time of Plan formulation. While disbursement of foreign aid over the period increased at the rate of 8.6 per cent the composition of aid during the period was not in conformity with the plan expectation. The composition of aid during the period moved in favour of both food and project aid rather than commodity aid. The commodity aid as a percentage of total aid package was always lower during the first three years of the Plan than the benchmark level and declined to 31.3% in 1987/88 from 34.1% in 1984/85.

Bangladesh has generally received external assistance as grants and soft loans. Debt-service payments totalled \$ 289.3 million in 1987/88 as against \$ 170.0 million in 1984/85. In other words debt-service payments as a percentage of export earnings increased from 18.1 in 1984/85 to 24.2 in 1987/88 resulting from changing profile of external aid where loans have assumed greater proportion in the total aid package, expiry of grace period etc.

The export and import trades and the balance of payments position have been discussed in details in Chapter IV.



## Performance of the Private Sector :

The private investment target for the Third Plan was fixed at Tk. 13,600 crore or 35.2 per cent of a total outlay of Tk. 38,600 crore. Private sector investment during the first three years is estimated at Tk. 6,500.90 crore at current prices however, the extent of real investment will be much lower than suggested by these figures as shown in the table below :

TABLE 1.14

Private investment\* during the First Three Years of the Third Plan.

[Taka in Crore]

Sector	Third Plan Target	Estimated investment during 1985-88		Percentage of the target achieved (Col. 4 of Col. 2)
		At current prices	At 1984/85 prices	
1	2	3	4	5
1. Agriculture .. ..	4,400	1,552.16	1,381.97	31.41
2. Manufacturing .. ..	3,200	7,75.44	6,98.82	21.84
3. Physical Planning and Housing.	3,650	1,240.88	1,104.38	30.24
4. Transport and Communication.	1,500	1,520.58	1,375.05	89.67
5. Trade and other services	850	1,411.84	1,258.82	148.10
<b>Total ..</b>	<b>13,600</b>	<b>6,500.90</b>	<b>5,819.04</b>	<b>42.79</b>

\* Excludes non-monetized investment.

From the table No-1.14 it is seen that the private investment during 1985-88 stands at Tk. 6,500.90 crore at current prices. After adjustment for price changes the real private investment comes to Tk. 5,819.04 crore implying that 42.79 percent of the plan target is estimated to have been achieved. The sectoral composition of the private sector investment is given in the table below :

TABLE 1.15

Composition of the Private Investment during the first three years of the Third Plan  
(Current Prices)

[Taka in Crore]

Sector	1985/86	1986/87	1987/88	Total (1985-88)	Percentage of Total
1	2	3	4	5	6
1. Agriculture ..	441.27	618.92	491.97	1,552.16	23.88
2. Manufacturing ..	213.04	325.20	237.20	775.44	11.93
3. Physical Planning and Housing.	350.81	375.18	514.89	1,240.88	19.09
4. Transport and Communication.	593.07	471.88	455.63	1,520.58	23.39
5. Trade and other services.	384.00	489.45	538.39	1,411.84	21.71
Total ..	1,982.19	2,280.63	2,238.08	6,500.90	100

It is apparent from the above table that during the first three years of the Third Plan the bulk of the private investment, i.e. Tk. 1,552.16 (23.88%) crore went into agriculture. And an amount of Tk. 1,520.58 crore (23.39%) was in transport and communication, Tk. 1,411.84 crore or 21.71% in trade and other services and Tk. 1,240.88 crore (19.09%) in physical planning and housing sector. It may be noted here that the share of sectoral distribution of private investment for manufacturing sector (only 11.93%) was the lowest even though incentives and facilities were offered by the Government to the private entrepreneurs.

**Institutional Credit for Financing :**

Private sector investment continues to be largely financed by equity capital. However specialised institutions are playing an increasingly active role for the development of certain priority sectors of the economy through providing credit and counselling services. The following table shows the levels of credit disbursement during the first three years of the Plan.

TABLE 1.16  
Disbursement of credits to Private sector from 1985/86 to 1987/88

Type of Credit	[Taka in Crore]			
	1984/85	1985/86	1986/87	1987/88
1. Agricultural Credits .. ..	1,130.75	481.38	675.18	538.85
2. Industrial Credits .. ..	115.46	120.04	183.72	129.47
3. Housing Credits .. ..	193.49	150.86	162.57	210.31
4. Transport Credits .. ..	25.62	14.79	15.35	21.79
<b>Total .. ..</b>	<b>1,287.12</b>	<b>767.05</b>	<b>1,036.82</b>	<b>900.42</b>

**Foreign Private Investment :**

During the first three years of the Third Plan, 41 joint venture or foreign equity participation projects were sanctioned involving a total investment of Tk. 518.23 crore of which Tk. 294.61 crore was foreign equity. The projects sanctioned were in the field of textiles, garments, chemicals, pharmaceuticals, electronics and services. Bangladesh Export Processing Zone (BEPZ) sanctioned 23 enterprises involving US \$ 17.58 million during the same period. These units are in the field of garments, textiles, electronics, engineering products and services.

**Policies :**

A significant change has taken place in the domestic economic policy which has given increased emphasis on the role of the private sector. In order to boost up private investment a number of policy measures have been initiated by the Government. A New Industrial Policy for greater participation of the private sector was introduced in June, 1982. By June 1985, 33 jute mills and 27 cotton mills were disinvested to the private sector. Government undertook a major study on the Trade and Industrial Policy (TIP) issues in order to examine the possible re-structuring of industrial production based on comparative advantage. Banking system has also been opened to private ownership commensurate with shift in emphasis on private investment.

In the Industrial Policy, 1986, the SCI has been given emphasis as priority sector. The industrial policy requires that financial institutions and commercial banks should have separate window for financing small and cottage industries. Debt equity ratio for SCI shall be 80:20 in order to provide support to small entrepreneurs. There shall be a tax-holiday of five years, seven years and nine years for industries to be set-up in developed areas, less developed areas and least developed areas respectively. The rate of import duty on machinery and equipment for setting up small and cottage industries in less and least developed areas and also in BSCIC Industrial Estates shall be 2.5% ad-valorem (No sales tax). For SCI irrespective of the debt-equity ratio and areas, the rate of interest of bank loan will be 10% while the current bank rate is 10.75%. These will contribute to the growth and commercial viability of the SCI enterprises.

In order to encourage a greater participation of private investors in the industrialization of the country, government announced a New Industrial Policy in 1982 (NIP' 82) and another one in 1986 (RIP' 86). But it has been observed that in spite of numerous incentives provided to private sector in the NIP' 82 and RIP' 86, investment in the private sector has not increased appreciably. The details of private investment may be seen in Chapter VI.

#### Poverty and Employment :

The economy of Bangladesh suffers from the chronic problems of poverty and unemployment. Most of the development programmes designed to promote increased employment by-passed the majority of the rural poor. In recent years, rural development programme have been undertaken with focus on employment of poor households in rural areas, they together with other non-government programmes have made very limited impact on poverty and unemployment. According to the 1985/86 Household Expenditure Survey conducted by the Bangladesh Bureau of Statistics, about 45 percent of the population are below the poverty line as they do not have the income to ensure the minimum nutritional intake in terms of the internationally accepted minimum standard (2120 K. cal.) According to the Survey, incidence of poverty is higher in rural areas. About 47 percent of the rural households are below the poverty line with about 60 percent of the poor remaining in extreme poverty as they do not have income to meet 82 percent of the minimum consumption requirement.

The First Five Year Plan (1973-78) aimed at creating enough new jobs not only to absorb all new entrants into the labour force but also to reduce the existing level of unemployment and underemployment. However, non-fulfilment of its investment programme led to an employment increase of 30 lakh against the planned target of 54 lakh. The target of employment creation during the Two Year Plan (1978-80) was 18 lakh but because of its interim nature, it was not possible to reach the goal. The second Five Year Plan envisaged creation of 37 lakh job opportunities during 1980-85 but the employment opportunities created stood at 32 lakh.

The primary objective of the Third Plan is to alleviate poverty and to expand productive employment. The Third Plan aimed at creating 51 lakh job opportunities. However the creation of employment during the first three years of the Third Plan is estimated at 23 lakh realising 45 per cent of the planned increase. The table below shows the target of creating new employment and the achievement during the various plan periods.

TABLE 1-17

Employment Expansion Target and Achievement during the various Plan period.

Plan	New Employment Target (Increase over benchmark)	[In lakh man-year]	
		Achievement	
First Five-Year Plan (1973-78)	54	30 (56)	
Second Five Year Plan (1980-85)	37	32 (86)	
Third Five Year Plan (1985-90)	51	23 (45)	(E) (During 1985-88)

Paren these; indicate the percentage of achievements.

In order to solve the problems of poverty and unemployment, certain specific programmes that have been undertaken in recent years include the following :

- Several programmes have been undertaken in the field of employment expansion.
- Expansion of HYV cultivation and irrigation facilities.
- Diversification of agriculture-crop diversification, programmes in oil seeds, fruits, vegetables, potatoes etc.
- Mid-term horticulture development programme.
- Livestock and fisheries-increased investment in these sub-sectors have contributed to the expansion of employment.

#### **Emphasis on Small Cottage and Rural Industries :**

- Since 1962 employment in cottage industries (excluding handloom) grew at an annual rate of 2.2 per cent reaching an absolute number 916,000 and in 1980. In 1985 there were about 28,000 small-scale enterpriss employing about 380,000 and in cottage industries about 10 lakh jobs were created. In addition, 12.00 lakh jobs were in handloom industries.
- Poverty oriented target group approach having the elements, namely, (a) access to resources, (b) access to employment and (c) access to food has been geared up under the following programmes :
  - (i) Rural works programme.
  - (ii) Food-for-works programme (over 5 lakh tons of wheat to be utilised during 1988-89).
  - (iii) Vulnerable group development programme.
- No. of beneficiaries increased from 1,73,545 in 1976/77 to 18,12,676 in 1986/87.
- BRDB—upto 1987, 13,000 assetless groups, 10502 women assetless co-operatives have been organised with a total membership of 37,000, and 2,90,000 respectively.

#### **Institutional Arrangements :**

- Recently some institutional arrangements have been made to deal with employment programmes and to maintain overview of the various cross sectoral issues involved in employment generation as well as to analyse the impact of national policies on small labour intensive enterprises through setting up of an Employment Monitoring Unit in the Planning Commission and undertaking Employment/Small Enterprises Policy Planning Sub-project supported by USAID. A new strategy which emphasises productive employment in the rural areas has been developed. It has been under trial in the selected Upazilas in two districts under an experimental Project entitled : Upazila Resource Development and Employment Project (URDEP) since January 1987. The objective is to test an institutional framework for promoting economically and financially viable nonfarm employment for the rural poor on a composite package consisting of (i) institutions, (ii) technology and training, (iii) input supplies, (iv) credit and (v) market development.

Poverty and Employment situation has been discussed in details in chapter VI.

**Decentralisation of Administration :**

With shift in emphasis in favour of rural development, the most significant step taken by the government is the decentralisation of decision-making responsibilities and enhancing the capacity of local governments. A comprehensive administrative reform was carried in 1982 with a view to bringing rural development into sharp focus of the national plan. The reorganised administrative set-up has been introduced in phases. As many as 460 Thanas have been upgraded as Upazilas.

Upazila is now the focal point of administration as also of development covering all national and local efforts for rural development. To encourage local participation in development and promote local initiative, a number of development subjects have been transferred to the Upazila Parishad to be financed from central grant. Upazila Parishads have been receiving development assistance fund on grant basis since 1983/84 in two instalments. The table below shows year-wise allocation and expenditure of development assistance funds for the Upazilas.

TABLE 1.18  
Allocation and Expenditure of Development Assistance Funds

[Taka in Crore]

Year	Allocation	Expenditure
1983/84	171.00	171.00
1984/85	200.00	200.00
1985/86	200.00	200.00
1986/87	160.00	N. A.
1987/88	200.00	N. A.

The national government has also undertaken development of basic infrastructures like buildings, roads, communication facilities etc. This fund is allocated by the National Implementation Committee on Administrative Reform (NICAR) over different types of infrastructure development. Government has allocated a total sum of Tk. 1095.00 crore for the period from 1982/83 to 1987/88 among the concerned ministries for infrastructure development of Upazila Parishad. The total expenditure of utilisation of infrastructure fund from 1982/83 to May 1987 is about Tk. 309.08 crore for building administrative facilities. Physical progress of Upazila connecting roads, bridges and culverts against the planned target is about 69 per cent. It is expected that by the end of the Third Five Year Plan period, infrastructure development target could be achieved by utilising the plan allocation. A number of revenue raising sources have been allocated to the Parishads including leases on water bodies, taxes on entertainment and various licence fees. The parishads may also receive funds placed with them by various agencies of the national government for execution of scheme not otherwise transferred to the Parishads. Besides, the formation of upazilas, the subdivisional level of administration has been eliminated by upgrading the previously existing subdivision into districts; there are now 64 districts in all compared to 22 existing before decentralisation.

## CHAPTER II

### PUBLIC SECTOR RESOURCES MOBILIZATION

A major goal of the Third Plan is to step up efforts for domestic resources mobilization to attain self-reliance within the shortest possible time. Of the Plan's total outlay of Tk. 386 billion, Tk. 175.72 billion or 45.5 percent was estimated from domestic resources. Public sector resources for the Plan were estimated at Tk. 250 billion—Tk. 59.60 billion from domestic resources and Tk. 190.40 billion from external resources as shown in Table 1.

TABLE 1

**Financing of Public Sector Outlay**  
(At 1984/85 prices)

(In billion Taka)

Source	Amount
(1) External Resources	190.40
(2) Domestic Resources	59.60
(a) Total Current Revenue	218.33
Tax Revenue	178.45
Non-tax Receipts	39.88
(b) Current Expenditure	168.50
(c) Current Revenue Surplus	49.83
(d) Capital Receipts	9.77
<b>Total</b>	<b>250.00</b>

During the first three years of the Plan period, domestic resource mobilization in the public sector has been influenced by several factors. During the period, economy suffered set back from natural calamities like drought and flood affecting agricultural output and income. The flood of July-September 1987 was the worst in last forty years. During the period, agricultural sector registered a growth of 2.3 percent compared to 4 percent target set for the Plan period. The slow growth of agriculture depressed demand for manufactures as well as imports. The need for higher food imports from cash for foreign exchange as a result of crop failures limited other imports (especially of taxable imports). In spite of various measures taken, financial performance of parastatal bodies remained weak and they were unable to generate adequate surplus. Depressed domestic demand affected capacity utilization and sale of public enterprise. While frequent upward price adjustments by public enterprises helped to reduce their losses, it also affected demand for their products. The process of tariff rationalization for encouraging private investment under the new industrial policy initiated in recent years continued during the period under review. Fiscal incentives provided under the policy had their effect on government revenue.

On the other hand, recurrent expenditure increased sharply because of factors like increase in compensation of public employees, higher expenditure on operation and maintenance of public assets, social sector, defence and law and order, debt services and post-flood relief and rehabilitation. Lower revenue growth compared to current expenditure led to smaller revenue surplus than envisaged in the Plan. During the three-year period, while

revenue receipts increased at the rate of 14.6 percent, current expenditure recorded faster growth of 16.5 percent (in current prices). Total revenue surplus (at 1984/85 prices) fell short and amounted to Tk. 1,533 crore against the Plan target of Tk. 1,996 crore for the period. Total domestic resources during the period is estimated at Tk. 2,055 crore which is 34.5 percent of Plan target of Tk. 5,960 crore. Table 2 provides details of revenue surplus during 1985/86 to 1987/88.

TABLE 2  
Revenue Surplus during 1985/86 to 1987/88

Component	(In crore Taka)						
	1984/85 (R.E.)	1985/86	1986/87	1987/88	Annual growth (%)	Total 1985-88	Plan Target (1985-90) at 1984/85 prices
1. Total Revenue	3,477	4,129 (3,970)	4,683 (4,144)	5,230 (4,358)	14.6 (7.8)	14,042 (12,472)	21,833
Tax Revenue	2,847	3,303 (3,176)	3,869 (3,424)	4,372 (3,643)	15.4 (8.6)	11,544 (10,243)	17,845
Non-tax Receipts	630	826 (794)	814 (720)	858 (715)	10.8 (4.3)	2,498 (2,229)	3,988
2. Current Expenditure	2,930	3,738 (3,594)	3,932 (3,480)	4,638 (3,865)	16.5 (9.7)	12,308 (10,939)	16,850
3. Revenue Surplus	547	391 (376)	751 (664)	592 (493)	2.7 (-3.4)	1,734 (1,533)	4,983

Note: Figures in parentheses are at 1984/85 prices.

#### Revenue Trends :

Total revenue receipts during the first three years of the Plan increased at an average annual rate of 14.6 percent in nominal term from Tk. 3,477 crore in 1984/85 to Tk. 5,230 crore in 1987/88. At 1984/85 prices, revenue receipts increased at the rate of 7.8 percent against 7.1 percent envisaged in the Plan and achieving 57.1 percent of Plan target.

**Tax Revenue:** Tax revenue during the first three years of the Plan period increased at an average annual rate of 15.4 percent from Tk. 2,847 crore in 1984/85 to Tk. 4,372 crore in 1987/88. At 1984/85 prices, tax revenue increased at the rate of 8.6 percent against Plan expectation of 6.9 percent attaining 57.4 percent of the Plan target. Tax/GDP ratio indicating tax effort increased to 9.1 percent in 1987/88 from 8.4 percent in 1984/85 and against the Plan target of 9.4 percent in 1989/90. However, overall tax elasticity during the period under review declined implying that growth in tax revenue has been sustained primarily by discretionary measures. Table 3 shows tax elasticity and tax buoyancy.



TABLE 3

## Elasticity and Buoyancy of Taxes

Tax	Base	Elasticity		Buoyancy	
		1972/73	1972/73	1972/73	1972/73
		to	to	to	to
		1984/85	1987/88	1984/85	1987/88
All taxes	GDP (at current market prices)	1.04	0.93	1.22	1.18
Import duty	Dutiable value	0.81	0.85	0.89	1.00
Sales tax	Duty-paid value	0.93	0.94	0.91	0.96
Income tax	Non-agricultural GDP (at current market prices)	0.92	0.89	1.04	1.09
Excise duty	GDP (at current market prices)	0.86	0.79	1.23	1.24

During the period under review, progress has been recorded though marginal towards equity and progressivity of the tax system as the ratio of direct to indirect taxes improved from 20.8 percent in 1984/85 to 22.8 percent in 1987/88 and the ratio of direct tax to GDP increased from 1.7 percent to 2.0 percent. Table 4 shows the trend of tax/GDP ratio and ratio of direct/indirect taxes during the first three years of the Plan period.

TABLE 4

## Ratio of Tax to Gross Domestic Product and Direct-Indirect Tax Ratio

(Percentage)

Year	Tax/GDP Ratio			Direct/Indirect Tax Ratio
	Indirect	Direct	Total	
1984/85	6.7	1.7	8.4	20:80
1985/86	6.8	1.8	8.6	21:79
1986/87	7.0	1.9	8.9	22:78
1987/88	7.1	2.0	9.1	22:78

Trend in collection of major taxes is discussed below:

Customs duty continued to dominate the tax regime. During the first three years of the Plan period, customs duty constituted 39 percent of total tax revenue and increased at an average annual rate of 13.9 percent in nominal term from Tk. 1,120 crore in 1984/85 to Tk. 1,654 crore in 1987/88. Imports in the initial years of the Plan remained depressed

and stood lower at \$ 2,365 million in 1985/86 and \$ 2,614 million in 1986/87, compared to \$ 2,700 million in 1984/85. Imports, however, recovered in 1987/88 and amounted to \$ 2,987 million due mainly to substantial increase in imports of foodgrains following devastating floods of July-September 1987. Dutiable imports was also lower at \$ 1,452 million in 1985/86 and \$ 1,601 million in 1986/87 against \$ 1,605 million in 1984/85 but recovered to \$ 1,609 million in 1987/88. In spite of lower imports, import duty collection during the first three years of the Plan period increased from Tk. 1,175 crore in 1984/85 to Tk. 1,645 crore in 1987/88. At 1984/85 prices, total import duty during the period amounted to Tk. 4,496 crore which is 67 percent of Third Plan target of customs duty of Tk. 6,718 crore. Increase in import duty collection is attributed mainly to an improvement in average rate of duty and depreciation of Taka. Average rate of import duty increased from 28.1 percent in 1984/85 to 32.7 percent in 1987/88. During the period, Taka depreciated by 17 percent. Table 5 shows the trend of dutiable imports and effective rate of import duty.

TABLE 5

## Imports and Dutiable Imports (1985-1988)

Year	Total imports (Million \$)	Dutiable Import		Import duty (Crore Tk.)	Average rate of duty (%)
		(Million \$)	(Crore Tk.)		
1984/85 .. ..	2,700	1,605	4,188	1,175	28.1
1985/86 .. ..	2,365	1,452	4,341	1,335	30.8
1986/87 .. ..	2,614	1,601	4,906	1,541	31.4
1987/88 .. ..	2,987	1,609	5,028	1,645	32.7

Sales tax is assessed on duty-paid value of imports. Against the Plan target of Tk. 2,640 crore, collection of sales tax amounted to Tk. 1,372 crore at 1984/85 prices attaining 52 percent of the Plan target. Average rate of sales tax in the first three years of the Plan period stood at 8.2 percent.

Excise duty is concentrated in nine major items like tobacco products, gas, POL, sugar, paper and board, pharmaceuticals, jute goods, cinema, narcotics and liquor accounting for 81 percent of total excise duty. Collection increased at the rate of 18 percent in nominal term from Tk. 705 crore in 1984/85 to Tk. 1,172 crore in 1987/88. At 1984/85 prices, collection of excise duty during the first three years amounted to Tk. 2,528 crore which is 54 percent of Plan target of Tk. 4,686 crore. Depressed demand for industrial

goods because of decline in agricultural income especially in the aftermath of floods of 1987 affected excise duty collection. Collection of excise duty by major commodity group is shown in Table 6.

TABLE 6  
Collection of Excise Duty by Major Commodity Group

(In crore Taka)

Category	1984/85		1985/86		1986/87		1987/88	
	Total	Percent	Total	Percent	Total	Percent	Total	Percent
Consumer goods	431.47	62.4	586.95	64.7	596.00	65.2	712.16	60.8
Intermediate goods	232.49	33.6	288.62	31.8	280.19	30.6	426.41	36.4
Capital goods	4.79	0.7	5.28	0.6	2.74	0.3	2.40	0.2
Unclassified	23.17	3.3	26.42	2.9	35.37	3.9	30.81	2.6
Total ..	691.92	100.0	907.27	100.0	914.30	100.0	1171.78	100.0

Income tax revenue in nominal term increased at an annual rate of 19.4 percent from Tk. 390 crore in 1984/85 to Tk. 664 crore in 1987/88. The three-year collection was 63 percent of the Plan projection of Tk. 2,347 crore. About 70 percent of income tax is collected from companies and the balance 30 percent from individuals.

Land development tax collection in nominal term more than doubled from Tk. 40 crore in 1984/85 to Tk. 82 crore in 1987/88. Total collection during the period amounted to Tk. 179 crore or 72 percent of Plan target of Tk. 250 crore. Other minor tax collection was Tk. 646 crore or 54 percent of Plan projection of Tk. 1,204 crore.

During the first three years of the Plan period significant tax reform was undertaken aimed at broadening tax base, raising efficiency of tax administration and increasing built-in flexibility of the tax system. The latter issue has been particularly addressed to make the tax regime more responsive to domestic production. In the short run, however, a trade-off had to be made between the imperatives of using tax instrument for encouraging private investment for rapid industrialization and at the same time to generate resources for financing public sector programmes. To meet the first requirement, substantial tax concessions have been allowed over the past years. During the period 1985/86 to 1987/88, such concessions amounted to about Tk. 215 crore.

Efforts nevertheless continued to accelerate the growth of tax revenue by selective upward adjustment of tax rates, expansion of tax base and improvement of tax administration. During the period under review, taxes raised through new measures amounted to Tk. 870.09 crore which is 0.67 percent of GDP.

Import duty rates were increased for petroleum products, palm oil and cocconut oil especially to protect revenue in view of sharp fall in import prices of these commodities in world market. Development surcharge was raised from 2 percent to 5 percent. Rate of excise duty was increased on natural gas, FOL products, cigarettes and tax on transfer

1987/88  
 12.6.88  
 2-2

of immovable property was raised. A new tax on shops and establishments and a tax on air tickets, both for domestic and foreign travels, was introduced. Marginal rate of income tax was reduced from 65 percent to 50 percent to encourage better compliance. Revenue measures amounting to Tk 114.73 crore was introduced in the aftermath of devastating floods of 1987 to raise additional revenue for meeting expenditure on relief and rehabilitation, and repair and maintenance of assets damaged by flood. These include 6 percent surcharge on income tax, 5.10 percent surcharge on excise duty on specified items (cigarette, cinema, hotel, restaurant, soft drink and liquor and narcotics), 4 percent relief and rehabilitation levy on interest on savings and dividend earned on shares and 4 percent levy on telephone and telex bills. Tax concessions, exemptions and deductions for customs duty, excise duty, sales tax and income tax were closely reviewed and discontinued where these were not found to be justified on economic and social grounds. However, efforts to reduce dependence of the tax system on the external sector through increased tax on domestic income and output are limited by the predominance of agriculture; yet the share of taxes on foreign trade declined to 50.8 percent in 1987/88 from 54.1 percent in 1984/85 while that on domestic goods and services (including income and property) rose from 45.9 percent to 49.2 percent. Table 7 shows changes of tax structure in the first three years of the Plan period.

TABLE 7  
Change in Tax Structure

(Percentage)

Component	1984/85	1985/86	1986/87	1987/88
Taxes on international trade .. ..	54.1	51.0	55.3	50.8
Taxes on income and property .. ..	20.4	21.1	20.9	21.6
Taxes on domestic production and others ..	25.5	27.9	23.8	27.6

Priority has been given to improvement of tax administration and tax organization mainly through rationalization and simplification of procedures for assessment, collection, and refund of taxes. The National Board of Revenue has been strengthened at different levels and more emphasis has been given on personnel training and improvement of logistics. Customs duty rates have been rationalized and anomalies reduced while Customs Act 1969 was suitably modified to make its application easier and more realistic. Measures have been taken to facilitate prompt clearance of goods through customs and minimize disputes. Steps have been taken for computerization of customs procedures with the installation of a computer in Chittagong Customs House. To prevent evasion and malpractices regarding payment of excise duty, excise department has been strengthened and excise administration restructured with a view to streamlining audit of all industrial units, scrutinizing relevant reports and returns and for closer monitoring of movement of excisable goods. The new method of self-clearance for excisable goods has been extended to all except three items as it has been proved to be more productive. After the introduction of modified Income Tax Law, further simplification of income tax assessment has been made. Surveillance against income tax evasion has been strengthened under direct supervision of NBR. The number of income tax assessees increase from 381,571 in 1984/85 to 496,000 in 1987/88 (up to April). Tariff values have been introduced for items on grounds of ease of administration and tariff values have been revised with changes in price in world market. At the same time, effort has been made to convert as many specific rates as practicable into *ad valorem*. Effective measures have been taken

to minimize the menace of smuggling. A high level National Anti-smuggling Committee was set up in 1986. A central Task Force and four regional task forces have been created for prevention of smuggling. Logistics for anti-smuggling operations have been strengthened.

Table 8 shows actual collection from tax revenue during first three years of the Plan.

TABLE 8  
Actual Collection of Tax Revenue and Plan Target  
(In crore Taka)

Tax	1984/85 (R.E)	Actual Collection (1985/86—1987/88)		Plan Target (1985/86—1989/90)	
		At 1984/85 prices		At 1984/85 prices and rates	
Customs Duty	1,120	4,031		6,718	
Sales	410	1,372		2,640	
Excise Duty	705	2,528		4,686	
Income	390	1,487		2,347	
Land Development	40	179		250	
Other	182	645		1,204	
	Total	2,847	10,242	17,845	

**Non-tax Receipts:** Non tax receipts include profits and dividends from public financial and non-financial institutions and net receipts from public utilities, interest, income receipt from state forestry etc. During the first three years of the Plan period non-tax receipts increased at the rate of 10.8 percent in nominal term from Tk. 630 crore in 1984/85 to Tk. 858 crore in 1987/88. In real term, non-tax revenue grew at an average annual rate of 4.3 percent compared to the projection of 8 percent and amounted to Tk 2,229 crore which is 55.9 percent of Plan target of Tk 3,988 crore.

The Plan assumed substantial generation of surplus by the public parastatal bodies and improvement in financial position of public utilities like Railway, Post Office Department and T & T Board. Profits transferred from public corporations to current budget fluctuated during the first three years of the Plan period. During the period, surplus transferred to the Exchequer by non-financial public enterprises amounted to Tk 222.85 crore while financial institutions contributed Tk 695.67 crore. Among public utilities, Railway and Post Office Department incurred net losses but T & T Board showed net surplus. Table 9 shows surplus transferred to the government by nationalized financial and non-financial institutions and net profit of public utilities during the first three years of the Plan period.

TABLE 9

**Profit and Dividends from Public Sector Financial Institutions and Non-financial Enterprises and Net Receipts from Public Utilities.**

(In crore Taka)

Year	Non-financial Enterprises	Financial Institutions	Public Utilities		
			Railway (Net)	T&T (Net)	Post Office (Net)
1984/85	67.44	213.00	(-)38.77	27.50	(-)17.58
1985/86	76.67	268.33	(-)116.04	84.63	(-)14.45
1986/87	88.18	257.34	(-)136.69	62.29	(-)24.09
1987/88	58.00	170.00	(-)103.40	91.59	(-)27.86
Total (1985/86 to 1987/88)	222.85	695.67	(-)356.13	238.51	(-)66.40

Non-financial public enterprises faced several problems. These include low capacity utilization due to depressed demand, shortage of working capital and erosion of capital base, problems of management etc. Concrete efforts have been made by the government to improve the financial performance of public enterprises. These measures aim at optimum utilization of existing capacity, balancing and modernization of plants and improvement of management through reorganization and decentralization of financial powers. The policy of disinvestment has relieved the public industrial corporations of many inefficient and uneconomic units and they are left with smaller number of relatively sound enterprises to manage.

In order to strengthen management coordination of public corporations, a high level Council has been constituted. The Ministers in-charge of Finance, Planning, Industries, Energy and Commerce are members of the Council. Functions of the Council include formulation of policy guidelines and directives for better coordination and improvement of management; guidelines for preparation of budget; approval of production target, profit contribution to the Exchequer and performance criteria; and evaluation and monitoring. In order to develop sound management practices, uniformity of service conditions and compensation policies, a consultative body of chief executives of public sector corporations known as Consultative Committee of Public Enterprises (CONCOPE) has been constituted. Public Corporation (Management Coordination) Ordinance promulgated in 1987 provided a framework for operation and management of the corporations.

Management Information System (MIS) has been introduced in many enterprises for proper monitoring of procurement of materials, production and sale. Ministry of Finance and Ministry of Industries have jointly launched a project with UNDP assistance viz., Development of Performance Evaluation and Financial Management Information System of

**Autonomous Bodies.** A system called SABRE (System for Autonomous Bodies Reporting and Evaluation) has been designed around a computerized data base. SABRE has been designed to meet the needs of central agencies of the government for budgetary and financial controls and economic planning. The coverage of SABRE has since been further expanded; in 1987/88, budgets of 20 major nationalized financial enterprises were prepared in SABRE format. The second phase of the project is now under implementation to enable evaluation of commercial and socio-economic performance, on the basis of enterprises autonomy within a framework of government policy and objectives. A system of budget reporting has also been designed and introduced in the public corporations from 1986/87. The purpose is to facilitate budget review and to provide basic data on flows and stocks of each corporation for purpose of economic, social and financial analysis. A Monitoring Cell has been set up in the Ministry of Finance. The Cell has developed a system called "Performance Contracts" for planning and control of performance of the public enterprises. It is expected that this will ensure accountability and better performance. During 1987/88, five performance contracts (1 with BSFIC and 2 each with BSEC and BCIC) have been implemented.

Enterprises Boards have been constituted for progressive decentralization of power and functions giving the enterprises management adequate freedom in all operational matters. Financial management has been strengthened and discipline restored. Expenditures are monitored to conform to budget allocations. In addition to external and commercial audits, internal organization has been set up in each enterprise to watch that standing rules and regulations are strictly observed. Accounts and budgets were now prepared in time in prescribed formats. Statutory audit of accounts by professional chartered accountants is completed immediately after the end of financial year. Annual reports are now regularly published based on audited accounts. To ensure efficient flow of information at various tiers of management, both at corporate and enterprise level, uniform accounting, budgeting and information processing system have been laid down in most of the public enterprises. Annual reports of corporations are now required to be submitted to ECNEC for review.

Procurement process has been largely decentralized. Excepting a few key items, procurement of all raw materials, spares and accessories, both local and foreign, are procured by enterprises themselves. In order to avoid blockage of fund in unnecessary inventory build-up creating liquidity problems and to ensure availability of required materials to sustain production, Materials Planning and Inventory Control Cell has been created in most of the enterprises. The functioning of this Cell is monitored at the corporation level.

Quality Control and Product Research Department have been organised at the corporate and enterprise level. Efforts are being made to have effective linkage with research oriented organizations like BCSIR, BUET, etc. Minimization of material waste has been given priority. Material usage per unit of output has been reduced significantly in many units conforming to prescribed standards. Labour productivity has shown perceptible improvement in major industries. Labour productivity has improved in jute, cotton, paper, cement, fertilizer and paints and varnish industries between 1984/85 and 1987/88 (July-April) while it declined in steel and petroleum products.

Flexible pricing policy has been introduced allowing more freedom for price adjustments in response to rising costs of raw materials and inputs. Under the New Industrial Policy, public sector corporations can make price adjustments up to 10 percent without

prior government approval. Only a few prices of public sector enterprises are now administered by the government. Table 10 shows change in prices of some public sector goods and services since 1984/85.

TABLE 10  
Changes in Price of Selected Public Sector Goods and Services

		<i>(In Taka)</i>			
Goods/Services	Unit	1984/85	1985/86	1986/87	1987/88
1. Writing paper	.. Ton	23,940	26,939	26,939	26,939
2. Newsprint (Reel)	.. Do.	11,000	11,000	11,000	13,000
3. Sugar	.. Maund	537	560	616	672
4. Petroleum products	.. Long ton	7,967.95	7,967.95	7,171.16	7,171.16
5. Fertilizer	.. Ton	4,517.32	4,7250.0	4,525.00	4,525.00
6. Gas	.. Per 000 c.ft.	20.42	23.63	28.04	32.73
7. Railway :					
Passenger fare	Per mile	0.14	0.147	0.15	0.15
Freight	.. Per ton mile	1.57	1.727	1.737	1.73
8. Electricity	.. Per kwh	1.52	1.65	1.72	1.96
9. Water rate (Dhaka WASA domestic metered)	Per 000 gallon	7.15	8.75	10.94	10.94
10. Postal rate (Envelopes)	Per piece	1.00	1.00	1.00	1.00
11. Domestic air fare (Biman)	Increase (%)	..	25.00	..	..

In order to meet the equity gap of the public enterprises, programme for capital restructuring undertaken in 1978/79 has been continued. Capital restructuring has been completed in respect of BJMC, BTMC etc. (Table 11).



TABLE 11

## Capital Restructuring of Non-Financial Public Organisations 1985-88

(In Crore Taka)

Organisations	Rescheduling of Loans	Conversion of ADP Loan into Equity	Conversion of Loan into Grants	Cash infu- sion	Total
1. BSEC	..	55.53	..	25.00	80.53
2. BCIC	..	45.73	..	..	45.73
3. BTMC	..	20.07	1.82	41.77	63.66
4. BJMC	..	..	..	28.10	28.10
5. BSFIC	..	35.60	..	..	35.60
6. BOGMC	..	52.66	..	..	52.66
7. BPC	..	3.43	..	..	3.43
8. BFDC	..	7.20	..	..	7.20
9. BFDB	(\$17 million)	163.83	..	214.07	377.90
10. BSC	..	103.72	..	..	103.72
11. Biman Corporation	..	41.78	..	15.60	57.38
12. Parjatan Corporation	..	3.46	..	..	3.46
13. BIWTA	10.65*	..	..	..	10.65
14. Mongla Port Authority	..	298.40	..	..	298.40
15. BFFWT	..	..	..	15.17	15.17
Total	10.65	831.41	1.82	339.71	1,183.59

\* Grants-in-aid

Source: Autonomous Bodies Wing, Ministry of Finance.

With a view to broadening the base of ownership and improving management efficiency, shares of selected public enterprises are offered for public subscription in phases. In this process, public enterprises are converted into public limited companies where the corporation acts as holding corporation by virtue of its majority stake in the companies and the companies act as its subsidiaries. These measures have had salutary effect on the performance of public sector enterprises which has been showing gradual improvement (Table 12).

TABLE 12

## Financial Indicators of Public Sector Corporations (Ratio) (Percentage)

Enterprise	1984/85		1985/86		1986/87		1987/88		
	Profit after tax/net worth	Gross Profit/Capital employed	Profit after tax/net worth	Gross Profit/Capital employed	Profit after tax/net worth	Gross Profit/Capital employed	Profit after tax/net worth	Gross Profit/capital sales	
BJMC	(-)133.09	(-)40.59	(-)150.48	(-)25.71	(-)40.20	(-)3.92	(-)29.79	(-)0.30	0.28
BTMC	1.96	16.80	(-)25.17	(-)1.78	2.43	6.44	9.99	5.96	8.23
CC	(-)3.04	(-)0.76	(-)1.78	0.10	0.14	(-)0.26	(-)0.68	0.79	0.73
IC	(-)13.88	(-)9.72	(-)14.47	(-)11.94	(-)13.37	(-)9.23	(-)1.50	0.75	0.53
JFIDC	7.22	5.93	3.03	2.90	1.38	1.34	6.52	3.12	9.77
BCIC	11.10	87.45	2.38	24.84	(-)1.65	16.13	(-)3.32	34.39	11.85
Total	(-)14.94 (1.71)	0.51 (11.19)	(-)16.02 (6.06)	(-)2.57 (4.52)	2.41 (4.39)	3.20 (5.09)	(-)0.88 (-2.83)	6.12 (8.45)	4.99 (6.56)

Note: Figures in parentheses exclude BJMC.  
Source: Sector Corporation.

After tax profit/net worth ratio of six public corporations improved from (-) 14.9 Percent in 1984/85 to (-) 0.88 in 1987/88 while gross profit/capital employed ratio rose from 0.51 percent to 6.12 percent. The ratio of gross profit to sales also improved from 0.32 percent to 4.99 percent.

Contribution from public financial institutions, mainly from Bangladesh Bank, declined from Tk. 213 crore in 1984/85 to Tk. 170 crore estimated for 1987/88. During 1987/88, Bangladesh Bank had to share subsidy with government on interest on agricultural credit as a means to speed up credit recovery. Squeeze on refinancing facility provided to the commercial banks for agricultural credit affected profitability of the Bank. During the period, one nationalized commercial bank was divested while 49 percent share of another was sold to the public.

Among public utilities, the deficit of Railway swelled from Tk. 38.77 crore in 1984/85 to Tk. 103.40 crore in 1987/88 and cumulative deficit over the three-year period amounted to Tk. 356.13 crore. Earnings of Railway had increased by about 2 percent from Tk. 168.32 crore in 1984/85 to Tk. 171.00 crore in 1987/88 while operational expenses accelerated by 32 percent from Tk. 217.09 crore to Tk. 274.00 crore. Number of passengers carried by the Railway declined persistently from 9 crore in 1984/85 to 5.3 crore in 1987/88, i.e. by 41 percent and passenger-kilometer by 24 percent from 603.1 lakh to 461.2 lakh. Freight carried by Railway also declined by 10 percent from 30 lakh tons to 27 lakh tons and freight-ton kilometer by 7 percent from 81.3 lakh to 75.6 lakh. Effort was made to sustain Railway revenue by increase in passenger fares and freights. Between 1984/85 and 1987/88 passenger fares were increased by 7.1 percent and freight by 10.2 percent. Despite upward revision of various postal rates, deficit of Post Office Department increased from Tk. 17.58 crore in 1984/85 to Tk. 27.86 crore in 1987/88 as expenditure increased faster than revenue. Net profit of T & T Board fluctuated during the period and increased from Tk. 27.50 crore in 1984/85 to Tk. 91.59 crore in 1987/88 mainly from expansion of telecommunications network and rate adjustments.

#### **Current Expenditure :**

The Plan had envisaged to keep current expenditure of the government to the minimum through reduction in wasteful expenditure and phasing out of subsidies so as to generate surplus for development budget. Current expenditure in nominal term during the first three years of the Plan period increased at an average annual rate of 16.5 percent from Tk. 2,930 crore in 1984/85 to Tk. 4,638 crore in 1987/88. At 1984/85 price, current expenditure increased at the rate of 9.7 percent against Plan projection of 5.1 percent for the period exceeding Plan provision by 8.5 percent. The growth of current expenditure at this rate was, however, slower than 20.5 percent during Second Plan period. Table 13 shows the growth of current expenditure since 1985/86.

TABLE 13

## Trend of Current Expenditure at Current Prices

(In crore Taka)

Component	1984/85 (R.E.)	1985/86	1986/87	1987/88	Total (1985-88)	Annual Growth(%)
1. General Services ..	1142.96	1377.40 (1324.42)	1587.86 (1405.19)	1896.00 (1580.00)	4861.26 (4309.61)	18.4 (11.4)
2. Economic Services	278.68	354.45 (340.82)	325.45 (288.01)	525.00 (437.50)	1204.90 (1066.33)	23.5 (16.2)
3. Social Services ..	921.91	1252.33 (1204.16)	1505.98 (1332.73)	1588.00 (1323.33)	4346.31 (3860.22)	19.9 (12.8)
4. Debt Services ..	318.30	594.72 (571.85)	443.25 (392.26)	525.00 (479.17)	1612.97 (1443.28)	21.8 (14.6)
5. Subsidy ..	264.85	159.00 (152.88)	69.15 (61.19)	54.00 (45.00)	282.15 (259.07)	..
(a) Food ..	250.00	141.00 (135.58)	50.00 (44.24)	..	191.00 (179.82)	..
(b) Other ..	14.85	18.00 (17.30)	19.15 (16.95)	54.00 (45.00)	91.15 (79.25)	53.8 (44.7)
6. Contingency ..	3.30	..	..	..	..	..
Total ..	2930.00	3737.90 (3594.13)	3931.69 (3479.38)	4638.00 (3865.00)	12307.59 (10938.51)	16.5 (9.7)

Note: Figures in parentheses are at 1984/85 prices.

Faster growth of current expenditure is attributed to a number of factors. These include increase in emoluments of public employees, higher allocation for operation and maintenance of public assets, increase in prices of stores and materials, higher outlay on defence and law and order, domestic and external debt services, increase in grants-in-aid and increased expenditure on relief and rehabilitation following the floods of 1987. Expenditure on operation and maintenance has increased from Tk. 72.99 crore in 1984/85 to Tk. 152.25 crore in 1987/88, Payment of interest on domestic and foreign debt increased from Tk. 318.30 crore to Tk. 575 crore, the former from Tk. 153.27 crore to Tk. 225 crore while the latter from Tk. 165.03 crore to Tk. 350 crore. Current expenditure would have been even more had there not been a substantial reduction in subsidy on public distribution of foodgrains. In conformity with government policy and as envisaged in the Plan, subsidy on foodgrains distribution has been gradually reduced through increase in prices of rationed commodities. Ration price of rice increased by 16.4 per cent while wheat price increased by 16.9 percent during the period. Besides foodgrains, subsidies were paid to Khulna Newsprint Mill, Chittagong Steel Mills and Rural Electrification Board, and for remission of interest on agricultural loan. Subsidy was also paid to banks for losses of public sector jute mills and interest on jute buffer stock etc. Total of non-food subsidies amounted to Tk. 102.14 crore over the three-year period and increased from Tk. 14.85 crore to Tk. 64.99 crore (Table 14).

TABLE 14  
Subsidies in Non-development Budget

(In crore Taka)

	1984/85 (R.E)	1985/86 (Actual)	1986/87 (Actual)	1987/88 (R.E)
Food	250.00	141.00	50.00	..
BJMC	..	..	..	..
BCIC	8.00	12.15	8.00	7.65
Rural Electrification Board	5.00	5.00	9.65	5.74
BIWTC	0.50	0.50	1.00	1.00
BSEC	..	..	..	9.10
Agricultural Credit	..	..	..	30.00
Jute stock (interest)	..	..	..	20.00
Staff welfare (Transport)	0.35	0.35	0.50	0.50
JTC and JMC	1.00	..	..	10.00*
<b>Total</b>	<b>264.85</b>	<b>159.00</b>	<b>69.15</b>	<b>64.99**</b>

\*Subsidy paid to the banks on account of jute mills' loss.

\*\*Less Tk. 19 crore of STABEX grant from BEC.

## CHAPTER III

### MONEY AND PRICE SITUATION

#### Money and Credit Situation :

The success of the Third Five Year Plan in reducing poverty and meeting the basic needs of the common man depends to a large extent on the development in the monetary sector along with that in real (commodity) sector. Unless money supply is planned and managed with great care, price instability can affect the lower income groups and income distribution can move against the working class. Moreover, at a low level of income, a high rate of inflation can in fact encourage consumption and reduce the level of savings.

Hence, monetary policy during the Third Plan was formulated with the aim of containing liquidity expansion within a safe limit as might be warranted by the growth of GDP and the rate of monetization of the subsistence sector. Accordingly, it was recommended that during the Plan period monetary expansion should not exceed 17.5 per cent a year so as to keep the rate of inflation below 10 per cent.

During the Plan period, the domestic rate of savings is projected to increase from 4.2 per cent in 1985 to 7.0 per cent of GDP in 1990. In order to mobilize this savings and to contribute to the containment of inflation rate below 10 per cent the commercial banks were assigned a major role in developing the monetary sector and in directing financial resources to productive sectors of the economy.

During the first year of the Plan money supply increased from Tk. 4231.8 crores to Tk. 4927.9 crores, i.e., an increase of 16.45 per cent. Broad money increased from Tk. 10,534.2 crores to Tk. 12,338.1 crores, i.e., an expansion of 17.12 per cent and total domestic credit increased from Tk. 12,461.9 crores to Tk. 14,533.70 crores i.e., an increase of 16.64 per cent. At the end of the second year of the Plan, money supply was Tk. 4,351.60 crores as according to the new system of estimation adopted by the Bangladesh Bank.<sup>1</sup> Broad money at the end of 1986/87 was Tk. 13,864.8 crores and total domestic credit was Tk. 15,368.1 crores. During 1987/88 money supply increased to Tk. 5,047.7 crores and broad money to Tk. 16,408.0 crores showing increases at 16.0 per cent and 18.34 per cent respectively.

It can be seen that at least upto the mid-point of the Plan period, the government has been modestly successful in bringing the monetary expansion under control. For example, compared with an average annual growth rate of 32.3 per cent in broad money supply during the last three years of the Second Plan period, the average annual rate of increase has been 15.9 per cent in the first three years of the present Plan period which is within the target level of monetary expansion.<sup>2</sup> Total domestic credit increased at an average annual rate of 11.77 per cent during the first three years of the present Plan period as compared to 22.65 per cent during the last three years of the Second Plan period. At the same time, however, the government took care to ensure that the deceleration in credit expansion did not deprive the private sector of its due share, particularly when the private sector has been designated as the main engine of growth during the Third Plan. Besides, with launching of the NIP in 1986, a minimum flow of preferential credit had to be ensured to the less and least developed areas within the private sector. Thus while total credit to the government sector increased at an average annual rate of 5.3 per cent during the last three years, credit to the private sector increased at an average annual rate of 16.5 per cent over this period.

1. Because of changes in the system of estimation, money supply during 1986/87 is not comparable with that in the previous year.
2. The growth rate in broad money supply during first three years of the Third Plan is not strictly comparable with that of Second Plan because of the reason noted above.

### Monetary and Exchange Rate Policies :

During the Second Plan when money supply was growing at a rate faster than GDP some rules were established for putting indirect pressure so that money supply and price increases were contained within certain limits. Two such rules have been carried over and are being applied with more vigour during the Third Plan. One, the establishment of positive interest rates and two, more realistic exchange rate policy, so that monetary interest rate should increase and the Taka should depreciate along with the rate of inflation. The money interest rate for general borrowing has been maintained well above the inflation rate during the first three years of the Plan period. This implies a high cost of borrowing and a check on unproductive or low yield investment.

A high rate of inflation also means reduction of the export incentive that is expected from currency depreciation; so care has been taken to ensure that the difference between the nominal exchange rate and the real exchange rate is kept as narrow as possible. In order to improve and maintain external competitiveness, the official exchange rate has been adjusted frequently and in small doses during the first three years of the Plan. During 1985/86 and 1986/87 the nominal exchange rate depreciated by approximately 19 per cent *vis-a-vis* the dollar<sup>1</sup>. During 1987/88 a further depreciation of 2 per cent is estimated<sup>2</sup>.

As regards the interest rates, most of these were maintained at positive real levels throughout the period under review. The government has recognized the necessity of introducing flexibility in the interest rates structure so that the general levels are sufficient to encourage domestic savings and bring about appropriate allocation of loanable funds. The Bangladesh Bank reiterated its commitment for gradually establishing economic criteria as the sole basis of justification for fixing deposit and lending rates. This commitment is embodied in the Banking Commission Report issued in June 1986 which was approved by the Government in December 1987. This report provides the necessary framework for improving the methods of monetary management, and enable the authorities to use the monetary instruments with greater degree of sophistication rather than direct mechanical controls.

Some notable changes in monetary management were made during this period. In order to reduce the cost of credit for encouraging private investment in the country, the Bangladesh Bank reduced the Bank rate from 11.25 per cent to 10.75 per cent on July 1, 1986. The lending rates on working capital and export credit for some vital sectors of the economy such as jute and tea, were reduced. Interest rates for different categories of term loans were rationalized and refixed and banks were advised to provide term credit facilities to the small and cottage industries at a concessional interest rate of 10 per cent, within the framework of the New Industrial Policy. Interest rate on advances for commercial imports was also reduced by 1 per cent along with the fixation of an upper ceiling of 17 per cent interest rate on such advances. However, the most noteworthy change is the introduction of a flexible interest rate system for advances within a given band under the framework of the Structural Adjustment Facilities. In respect of depositors, the important changes made are abolition of non-chequing facility, lowering of interest rates on term deposits, 1 per cent higher interest rate for private savings accounts in rural areas and raising of the maximum limit of deposits on which interest is permissible in savings accounts.

As part of monetary management, Bangladesh Bank raised the liquid asset requirement from 20 per cent to 25 per cent for the scheduled banks and cash reserve requirement from 5 per cent to 10 per cent for all banks (except specialised banks), with effect from October 29, 1987.

- 
1. World Bank, Bangladesh Adjustment in the Eighties and Short-term Prospects; March 10, 1988.
  2. Memorandum for the Bangladesh Aid Group 1988-89.

During the first three years of the Third Plan, the GDP growth rate was well below the target of 5.4 per cent. Particularly during third year of the Plan, a drastic fall in growth of GDP was caused by an unprecedented flood and civil disturbances. It was therefore, imperative to pursue a cautious monetary policy during this period. During the year 1985/86 the growth rate of GDP was 4 per cent, which improved to 4.4 percent in 1986/87. This improvement, however, was far below not only the Plan target of 5.4 percent but also below 5 percent indicative growth rate stated in the Structural Adjustment Facility. During 1987/88, growth rate of GDP came down to an abnormally low level of 2.6 percent.

#### **Price Situation :**

During the first three years of the Third Plan, wholesale price index (1969/70=100) increased at an average annual rate of 6.2 percent as compared to 12.8 percent during the last three years of the Second Plan. Consumer price index (1973/74=100) for middle class families in Dhaka city increased at an average annual rate of 10.6 percent during the first three years of the Third Plan as compared to 10.2 percent in the preceding three years, i.e., 1982-85. Thus government has been successful in containing inflation to around 10 percent, though not below 10 percent.

Consumer price index (1973/74=100) for high income families at Dhaka city increased at an average annual rate of 9.1 per cent as against 10.6 per cent for the middle class and 11.3 percent for the low income families during the first three years of Third Plan. Unfortunately, the lower income families were thus more affected by the inflationary pressure than the high income families and the middle class. Consumer price index for rural population of Dhaka region (1973/74=100) increased by 8.4 percent a year on an average during the first three years of Third Plan, which is lower than the rate of inflation faced by middle class and low income groups in Dhaka city during the same period. This means that rural population were less affected by inflation than urban population, on an average, during the first three years of the Third Plan.

#### **Wage Situation :**

In recent years, there has been an overall improvement in the real wage situation in the country. The real wage rate, in general, has crossed the pre-Liberation level during 1986/87, while real wages in the manufacturing and construction sectors crossed the pre-Liberation levels during 1985/86 and improved further during 1986-88. In the agricultural sector also, the recent trend in the real wage situation is impressive where real wage rate has increased at an average annual rate of 8.5 percent during first three years of Third Plan. These must be considered as an important achievement, specially in view of the continued rapid growth in the rural labour force at the rate of about 2.4 per cent per year. Whereas, there was a general decline in the real wage rates during 1970-82, the reversal of that trend in recent periods portrays a remarkable achievement. During



the first three years of the Third Plan, the general real wage index increased at an average annual rate of 7.23 per cent. Developments in the real wage situation is shown in the following table:

TABLE 1  
Indices of Real Wage Rate (1973/74=100)

Year	General	Manufacturing	Construction	Agriculture
1969/70	154	164	132	N.A.
1981/82	133	130	125	117
1982/83	136	136	132	107
1983/84	139	157	132	98
1984/85	133	151	121	97
1985/86	147	169	133	119
1986/87	158	181	141	121
1987/88	165	179	156	124

Source : BBS.

Note : The nominal wage indices for general, manufacturing and construction sectors were deflated by country CPI of industrial workers while that for agricultural sector was deflated by CPI of rural population in Dhaka region to arrive at the real wage indices.

The general direction of government's programmes and policies in the rural areas undertaken during the final years of the Second Plan and the initial years of the Third Plan have benefited the poor directly and played an important role in increasing the real wages. Firstly, the increase in allocation of wheat in the Food For Works Programme during 1982-86 led to an increase of 3.8 crore days of work. Secondly, the Vulnerable Group Development Programme enormously increased employment opportunities for rural women. Thirdly, the construction and development work undertaken at the Upazila level had the effect of creating about 8 crores days of additional employment.

Fourthly, the introduction of HYV, fertilizer and irrigation have significantly added to the labour demand. It has been found that the change from traditional to HYV agriculture has increased the agricultural labour requirement per hectare from 125 man days to 163 man days for Aman crop, from 143 to 289 for the Aus crop and from 207 to 242 man days for the Boro crop. Studies also indicate that on an average, the demand for labour in crop production increased at a rate about half that of the growth in production. The demand for overall labour in the agricultural sector increased by about 1.5 percent per year over the period 1982-86.

Moreover, during the last several years, the inflow of credit increased substantially in the rural areas and became more easily available to the common man at subsidised rates. Finally, the Grameen Bank and many NGOs introduced a large number of programmes all over the country which organized the poor into working groups, supplying them credit at reasonable rates and by making possible alternative income earning opportunities to them, improved their bargaining position further. Many unemployed people are deriving benefits from increasing activities of the Food for Works and VGD Programmes. This positive trend in the countryside, set in motion by the development policies of the Government, along with the weakening of traditional patron-client relationship in the labour market is expected to allow wages to be increasingly determined by supply and

demand considerations and this may result in progressively higher nominal wages for the labour force. If at the same time, the rate of inflation can be kept within reasonable bounds, the real wages are also expected to rise substantially.

#### Outlook for Remaining Years of the Plan :

The government is fully conscious that monetary and credit management will have to be conducted with great care until foodgrain production and supply reach stability. Otherwise there is the danger that the price situation may reach undesirable levels.

The government has undertaken various measures to ensure adequate supply and price stability of essential consumer goods. Emphasis has been given on increasing foodgrains output. Foodgrains are imported both under foreign aid and with own resources to fill up the domestic supply gap. Besides import by the Government, private imports of foodgrains are also allowed to help augment total food supply. Another measure undertaken is open market sale of foodgrains. Distribution of foodgrains through Food for Works and Vulnerable Group Development Programmes help to maintain adequate supply of foodgrains in rural areas. Alongwith the private sector, the public sector corporations such as TCB, COSCOR, Sugar and Food Industries Corporation, Chemical Industries Corporation etc., make co-ordination of imports with domestic production for meeting the demand of essential consumer goods. The policy of import liberalisation is also expected to make positive contribution towards increased supply of essential consumer goods in the country.

For control and stabilisation of prices, a permanent and an inter-ministerial price review committee have been constituted in the Ministry of Commerce. Production and import statistics and different obstacles in internal trade are discussed in the weekly price review committee meetings of the Ministry of Commerce which are attended by heads of different organisations and departments. In these meetings, overall market situation, supply, production, import and marketing are analysed and implementation of decisions are reviewed. Moreover, the Ministry of Commerce meets once in a month with heads of different organisations and departments to discuss the supply and prices of essential consumer goods. Further, whenever necessary, the Ministry of Commerce meets representatives of Retail and Wholesale Merchants Association, Chamber of Commerce and public representatives to review price situation.

It may be observed that during the last six years the annual rate of inflation has varied around 10 per cent. The present trend suggests that it would vary between 10 to 11 percent in the coming years.

Consumer Price Index for middle income families in Dhaka city for the last three years along with a projection for the remaining years of Third Plan is given in Table below<sup>1</sup> :

TABLE 2

CPI of Middle Income Families in Dhaka city (1973/74=100)

Year	Index
1985/86	436
1986/87	481
1987/88	536
1988/89 (Pr.)	592
1989/90 (Pr.)	654

Pr. = Projected.

1. The projected values are obtained by applying growth rate derived from least squares estimate of the trend line of the form:  $\ln \text{CPI} = a + bT$ ; where CPI = consumer price index; T = time;  $b = \ln(1+r)$  and  $r$  = growth rate of the time series. The data used in the estimation is for the period 1982/83 to 1987/88.

## CHAPTER IV

### BALANCE OF PAYMENTS AND EXTERNAL RESOURCES

During the first three years of the Plan, the country witnessed significant improvement in its balance of payments situation and the main objective of the Third Plan was realised. The present estimate indicates that total inflow of external aid would amount to \$4,570 million, thereby exceeding the estimated balance of payments gap of \$3,391 million by about 35% during the period under review. The major factors contributing to such outstanding performance of the external sector are: approximately 24% increase in merchandise exports *vis-a-vis* about 1.2% shortfall in imports; continued rapid growth in worker's remittances permitting around 60% increase, and 8.7% increase in aid disbursement. However, 8.8% shortfall in services receipts and about 19% rise in amortization of MLT debt eroded a large part of this gain in external resources. The trade gap during the period increased at an average rate of 1.2% a year compared with 3% envisaged for Plan period while the current account balance declined at the rate of 4% annually as against the Plan expectation of a 2.9% growth, mainly because of a much higher than projected growth in remittances and exports. A statement summarizing the balance of payments situation for the first three years of the Plan is given in Table I.

TABLE I

**Balance of Payments, 1985-88**  
(at 1984/85 prices)

(Million US \$)

Categories	Total for three years (1985-88)		
	Plan Target	Present Estimate	% Achievement
1. <b>Import Payments</b> .. .. .	-9,841	-9,757	99.1
(a) Goods (c.i.f.) .. .. .	-8,555	-8,451	98.8
(b) Services .. .. .	-1,286	-1,306	101.6
2. <b>Export Receipts</b> .. .. .	4,098	4,742	115.7
(a) Goods (f.o.b.) .. .. .	3,084	3,817	123.8
(b) Services .. .. .	1,014	925	91.2
3. <b>Balance of Goods and Services</b> .. .. .	-5,743	-5,015	87.3
4. <b>Remittances</b> .. .. .	1,291	2,072	160.5
Current Account Balance .. .. .	-4,452	-2,943	66.1
5. <b>MLT Debt Repayments</b> .. .. .	-376	-448	119.1
Balance of Payments gap .. .. .	-4,828	-3,391	70.2
6. <b>Aid Inflow</b> .. .. .	4,205	4,570	108.7

**Import Trend:**

The Plan envisaged a 2.8% annual average growth in imports. But during the very first year, imports remained much below the base year level as a result of a sharp decline in foodgrains imports and it is in the second year that imports picked up substantially due mainly to higher levels of capital goods and foodgrains imports. This upward trend continued throughout 1987/88 despite decline in capital goods imports which is largely attributable to the need for a substantially higher quantity of foodgrains imports due to severe crop losses caused by the widespread floods in the middle of 1987. Thus the total imports remained below their projected level in 1985/86 in both nominal and real terms but were well over their projected levels during 1986/87. Total imports in real terms reached \$ 8,451 million as against the Plan target of \$ 8,558 million showing a shortfall of 1.3% as shown in Table 2 although there was an annual average growth of 2.1%.

TABLE 2

**Import Trend.**

[In million US \$]

Year	Plan Projection	Nominal Value	Real Value	% Achievement
1984/85 .. .. .	2,700	2,649	2,649	..
1985/86 .. .. .	2,775	2,365	2,428	87.5
1986/87 .. .. .	2,852	2,614	2,928	103.7
1987/88 (Estimate) .. .. .	2,931	2,700	3,095	105.6
Total (1985-88) .. .. .	8,558	7,679	8,451	98.7

The Plan projected foodgrains imports to fall progressively to 1.5 million tons in 1989/90 from 2.6 million tons thus enabling the share of foodgrains to decline to 8.4% of the total imports in 1989/90 from 18.8% in 1984/85. Though foodgrains imports slumped to 1.20 million tons in 1985/86 compared with the benchmark level of 2.60 million tons, they started rising in 1986/87 reaching a peak of 3.01 million tons in 1987/88 such that the total imports during the period under review increased to 6.0 million tons compared with 5.1 million tons envisaged in the Plan and their share in the total imports was about 18.3% in 1987/88. On the other hand, import of intermediate goods grew much slower at 0.8% than the Plan target of 7% and the share of total consumer goods including foodgrains increased, contrary to the Plan's expected declines, to 35.2% in 1987/88 from 33.6% in 1984/85. Also in sharp contrast to the Plan projection of a relatively slower growth of 3.4%, capital goods imports during the period under review grew at a higher rate of 7.7% which bears testimony to the fact that the Plan expectation of fuller use of local capacities for fabrication of tools and equipment and production of other investment goods remained far behind their targets. The capital goods imports increased significantly as the project aid disbursements grew steadily both in nominal and real terms over the period.

Although considerable progress could be achieved in generation of power and production of urea by utilizing natural gas and use of diesel in irrigation and industries in place of electricity and gas, import of petroleum was all time high as compared to the benchmark level of 1.6 million tons due to the growing demand of petroleum in the country. The Plan, however, envisaged the consumption as well as import need to stabilize around 1.6 million tons. Similarly, imports demand of edible oil and cement grew at much faster rates than the targetted ones because of slower than expected production of edible oil and a persistently higher growth in the construction activities in the country. However, contrary to Plan expectation of a 9.4% growth, fertilizer import declined markedly to 277,000 tons in 1987/88 from 666,000 tons in 1984/85 both because of self-sufficiency in endogenous production of urea and fall in demand in other categories.

#### Export Performance :

The Plan projected total export earnings to grow at an average annual rate of 4.6% traditional exports at a much slower rate of 1.9% and non-traditional exports at 9%. However, the performance of non-traditional exports and total export earnings was much better than anticipated. Non-traditional exports had a continued upward trend throughout and grew at an average annual rate of 29% over the period. Traditional exports, however, showed considerable instability; they attained a significantly higher growth of 18.2% in 1985/86 but almost stagnated in 1986/87 and even came down to the benchmark level in 1987/88 mainly as a consequence of a sharp decline in raw jute exports. Total export earnings grew at an average annual rate of 12.1% over the period and totalled \$ 3,817 million thereby exceeding the target by 23.8% as can be seen in Table 3. The better export performance was possible mainly due to a higher level of export volumes of raw jute, jute goods, leather, frozen food and garments.

TABLE 3  
Export Performance

(In million US \$)

Year	Plan Projection	Nominal Value	Real Value	% Achievement
1984/85	939	940	940	..
1985/86	982	845	1,138	115.9
1986/87	1,027	1,065	1,356	132.0
1987/88 (Estimate)	1,075	1,193	1,323	123.1
<b>Total (1985-88)</b>	<b>3,084</b>	<b>3,103</b>	<b>3,817</b>	<b>123.8</b>

Despite a fall in demand for Bangladesh jute in the world market due to increased demand for synthetic fibres, stiff competition from other jute producing countries and above all, low quality jute, the country's jute exports expanded substantially exceeding

the target for the period under review. However, because of slowing down of growth in industrial countries, particularly in the USA, the quantity of jute goods exports declined marginally over the period under review. The main reason was lower foreign demand for sacking. On the otherhand, a serious shortfall occurred in tea exports during the period. Though tea exports were buoyant in 1985/86, they dropped sharply in 1986/87 due primarily to fall in demand from Pakistan, the principal buyer and secondly to short supply emanating from setback in production on account of droughts. Tea exports, however, recovered substantially in 1987/88.

The non-traditional exports as a group had a continued upward growth throughout. Of all the non-traditional exports, readymade garments had a very rapid expansion over the three years. Readymade garments, the export of which suffered a temporary setback due to quota restrictions imposed by some of the major importing countries, remained the largest item among the non-traditional exports and the second largest item among the combined traditional and non-traditional exports. A wide array of incentives, especially the special bonded warehouse system provided by the government for the growth of non-traditional exports, proved particularly successful in case of garments. Furthermore, diversification in product-mix as well as penetration into new markets has helped in the export growth of garments significantly. Earnings from garments exports grew at 55% annually over the period, exceeding the target by as high as 106%. Leather exports remained above 1984/85 level during two out of three years and exceeded the target by 21.6%. Production as well as exports of frozen food (shrimps, fish and froglegs) have grown very fast in conformity with the emphasis on shrimp culture and expansion of processing capacity of fish processing units. Implementation of inland fisheries projects in brackish water and along the coastal belt helped raise supply of shrimps. Moreover, frozen food was earmarked as the "Thrust Sector" in the two consecutive years' exports policy with the objective of harnessing the potentials of the sector to the fullest extent for its accelerated development. Vegetables exports had such a continued rising trend that they exceeded the targets set for the period. Relatively better export performance was recorded during the period in respect of fertilizer, betel leaves, handicrafts and some other minor items.

#### Terms of Trade :

The commodity terms of trade improved substantially by the terminal year (1984/85) of the Second Plan as a result of recovery in world trade. This upturn was, however reversed in the very first year of the Third Plan when the terms of trade deteriorated by 18.4% offsetting the gain of 21.2% in 1984/85 due to a severe decline (27.5%) in the average export prices *vis-a-vis* an 11.1% fall in the average import prices as growth in developed countries became sluggish. Export prices of raw jute, jute goods and Tea which fell by 50.5%, 20.5% and 53.2% respectively were responsible for the bulk of this decline in average export prices. Despite further declines in raw jute and jute goods prices in 1986/87, the gains in tea, leather and frozen food prices resulted in a 3.7% improvement in average export prices, which combined with an 8.7% fall in average import prices led to a 13.6% improvement in the terms of trade. A further improvement of 12.7% in the terms of trade was observed in 1987/88 because of a larger increase in the prices of exports than imports as shown in Table 4.

TABLE 4  
**Terms of Trade**  
 (1979/80 = 100)

Year	Import Price Indices	Export Price Indices	Terms of Trade
1979/80 .. .. .	100.0	100.0	100.0
1980/81 .. .. .	113.5 (13.5)	86.8 (-13.2)	76.5 (-23.5)
1981/82 .. .. .	118.7 (4.6)	74.7 (-13.9)	62.9 (-17.8)
1982/83 .. .. .	112.5 (-5.2)	76.1 (1.9)	67.6 (7.5)
1983/84 .. .. .	110.9 (-1.4)	89.8 (18.0)	81.0 (19.8)
1984/85 .. .. .	110.8 (-0.1)	108.8 (21.2)	98.2 (21.2)
1985/86 .. .. .	98.5 (-11.1)	78.9 (-27.5)	80.1 (-18.4)
1986/87 .. .. .	89.9 (-8.7)	81.8 (3.7)	91.0 (13.6)
1987/88 (Estimate) .. .. .	92.7 (3.1)	95.1 (16.3)	102.6 (12.7)

*Note:* Figures in parentheses indicate annual percentage changes.

#### Worker's Remittances :

In view of unfavourable world price of oil, the Plan expected a slower rate of 3.8% annual average growth of remittances. But the actual earnings from remittances have far exceeded the target raising their rate of growth to more than 20% during the period under review. Remittances of expatriate workers declined sharply to \$ 439 million in 1984/85 due to emergence of financial constraints in the oil exporting countries slowing down the pace of their development works as a result of falling oil prices but improved significantly during the first three years of the Plan. The factors which contributed to this healthy growth in home remittances were upward adjustment of the exchange rate, vigorous efforts to control imports through unauthorized channels, change in the composition of migrant workers in favour of semiskilled and skilled ones and, above all, increase in the total outflow of workers. Total earnings from this source during the period amounted to \$ 2,072 million, i.e., \$ 781 million or 60.5% higher than the Plan expectation of \$ 1,291 million.

#### Foreign Aid Inflow :

The Plan envisaged a slower growth (3.1%) of foreign aid than the Second Plan (3.3%) given the aid climate prevailing at the time of the formulation of the Plan. The Plan also assumed improvement in aid composition in favour of commodity aid, particularly to compensate the expected decline in food aid. While the disbursement rate

of foreign aid over the period was 8.6% or approximately three times the planned rate of 3.1% which was due to a very faster growth in case of food and project aid than planned, the composition of aid during the period was not in conformity with the Plan expectation. The composition of aid over the period moved in favour of both food and project aid rather than commodity aid as there was a larger disbursement of food and project aid than expected in the Plan. The commodity aid as a percentage of total aid package was always lower during the first three years of the Plan than the benchmark level and declined to 31.3% in 1987/88 from 34.1% in 1984/85.

The levels of commitment and disbursement of aid during the first three years of the Plan were \$ 4,848 million and \$ 4,570 million respectively compared with \$ 5,940 million and \$ 4,205 million envisaged in the Plan. It appears that the total commitment has fallen short of the target by 18.4% which was largely due to the reduced project aid commitment by the donors. The amount committed as project aid during the period was \$ 2,644 million against \$ 3,614 million envisaged in the Plan. On the otherhand, the total disbursement of aid during the period has increased by 8.7% over the planned levels despite a 9.7% shortfall in commodity aid disbursement. Higher disbursement rates comprising 22.5% and 11.4% increases in respect of project and food aid disbursement contributed to this excellent performance. Higher disbursement against lower commitment in case of project aid implies that a considerably higher proportion was disbursed from the pipeline which was in agreement with the Plan's emphasis of a quick draw-down of the project aid pipeline. Food aid disbursements exceeded the targets due to a bad aman crop in 1986/87 and an estimated loss in production of 3.37 million tons of foodgrains by floods and droughts in 1987/88. Table 5 presents the commitment and disbursement of foreign aid during the first three years of the Third Plan.

TABLE 5

Commitment and disbursement of Foreign Aid, 1985-88 (at 1984/85 constant dollars).

(Million US \$)

Year	Plan Projection	Present Estimate	% Achieve- ment
<b>1985/86 :</b>			
Commitment	1,665	1,605	96.4
Disbursement	1,355	1,271	93.8
<b>1986/87 :</b>			
Commitment	1,975	1,687	85.4
Disbursement	1,405	1,677	119.4
<b>1987/88 :</b>			
Commitment	2,300	1,556	67.7
Disbursement	1,445	1,622	112.2
<b>Total (1985-88) :</b>			
Commitment	5,940	4,848	81.6
Disbursement	4,205	4,570	108.7



**Debt Service Liability :**

The inflow of foreign economic assistance has undoubtedly contributed to Bangladesh's economic growth and development but at the same time it has led to growing indebtedness of the country. Total outstanding debt of the country has increased to \$ 8361.0 million on 30 June, 1988 from \$ 6280.9 million on the same date in 1985. Despite prudent external debt management and debt relief provided by some donors, debt service burden of the country has increased at a very rapid pace because of changing profile of external aid where loans have assumed greater proportion in the total aid package, expiry of grace period and short-term debts contracted on emergency considerations. Share of grants under MLT aid declined from 88.2% in 1972/73 to 55.3% in 1984/85 and 47.6% in 1987/88. Debt service payments on MLT loans have increased from \$ 170.0 million in 1984/85 to \$ 289.3 million in 1987/88. As can be seen in Table 6, debt service liabilities in percentage terms accounted for 15.0% of merchandise exports and 6.1% of GDP in 1979/80. The corresponding ratios increased to 18.1% and 7.0% in 1984/85 and 24.2% and 7.8% in 1987/88.

TABLE 6

**MLT Debt Service Payments***(In million US \$)*

Year	Debt Service Liabilities (DSL)	Merchandise Exports	GDP at Market Prices	DSL as % of	
				Merchandise Exports	GDP
1979/80	108.0	721	11,746	15.0	6.1
1980/81	85.1	711	12,837	12.0	5.5
1981/82	91.5	626	11,846	14.6	5.3
1982/83	136.1	680	11,274	20.0	6.0
1983/84	128.3	786	12,572	16.3	6.3
1984/85	170.0	940	13,469	18.1	7.0
1985/86	183.7	845	12,888	21.7	6.6
1986/87	232.8	1,065	14,119	21.9	7.3
1987/88	289.3	1,193	15,379	24.2	7.8

Note : Figures in Table 6 are at current prices.

## CHAPTER V

### POVERTY AND EMPLOYMENT SITUATION

The economy of Bangladesh suffers from the chronic problems of poverty and unemployment. Poverty of people is seen basically as a twin problems—employment and investment: low level of income follows from the low level of investment and the low level of technology characterising the rural phenomenon since over 80 percent of the people lives in rural areas. As the growth of the agriculture sector has been quite slow, the pressure on land has been ever growing resulting in increasing landlessness and deterioration of the living condition of the rural poor.

Reduction of poverty through higher production and employment generation forms the major objective of the Third Five Year Plan. It constituted also the basic theme of all the development plans undertaken since independence. They all emphasised rural development so as to reach the benefit of planned development to the largest number of population living in the rural areas. Development programmes increasingly focussed on socio-economically disadvantaged groups to ensure employment and minimum basic needs to the common man in an overall rural development framework.

However most of the development programmes designed to promote increased employment have sought to increase the demand for labour by strengthening the productive activities in order to eventually absorb more labour. But exclusive reliance on demand creation for labour was a partial approach as most of the programmes by-passed the majority of the labour market who were un-skilled, poor and specific to the rural areas. The First Five Year Plan (1973–78) envisaged expanding employment opportunities as a means to reduce poverty and improve income distribution but non-fulfilment of its investment programme led to an employment increase of only 3.0 million man-years against the plan target of 5.4 million man-years. The target of employment creation during the Two Year Plan (1978–80) was 1.8 million man-years but because of its interim nature it was not possible to reach the goal. The target of employment creation during the First Five Year and Two Year Plans could not be achieved and the unemployment situation was worse than what it was in 1972/73. The Second Five Year Plan (1980–85) envisaged creation of 3.7 million job opportunities between 1980/81 and 1984/85 but the generation of new employment was of the order of 3.2 million indicating a further deterioration of unemployment situation.

#### Population and Labour Force :

In Bangladesh poverty is an endemic problem because of the high rate of population growth and slow growth of the economy. According to the Census of 1981, the population of the country was 89.9 million. During the inter-censal period 1961–74, population grew at the rate of 2.6 percent which was above the 1951/61 rate of 2 percent per annum. The Census however shows a slight decline in the growth rate of 2.36 percent over the previous Census figure of 71.5 million. The 1981 Census gives participation rates for both males and females for age-group 10 and above. The pre-dominance of agriculture and low school enrolment rates reflecting poverty account for a high participation rate of 10–14 age group, especially male who help their parents in income earning opportunities. The 1983/84 Labour Force Survey puts the civilian labour force at 28.7 million persons constituting 45 percent of the population aged 10 years and above.

Labour Force Survey of 1983 shows that labour force increased at the rate of 2.7 Percent between 1973/74 and 1983/84 against 2.4 percent in population growth rate. In 1983-84 labour force constituted about 30 percent of the population against 28.8 percent under the 1981 census, accordingly labour force was estimated at 31 million for 1985 and 35 million in 1990 an increase of 4.0 million over the Third Plan period. In addition, though open unemployment in the country is low because people often find part-time or short duration work in order to survive, under-employment was estimated to equivalent to open unemployment of about 7.0 million. Adding this to the existing

unemployed, the total labour force to be looking for jobs during the Third Plan turned out to be 11.0 million. But because of resource and other constraints only 5.0 million was proposed to be created on a permanent basis against an entry of 4.0 million people

### Poverty Situation :

Poverty alleviation has been the basic theme of all the 3 development plans in the post-independence period. Poverty alleviation attracted special attention of the Government during preparation of the Third Five Year Plan (1985-90). Efforts have been made to integrate and co-ordinate the policy directives and programmes under the Third Plan keeping the objective of reduction of poverty at the centre. The objective of the policy has been to ensure the poor greater opportunity for productive employment through adoption of target group oriented programmes.

An important development in the poverty area has been the exchange of views between donors and the government of Bangladesh in a seminar on poverty held in the recent past following a comprehensive study of rural unemployment problem by a World Bank Mission and a report of the North-South Institute, Canada. It was followed by adoption of a number of recommendations by six working groups on (i) Agriculture and Food, (ii) Education and Human Resources Development, (iii) Population Planning, Health and Nutrition, (iv) Rural Industries and Employment, (v) Role of women and (vi) Institutional arrangements in the background of the Report of the North-South Institute. Such course of collaboration with the donors is expected to strengthen the efforts of the Government for alleviation of poverty.

A working level meeting of the Bangladesh Aid Group was also held in Bonn in November, 1986 to discuss the issues of poverty alleviation and rural employment in Bangladesh. The meeting focussed on issues involved in pursuing the goal of poverty alleviation and employment generation for the rural poor men and women. Emphasis was laid on policy planning. Co-ordination and evaluation mechanism to ensure policy coherence and proper feedback for rural employment activities.

In spite of planned development efforts during the Second Plan as well as in earlier period to alleviate rural poverty level and ensure common man access to basic needs, Bangladesh has been facing a challenge on acute poverty. The proportion of people below the poverty line  $Z_p$ , the absolute poverty increased from about half to over three-fourths between 1964 to 1981. Through there had been modest increase in the availability of foodgrains per head, the lack of employment and income increased the proportion of households below the minimum caloric intake from 59 percent in 1975/76 to 76 percent in 1981/82. Actual intake of calories and protein since 1975/76 amongst the poorest segment of population also declined. However, since 1982 there has been some improvement in some of the poverty indicators and the proportion of rural households below the minimum nutrition standard fell below 60 percent in 1984/85 from 76 percent in 1981/82. Through real per capita income increased only at the rate of 1.3 percent per annum during 1982-86 compared with 1.9 percent during 1974-82, the impact on poverty was more positive. First, with substantial increase in Food for Work and Vulnerable Group Feeding programmes, more food became available to the poor. Second, there was a considerable increase in rural credit and inflow of other resources to the rural areas during this period and real agricultural wage increased substantially. According to the 1985/86 Household Expenditure Survey conducted by the Bangladesh Bureau of Statistics, about 45 percent of the population are below the poverty line as they do not have the income to ensure the minimum nutritional intake in terms of the internationally accepted minimum standard. According to the survey, incidence of poverty is higher in rural areas. About 47 percent of the rural population are below the poverty line with about 60 percent of the poor remaining in extreme poverty as they do not have income needed to meet 82 percent of the minimum consumption requirement.

Although some poverty alleviation has taken place, country's poverty situation remains overwhelming. In Bangladesh poverty is endemic problem as a result of higher rate of population growth and slow growth of the economy which is dominated by agricultur

dependent on weather. Though it has declined, population growth is still high around 2.4 percent a year. It is declining at a slow rate. Food production is also increasing at a declining rate. It would, therefore, be necessary to fight poverty on both these fronts to consolidate the gain that has been made in recent years in alleviating poverty.

#### Measures and Policies :

The magnitude of poverty has been sought to be reduced through the generation of employment opportunities and increase in income among the rural households in a number of ways as discussed below:

#### Crop Production :

Agriculture provides the main source of employment in Bangladesh accounting for about half of GDP and two thirds of employment. The present state of the Agricultural art and its development prospect leave a great potential for absorption of additional labour force. The modern seed-fertilizer irrigation technology is both high yielding and labour absorbing. It may, however, be mentioned here that although the technology is available, it is constrained by the scarcity of resources both at the national and farm level. Only about a quarter of the net cropped land is currently covered by the new technology; during the Third Plan this share will be raised to 40 percent and food output is planned to increase by 28.6 percent.

The scope of employment expansion in agriculture is however limited by land during 1974-1984, employment in agriculture grew at an annual rate of 0.2 percent, while the total labour force grew at an annual rate of 2.7 percent and the rural labour force at 2.2 percent. It has also been estimated that crop production even if grows at an annual rate of 3.7 percent which is ambitious considering the past achievement, it may absorb only about a quarter of the increase in labour force.

The rate of growth of agricultural employment through spread of new technology is influenced by both farm size and tenancy system. During the period between the two agricultural censuses (1960-77), areas operated by the share-croppers declined to 16.8 percent in 1977 from 18.2 percent in 1960 and so also that of holding of less than one acre and more than 7.5 acres while area farmed by small holdings (1-2.5 acres) and medium farm (2.5-7.5 acres), increased by 25 percent and 8 percent respectively. This shift in favour of small farms will positively effect the absorption of labour force in agriculture since small farms mainly dependent on family labour, use labour more intensively than the large ones and are also the source of surplus labour. Thus, special emphasis has been given on the expansion of employment opportunities in the rural areas through diversification of agriculture and non-farm activities. Towards diversification of agriculture some measures have been initiated. A Mid-term Minor Crop Development Programme are being developed. Beyond the crop and horticulture sectors, emphasis is being given on other fields like fishery, livestock and social forestry.

#### Rural and Small Cottage Industries :

In view of slow employment expansion in crop production, employment opportunities have been created in non-farm sectors particularly in rural areas through development of rural industry. Since 1962 employment in cottage industries (excluding handloom) grew at an annual rate of 2.2 percent reaching an absolute number of 916 thousand in 1980. In 1985 there were about 28,000 small scale enterprises employing about 380,000 and about 370,000 cottage industries employing about one million. In addition there were 320,000 handlooms, producing nearly 60 percent of cloth requirement of the country and giving direct employment to over 1.2 million.

For the purpose of creating a favourable investment climate in the country, the government provided certain incentives for investment promotion. The New Industrial Policy announced in June 1982, laid special emphasis on the development of rural and

cottage industries. In the industrial policy, 1986 small and cottage industries have been identified as priority sector. Tax-holiday for five years, seven years, and nine years are allowed for small industries to be set-up in Developed Areas, less Developed Areas and least Developed Areas respectively.

#### **Infrastructure Development and Employment Creation :**

Efforts have been made to directly address the problem of poverty through poverty-oriented target group based works programmes having three elements, namely, (a) access to resources, (b) access to employment and (c) access to food.

#### **Works Programme :**

The most important programme in the development of rural physical infrastructure is the Rural Works Programme based upon decentralised participatory planning and implementation process. Rural Works Programme have created considerable employment opportunities through construction of rural roads, feeder roads, upazila connecting roads improvement of hats and bazars etc.

#### **Food For Work Programme :**

Food for Work Programme has also grown substantially since its inception in the aftermath of 1974 floods. Since 1975, the programme has created 908 million man-days of work for the rural unemployed. It has constructed/reconstructed 40,700 km. embankment, 188,353 km. of roads, excavated and re-excavated 32,350 km. of irrigation canals and 1,576 fish ponds. Parallel to the FWP is the feeding programme for the vulnerable group started in 1975. In 1976/77, there were 178,345 beneficiaries which gradually increased to about 1,812,676 beneficiaries in 1986/87. From a purely relief programme, it has been re-oriented by initiating a process of rehabilitation by combining food assistance with adult literacy, training and income-generating activities and community works.

#### **Institutional Arrangements :**

The main institutional vehicle promoted under government auspices for the farmers the two-tier cooperative system. The system consists of primary cooperatives at village level called Krishi Samabaya Samity (KSS) and a federation of primary societies at the upazila level called Upazila Central Cooperative Association (UCCA). The system was adopted for replication nation-wide in 1972 under the programme known as Integrated Rural Development Programme (IRDP). In order to alleviate rural poverty through participation of rural poor in production and distribution of income and resources, IRDP was strengthened and reconstituted into Bangladesh Rural Development Board (BRDB) in December 1982 to undertake implementation of a number of area-based development projects envisaging comprehensive development covering agriculture, irrigation, flood control, road, livestock, forestry, health, education, etc.

Towards promotion of employment opportunities Bangladesh Rural Development Board, has now embarked on a nation-wide anti-poverty programme under its new approach of concentrating on non-farm activities for employment generation besides irrigated agriculture and rural infrastructure. Up to November 1987, a total of 13,004 assetless groups (BSS) and 10,502 women assetless cooperatives (MBSS) have been organised with a total membership of 37,000 and 290,000 respectively. The target project for the rural poor to be implemented in 139 upazilas of 17 district with the assistance of CIDA is now under consideration. A total of 16,000 primary societies of target groups with a membership of 486,000 will be covered under the project.

#### **Urban Informal Sector :**

Regarding the urban employment and informal sector, the growth of employment in modern industry has been limited during the past decade. Modern industries employ only about 500,000 people (less than 2% of the labour force). The scope for future expansion of employment in the modern industries will be constrained by the fact that the size of the modern sector is extremely small.

Regarding the non-farm activities in the informal sector in urban areas, a large number of people earn their livelihood working in small activities consisting of a wide variety of trades and services. If appropriate assistance is rendered, the informal sector can be expected to make a major contribution to the generation of productive employment opportunities. Since the informal sector will continue to expand, this calls for adoption of appropriate policies towards making this expanding sector a source of future growth and an integral part of an employment strategy. The main problem in this areas is the lack of knowledge; so the government has undertaken an economic census to complement agricultural census and census of manufacturing.

#### **Self-Employment :**

The present configuration of rural poverty has been caused by lack of access of majority of the population to resources and development benefits because of institutional constraints. The existing institutional arrangements and programmes point to the limited coverage of the poor population. This warrants the need for promotion of rural non farm self-employment among the rural population who may be organised into productive groups and provided with a coordinated package of skill training, credit, technology and market information through the development of an appropriate institutional framework.

#### **Non-government organisations :**

Since independence non-government organisations have been involved in various ways in improving the socio-economic condition of the poor. Although most organisations involved in non-farm employment generation have not yet directed their efforts specifically, to the delivery of a coordinated package of service and information to the rural poor, the activities of the Grameen Bank project and of Bangladesh Rural Advancement Committee (BRAC) have made some progress with regard to motivation, functional literacy, group formation and extension of easy credit. Starting a self-oriented organisation in 1972, BRAC has now grown into a non-government development agency. In 1975, BRAC started its out-reach Programme designed to strengthen landless groups through consciousness raising and continuous education. The programme have excellent returns on capital investment and are viable at interest rates as high as 36 percent per annum.

#### **New Strategy :**

Development process in the past has often by-passed the rural community, particularly the poor. With shift in emphasis in favour of rural development, a comprehensive administrative reform has been carried out by re-organising ministries and decentralisation of administrative functions to the upazila which has become the local point of all development activities. Since, it is not possible to create formal wage employment for more than a small fraction of the anticipated increase in labour force, a new strategy which emphasises productive employment in the rural areas has been developed. It has been under trial in the selected upzilas in two districts under an experimental project entitled "Upzila Resource Development and Employment Project" (URDEP) since January 1987. The primary objective of this project is to test an institutional framework for promoting economically and financially viable non-farm employment for the rural poor.

#### **Employment Planning and Policy :**

In order to deal with employment programmes centrally and to maintain an overview of the various cross-sectoral issues involved in employment generation, an Employment Monitoring Unit has been set up in the Planning Commission which will act as a focal point for policy planning, coordination and evaluation of employment activities and analyse macro and sectoral policy recommendations to assess their potential impact on

employment generation. Besides Employment/Small Enterprise Policy Planning Units supported by USAID has undertaken analysis of the impact of the national policies on labour intensive enterprises under the following sub-projects:

- (i) Policy Analysis.
- (ii) Enterprise Performance Measurement.
- (iii) Effects of Policies on Enterprise Performance.
- (iv) Impact of Policies.
- (v) Historical Surveys.
- (vi) Sub-sector Analysis.
- (vii) Transfer of Analytical Technology.
- (viii) Policy Planning based on New Data.

**Employment Generation during the First Three Years of the Plan :**

The Complex nature of poverty in Bangladesh requires a development approach to address the issues of poverty alleviation and employment generation at both macro-economic and sectoral levels as well as in terms of specific target groups. The main focus of the Third Five Year Plan is to alleviate poverty through productive employment in both the farm and non-farm sectors for increasing income of the labouring population to meet their basic needs. The objective is being pursued through increased investment in agriculture and rural development, expanded irrigation facilities to help the small and marginal farmers, assistance to small-scale industries, low cost housing programmes, expansion of primary education facilities, expansion of programmes in the health sector, strengthening of the family planning and population control programmes and creation of employment opportunities for women and youth. A good number of projects having leaning towards income generation have been undertaken in the public sector. Besides public sector, large number of foreign and local NGOs are carrying out income and employment promotion activities. The government has attached importance to evaluating the income employment generating activities being carried out in the public and private sectors.

The evaluation study will look into such areas as the impact of the selected projects/programmes on the socio-economic welfare and prospects of the target population, institutional capacity of the concerned agencies/projects to reach the target population and scope, relevance and replicability of the approaches and methodologies in relation to the nature and magnitude of the poverty problem.

The Third Plan envisages creation of 5.0 million job opportunities during the Plan period against the entry of 4.0 million people in the labour market. During the First three years of the plan, 2.27 million new job opportunities have been created as show in the table below:

TABLE 1  
Estimate of employment by sector

(In million man-years.)

Sector	1984/85 Benchmark	1987/88	Increase over Benchmark
1. Agriculture	11.64	12.80	1.16
2. Industries	1.90	2.17	0.27
3. Construction	0.59	0.66	0.07
4. Public Utilities	1.69	1.94	0.25
5. Trade and others	1.47	1.60	0.13
6. Public Services	2.00	2.39	0.39
Total	19.29	21.56	2.27



## CHAPTER VI

### PRIVATE INVESTMENT

The role and scope of the private sector in the Bangladesh economy as well as in its planned development effort has undergone significant changes since 1975. From an investment ceiling of Tk. 2.5 million, it was gradually raised to Tk. 100 million and finally the ceiling was withdrawn and moratorium on nationalization policy has been declared. In line with the government policy of liberalization of private investment the scope of the private sector has been expanded through various policy measures initiated in various sectors in recent years. Notable among these formulation of the industrial policy of 1982 and 1986, the process of disinvestment of many public sector enterprises, expansion of scope of operation of transport in the private sector, introduction of market mechanism in the distribution agricultural inputs etc. Accordingly the shares of private sector in the various plans have been gradually raised; while the First Plan allocated 11% to the private sector, the share of allocation has been raised to 35% during the Third Plan.

The allocation for private sector during the Third Plan is Tk. 13,600 crore. As against this the estimated investment stands at Tk. 5819.04 crore for the period 1985-88 which is about 43%. This is lower than the proportionate investment during the period. The following table will show the Plan allocation for the private sector in the various sectors of the economy as well as the estimated investment during the first three years of the Plan, i.e. 1985-88.

It will be evident from the Table 1 that the private investment in Agriculture during the period (1985-88) under review has been Tk. 1381.97 crore as against the plan allocation of Tk. 4400.00 which is about 31%. This is far short of the expected investment during the period. The picture of the Industrial sector is even more discouraging. An amount of Tk. 698.82 crore only has been invested against the plan allocation of Tk. 3200 crore which works out to be only 21%. The position of the combined service sector (e.g. housing, transport and trade and other services) seems to be satisfactory. As against an allocation of Tk. 6000.00 crore, the estimated investment during this period is Tk. 3738.25 crore which is 62%. It clearly shows that the investment in the productive sectors, e.g. agriculture and industry is lagging far behind, while the investment in the service sectors is satisfactory. This anomaly in investment in the various sectors may lead to the undesirable structure of the economy. We now turn to the position of individual sectors of the economy and their analysis.

#### Private Investment in Agriculture :

The estimated private investment in Agriculture during the first three years of the Plan period (i.e. 1985/86, 1986/87 and 1987/88) stood at Tk. 424.29 crore, Tk. 547.71 crore and Tk. 407.97 crore respectively. The total estimated investment during the period under review works out to be Tk. 1381.94 crore which is about 31 percent of the Plan allocation. It may be seen in Table 1 that Tk. 547.71 crore has been invested during 1986/87 which is higher than that of 1985/86 in real terms or is about 29% higher. But during 1987/88, the estimated investment in the sector declined markedly. In fact, it declined compared to 1986/87 level by about 25%. If we look at the trend of private investment in agriculture during the last few years, the performance during the period under review may seem to be comparable. The level of private investment in agriculture in 1984/85 reached its peak which rose to Tk. 770.00 crore. The marked decline of institutional credit to agriculture resulting in decline in the sale in irrigation equipment led to the fall in private investment in the following year i.e. 1985/86. The decline in credit arose owing to liquidity problem of the financial institutions largely because of non-repayment of outstanding loans. In 1986/87, however, the position improved significantly. But in 1987/88, the position deteriorated again because of the devastating flood. Later in the year 1987/88, the credit operation improved a little but most of it has been used for non-productive or rehabilitation purposes and as such did not raise the level of investment in the sector.

TABLE I

Plan allocation estimated private investment in the various sectors during 1985-88  
(both in current and constant prices).

[In Crore Taka]

Sectors	Allocation for the Third Plan	Estimated Investment during 1985/86		Estimated Investment during 1986-87		Estimated Investment during 1987/88		Estimated Investment during 1985/88	
		at current prices	at 1984/85 prices	at current prices	at 1984/85 prices	at current prices	at 1984/85 prices	at current prices	at 1984/85 prices
1	2	3	4	5	6	7	8	9	10
1. Agriculture	4,400.00	441.27	424.29	618.92	547.71	491.97	409.97	1552.16	1381.97
2. Industry	3,200.00	213.04	204.84	325.20	292.97	237.20	201.01	775.44	698.82
3. Physical Planning and Housing.	3,650.00	350.81	337.31	375.18	338.00	514.89	429.07	1240.88	1104.38
4. Transport and Communication.	1,500.00	593.07	570.25	471.88	425.11	455.63	379.69	1526.58	1375.05
5. Trade and other services.	850.00	384.00	369.23	489.45	440.94	538.39	448.65	1411.84	1258.82
Total	13,600.00	1,982.19	1,905.92	2,280.63	2,144.73	2,238.08	1,868.38	6,500.90	5,819.00

### Private Investment in Industry :

The estimated investment in the sector during 1985-88 period works out to be Tk. 698.82 crore against the Plan allocation of Tk. 3200.00 crore which is about only 22 percent. This is much lower than the proportionate Planned level of investment. Only in 1986/87 the level of investment has been higher than that of the pre-Planned level of investment.

The present industrial policy does not require any registration for setting up of an industrial enterprise. The number of industrial units sanctioned during 1985-88 is 4,727 and Planned investment is Tk. 1438.82 crore. The agencies responsible for the bulk of sanctions for these industrial units are Department of Industries, Department of Textiles, Bangladesh Small & Cottage Industries Corporation, Bangladesh Shilpa Rin Sangstha, Bangladesh Shilpa Bank, Bangladesh Krishi Bank and several major commercial banks. The Agency-wise sanctions of industrial units during 1985-88 against planned investment is shown in the following Table:

TABLE 2

Agency-wise sanction of Industrial Units in the Private Sector during 1985-88

Sl. No.	Name of Agency	No. of Units Sanctioned during 1985-88	Estimated Sanctioned Amount (In Crore Taka)	Remarks
1	2	3	4	5
1	Department of Industries	1521	514.72	
2	Bangladesh Small & Cottage Industries Corporation (BSCIC)	1073	90.49	Figures of 1987/88 not included.
3	Bangladesh Shilpa Rin Sangstha	2	10.41	
4	Bangladesh Shilpa Bank	107	321.86	
5	Bangladesh Krishi Bank	202	71.41	Figures of 1987/88 not included.
6	Sonali Bank	26	12.11	
7	Rupali Bank	7	4.25	
8	Agrani Bank	31	22.44	
9	Janata Bank	3	3.24	
10	Department of Textile	1755	387.89	
Total		4727	1,438.82	

Note : The data may be under estimated as information from some agencies were not available but major agencies have been covered.

The number of units sanctioned shown in the table does not include the industrial units sanctioned by BSCIC for 1987/88. The number of units could have been higher if the figures from BSCIC were available. It may be seen in the above table that large number of industrial enterprises have been established under the Department of industries, Department of Textiles and BSCIC. There has been significant growth of textiles in recent years which is evident from the above table.

Major determinant of the industrial enterprises is the flow of institutional credit to the sector. The disbursement of credit to the various private sectors from the institutional sources in recent years is shown in the following table:

**TABLE 3**  
**Disbursement of Credits to the various private Sectors from Institutional sources**  
**from 1984/85 to 1987/88**

[Taka in crore]

Sector	1984/85	1985/86	1986/87	1987/88
Agriculture	1130.75	481.38	675.18	538.85
Industry	115.46	120.04	183.72	129.47
Housing	193.49	150.86	162.57	210.31
Transport	25.62	14.79	15.35	21.79
<b>Total</b>	<b>1287.12</b>	<b>767.05</b>	<b>1036.82</b>	<b>900.42</b>

*Note:* Data on credit has undercoverage to the extent that some institutions did not provide the requested data.

It may be seen in the table that institutional credit has not improved significantly during the period under review. The level of credit although improved marginally in nominal terms, in real terms it has not improved at all except for 1986/87. The improvement of 1986/87 could not be sustained in 1987/88 resulting in lower investment of that year.

During the period 1985-88, 41 joint-venture or foreign equity participation projects involving an amount of Tk. 518.23 crore were sanctioned with a foreign component of Tk. 294.61 crore. The countries which came forward to establish these enterprises are Hongkong, U.K., Philippines, France, U.S.A.; China, Japan, Switzerland, Oman, Netherland, Thailand, India, Singapore, West Germany, Italy, S. Korea and Pakistan. The projects sanctioned were in the field of textiles, garments, chemicals, pharmaceuticals, electronics and services.

Since the establishment of Bangladesh Export Processing Zone (BEPZ) 35 industrial units have been sanctioned with an estimated investment of U.S. \$ 27.14 million. Some of these units would be solely foreign financed, some of them are local financed and the remaining enterprises are proposed to be as joint-ventures between Bangladesh and foreign investors mostly at 20 : 80 equity proportion. During 1985-88 period 23 industrial units have been sanctioned by BEPZA with a investment of US \$ 17.58 Million. Out of these 35 units so far sanctioned, 17 units have been established during 1985-88. These units in the field of garments, textiles, electronics, engineering products and services. It may be mentioned that the government has decided to establish another export processing zone in Dhaka and implementation of the decision is progressing.

### **Investment in Physical Planning and Housing :**

Investment in this sector consists of construction of residential houses, buildings and commercial establishments by private individuals, firms or groups. The level of private investment in the sector is mainly determined by the disbursement of credit from HBFC and other commercial banks. Other sources of funds for investment are private savings, house building loans disbursed by government bodies and corporation and remittances by Bangladeshis from abroad.

Estimates of private investment in the sector amounted to Tk. 1104.38 (at 1984/85 prices) during the first three years of the Third Plan against the allocation of Tk. 3650.00 crore. This is only 30% of the plan allocation for this sectors. Investment in the housing sector depends largely on the quantum of credit to this sector. An amount of Tk. 523.74 crore has been provided during the period under review. Out of this amount HBFC provided about 71.1% of the total credit. In a country like Bangladesh where the income level is so low, such bulky investment in housing cannot be raised unless the quantum of institutional credit is significantly increased.

### **Private investment in transport :**

Except railways, airways and part of mechanized water transport and road transport almost the rest of transportation is handled by the private sector. The estimation of private investment for the sector is rather difficult for non-availability of relevant data and lack of a dependable methodology to estimate private investment. Like others service sector the estimate of investment in the sub sector is derived by an indirect method. The estimate of investment is mainly based on the import level of transport equipment during the period under review. At constant prices the estimate of private investment amounts to Tk. 1375.05 crore in three years against the plan allocation of Tk. 1500.00 crore which is very encouraging. In fact, the investment target of the sector has almost been attained within the first three years of the plan.

### **Trade and other services :**

The scope of this sector covers investment in all types of trade, professional and other services in connection with the movement of wheel of the economy. As there is no reliable data on these aspects, the derivation of the private investment in this sector is done by an indirect method. The estimated investment during the first three years of the Third Plan is Tk. 1,258.88 crore against the plan allocation of Tk. 850.00 crore which already over fulfils the plan target.

### **Institutional credit to the Private Sector :**

The overall situation of disbursement of credit during the period under review is rather discouraging. The levels of institutional credit even at current prices have recorded significant decline; in real terms the scenario is even worse. The total annual average credit during the period amounted to Tk. 901.00 crore against benchmark figure of 1287.00 crore in 1984/85. However, within the aggregate figure there is variation between sectors. Especially the situation of agricultural credit is alarming. Against the benchmark figure of Tk. 1130.75 crore, the annual average during the period declined to Tk. 565.15 crore which is almost 50% of the level (even at current prices).

### **Impact of policies on Private Sector :**

In order to encourage a greater participation of private investors in the industrialization of the country, government announced a new Industrial Policy in 1982 (NIP'82) and another one in 1986 (RIP'86) But it has been observed that despite of numerous incentives provided to private sector in the NIP'82 and RIP'86, investment in the private sector has not increased appreciably. The Trade and Industrial Policy (TIP) Programme of the Planning Commission completed several studies as to identify the bottlenecks to rapid growth of the private sector. These studies are based on secondary data. Recently the Planning Commission through a set of questionnaires has undertaken impact study of policies incentives pursued during the last few years to boost private investment.

## CHAPTER VII

### UPAZILA DEVELOPMENT

#### Introduction :

Bangladesh is largely a rural country since about 85 percent of the population live in rural areas. Rapid growth of population, a high man-land ratio and low level of investment has gradually led to severe unemployment and under-employment in rural areas. As a result, the rural unemployed and under-employed people migrate to urban centres in the hope of better economic opportunities. Moreover, frequent floods, cyclones and river-erosions displace a considerable number of people every year who are then compelled to migrate to urban centres for survival. As a result, rural urban migration is quite high. However, the present growth of secondary and tertiary activities in urban areas are too inadequate to absorb the vast pool of unemployed labour. Hence, migration has mostly led to crowding of urban centres. One of the goals of planned development should be to revert this process of migration through creation of gainful employment opportunities in rural areas. The administrative decentralisation is a first step towards that end.

In this country, planned development so far generally gave priority to foodgrain production, setting up of basic industries, construction of physical and social infrastructure and energy supply. The main vehicle for implementation of the development programmes had been the government agencies and a regulated private sector. Such an approach largely by passed the requirement of the rural areas and failed to give appropriate priority for local development and participation of local population in articulating their development needs had been minimal. With a view to bring rural development as a focal point in national planning process and to ensure greater participation of local population in respective local development, the government undertook a large-scale decentralisation of administration and development activities commencing 1982/83.

#### Decentralisation effort :

The main features of the decentralisation effort are briefly stated below :

- (i) The Upazila Parishad is a body corporate having perpetual succession and powers to acquire, hold and dispose of property;
- (ii) The national government is building the necessary physical infrastructures such as office, residential accommodation, utilities including water supply, electricity, telephone and roads to help the Upazila Parishads to have the basic administrative facilities;
- (iii) The national government has placed (on deputation) qualified and trained personnel in the field of administration and development at the disposal of the Upazila Parishads;
- (iv) Considering the low tax base of the Upazila Parishads, the national government has been providing development assistance grants to the Upazila Parishads through the ADP.

#### Progress Towards Decentralisation :

The Upazila administration has been in position with elected Chairman in all the Upazilas. Necessary personnel in the field of administration and development are in place. Basic physical facilities have been built and it is expected that the remaining work will be completed by the end of TFYP period. A sum of Tk. 1095.00 crores was allocated for building physical infrastructures during 1982-83 to 1987-88. During 1988-89 the allocation for infrastructural development is Tk. 170.00 crores. Progress towards Decentralisation represents a marked redirection of the government's administrative and development policies. The Upazila Parishads are expected to develop themselves into viable units of local government in course of time, with the aim to absorb a part of the surplus rural labour force in productive activities.

### Development functions of the Upazila Parishads :

The second schedule to the Local Government Ordinance, 1982, gives the Upazila Parishad, *inter-alia*, the following development responsibilities :

- (i) All development activities at the Upazila level, formulation of Upazila development plans and programmes and implementation, monitoring and evaluation thereof;
- (ii) Promotion of agricultural activities for maximising production;
- (iii) Promotion of livestock, fisheries and forestry;
- (iv) Planning and execution of all rural public works programmes;
- (v) Promotion of health, family planning and family welfare;
- (vi) Promotion and encouragement of employment generating activities.

The Upazila Parishads are to take up development projects of local nature right from the conception to that of implementation. In addition, Upazila system are to be the instruments of decentralisation of the development activities undertaken at the national level through implementation of the divisible components of relevant projects and programmes.

To perform the development activities efficiently two Rural Development Academies at Comilla and Bogra as well as a Regional Public Administration Training Complex has been set up to train up the Chairmen and staffs of Upazilas. In order to provide technical support to the local government bodies under the decentralized set up, a Local Government Engineering Bureau has been created under the Local Government Division.

To meet the Government's overwhelming concern over increasing rural poverty and deteriorating rural employment situation a new strategy has been developed. It focuses directly on rural non-farm employment generation. This strategy will be tried in two selected districts (14 Upazilas) under an experimental project entitled "Rural Non-Farm Employment and Training Project" to be funded by IDA and several other donors. The Project would emphasise upon the promotion of appropriate technologies which would help the target population improve productivity of traditional non-farm activities and start new activities to be undertaken under the project.

In Bangladesh there are about 9,500 NGOs registered with the Department of Social Services. For alleviating poverty in the rural areas of Upazila level, their roles are being fruitfully utilised in implementing development projects particularly community development projects which have pronounced areas of motivational aspects. The Government will continue to use their services as far as practicable in its development efforts within the framework of TFYP. It is expected that the NGOs will supplement the Government efforts against poverty, hunger, malnutrition, disease, illiteracy etc. by mobilising additional resources and by motivating the target groups.

### Financing of Upazila Development Programme :

The TFYP period (1985—90) has kept a provision of Tk. 1000.00 crore as development assistance grant to the Upazila to undertake annual development programme. The year-wise allocation so far covered by TFYP period is given below :

TABLE I

#### Year-wise Allocation of Upazila Development Assistance

(Taka in Crore)

Year	Allocation
1985/86	200.00
1986/87	160.00
1987/88	200.00

To ensure proper utilisation of the development assistance fund by the Upazila Parishads, Planning Commission issued guidelines in July 1983. These guidelines reflected the national development policies and activities as outlined in National plan and ADPs. Subsequently, based on implementation experience the guidelines were revised by Planning Commission in 1985 showing what should not be done by the Upazila Parishads with development assistance fund provided by national government. Local Government Division has also issued a functional instruction for field level personnel to avoid confusion about the basic spirit of the guidelines prepared by Planning Commission. The guidelines have again been revised in June 1988. Some notable features incorporated in Upazila Guidelines 1988 are as follows :

- (i) The block allocation of development assistance fund will be provided to Upazila Parishads on the basis of the following criteria :

(a) Population	--	--	--	--	20%
(b) Area	--	--	--	--	20%
(c) Extent of backwardness	--	--	--	--	30%
(d) Performance	--	--	--	--	30%

- (ii) For repair and maintenance of the buildings transferred to the Upazila, a maximum of 10% of the total development assistance fund of the respective Upazila or Tk. 5.00 lakh (whichever is higher) may be allocated. Rent collected from the Upazila buildings may also be utilised for this purpose.



(iii) In future the sectoral allocation pattern of AUDP will be as follows :

Sector	Minimum Share	Maximum Share
(a) Agriculture & Irrigation .. .. .	12%	20%
(b) Small & Cottage Industries .. .. .	5%	10%
(c) Transport & Communication .. .. .	15%	25%
(d) Housing & Physical Planning .. .. .	10%	17.5%
(e) Development of Education .. .. .	5%	12.5%
(f) Child Health, Mental & Cultural Development ..	7.5%	15%
(g) Health & Social Welfare .. .. .	5.5%	12.5%
(h) Sports & Culture .. .. .	2.5%	7.5%
(i) Miscellaneous Activities ... .. .	2.5%	5%

#### Utilisation of the Development Assistance Grants :

The Upazila Parishads have been receiving the development assistance fund since 1983/84 in two instalments. The Table below shows year-wise allocation and expenditure of development assistance funds for the Upazila system.

TABLE 2  
Utilisation of Development Assistance Fund

(Taka in Crore)

Year	Allocation	Expenditure	Utilisation
1983/84	171.00	171.00	100%
1984/85	200.00	200.00	100%
1985/86	200.00	200.00	100%
1986/87	160.00	N. A.	..
1987/88	200.00	N. A.	..

**Allocation and Utilisation of Infrastructure Development Fund :**

Government has allocated a total sum of Tk. 1095.00 crore during 1982/83 to 1987/88 among the concerned ministries for infrastructure development of Upazila Parishads. Table below shows ministry-wise block allocation for infrastructure development.

**TABLE 3**  
**Allocation for Upazila Infrastructure**

(Taka in Crore)

	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	Total
1. Ministry of Works ..	90.00	90.00	115.00	127.00	78.00	75.00	575.00
2. Roads & High ways ..	40.00	35.00	44.00	51.00	49.00	55.00	274.00
3. Local Government Division ..		17.00	22.00	33.00	30.00	20.00	122.00
4. Post and Tele-Communication.		10.00	15.00	2.00	5.00	11.00	43.00
5. Establishment Division ..		5.00	7.90	9.70	5.00	5.50	33.10
6. Ministry of Land ..				1.00	5.00	2.00	8.00
7. Ministry of Home ..			5.00	5.00	1.00	3.00	15.50
8. Ministry of Relief and Rehabilitation.				0.30			0.30
9. Cabinet Division ..			2.10				2.10
10. Unforeseen Reserve ..		10.00	12.00				22.00
<b>Total ..</b>	<b>130.00</b>	<b>172.00</b>	<b>223.00</b>	<b>225.00</b>	<b>175.00</b>	<b>170.00</b>	<b>1095.00</b>

An amount of Tk. 170.00 crore has been allocated for infrastructure development for 1988/89.

The total expenditure from 1982/83 to May 1987 is about Tk. 309.08 crore for building Upazila complexes etc. Physical progress of Upazila connecting roads, bridges and culverts against the planned target is about 69%. It is expected that by the end of the TFYP period infrastructure development target could be achieved by utilizing the plan allocation.

**Effect on National ADP :**

From the financial year 1983/84, government has been allocating funds to Upazila Annual Development Programme (UADP). During first four years of the Third Plan, total allocation for Upazila Infrastructure and Upazila Development Assistance is Tk. 1500.00 crores. Since the overall ADP resources could not be increased, the local currency allocation for usual ADP sectors have shrunk considerably which led to reduction in the numbers of ADP projects. Not much headway could be made so far to achieve the objective of transferring divisible components of National projects to the Upazila Parishads.

The Upazila system is a relatively recent institution and will require a reasonable time for proper orientation with the spirit and objectives of planned socio-economic development. Since a substantial portion of ADP resources (revenue surplus of the National Government) are being provided to Upazila Parishads, it may be desirable that some conditionalities may be imposed by the Government on utilisation of the annual development assistance grants to the Upazila Parishads. These may include :

- (a) Number of schemes to be undertaken by a Upazila Parishad in a certain year to be limited to 20—30.
- (b) Preparation of Five Year Development Plans by each Upazila Parishad so that AUDPs might be framed accordingly.
- (c) Extensive and intensive utilization of the expertise of the development technical personnel in project implementation.
- (d) Local Government Division may endeavour observance of the sectoral allocation proportions as indicated in the guidelines.
- (e) Minimum contribution of an Upazila Parishad towards financing its AUDP in a financial year.

#### **Need for Local Resource Mobilization :**

One basic theme of administrative decentralization was that such decentralisation would ensure greater local participation in planning, resource mobilization and plan implementation. However, after five years since its inception, the national government has still been financing the bulk of the programmes undertaken by the Upazila Parishads. There are reasons for believing that only when the Upazilas start generating their own resources, will it be possible to create additional employment locally and reverse the inexorable flow of rural-urban migration. Moreover, when local resources are generated, Upazila Parishads and the local people would feel a commitment in the development process and thereby assume a greater responsibility. Also locally generated resources are likely to be spent very carefully and economically and the concept of accountability, so conspicuously missing in the present one-way inflow of resources from the national government to the Upazilas, will at long last take root.

Since the tax base of the Upazila is very narrow, government should give serious thoughts to delegating some heads of revenue to the Upazila Parishads so that they can generate sufficient resources locally rather than look forward to the national government for assistance.

The Upazila Parishad Ordinance 1982 stipulates that the Parishads will generate their own income. Section 42 of the ordinance provides for levying of various taxes, rates, tolls and fees by the Upazila Parishads. However, some of these taxes and fees overlap with the Union Parishad. Since the Union Parishad's Chairmen constitute majority of the voting members of the Upazila Parishad, the Upazila Parishad can not do anything in this regard. This situation should be rectified by clearly specifying the tax domain of the Upazila Parishad. At the same time, studies should be undertaken to identify the sources and means of mobilizing local resources.

**PART II**  
**SECTORAL PROGRESS**

## CHAPTER VIII

### AGRICULTURE AND WATER RESOURCES

The economy of Bangladesh is pre-dominantly agricultural contributing about 50 percent to the GDP and 80 percent to export earnings of the country. Besides, it provides employment opportunities to the vast majority of the people.

The Third Five Year Plan accorded high priority to development of agriculture and water resources. About 29.7 percent of the total Third Plan outlay was allocated to agriculture, rural development and water resources. The plan aimed at attaining self-sufficiency in foodgrains production by the end of the plan period. The plan envisaged diversification of agriculture with greater emphasis on cash and minor crops, livestock and forestry with a view to accelerating absorption of the growing labour force in productive employment and raising income level of the common man. To this end, the plan also envisaged improvement of rural technologies and skill in both farm and non-farm sectors of the rural economy and large investment in rural areas. Emphasis was given on expansion of HYV technology side by side with rain-fed crop development and crop diversification programme. The production programme would be backed by an input package, extension work, incentive prices and strengthening of agricultural support institutions. On the supply of inputs, water and fertilizer were identified to be the two critical elements for achieving the target of self-sufficiency in food production. Accordingly in the water sector development provision of timely and dependable supply of irrigation water, regulation and control of floods and drainage, salinity control and efficient use of water resources were the major objectives while fertilizer distribution programme envisaged application of balanced dose and combination so as to reach the distribution targets of various types of fertilizer to a total of 1,885 thousand tons by the terminal year of the Plan. Commensurate with the overall agricultural development objectives, other inputs and supporting services development programme included provision of improved seeds, plant protection services, agricultural extension, research and education, credit, seed, food and fertilizer storage facilities and marketing.

Performance of the sectors during the first three years of the Third Plan is discussed below :

#### CROP

Within the framework of national Plan objectives, agricultural programmes during TFYP envisage food self-sufficiency by 1989/90; accordingly cereal production target has been set at 20.7 million tons. The programmes provided for increased output of protein food from different crops, fish and animal products. Creation of additional employment remains one of the other major objectives of agricultural development programmes during the Plan period. Water and fertilizer have been identified to be the two critical elements in order to support and achieve the target of agricultural programme during the TFYP. Fertilizer distribution programmes envisage application of appropriate dose and combination so as to reach the distribution targets of various type of fertilizer to a total of 1,885 thousand ton by the terminal year of the Plan. Commensurate with the overall agricultural development objectives, other inputs and supporting services, development programmes include provision of improved seeds, plant protection services, agricultural extension, research and education, credit, seed, food and fertilizer storage facilities and marketing. In order to implement these programmes, an allocation of Tk. 14100 million has been earmarked for Crop sub-sector during the Third Five Year Plan.

#### Physical Achievement:

The Third Five Year Plan Target for production of rice and wheat in 1989/90 is 20.60 million tons. This represents an increase of about 4.52 million tons from a base of 16.08 million tons (Rice 14.62 million tons and Wheat 1.46 million tons) in 1984/85. The target production in 1987/88 was 17.51 million tons (Rice 16.11 and

Wheat 1.40 million tons). Production in 1987/88 has been estimated at 16.46 million tons (Rice 15.41 million tons and Wheat 1.05 million tons). Only about one third of the planned increase in production has been achieved (0.37 million tons actual increase compared to the target of 1.43 million tons). The average percentage increase in the first three years of the Plan has been about 1.5% while achieving the plan target requires an average growth rate of about 4.5%. The production of foodgrains (Rice & Wheat) during the first three years of the plan is as follows:

TABLE 1

## Production of Foodgrains

[In million tons]

Crops	1984/85	1985/86	1986/87	1987/88	1989/90 Plan target.
Aus	2.78	2.83	3.12	2.99	3.42
Aman	7.93	8.54	8.26	7.72	9.18
Boro	3.91	3.67	4.03	4.70	5.40
Rice	14.62	15.04	15.41	15.41	18.00
Wheat	1.46 0.03	1.04 0.04	1.07 0.02	1.05 0.04	2.60 0.10
Total	16.11	16.12	16.50	16.50	20.70

It is planned to produce 18.00 million tons of rice & wheat during 1988/89 (Aus 3.25 million tons, Aman 8.70 million tons, Boro 4.50 million tons and Wheat 1.50 million tons and other grains 0.05 million tons). Successive floods and delay in recession of flood water affected food production during 1987/88 and as such production was 16.50 million tons against the target of 17.50 million tons i.e. 6% less than the production target set for 1987/88.

Incremental production has come largely from expansion of HYV of rice and wheat. HYV acreage under rice and wheat has increased from 8.44 million acres in 1984/85 to 9.15 million acres in 1986/87 showing an increase of 8.24%. On the other hand, the production of high yielding varieties of rice and wheat increased by only 2.0% during the same period. However, acreage of rice and wheat under HYV cultivation increased to 9.51 million acres during 1987/88; showing an increase of 12.7 percent over the benchmark level. A total of 10.65 million acres were targeted to be brought under HYV cultivation of rice and wheat by the terminal year of the Plan in 1989/90. Production of HYV of rice and wheat increased to 7.45 & 1.08 million tons as compared with 1984/85 production level of 6.57 million tons and 1.45 million tons respectively. The Third Five Year Plan target of HYV Rice and Wheat production is 9.26 million & 2.58 million tons respectively. HYV of rice and wheat contributed about 52 percent to total production of 16.45 million tons during 1987/88 against the Plan target of 57 percent in 1989/90.

The Physical target and achievement of foodgrain production during the Third Five Year Plan is given below :

TABLE 2

[Area in Lakh acres]  
[Production in Lakh tons]

Crops	Base Year (1984/85)		Plan Target(1989/90)		Achievment 1987/88	
	Area	Production	Area	Production	Area	Production
Rice Local	61.09	19.20	57.00	21.60	12.08	8.77
Aus HYV	11.52	8.60	15.00	12.60	56.83	21.16
Sub-total	72.61	27.80	72.00	34.20	68.91	29.93
Aman Local	83.96	44.94	84.00	47.80	87.58	48.49
T. Aman						
HYV	26.69	22.00	30.00	32.00	20.19	17.36
T. Aman						
Local	30.47	12.36	30.00	12.00	30.39	11.36
B. Aman						
Sub-total :	141.12	79.30	144.00	91.80	138.16	77.21
Boro Local	8.00	4.06	10.00	6.00	..	..
HYV	30.00	35.04	38.00	48.00	N.A.	N.A.
Sub-total	38.00	39.10	48.00	54.00	47.00	46.96
Total (Rice)	251.73	146.20	264.00	180.00	254.07	154.10
Wheat Local	0.49	0.19	0.50	0.20	Neg	0.17
HYV	16.22	14.41	23.50	25.80	15.00E	10.33
Sub-total	16.71	14.60	24.00	26.00	15.00E	10.50
Total (Rice & Wheat)	268.44	160.80	288.00	206.00	269.07	163.96
Other grains	0.40	0.30	0.60	1.00	0.40	0.40
Total (Foodgrain)	268.84	161.10	288.60	207.00	269.47	165.00

E for estimated figure.

Failure to achieve targetted levels of Rice & Wheat Production reflects shortfalls in both area and yield. Yield Levels continue to reflect past trends rather than the accelerated improvements targetted in the TFYP. Aman Rice is most susceptible to floods. In spite of 1984 flood, production of Aman rice increased considerably during the first two years of the plan and declined in 1987/88 due to unprecedented flood in

1987. Acreage and production of Aus rice were lower than planned levels during the first three years of the plan. Acreage, yield and production of Boro Rice have been close to target throughout the first three years of the plan. Wheat area did not increase and yields fell, causing production to a fall far short of the sizeable increase targetted in the TFYP. The major factors contributing to the shortfall production during the first three years are given below :

1. Heavy rains and floods.
2. Drought in early aus and late aman seasons.
3. Decrease in acreage in Aus season.
4. Decrease in wheat area and yield.
5. Lack of incentive price of rice.
6. Increase in input costs.

#### Other Crop :

**Jute :** Production of Jute during 1985/86 showed a record increase of 7.60 million bales from an area of 2.28 million acres of land as compared to 5.11 million bales out of an area of 1.67 million acres of land in 1984/85. Production, though still high declined to 6.88 million bales in 1986/87. Land area under jute production was 1.91 million acres. Consecutive two years of high production created some abnormal situation in terms of depressed prices and income to the farmers. Besides, jute crop was affected adversely by floods during 1987. Consequently, actual production of Jute was around 4.70 million bales during 1987/88 out of reduced land area of 1.27 million acres. Plan target is to produce 6.0 million bales of jute from an area of 1.5 million acres in 1989/90. Consequent upon providing technical support to the jute growers in terms of extension services, supply of inputs etc. under an intensive jute cultivation programme, per acre yield of jute has shown an increasing trend since 1984/85. The per acre yields of jute in 1984/85, 1985/86, 1986/87 and 1987/88 were 3.05, 3.32, 3.60 and 3.71 bales respectively.

**Potato :** The production of potato has shown decreasing trend since 1984/85. The production of potato in 1984/85 was 1.30 million tons. Potato suffered setback during the last few years as potato growers are facing serious constraints due to price fluctuation and inadequate cold storage facilities for preservation of potato. The production programme for 1987/88 has been fixed at 1.400 million tons as against 1.195 million tons were produced. Its production programme has been included under Crop Diversification Programme in order to exploit the development potential to the Crop. Sweet potato is an important food crop. It is relatively less susceptible to disease and has a relatively longer shelflife. The yield potential of sweet potato is higher than that of potato. Per acre yield of sweet potato was 4.31 ton compared to 4.07 ton of potato, during 1986/87. The total production of Sweet Potato was 6.83 million tons in 1984/85 which decline to 5.48 million tons in 1986/87. About 1.7 million tons of potato out of an area of 0.3 million acres is projected to be produced in the country by the terminal year of the Plan in 1989/90.

**Sugarcane :** The acreage and production of sugarcane showed an increasing trend since 1985/86. Production of sugarcane during 1986/87 went up by 147 thousand tons/over the production level of 6.64 million tons in 1985/86. During 1987/88, 7.55 million tons of sugarcane were produced to meet the growing demand of sugar mills through an intensive production programme in Mill Zone areas with improved varieties developed by Sugarcane Research Institute. Acreage under sugarcane increased to 0.434 million acres in 1987/88 as compared to bench-mark level acreage of 0.404 million acres in 1984/85 and Plan target areas of 0.450 million acres in 1989/90.



**Cotton :** Both acreage and production of cotton showed increasing trend since 1985/86. Acreage under cotton during 1985/86 & 1986/87 expanded by 150% & 283% while production increased by 250% & 333% during the same period over the benchmark acreage and production level 24 thousand acres and 12 thousand bales respectively in 1984/85. In 1987/88, 31 thousand bales of cotton were produced from an area of 60 thousand acres. The Plan envisaged production of 0.1 million bales of cotton out of total area of 0.120 million acres in 1989/90 against 1984-85 acreage and production level of 0.024 million acres & 0.012 bales.

**Pulses :** The production of pulses remain essentially stagnant at around 0.200 million tons in 1986/87 as against the bench-mark level production of 0.195 million tons in 1984/85. The area under pulses showed a decreasing trend from 0.671 million acres in 1984/85 to 0.615 million acres in 1986/87. The production of pulses falls short of even minimum annual requirement. The main constraint to pulse production programme are lack of HYV seed supply, post harvest losses and lack of its integration with an improved farming system. The per acre yield is very low and as such per acre returns in pulses have been lower than cereals and other competitive crops. The pulses production programme was fixed at 0.270 million tons for 1987/88 and actual Production was 0.25 million tons. By the terminal year of the TFYP in 1989/90, it is projected to produce about 0.3 million tons of pulses. The increased production programme will be met through improvement of seed and technology under crop diversification programme undertaken recently.

**Oilseed :** A large number of oilseed crops are grown in the country. The major oilseed crops are mustered rape, ground nut and sesamum. Mustered seeds accounts for 62% of the area under oilseed and contributes about 50% of the domestic oilseed output of the country. Oilseed production in the country has not shown significant increase during the last three years. 0.266 million tons of oilseed were produced in 1984/85 and marginally increased to 0.270 million tons in 1986/87. Efforts are being made to increase oilseed production through crop Diversification Programme supported by supply of adequate HYV seed and other production inputs at farmers level.

**Tea :** Tea production during 1986/87 was 37.59 million KG. as compared to the bench-mark production level of 38.21 Kg. in 1984/85. 40.31 million Kg. of tea was produced during 1987/88 which is 76% of plan target of 52.77 million Kg. in 1989/90. Area under tea increased to 0.115 million acres in 1987/88 against the plan target of 0.116 million acres. Production target for 1989/90, the terminal year of TFYP has been fixed at 52.7 million Kg.

**Tobacco :** Tobacco is an important cash crop. Its production showed an increasing trend since 1984/85. In 1986/87, production of tobacco was 57 thousand tons as compared to 49 thousand tons production in 1984/85 which is expected to increase to 67 thousand tons in 1987/88 against the plan target of 60 thousand tons in 1989/90.

**Horticultural crops :** Horticultural crops which include fruit, nuts and vegetables occupied about 4% of the total cropped area. Soil & climate of the country are suitable for growing a wide range of vegetables and fruits. But available statistics show that the production of fruit and vegetables remain essentially stagnant during the last three years. The production of vegetables was 1.416 million tons in 1984-85 and was 1.445 million tons in 1985/86. The production of fruits was 0.874 million tons in 1984/85 and marginally increased to 0.885 million tons in 1985/86.

**Fertilizers :** Chemical fertilizer is an essential ingredient for increasing agricultural production in the country. Its demand is determined not only by price levels but also by other factors such as the availability of irrigation facilities. While fertilizer use has grown significantly over the past two decades, the rate of increase has fallen in the last three years due to various factors. With drawal of subsidies on fertilizer, credit restriction, low purchasing power of farmers, high cost of production inputs, are some of the factors that led to lower of fertilizer use. The total off-take of fertilizer in 1984/85 declined to 1.156 million tons from 1.260 million tons in 1984/85. However,

off-take of fertilizer increased to 1.321 million tons and 1.513 million tons during 1986/87 and 1987/88 respectively. Urea constitutes about 70% of the fertilizer mix followed by TSP at 25% and MP 5%. This unbalanced application of fertilizer along with the substantial deficiency of sulphur and zinc in the soil has adversely affected the soil fertility in many parts of the country and constitutes a serious limitation on the growth of agricultural productivity. The situation is being worsened as crop intensity is increasing and compost and manure are used less.

The Third Five Year plan distribution target for Chemical fertilizer in 1989/90 is 1.885 million tons. Based on an annual average rate of growth during the last three years of 4.8%, the target distribution of fertilizer during the year (1988/1989) has been fixed at 1.45 million tons. It would be necessary to raise this to 11.25% for next two years to achieve the plan target by 1989/90.

**Seeds :** Recognising the fact that application of package inputs comprising water, fertilizer and pesticides will not have the desired optimum effect on production without improvement in the quality of seeds. Necessary provisions have been made to supply HYV seeds of paddy, wheat, potato, jute, pulses and oil seeds to the farmers. BADC has been entrusted with the responsibility of implementing programmes of seed production, multiplication, processing and distribution. The certified seeds of paddy, wheat, potato, pulses, oilseeds and jute were supplied to the farmers during the last three years as under :

TABLE 3

Crops	Year					
	1984/85	Plan Target 1989/90.	1985/86	1986/87	1987/88	
Paddy ('000' tons)	.. ..	3.28	10.30	3.53	5.96	6.83
Wheat ('000' tons)	.. ..	19.52	27.60	15.44	20.86	22.73
Potato ('000' tons)	.. ..	3.61	9.5	3.98	5.09	5.90
Pulses (tons)	.. ..	N.A.	..	150.00	212.00	296.00
Oilseeds (tons)	.. ..	49.00	..	143.00	184.00	221.00
Jute ('000' tons)	.. ..	1.24	3.0	0.75	1.58	0.93

It is learnt that BADC met 5.9% of the total requirement of paddy seeds and 23.75% of the requirement of wheat seeds in 1986/87. The rest of the seed requirement was met by the farmers themselves.

**Draught Power :** Draught animals supply most of the supplementary powers available to farmers for ploughing, harrowing, levelling, making drainage ditches, threshing and transportation. However there are two severe problems with the current draught power stock : (i) there is a significant shortage of animals; and (ii) the current stock of animals is of inferior quality.

The average national draught power energy requirement has been estimated at 0.373 KW/ha while the average available draught powers was estimated at 0.271 KW/ha. The current deficit is estimated at 0.102 KW/ha or 27% of the total estimated requirement. In terms of the 1986-87 number of draught animals (15.5 million) the situation represents a deficiency of approximately 5.8 million animals or approximately 132,000 mechanical tillers.

This situation severely limits the nation's overall productivity and encourages poor farm management practices. Programme for increasing foodgrain production self-sufficiency could be constrained seriously by the lack of draught power, specially further shortages, can be expected as crop diversification is pursued.

**Agricultural Credit :** The Third Five Year Plan has set the target a of agricultural credit distribution at 2,483.00 crore Taka by 1989/90, requiring a 17 compound annual rate of growth during the plan period. The actual distribution of credit during the first three years of TFYP falls far short of the target with only 50% of the distribution target, being met in 1985/86 and 62% of the distribution target met in 1986/87.

The distribution of agricultural credit drastically dropped from 1132 crore Taka in 1984/85 to 650 crore Taka in 1985/86, a fall of over 42%. Disbursements in 1986-87 (657 crore Taka) were only a little above those for 1985/86. On the other hand, due to the enforcement of recovery measures, loan collection in 1986-87 exceeded 1100 crore Taka and the direction of de-facto transfers was reversed. The situation is likely to have an adverse impact in terms of use of irrigation, fertilizer and other inputs.

There are clearly some major problems in this area which calls for taking remedial measures.

**Agricultural Extension And Training :** Untill recently, Agricultural extension services were being carried out by about 13 different agencies. However, for integrated and coordinated agricultural extension services, Department of Agriculture Extension Services has been reorganised by merging six Directorates and agencies under the Ministry of Agriculture. About 14,300 Block Supervisors have been posted atleast one in each union to disseminate extension messages to the farmers. Training and Visit (T & V) method of extension has been introduced throughout the country in order to bridge the gap between the field and research stations. Block supervisors are being trained in 10 AETIs so that they can render all kinds of technical supports to the farmers.

**Plant Protection :** With the spread of HYV seeds for increasing production of different crops, it has become important to protect crops from pest and diseases as new varieties are more susceptible to such attacks. Sale of pesticides is now entirely carried out by the private sector. But the extension service in terms of advice to the farmer about the type of pesticide to be used in the field and spraying in case of large scale infestation are done by the Plant Protection Wing of the Department of Agriculture Extension.

**Agriculture Research :** Research Programmes of different agriculture institutes are being oriented to farming system so that the results are directly applicable to the farmers' socio-economic and agro-ecological situations. Research on rice & wheat will continue to receive high priority while varietal break through in oil seeds, pulses, potato and some fruits and vegetable crop are being vigorously pursued. The main thrust of agriculture research are on the following :

- (i) Continuous development of HYV of different crop to fit into the existing cropping patterns practised by the farmers.
- (ii) Crop diversification programme will focus on the potential for inter-cropping and relay cropping, and the selection of existing variations for developing technology packages that small and marginal farmers can afford.
- (iii) Intensified research on rainfed farming to increase total farm productivity and income is being continued.
- (iv) Development of farm technologies to maximise individual farmers output through diversification of his farming system.

**Crop Diversification Programme:** A Crop Diversification Programme is under implementation which is expected to bring about a major shift in crop production strategy. The main objective of the programme is to improve the nutritional standard of the people, ensure extra income to the small growers and the rural people through intensification of cropping pattern and creation of employment opportunities in the dry months. Under the Crop Diversification Programme (CDP) research institutes will produce the breeder seeds and BADC will procure improve seeds from their own farms and contract growers, process in their processing plants and preserve in their storage for distribution to farmers during the next sowing season. Necessary technical support in the form of motivation, training, demonstration and market intelligence will be provided by Agriculture Extension and Marketing Department under the CDP. Besides, a multi-crop production programme combined with off-farm activities has been undertaken with IFAD/GTZ assistance in order to expand the employment opportunities and thereby increase the income of small and original farmers in Kurigram district.

**Land Utilization:** The total cropped area during 1984/85, 1985/86 were 32.50 and 33.46 million acres respectively. The net cropped area during the corresponding years were 21.35 & 21.66 million acres respectively. This shows the intensity of cropping during 1984-85 and 1985-86 as 152.18% and 154.47% respectively. Land utilization pattern has changed and has increased from 32.50 million acres in 1984/85 to 33.46 million acres in 1985/86. The single cropped areas has decreased from 11.68 million acres in 1984/85 to 11.52 million acres in 1985/86. On the other hand double and triple cropped area were increased and available information on land utilization pattern is presented below:

TABLE 4

	1984/85	1985/86
'Single Cropped area (million acres) .. .. .	11.68	11.52
Double Cropped area (million acres) .. .. .	8.20	8.49
Triple Cropped area (million acres) .. .. .	1.47	1.65
Total Cropped area (million acres) .. .. .	32.50	33.46
Cropping intensity (%) .. .. .	152.18	154.47

Total cereal crops area remained almost constant at about 10 million hectares for about a decade, until it underwent a recent increase to almost 10.5 million hectares. This situation reflects the fact that the potential for increasing the extent of cultivated land in Bangladesh is extremely limited. All but the most marginal lands are now under cultivation.

In fact further rapid expansion of rice area (particularly for irrigated boro) is neither feasible nor desirable. It is not feasible because most of the irrigated land suitable for boro has already been covered. Further it is not desirable because expansion of rice coverage would adversely affect the production of other crops; a situation which is already causing considerable concern because of declining availability and consumption of vegetables, fruits and other food products.

Further, in reaching increased production, certain physical imperatives must be observed, by farmers and by the nation, to ensure that progress can be made in the future. We must be worry of ecological mismanagement, from inappropriate husbanding of our soils, to excessive planning of pajem varieties (which are highly disease prone) to over use of HYVs (which can limit essential breeding stock).

### Post Flood Agriculture Rehabilitation Programme :

Following the unprecedented flood in 1987, a short-term agricultural rehabilitation programme is under implementation in order to supply seed/seedlings, fertilizer, repair irrigation equipment and rehabilitate shallow tube wells and also to supply 3000 LLP pumping sets under rental programme. The execution of the programme will facilitate production of a total 1362 thousand tons of addition quantity of food crops.

### Financial Achievement :

An allocation of Tk. 14,100 million was made for crop and food sub-sector during the TFYP. However, only Tk. 4,946.83 million could be provided through RADPs during 1985/86 and 1987/88. This means that only about 35.1% fund out of the total TFYP financial outlay for the Crop sub-sector projects were allocated during the first three year of the Plan. As against the RADP provisions of Tk. 4,946.83 million, Tk. 4,221 million is estimated to be actually spent during the first three years of the plan to execute various programmes/projects. Tk. 2162.56 million has been allocated in the ADP 1988/89 for the implemetation of crops sub-sector projects.

### Food Storage Facilities

Ministry of Food owns and operates a large network of foodgrain storage facilities scattered across the country. Total storage capacity has reached a level of 1.9 million metric tons. Whereas the public sector food stock is far below the stated capacity. Maximum food stock has been 1.5 million tons. Thus a significant part of the storage remains unutilised. In view of the increased cereal production of 20.7 million tons as envisaged in the plan document and increased procurement programme, there will be no storage problem. But as there are many of the food godowns dilapidated and require substantial repair, some have outlived their useful life and warrant demolition. As such country-wide programme for rehabilitation/reconstruction of existing godowns with ancillary facilities have been undertaken during the plan period instead of new construction of godown

During the TFYP period, it has been envisaged to rehabilitate the existing dilapidated godowns along with their ancillary facilities for safe storage of foodgrains to ensure post-harvest consumption requirement, to stabilise seasonal price fluctuation and provide emergency needs occasioned by poor harvest due to drought or other disasters that is to say, food security. Under this programme, seven on-going and six new investment project along with three technical assistance projects have been included in the TFYP. A Total of Tk. 174.83 crore has been earmarked for 13 investment projects and Tk. 9.06 crore for 3 technical assistance projects.

Total RADP allocation made during 1985-88 was to Tk. 7547.00 lakh having P.A. of Tk. 7,006.07 lakh, against this, an amount of Tk. 5771.53 lakh including P.A. of Tk. 5,252.56 lakh was spent upto June 1988. This represents 76 percent of RADP allocation and only 48 percent of the plan allocation. Amount spent over plan allocation represent 37 percent.

A project to reconstruct 0.35 lakh tons capacity food storage capacity under Japanese assistance had been completed within June 1987. It may be stated that two out of six investment projects could not be processed for execution as the donors were not available for financing the same. These two projects are related to procurement of pesticides and spare-parts for Silo. Considering this constraint the procurement of silo spares parts project had been dropped from the 1988/89 ADP. A new project to construct 32,500 tons capacity food storage in the different cantonments had been included in the ADP 1987/88. The preliminary work to start the project had been completed. Physical work will start soon.

Out of the 7 spill-over projects of the SFYP 3 have so far been completed. One is dropped for want of donor. Out of 5 new projects one had been completed and another 2 have been taken up for implementation. Weak project management and poor project formulation followed by lack of co-ordination on the part of the Ministry are the major constraints of the food storage programme.

Weak project management and poor project formulation followed by lack of co-ordination on the part of the Ministry are the major constraints of the food storage programme.

### FISHERIES

Fish is the dominant source of animal protein. It contributes about 80% of the protein supply to the peoples diet. Fisheries sector contributes about 6% to GDP and about 12% of the total export earnings (1987/88). Fisheries of Bangladesh are broadly categorized as Inland and Marine fisheries. Fish production from both inland and marine sources in 1980/81 was 6.50 lakh tons of which 5.25 lakh tons were produced from inland source and 1.25 lakh tons from marine source. In 1986/87 actual fish production was 8.15 lakh tons of which 5.97 lakh tons came from inland source and 2.18 lakh tons came from marine source. This shows that fish production has increased by about 25.38% in 1986/87 compared to the production of 1980/81.

It has been estimated that about 8.9 million people are directly or indirectly involved in fisheries and ancillary activities. The Third Five Year Plan envisaged additional employment generations of 10 lakh people from the fisheries sector. On the basis of available information it has been estimated that this sector has created direct and indirect employment opportunities of about 2.50 lakh people during the first two years of the plan period. Employment opportunities of 1.95 lakh people are expected to be created during 1987-88.

During the period under review considerable success has been achieved in the field of export. The TFYP envisaged an export earnings from shrimp, froglegs, fish and fish products to the tune of 38,000 metric tons valued at Tk. 532.40 crore. Actual export earnings from shrimp, froglegs, fish and fish products during 1985/86 and 1986-87 were amounted to Tk. 356.10 crore and 422.40 crore respectively. During these two years earnings from shrimp alone stood at Tk. 269.30 crore and Tk 341.80 crore respectively. The estimated total earnings from this sector during 1987/88 has been estimated to be Tk. 501.40 crore of which shrimp export is expected to be Tk. 406.00 crore. In terms of the percentage contribution, the export earnings from shrimp, frog legs, fish and fish products during 1987/88 is expected to be about 94% compared to the earnings as per plan target.

The major problems and constraints to fisheries development as identified were non-availability of adequate technical manpower, lack of adoption of appropriate technology, technical know-how, multiplicity of control over the management of inland water-bodies and inadequate storage, processing, transportation, marketing and distribution facilities. All these problems have been carefully studied and steps will be taken to remove these bottlenecks through institutional improvement of the sector and creating a host of trained personnel through manpower development programme. Efforts are also underway to resolve all the social and management problems so that optimum production in this sector could be ensured in the future years.

The Third Five Year Plan provided for an allocation of Tk. 350.00 crore for the fisheries sector. During the period under review (1985-88) a total amount of Tk. 110.59 crore was provided in the ADP for this sector. As against this allocation, actual expenditure during 1985-88 was Tk. 61.00 crore which indicates that absorption capacity in the sector is very low. In terms of total plan allocation, amount provided in the ADP during 1985-88 was about 31.60%. The slow rate of utilisation of allocation by the Executing Agency is mainly due to delay in execution of the development projects.

During 1985-88, 20 projects were taken-up for implementation in the fisheries sector. Of these, 9 projects came as spillover projects from the Second Five Year Plan and 11 new projects were taken up for implementation. Total ADP allocation for these projects amounted to Tk. 110.59 crore including project aid of Tk. 70.31 crore. As against this

an amount of Tk. 61.00 crore was spent up to June 1988. Out of the total 20 projects taken up during this period, 8 projects have been completed till June, 1987 and one more project completed by June, 1988. Thus the total number of projects complete by the end of June, 1988 is 9.83 against the total of 20 projects taken up for implementation during 1985-88.

The major projects under execution during this period are Aquaculture Development Project, Marine Fisheries Research, Management and Development Project, Fisheries Research Institute, Shrimp Culture Project, Baor Fishery Development Project (Ox-bow Lake Fishery Project), etc. All these projects are intended to make a considerable impact towards development of the inland and marine fisheries resources of the country and also strengthening the fisheries research system and statistical data base in the fisheries sector. In addition, a good number of projects were selected for execution which intended to establish infrastructural facilities like fish landing, storage, processing, fish net making plants and development of fish marketing and distribution network.

The unprecedented flood during June-September 1987 has caused severe damage to fisheries sector. Embankments of the ponds, dykes of the shrimp culture farms and some permanent structures like boundary wall, culverts, drains and other structures of a number of on-going projects and fish seed multiplication farms have been severely affected. Besides, most of the brood fish and fingerlings escaped from ponds due to over-flooding. A flood rehabilitation programme for a total amount of Tk. 13.85 crore was, therefore, prepared for rehabilitation of damage and loss caused to fisheries sector.

#### **Physical Performance :**

**Production :** During the Third Five Year Plan greater emphasis was given to raise fish production from pond fisheries, coastal aquaculture rivers and estuaries, beels and baors and flood plain fisheries. A number of projects on pond fisheries, flood plain fisheries, coastal aquaculture, rivers and estuaries and beels and baors have already been taken up for implementation. But substantial production has not yet been achieved due to late submission of PP, long delay in project implementation, delay in selection and appointment of Consultants and cumbersome land acquisition problem. As a result of these problems the expected fish production from the above sources could not be achieved bringing into shortfall in the production target during the first three years of the plan period. It is, however, hope that fish production can be improved to the desired level during the remaining two years of the plan period when the on-going projects/programmes will be fully implemented.

**Export :** The export target of shrimp in quantitative terms during the first three years of the plan period was not satisfactory as the desired production of shrimp from coastal aquaculture and marine sources could not be derived as yet due to delay in implementation of the on-going projects/programmes and land acquisition problems. When these projects/programmes will be fully implemented the production level will increase and it is expected that the export target during the terminal year of the plan period will be achieved.

#### **Review of Policy, Strategy and Objectives :**

Following the objectives and strategies of the Third Five Year Plan, development programmes have been chalked out for implementation under a number of projects to be implemented by the Department of Fisheries, BFDC and Fisheries Research Institute. The selected programmes will include improvement of aquaculture and artificial fish seed production by establishing medium and mini hatcheries at District and Upazila level. A few more projects/programmes have also been taken up for implementation for development of pond fisheries and brackish water fisheries. For improvement of marketing facilities and establishment of fish landing terminals, a project at an important location is also under implementation. To strengthen the training and extension capabilities and institutional

improvement of the Fisheries Sector necessary project has already been approved and expected to be implemented from 1988/89. In the area of processing and preservation of fish no projects/programmes could be taken-up for implementation due to constraints of local fund and non-living up of suitable donors.

This sector does not foresee any change or modification in the policy, objectives and strategies as envisaged in the TFYP document.

**Recommendations :**

In order to attain the objectives and targets of the TFYP manpower development and institutional building programmes have to be implemented on a priority basis. This will enable the implementing agencies to acquire skill and efficiency in the successful implementation of the development projects in the fisheries sector. The multiplicity of control over the management of different water bodies by different Ministries and Agencies is another impediment in implementing fishery development programmes. Unless the management of various of waterbodies is handed over to a single line Ministry desired objectives will not be fulfilled.

Appropriate selection and formulation of development projects by the Ministry/Agency and their timely implementation could not be ensured during the previous years. As a result, some shortfalls in the plan targets was anticipated in the earlier years. To achieve the goal, objectives and targets of the TFYP sponsoring Ministry and implementing agency are required to be more careful and conscious in selecting and formulating suitable projects and ensure their timely implementation.



TABLE 5

## Physical Target and Achievement of fisheries sub-sector

Sl. No.	Name of the Sector/ Sub-sector/Item	Units	Base Year achievement/ Production (1984/85)	Plan Tar- get, (Termi- nal Year) 1989/90	Achievement/Production					Percentage achieved (col. 10 Shortfall) Reasons for Shortfall of col. 5)	
					1985/86 (Actual)	1986/87 (Actual)	1987/88 (Estimated)	1988/89 (Estimated)	1989/90 (Estimated)		
1	2	3	4	5	6	7	8	9	10	11	12
	Sector :										
	Sub-sector :										
	L. Fish Production	Lakh tons									
	(a) Inland	"	7.74	10.00	7.94	8.15	8.70	8.96	9.25	92.50%	Described in the write-up.
	(b) Marine	"	5.86	7.72	5.87	5.97	6.50	6.73	7.00	90.67%	
			1.88	2.28	2.07	2.18	2.20	2.23	2.25	98.68%	

TABLE-6  
Financial Target and Achievement of Fisheries sub-sector

(Take in crore)

Sl. No.	Name of the Sector/ Sub-sector	Plan Allocation	Expenditure			Estimated Expenditure (1985-88)	Percentage achieved (col. 7 as % of col. 3)	Reasons for short fall
			1985/86 (Actual)	1986/87 (Actual)	1987/88 (Actual)			
1	2	3	4	5	6	7	8	9
	Sector : Agriculture	350.00	17.05	20.40	23.56	60.99	17.43%	The ADP allocations during 1985-88 was Tk. 110.59 crore. But the Executing Agency failed to utilize allocation as the timely implementation of the development projects could not be done.
	Sub-Sector : Fisheries							

TABLE 7

Sectoral Contribution to the Plan Objectives and Targets in relation to the projects completed during the period under review.

Sl No. of the Sector/ No. Sub-sector/Item/ Commodity.	2	3	4	5	6	7	8	9	10	11	Reasons for short-fall.
Sector : Agriculture											
Sub-sector : Fisheries											
1 Employment Creation		'000 Nos.	1,000	120	130	195	210	225		88%	
2 Export Earnings (Commodity-wise):		Qty, in ton. (value in crore Tk.)									
(a) Shrimp		Qty. (value)	30,000 (500.00)	13,871 (269.30)	16,271 (341.80)	18,662 (406.00)	21,000 (470.00)	24,000 (530.00)		80% (106%)	
(b) Froglgs		Qty. (value)	2,000 (2.40)	2,463 (30.10)	2,132 (29.60)	2,824 (47.70)	..	..		..	
(c) Fish & Fish Product.		Qty. (value)	6,000 (30.00)	6,995 (56.70)	5,334 (51.00)	5,903 (47.70)	6,000 (50.00)	6,000 (50.00)		100% (166.67%)	
Total		Qty. (value)	38,000 (532.40)	23,329 (356.10)	23,737 (422.40)	27,389 (501.40)	27,000 (520.00)	30,000 (580.00)		78.94% (108.94%)	

## FORESTRY

**Introduction :**

Expansion of forest areas could be a major tool in arresting ever deteriorating ecological balance. It also constitutes a valuable source of energy. In our country, currently available forest resources account for about only 16 percent of the total traditional energy volume. This share of tree resources to total traditional energy consumption cannot be increased without further jeopardizing the existing balance of the ecosystem since only about 61% of the total government managed forest land is presently under tree cover and the village homestead forest is being cut more than its regenerative capacity. With these background, the objectives of the Forestry sub-sector development during the Third Five Year Plan were devised to (i) increase state and homestead forest production of both timber and non-timber crops, (ii) to accelerate the programme for development of short cycle plants and (iii) to exploit optimally the forest resources without disturbing the ecological balance. Annual average growth targets for the different forestry products during TFYP were set at timber 3.2 percent, fuelwood 3.1 percent and bamboo 4.2 percent all inclusive of both state and village forests while raw rubber was projected to grow at an annual rate of 8.1 percent during the plan period.

**Physical Performance :**

The physical targets of various forestry programmes and projects during the TFYP were fixed in the backdrop of dire need to increase forest coverage in order to improve the environment, provide fuel and also wood for construction. But the actual performance of forestry sub-sector during the first three years of TFYP remain much below the envisaged plan targets signalling bad omen in terms of environmental hazard, dearth of forest and forest products etc. and consequent energy crisis. In case of expansion of plantation areas, only about one-third of the TFYP targets have been fulfilled though by now, three years of the plan have elapsed. However, there are some patches of blues; the coastal and strip plantation have achieved about two-third of their plan targets during the first three years of the plan which indicates that if this trend continues, coastal and strip plantation may reach or even exceed the plan targets while there will be serious short falls in case of reserve and unclassified state forest plantation. Progress of denuded and degraded forest plantation during the mid-term of TFYP is alarmingly low. By the end of the plan period, it is envisaged that about 79% of the exploited hill forest plantation target, 31% of the USF afforestation target and 63% of rubber plantation target would be achieved. The village private forests during the period may have been producing at its earlier level but it is believed that continued exploitation of village private forests at such level could be possible only at the expense of overcutting the village forests which is highly undesirable. Production from government forests had to be lowered due to diminishing stock in the natural forests as well as failure of past plantation. The stock diminished because of illegal removal of trees and failure of about 50 percent of the plantation in Chittagong, Cox's Bazar and Sylhet forest and also over exploitation of Sundarbans' forests.

Though production of timber, fuel wood and bamboo from government forest has achieved more than two-third of their plan targets by the 3rd year of the plan, their performance are considerably below benchmark production levels, in 1984/85. Production of timber, fuelwood and bamboo is expected to reach plan target within the next two year period which reflect public demand for these goods. Production of rubber has exceeded the benchmark production level of 927 tons in 1984/85 and may surpass plan target. This may be due to lower base. The forestry education and training programme suffered due to non-completion of necessary infrastructure. Forestry research, which is considered as an integral crucial component for the success of the various forestry sector development programme could not make much headway during the first three years of the plan period.

A dichotomy could be observed in the performances of forestry sub-sector during the TFYP; the plantation i.e., expansion of forest area is lagging much behind target while its production induced mainly by public demand is pacing ahead of targets indicating serious consequences of the shortage of forestry resources in the country in future and suggesting need for concerted efforts by all to accelerate plantation programme.

Forestry projects by nature, are labour intensive. During the period under review, over 150 million man-days of employment may have been created. A total of 24 projects were identified for implementation during the plan period of which 17 were actually taken up for implementation through ADP's during the period under review. The remaining 7 projects could not be drawn so far and as such unlikely to be implemented during the TFYP. Out of 17 projects implemented, 8 were completed during mid-term period of TFYP.

Inadequate investment in the past, poor management of the resources, poor law and order situation in CHT, lack of adequate and appropriate trained manpower and inability to draw up appropriate projects hampered the implementation of development programmes and in formulation of projects/programmes particularly account for the failure in the achievement of plantation targets.

The following Table gives target and achievement of various forestry programmes :

TABLE 8

Sl. No	Sub-sector items	Units	Base yr. achievement (1984/85)	Third Plan target (1985-90)	Achievement (1987/88)	Estimated achievement (1988/90)
1	Plantation :					
	Exploited hill forests	Acre	10,000	75,000	24,266	35,000
	Denuded & Degraded forest	"	2,010	89,000	2,864	9,000
	Unclassed State Forest	"	5,690	72,000	17,650	6,900
	Coastal Plantation	"	20,000	100,000	60,000	40,000
2	Maintenance of Plantation	"	64,874	521,116	432,346	332,756
3	Raising of Seedling for distribution.	Lakh Nos.	66.58	750	215	232
4	Strip Plantation	Mile	919.50	3,000	2,031	1,650
5	New Rubber Plantation	Acre	1,750	16,670	6,464	4,000
6	Forest Production (Govt. Forest) :					
a.	Timber	Lakh Cft.	174.24	202.22	125.00	..
b.	Fuelwood	" "	296.45	386.40	250.00	..
c.	Bamboo	" Crore Nos.	7.69	10.00	7.00	..
d.	Raw Rubber Production	" Tons	927	1,366	1,100	..

NOTE : Targets and achievements for all items from 1 to 5 are on cumulative basis.

**Financial Performances:**

The total outlay for the sub-sector during the Plan period was Tk. 3920 million of which Tk. 1178 million or 30% could be provided through ADPs during the first three years of the plan period. Of the allocated amount, a sum of Tk. 927 million has been utilised which is about 24% of the total plan outlay and 92% of the amount actually provided. The shortfall in expenditure, consequently had its bearing on various programmes. During the next two years of the plan period (1988-90) a sum of Tk. 1165 million is expected to be utilised.

**Policy Issues:**

People living in the vicinity of forests, often depend on forests for their fuel requirement. As a result, in the past either natural forests were encroached or plantations were damaged. To combat this, it was planned to raise belts of very short-rotation fuel wood plantation on the periphery of larger plantations to cater to the fuel needs of the local community, which is yet to be fully realised. It is strongly believed that without meeting the basic needs of the people living near the forests, it will be very difficult to protect forests or plantations. A major thrust of the plantation policy during TFYP was to ensure selection of tree species depending on site quality and also carrying out silviculture operations of the older plantations to improve its value. Though some progress has been made in this direction, but it needs to be further strengthened.

A basic condition for the success of the development programme of the sub-sector was to bring changes in the field of forestry education and training and also research. The sub-professional level Ranger's course was to be eliminated to bring forestry education system at par with other technical education systems which is yet to be made effective. To be more effective in carrying out goal oriented research, the Forest Research Institute was to be made an autonomous organisation in line with other Agricultural Research Institute of the country. But the Institute has not been made autonomous till to-date.

In this plan, the major responsibility for implementing the rural/social forestry programme was entrusted to a national agency i.e., Forest Department with only limited role for Upazila Parishads. After a reappraisal of the policy, it is planned that Upazilas will be given the major role in the implementation of the rural/social forestry programmes with Forest Department assuming the supporting role.

## LIVESTOCK

**Introduction:**

Livestock contributes to national economy in the forms of essential draft power, valuable protein food, manure, fuel, rural transportation and industrial product. Our farming system is predominantly dependent on livestock. The contribution of Livestock Sector to the GDP is about 6.5 percent and about 20 percent of the population of the country directly or indirectly is engaged in this sector. It is in these backdrop that the main objectives of Livestock Sector development during TFYP were evolved to (i) increase the supply of draft power of both cattle and buffalos, (ii) increase production of milk, meat, hide and skin and eggs etc. and (iii) create new employment opportunities for women and the landless. Consistent with these objectives specific revised targets during the plan period were set to raise milk production to 1390 thousand tons in 1989/90 from 1984/85 production level of 1218 thousand tons, meat production to 480 thousand tons from 388.80 thousand tons, eggs production to 2200 million from 1450 million and vaccine production to 300 million doses from 93 million doses.

**Physical Performance:**

The production of milk, meat and eggs during the early 1980's was very low. However, a modest increase in production has been noticed in the later years. Milk, meat and eggs production during 1984/85 were 1.218 million tons, 0.389 million tons and 1450 million number respectively while the actual production of milk, meat and eggs in 1986/87 was 1.251 million tons, 0.407 million tons and 1680 million numbers. In 1987-88 milk production is estimated to increase to 1,270 million tons, meat to 0.415 million tons and eggs to 1800 million number. This would imply 91.86 & 81 percents achievement during 1987/88 against Third Five Year Plan targets for these items.

At the end of second Five Year Plan Livestock and Poultry Population of the country were estimated at 23.40 million cattle and buffaloes, 10.70 million goats and sheep and 84.45 million poultry. During the period under review, the number of cattle head is expected to be raised to 24 million while sheep and goats to 11.21 million and poultry to 100 million.

The TFYP envisaged target production 300.00 million doses of vaccine in 1989/90. As against this, about 118 million doses of vaccines were produced during 1986/87. It is expected that about 160 million doses of vaccines will be produced during 1987/88. Compared to the plan target the estimated production during 1987/88 in terms of percentage, will be about 53%. It has been estimated that 0.52 million cases of artificial insemination will be performed till the end of June 1988, which will be about 58% of the total plan target of 0.9 million cases of artificial insemination. As regard production of improved chicks the plan envisaged a revised target of 1.8 million chicks by the end of 1989/90. As against this revised plan target, actual production of chicks during 1985-86 and 1986/87 were 0.600 million and 0.775 million respectively. It has also been estimated that chicks production will increase up to 0.900 million during 1987/88. The expected production by the end of the 1988 will be 50% of the plan target.

About 37,000 heads of large and small animals and 0.206 million poultry birds died during the recent devastating flood. Besides, damage was also caused to the internal roads, poultry sheds, electrical distribution system and boundary wall of the existing govt. poultry farms and veterinary hospitals located in various districts and upazilas. A flood rehabilitation programme at a cost of Tk. 69.00 million has been prepared for rehabilitation of the livestock sub-sector.

Major projects taken up for implementation during the period under review were 2nd Livestock Development Project, Integrated Livestock and Poultry Development Project, Livestock Development Project (EEC) and Expansion of Existing Poultry Farms Project

etc. All these projects were intended to create infrastructure facilities for poultry and livestock development, supply of essential medicines for treatment of fatal diseases, procurement of stores and equipment for poultry farms and hospitals etc. During the period under review (1987-88), 14 projects were taken up for implementation. Of these, 7 projects were spilled-over from the 2nd Five Year Plan and 7 projects were taken up as new projects.

Following table gives the targets and achievements :

TABLE 9

items	Unit	Base year achievement (1984/85)	Plan Target (1989/96) (Revised)	Achievement (1987/88) (Estimated)
Milk	'000' tons	1218	1390	1270
Meat	'000' tons	389	480	415
Eggs	Million Nos.	1450	2200	1800
Vaccines	Million Nos.	93	300	177
Artificial Insemination	Million cases	0.4	0.90	0.52
Improved Chicks distribution	Million Nos.	0.2	1.80	0.98

#### Physical Shortfall:

**Milk, meat and egg production:** The major reasons of shortfall in the physical programmes include non-selection/formulation of suitable production oriented projects and delay in implementation of on-going projects/programmes. Besides, programmes for supply of balanced feed, seeds and seedlings for fodder production and providing improved breeding materials and artificial insemination facilities which though were covered under the on-going programmes/projects could not be timely implemented. The unprecedented flood during 1987/88 also hampered the activities of the on-going projects. As a result of these problems milk, meat and eggs production could not achieve the desired level as was anticipated during the 1st three years of the plan period.

**Vaccine Production:** In the case of production of vaccine there was also some physical shortfall as the improved techniques of tissue culture methods of production could not be introduced in time. This programme was included under the on-going Second Livestock Development Project.

**Artificial Insemination:** During the TFYP, 5 new A.I. centres were proposed to be established under the Second Livestock Development Project. These A.I. centres have not yet been established. Besides, the frozen semen method could not be introduced in place of liquid semen. Necessary equipments for on-going 22 district A.I. centres could not be procured and training programme of the existing personnel of the Livestock Services Directorate could not be properly implemented in time. This hampered the A.I. production programme bringing into shortfall in the physical target.

**Chick Production** During the first three years of the plan period though there was some shortfall in the chick production target due to delay in implementation of relevant project, it is anticipated that the targeted production may be achieved during the terminal years of the plan period.

**Financial Performances:** The Third Five Year Plan provided for an allocation of Tk. 2450 million for the Livestock Sub-sector. During the period under review (1985--88)



an amount of Tk. 1118 million was allocated through the ADPs for implementation of the Livestock and Poultry Development Projects/Programmes. This allocation represent 45% of the TFYP provision. Actual expenditure during 1985-88 is Tk. 690 million which is 28% of plan allocation and 61% of ADP provision.

**Review of Strategy, Policy and Objectives :** Policy strategy and objectives have been reviewed and it is found that no change/modification is needed. The major problems in implementing the strategy/programmes were due to lack of preparation of suitable projects by the implementing agency, adequate training manpower and delay in project implementation.

**Recommendations :** In order to achieve the objectives and targets of the TFYP steps should have been taken by the implementing agency and sponsoring Ministry to prepare production oriented schemes ensuring participation of the private individuals and landless farmers. Specific emphasis should have been given to implement the on-going projects/programmes to increase feed and fodder production, seed and seedlings distribution and A.I. Programmes for introduction of frozen semen techniques.

Organisational improvement and manpower development programme should also be taken up immediately for implementation to cope with the requirements of various development projects in the sector.

Timely implementation of various livestock development programmes/projects has also to be ensured with a view to achieve the desired objectives and targets during the remaining two years of the plan period.

TABLE 10  
Physical Target and Achievement

Sl. No.	Name of the Sector/ Sub-sector/Items.	Unit	Base year achievement production 1984/85.	Plan target for 1989/90 (revised)	Achievement/Production			Procure- ment of achieved (Col. 8 as % of Col. 5)	Reasons for short- fall.	Estimated achievement Production.		
					1985/86.	1986/87	1987/88 estimated			1988/89	1989/90	
1	2	3	4	5	6	7	8	9	10	11	12	
Sector : Agriculture												
Sub-sector : Livestock												
1.	Milk	'000' tons	1218	1390	1234	1251	1270	91%		1290	1315	
2.	Meat	'00' tons	388.80	480	397.87	407.24	415	86%		425	440	
3.	Eggs	Crore Nos.	145	220	156	168	180	81%	Described in	200	220	
4.	Vaccines	Crore doses	9.3	30	7.5	11.83	16.0	53%	Write up.	20	25	
5.	Artificial Insemination	Lakh cases	4.0	9.0	4.5	4.96	5.2	58%		6.0	7.0	
6.	No. of improved chicks distribution.	In lakh	2.0	18.0	6.0	7.75	9.0	50%		12.0	18.0	

TABLE 11

## Financial Target Achievement

*(Taka in lakh)*

Sl. No.	Name of the sector/ Sub-Sector.	Third Plan Allocation	Expenditure (actual)			Expenditure	% achieved (Col.7 as of Col.3)	Reasons for shortfall
			1985/86 (PA)	1986/87 (PA)	1987/88 (PA)			
1	2	3	4	5	6	7	8	9
Sector	Agriculture	24,500.00	1514.00	2454.00	2932.50	6900.50	28.17%	..
Sub-sector	Livestock	(-)	(867.00)	(1320.00)	(2034.95)	(4221.95)		

## FLOOD CONTROL AND WATER RESOURCES

### Introduction :

Planned development of water resources and efficient management thereof is always considered to be one of the most crucial element to bring about a radical change in agricultural practices and productivity. This phenomenon is more true in a country, like Bangladesh which is a deltaic plain of 35 million acres located at the confluence of the two big rivers namely, the Ganges and the Brahmaputra. Pertinent to note that the country becomes victim of excessive flooding during the monsoon and draught in the dry season. In view of this situation as well as to fulfill the objective of achieving selfsufficiency in food production in the current Third Five Year Plan (1985-90) highest allocation was provided to the Agriculture and Water Resources Sector. Out of Tk. 25,000 crore in the public sector out lay for TFYP Tk. 7060.00 crore have been allocated for the Agriculture and Water Resources Sector; 38.29% of which, that is Tk. 2703.00 crore have been allocated for the Water Resources Sector. Within the water resources sector more emphasis has been provided on irrigation programme.

### Objectives :

The objectives for Water Resources Sector are :

- (i) to provide timely and dependable supply of irrigation water ;
- (ii) to regulate and control floods and drainage, salinity, tidal water inundation and river erosion;
- (iii) to generate employment opportunities; and
- (iv) to promote optimum and efficient use of available water resources.

### Strategies :

In order to attain the above objectives the following strategies have been adopted for the Third Five Year Plan :

- (i) maximum utilization of existing facilities;
- (ii) quick-completion of spill-over projects;
- (iii) in case of new projects, focus on short gestation, cost effective and labour intensive projects;
- (iv) implementation of big projects through modular approach;
- (v) maximization of local participation.

### Targets :

At the end of June 1985, total area under flood control and irrigation was:

(i) Surface water irrigation	--	30.85 lakh acres.
(ii) Ground water irrigation	--	30.35 lakh acres.
		61.20 lakh acres.
(iii) Flood control and drainage	--	64.00 lakh acres.

During the TFYP net targets set for Irrigation and Flood Control are 35.24 lakh acres and 18.54 lakh acres respectively.

Water resources management has been largely the responsibility of public agencies, BWDB and BADC, until recent years when emphasis began to shift in favour of the minor irrigation, gravity flow irrigation, flood control and drainage remain BWDB's main functions, while BADC's role has been to provide minor irrigation facilities. Public Sector institutions like Bangladesh Krishi Bank, Bangladesh Rural Development Board and Bangladesh Bank under took promotion and development of minor irrigation in the private sector through the credit mechanism.

#### Financial Allocation :

Total Allocation for them under the TFYP is Tk. 2703.00 crore, break-up of which is given below :

TABLE 12

(Tk. in crore)

Agency/Programme	Financial outlay		Gross Total	Net excluding recovery
	Non Recurring	Recurring		
<b>A. BWDB</b>				
a. Project implementation :				
i. Major Projects ..	1474	..	1474	1474
ii. Small and medium projects	396	..	396	396
iii. Block provision (Town protection river training etc.)	35	..	35	35
iv. Others (Dredges, MEO).	35	..	35	35
b. Survey investigation and studies.	110	..	110	110
Sub-total (A) : ..	2050	..	2050	2050
<b>B. BADC</b>				
i. DTW .. ..	542	..	542	367
ii. STW .. ..	210	..	210	30
iii. LLP .. ..	334	..	334	334
iv. Other .. ..	14	..	14	13
Sub-total (B)	1100	..	1100	640
<b>C. Other Agencies :</b>				
Miscellaneous Projects.	13	..	13	13
Total ..	3163	..	3163	2703

**Financing Arrangement of TFYP :**

The total size of the TFYP has been fixed at Tk. 25,000 crore out of which GOB is to provide Tk. 5,960 crore (23.84%) and Tk. 19,040 (76.16%) crore is to be arranged through foreign aid. As per financing arrangement for the TFYP the GOB contribution and foreign aid for BWDB and BADC are as follows :

TABLE 13

(Tk. in crore)

Agency	GOB	Foreign aid	Total
BWDB	488.72	1561.28	2050
BADC	152.58	487.42	640(Net)
OTHERS	3.12	9.88	13
TOTAL	644.42	2058.58	2703

**Private Investment :**

In addition to public sectors allocation a substantial amount of fund is expected to be invested by the private sector through the credit mechanism of BKB, BRDB and other commercial Banks. Agricultural investment is expected to reach Tk. 4400.00 crore over the plan period excluding short-term production loan.

**Financial Achievement :**

During the first three years (1985-88) Tk. 1477.79 crore was allocated out of which Tk. 1344.97 crore (approx) has been spent which is equivalent to 91% of the allocation. Break-up of annual allocation and expenditure during the three years is given below :

TABLE 14

[Tk. in crore]

Year	Allocation	Expenditure	Percentage of utilization
1985/86	476.69	440.68 (Actual)	80.06
1986/87	441.42	442.08 (Actual)	100
1987/88	559.68	462.21 (Expected)	85.58
1988/89	677.43	677.43 (Estimated)	100
1989/90	680.60	680.60 (Estimated)	100

**Physical Achievement :**

During the TFYP 71 projects are scheduled for implementation of which 35 are spill-over projects and 36 new projects. Among these 71 projects 50 are major projects, 12 are small projects and 06 are survey and investigation and 03 are miscellaneous projects.

Overall achievement in the field of flood control and irrigation is shown below:

TABLE 15

Components	Unit	Base Year 1984/85 achievement.	Plan target (TFYP)	Target during 1985/88.	Achievement up to June, 1988.	Excess(+) Short (-) as on June 1988.	Target for 1988/89.	Target for 1989/90
1	2	3	4	5	6	7	8	9
1. Flood Control and drainage	Lakh acre	64.00	18.54	11.12	14.42	(+)3.30	1.58	2.54
2. Irrigation	Lakh acre	61.20	35.24	21.14	15.80	(-)5.34	4.04	15.40

The above table reveals that during the 3 (three) years (1985-88) the achievement of Flood Control and drainage component is 14.42 acres representing 129.68% and that of irrigation component is 15.80 acres representing 74.74% over the target for 1985-88. This achievement upto June, 1988 reflects 77.78% & 44.84% for Flood control & drainage and irrigation respectively.

**LLP :**

It is envisaged that a total of 60,000 LLPs of which 30,000 sets of 1-cusec, and 30,000 sets of 2-cusec capacity will be in operation for irrigating 21 lakh acres of cultivated land by 1989/90 against 48,000 (1-cusec : 20,000 and 2-cusec : 28,000) in operation during 1984/85. As a result, additional 12,000 LLPs will be operated to irrigate additional 3.40 lakh acres by TFYP.

**STW :**

A total of 2,00,000 STWs will be under operation to irrigate 25 lakh acres by 1989/90 against operation of 1,54,000 STWs irrigating 19.25 lakh acres in 1984/85. This will mean additional 46,000 STWs in operation during the plan period. In addition 21,000 STWs will be needed for replacement. This will bring the total demand of STWs during TFYP to 67,000. This programme will be executed by BADC, BKB, BRDB and BB.

**DTW :**

It has been planned to raise the number of DTWs in operation to 30,000 by 1989/90. This will irrigate 18 lakh acres of land as against estimated coverage of 10.20 lakh acres through operation of 17,000 DTWs by 1984/85. A total of 12,000 DTWs will be sunk including 3,000 for replacement during TFYP period in addition to 21,485 already sunk up to 1984/85. Thus, number of wells sunk will come to 30,485 by the end of 1989/90.

Details of targets and achievements for Irrigation and Flood Control are given below :

Irrigation and Flood Control Target and Achievement (Figures are shown in cumulative)

TABLE 16

[Area in lakh acres]

Name of Programme	Bench-mark (1984/85)		Target for TYFP (1989/90)		Achievement up to 1987/88	
	Number	Area	Number	Area	Number	Area
1	2	3	4	5	6	7
<b>I. Irrigation</b>						
<b>A. Surface Water Irrigation :</b>						
(i) Gravity Flow	.. ..	4.75	..	14.94	..	9.92*
(ii) LLP	.. 48,000	17.60	60,000	21.00	51,000	18.55
(a) 1-cusec	.. 20,000	5.00	30,000	7.50	22,000	5.50
(b) 2-cusec	.. 28,000	12.60	30,000	13.50	29,000	13.05
(iii) Traditional	.. ..	8.50	..	8.00	..	8.00
(iv) Small Projects by Upazilla Parishad.	.. ..	..	..	3.45	..	0.50
Sub-total(A)	.. ..	30.85	..	47.39	..	36.97
<b>B. Ground Water Irrigation :</b>						
(i) STW	.. 1,54,000	19.25	2,00,000	25.00	1,94,000	24.31
(ii) DTW	.. 17,000	10.20	30,000	18.00	20,263	12.16
(iii) HTW	.. 3,00,000	0.90	4,50,000	1.35	4,20,000	1.26
Sub-total(B)	.. ..	30.35	..	44.35	..	37.73
<b>C. Command Area Development</b>						
.. ..	.. ..	..	..	4.70	..	2.30
Total (A+B+C)	.. ..	61.20	..	96.44	..	77.00
<b>II. Flood Control and Drainage</b>	..	64.00	..	82.54	..	78.42

\* Including achievement of 46 lakh acres from other minor irrigation projects of BWDB



**Food For Works (FFW) Programme :**

BWDB plays a very important role in FFW Programme. In 1975, the World Food Programme (WFP) initiated its Food For Works Programme in Bangladesh with the objective of providing relief for unemployed and under employed persons by engaging them in production oriented activities with economic growth. Currently, the BWDB utilises about 60% of WFP contribution to Bangladesh. Wheat from FFW is used by BWDB primarily for two purposes.

- (i) Maintenance of completed projects and;
- (ii) Construction of earth work component (embankment and canal) of approved on-going projects.

A significant area is being irrigated through private arrangement every year utilising the facilities created by BWDB. It may be mentioned here that BWDB had constructed 462 water control and appertenant structures on the projects executed mostly under FFW programme during SFYP. Further additional 538 structures were constructed during 1985/86. Facilities created through these structures for flood control, drainage improvement and irrigation are being utilised by private parties.

**1987 Flood and its effects :**

The devastating flood of 1987 covered almost whole of Bangladesh. It struck in three phases in quick succession. In addition to physical damage, the flood caused widespread economic disruption.

The damages caused by the flood could not be enumerated due to its diversified nature. From the preliminary survey of BWDB it was found that about 157 km. of embankment, 6 km. of irrigation canal, 13 km. of protective work and 13 structures were completely washed away. In addition, 1377 km. of embankment, 168 km. of irrigation canal, 63 km. of protective work and 578 hydraulic structures were partially damaged. The cost of restoration of the damage items was estimated at Tk. 136 crore and 78,362 MT of wheat.

Different donors have expressed their willingness to provide necessary assistance for flood damage repair works. Commitment of about US \$ 65.11 million has been made by different donor by this time which include free standing short-term, long term loans for flood damage repair/rehabilitation. In addition, US\$ 14.28 million Flood damage repair loan already been provided for flood damage repair work for the projects already financed by them.

The Ministry of Agriculture has taken up "Flood-1987 Medium Term Recovery Programme" for procurement of 3,000 Nos. of 1-cusec LLP set locally. Moreover, the Ministry of Agriculture has also undertaken a comprehensive development project as a part "Flood Recovery Programme" having 3 (three) components for irrigation purpose. The estimated cost of irrigation components of the projects is Tk. 859.35 lakh financed from GOB contribution which has already been implemented.

The component wise cost estimate is given below :

(i) Repair of irrigation equipment damaged by the flood	..	Tk. 109.35 lakh
(ii) Replacement/Rehabilitation of condemned DTWs	..	Tk. 300.00 lakh
(iii) Project Maintenance and Management cost	..	Tk. 450.00 lakh
	<b>Total</b>	<b>Tk. 859.35 lakh</b>

**Problems and Bottlenecks :**

The implementation of this programmes/projects of the sector is being retarded by a number of problems which are discussed below :

(a) **Operation and Maintenance Problem :** The operation and maintenance work of irrigation, drainage, flood control and town protection infrastructures are not being properly attended due to inadequate of funds and seemingly ineffective coordination at the field level. Absence of adequate institutional arrangements to ensure field level participation at the Upazila level is a big constraint. Regular and proper maintenance work is the basic prerequisite for making any irrigation, drainage and flood control programme successful. Existing arrangement in this respect is, therefore, required to be improved.

(b) **Land Acquisition Problems :** Since the promulgation of the Acquisition and Requisition of the Immovable Property Ordinance in April 1982, all land acquisition cases upto 10 bighas (3.30 acres) are disposed of by the Deputy Commissioner, but for areas exceeding the limit, cases have to be referred to the Ministry of Land Administration for clearance and final decision. This new policy has resulted in significant delay in the implementation of BWDB's projects, because almost for all BWDB projects the land area required exceeds 10 bighas. Appropriate measures are required to be taken to resolve the issue in order to accelerate project implementation.

(c) **Condition for Loan Effectiveness :** Nowadays the donors are imposing conditions for loan effectiveness. To fulfil their conditions, PP are finalized on the basis of information available with feasibility report. But when detailed planning and design are done, actual situation differs considerably. To overcome this situation conditions imposed by donors should be as much flexible as possible.

(d) **Delay in Appointing Consultants :** Delay in appointing consultants and lack of proper monitoring of their activities create problem in implementing the development projects in due time and in proper manner. In some cases Terms of Reference of the consultants are found to be not properly drawn up as a result there happens to be lot of problems in execution process of the project. This matter should be looked into more carefully and if necessary the existing rules of the Government should be further improved to avoid this situation.

(e) **Delay in Procurement of Equipment :** In many cases finalization of tenders and procurement of equipment takes unusually long time and this causes delay in implementation of the project. Suitable schedule of procurement of equipment should be prepared and strictly adhered to.

(f) **Frequent transfer of Circle/Division level officer :** Frequent transfers of Circle/Division level officers affects the implementation of the project adversely this issue should be looked into carefully and appropriate measures be taken.

(g) **Over Spending of GOB Taka in the Implementation of Projects Compared to Project Aid :** The GOB Taka plan allocation for BWDB and BADC are Tk. 488.72 crore and 152.58 crore respectively for the 5 years of the plan. Against this BWDB has already spent Tk. 430.00 crore and BADC Tk. 204.00 crore in first three years.

In addition there is a shortfall of Tk. 100.00 crore in the earning of BADC which was to be transferred to development effects as per plan. Both the agencies are not maintaining the planning discipline.

(h) BWDB has planned to spend Tk. 700.00 crore as Project Aid by June, 1988 against the estimated expenditure of Tk. 1059.67 crore by that period which is equivalent to 66% of the total expenditure for the period. Pertinent to note that the TFYP has

envisaged to utilize foreign aid to extent of 76.16% of the total expenditure of BWDB. So far additional amount of Tk. 775.00 crore has been committed for BWDB projects to be spent by June, 1990 as Project Aid.

#### Policy Issues/Recommendations :

In order to gear up the activities of this sector, the following policy issues/recommendations are to be taken into account :

(1) Minor irrigation (Low Lift Pump, Shallow Tubewell, Deep Tubewell etc.) has to play very important role for achieving the target of irrigation as provided in Third Five Year Plan. The LLP irrigation and development of Ground Water by sinking Shallow Tubewells were accorded high priority in Second Five Year Plan and Third Five Year Plan. This has been achieved substantially during the last 8 years. Development of Ground Water by Deep Tubewells is a bit slower than expected. Upto June, 1988, 25,274 number of Deep Tubewells have been sunk and 23,723 were commissioned during the same period. 21,698 were made ready for operation upto June, 1988. But actually 20,263 numbers of deep tubewells were in operation upto June, 1988. Sizable numbers (1435) of deep-tubewells were not in operation though it was made ready for the same. This may be due to organizational, management or coordination problems and requires to be looked into. After commissioning of deep-tubewells it should be brought under use for irrigation without much loss of time.

(2) BWDB has irrigated 9.92 lakh acres of land by June, 1988. An additional 5.02 lakh of acres has to be brought under irrigation in the remaining 2 year so as to fulfill the target of Third Five Year Plan. Serious thinking is necessary to fulfill substantially the irrigation target of BWDB for major projects. It has to be refixed on modular approach. Command area of the completed projects are required to be developed.

(3) The benefit of flood control area can be divided in two groups viz-fully flood control area and partially flood protected area (drainage improvement). Even in fully flood protected area viz : Brahmaputra Right Flood Embankment Project and Coastal Embankment Project, damages of embankment and sluices are substantial and full projects benefits are not accruing now. There is needs of large scale rehabilitation of these two projects also. The partially flood protected projects should also be made operational by rehabilitation.

(4) Modus operandi has to be developed and a policy at the national level is to be taken to provide utmost importance for maintenance operation of the completed infra-structures. Availability of adequate fund and creation of proper institutional arrangements should be ensured.

(5) Monitoring of groundwater utilization is to be done on a continuous basis. This is to be done by BWDB, BADC and MPO. According to study of MPO the fresh and salt water interface is balanced by combined effect of local recharge and fresh water flow in the aquifer, that deeper south-ward from the north excessive withdrawal of groundwater in Kushtia, Jessore, Faridpur and the coastal districts will reduce horizontal flow toward south and thereby may invite salt water intrusion toward the north. Further abstraction of groundwater is not recommended in these areas as suggested by MPO & BWDB.

(6) If the target of TFYP is to be achieved more emphasis should be given to small projects in accordance with the short-term strategies as set for the TFYP.

(7) There seem to be some management problems in both BWDB and BADC for which they are lagging behind the planned targets (growth rate) as set in the TFYP.

(8) Foreign Aid with minimum GOB counterpart (about 5%) is to be lined-up for executing short-term projects to be implemented during the 3rd Five Year Plan and for the projects of the 4th Five Year Plan.

(9) The cultivation of rice in Aus and Aman season is subjected to floods, cyclones and pest attack. As such production is variable. More emphasis has to be given on boro, wheat and other crops so as to reach full utilization of available cultivable lands during winter.

(10) There is practically no revenue earning from completed water resources projects. Efforts should be made to recover full O & M cost of irrigation project. Operable structures and EIP type projects may be handed over to Upazila with sufficient authority to collect cess for maintenance. Steps are to be taken to provide incentive to the farmers and introduce agricultural product processing measures.

(11) The "Village Irrigation Committee" may be set-up in line with the "Palli Biddut Samity" for small irrigation projects. The proposed committee may be supervised by the Upazila and Union Parishad.

(12) There is need for a national water policy. Water assumes a unique dimension as a resource in the riverine delta of Bangladesh where life of more than 80 percent of the people critically hinges on this resource.

In the absence of any other significant physical resource, the economy of the country has essentially remained agrarian. But besides agriculture which is the dominant water using sub-sector, water is vitally required for :

- fish production which is the major source as animal protein for our people;
- inland navigation which is the cheapest means of transportation ;
- domestic and industrial water supply ; and
- pushing back salinity down the estuaries in order to preserve the environmental and ecological equilibrium.

Unfortunately, the variation in temporal and spatial occurrence of this important resource is a major impediment of its development for maximizing the contribution to the economy. Abundance of water during the monsoon results in widespread flood damaging standing crops and disrupting normal life while scarcity during the dry season severely restricts agricultural production.

There are several agencies under the concerned ministries of the government to look after the various water using sub-sectors as cited above. These agencies pursue their individual development efforts in total disregard to each other's needs. Now it is realized that water is not nature's abundant gift but a rather scarce precious asset for which each sub-sector has been competing with conflicting objectives. The policy would guide the planning, development, utilization and conservation of this scarce resource in order to maximize its contribution to the economy and meet the national goals at the same time causing least disruption to the environment.

In the Planning and operation of systems, the priorities of water allocation should broadly be as :

- Drinking water ;
- Irrigation ;
- Fisheries ;
- Navigation ;
- Industrial and other uses ; and
- Salinity control.

However, these priorities might be modified in particular region due to location specific considerations. For example, salinity control takes precedence over all others requirements in coastal belt. The draft national water policy has been prepared by the Ministry of Irrigation, Water Development and Flood Control. The above policy was also approved in-principle by the Planning Commission. Now, this may be submitted to the National Water Council by the Ministry of Irrigation, Water Development and Flood Control as a secretariat of the Council for the council's consideration.

## CHAPTER IX

### RURAL DEVELOPMENT AND INSTITUTION

#### Introduction :

The Bangladesh economy is primarily agrarian with agriculture contributing about 48 percent to the GDP; yet social and economic conditions for the vast majority of the rural people are appalling. A vast section of the rural people are unemployed and underemployed; more than 50 percent are functionally landless, 76 percent of the rural households are poor as they fall below the required minimum caloric intake of 2120 cal. There prevails a great inequality of income in the rural areas as reflected in the distribution of income among different fractile groups. "Starting from 1968/69 share of the poorer groups had fallen and that of the richer section had increased, but since 1973/74 the richer section had a sharp increase in their income while the poorer section had the continued fall in their income. For example, share of income of the top 5 percent of the households increased from 13 percent in 1968/69 to 16 percent in 1973/74 and then very sharply to 29 percent in 1976/77 while that for the bottom 20 percent decreased from 10.4 percent to 7.2 percent and then to 5.7 percent in 1976/77. While the average per capita income has not appreciably increased the income for lower 40 percent of the household has gone down over the years" (quoted from a sectoral policy paper, entitled Strategy for Rural Development Projects published by Bangladesh Planning Commission, 1984). In this abject poverty population growth continues to be high (2.3%) and literacy rate almost impalpable. Low productivity, distribution of the most important national asset, i.e., land and social power structure accentuated the problem of poverty by high inequality of income distribution and make the task of rural development complex and challenging.

#### Programmes in the past :

During the First and Second Five Year Plans a number of projects were taken up under the Rural Development and Institutions (RD&I) sector to cope with the challenging situation in the rural areas. These projects were grouped under three major programmes, namely (i) Rural Works Programme (RWP), (ii) Two-tier Cooperatives (UCCA/KSS) Programme and (iii) Area Development Programme. The RWP built much needed physical infrastructure like roads, bridges, culverts, irrigation and drainage channels and generated employment opportunities in the rural areas for the poor. The infrastructure developed facilitated an increase in agricultural production, and obviously the long-term benefit went to those who had access to the means of production and resources. As the poor did not have such access, the programme had done little for the poor except providing them with some temporary employment. The Two-tier Cooperative Programme was launched to improve the condition of the farmers through thrift deposits, group management of irrigation equipment, provision of institutional credit and training to help the small farmers in agricultural production activities. Although all the upazilas of the country were brought under the programme and the system contributed to the expansion of agricultural production, its effectiveness and the desired impact on well being of the farmers, on diffusion of innovation and on helping the poorer section of the community remained limited. Most of the benefits were captured by the relatively well-to-do farmers, and landless were excluded from the main stream of production organisation. Both UCCA and KSS, instead of becoming self-reliant and self-financed, were dependent on government finance and support and virtually were dominated by the large and rich farmers. The participation of the small and marginal farmers gradually dissipated completely. The Area Development Programme encompassed integrated multi-sectoral activities such as agriculture including livestock and fisheries, irrigation, flood control, RWP, health, education, family planning etc. Although the programme brought about some economic development in some selected locations, they could not make any noticeable impact on alleviation of poverty due to absence of specific activities for the poor. Moreover, such area specific programmes suffered seriously due to management problem arising out of multiplicity of components.

### Objectives in the TFYP :

As a result of the inadequacy of the past efforts to address the problem of rural poverty in an effective manner, the rural areas of Bangladesh continue to present a grim picture in terms of landlessness, unemployment, illiteracy and malnutrition. At the core of all these socio-economic malices is the endemic poverty of the people. A development plan in Bangladesh is meaningful if it is successful in handling rural poverty. The TFYP, therefore, has alleviation of rural poverty as its main objective. Keeping this in view the plan in the Rural Development and Institution sector envisages to prevent further rural immiserization, bring at least 10% of them above the poverty line ensure better access for rural poor to the means of production, enable the rural poor to share local resources through participation in development process, and improve the quality of life of the rural people in respect of basic needs.

### Strategy for Rural Development Projects in the TFYP :

To fulfil the above objectives, a bold strategy for rural development projects has been formulated in the TFYP under Rural Development and Institutions (RD&I) Sector. The new strategy envisages that in an agrarian economy priority for agricultural development must remain and infrastructure like roads and markets are needed for agricultural development; but along with the development of these sectors, production and employment programmes in both farm and non-farm sectors for the rural poor must form an integral part of rural development programmes. So according to the strategy, Rural Development (RD) projects will have a combination of the three following major components :

- (a) Development of physical infrastructure including roads and markets,
- (b) Irrigated agriculture, minor drainage and flood control works, and
- (c) Production and Employment Programmes for the rural poor (landless and those having land up to 0.5 acre).

While all the three components are equally important, emphasis will be given on the Production and Employment (PEP). Each individual RD Project may take up the components separately or in combination but must cover a minimum of one full district.

### Project in the TFYP :

The projects envisaged in the TFYP under the RD & I Sector have been divided into two groups : (1) spill-over projects from the Second Five Year Plan, and (2) new projects.

#### (1) Spill-over projects :

As many as 19 projects, with an allocation of Tk. 336.4 crore out of the total sectoral plan allocation of Tk. 1,969 crore were spilled-over from the SFYP. By the end of 1987/88, 9 out of these 19 projects were completed. Thus 47% of the spill-over projects were completed by the end of 1987/88. The rest 10 projects will be completed during the remaining period of the TFYP.

Three out of the nineteen spill-over projects namely, Rural Development Project-II, North-West Rural Development Project and Noakhali Rural Development Project-II fall more or less in line with the new strategy and contributed to the major sectoral activities, viz. extension of minor irrigation facilities and increase of income and employment opportunities for the rural poor. They will continue through out remaining period of the TFYP. Besides, two spill-over projects namely, South-West Rural Development Project (RWP) component and Intensive Rural Works Programme contributed to the development of some feeder roads, rural markets and other infrastructure facilities. One spill-over project namely Hand Tubewell Project also contributed to the extension of minor irrigation and drinking water facilities in the rural areas.

## (2) New Projects :

The new projects of the TFYP under the RD & I Sector are formulated on the basis of the new strategy having three components, namely (a) development of physical infrastructure, (b) irrigated agriculture, minor drainage and flood control works and (c) production and employment programme for the rural poor.

**Development of Physical Infrastructure :** The activities envisaged under the new projects on the development of physical infrastructure are the construction/improvements of feeder roads connecting the growth centres with the Upazila Headquarters or the arterial road system (feeder roads-B type) and development of growth centres. A number of new projects have been identified in the above fields in the TFYP. Fourteen old districts are programmed to be covered under these new projects. They are the old district of Faridpur, Sylhet, Rangpur, Dhaka, Rajshahi, Bogra, Pabna, Tangail and another six unidentified. Utmost-efforts have been made since the commencement of TFYP to formulate necessary projects and line up foreign assistance to put them under implementation, but despite best efforts, delays occurred in project planning and foreign aid negotiations. The result was that only two new projects (one for old Sylhet district and another for the new districts of Faridpur, Madaripur, Rajbari and Kurigram) could be put under implementation till 1986-87 and foreign aid agreement for another (Rangpur RD Project) could be signed recently in 1987-88. Efforts however continued to plan and line-up foreign assistance for more projects and considerable progress was made. Till date, projects for the old districts of Rajshahi, Bogra, Pabna, Kushtia, Dinajpur, Jamalpur, Tangail, Barisal, Khulna and the new districts of Manikganj and Munshiganj have been prepared and discussion negotiation for foreign assistance for them are being made.

The above mentioned new projects under implementation and under discussion-negotiation but not put under implementation as yet contain a target of construction-development of 1600 kilometers of B-type feeder roads, necessary bridges and culverts on them and 270 growth centres which represents about 71% of the plan target of construction-development of feeder roads and about 60% of that of the growth centres. More efforts are, therefore, necessary to encompass the plan target. It has been our experience that World Bank initiated projects take much longer time to materialise than those of other bilateral projects.

**Irrigated Agriculture, Minor Drainage and Flood Control :** The programme for irrigated agriculture, minor drainage and flood control under the RD&I Sector envisage extension of minor irrigation and flood control facilities, provision of production input like fertilizer, seeds and provision of adequate credit to the farmers. These will be in addition to other projects on irrigation and flood control taken up beyond the RD & I Sector. No specific new project under the programme in the RD & I Sector could yet be formulated and lined-up for foreign assistance. However, some new projects on the development of physical infrastructure include construction/development of small flood control structure embankment, sluice gate, etc. and drainage channel. The main efforts for extension of migration facilities continued under some on-going spill-over projects as stated earlier.

Production and Employment Programme envisages creation of employment opportunities and increase of income for the rural poor for alleviation of poverty in a gradual manner. The programme has been conceived as an integrated package of five components (i) Institution (BSS/MSS informal groups), (ii) Training and technology (iii) credit, (iv) Other input and (v) Marketing. The TFYP identified a number of projects for the poor covering 17 old districts namely, Faridpur, Rangpur, Dinajpur, Bogra, Jessore, Khulna, Barisal, Patuakhali, Chittagong, Chittagong Hill Tracts, Bandarhan, Sylhet, Comilla, Jamalpur, Mymensingh, Tangail and Dhaka. Out of these district six old districts namely Dinajpur, Bogra, Jamalpur, Mymensingh, Khulna and Barisal are covered under RD-II project which has been spilled-over from the SFYP. It will be completed in June, 88 and thereafter the some areas will be covered under a new project for which necessary discussion with the donor is going on. Meanwhile during the TFYP two new projects

have been planned and agreement for foreign assistance signed. One covers the new districts of Faridpur, Madaripur and Kuignam and the other covers the old district of Rangpur. The former has been put under implementation in 1986/87 and the latter is likely to go under implementation soon in 1987/88. Efforts are being made to take up projects in others districts for production and employment generation for the poor. A new project in the pipeline and hopefully would materialise in next financial year.

#### **Physical and Financial Performance:**

##### **Physical Performance:**

A review of the development activities in different areas of this sector during 1985—88 is given in the following paragraphs:

**Development of Physical Infrastructure :** The targets laid down in the TFYP for the development of physical infrastructure are construction/improvement of 2,250 kilometers of feeder roads (B-type), 21,336 meters of bridges and culverts on the feeder roads, and development of at least one growth centre in each upazila. Against these targets, the achievements during 1985—88 are construction/improvement of 230 kilometers of feeder roads (10.22%), 902 metres of bridges and culverts (4.22%) and 66 growth centres (14.35%). Besides, 161 kilometres of rural roads, 518 metres of bridges and culverts, 17 rural hats and bazars and some other physical infrastructural facilities in the rural areas were constructed/improved in 1985-86 under intensive Rural Works Programme—a spill-over and completed project. Outside the TFYP, a special programme for Rehabilitation of Flood-damaged roads under IDA Credit was implemented during 1985—88 under which 523 kilometres of roads and 2,133 metres of bridges and culverts were rehabilitated in the rural and pourasava areas during the same period.

**Irrigated Agriculture, Minor Drainage and Flood Control :** The programme for irrigated agriculture, minor drainage and flood control under the RD&I Sector envisages extension of minor irrigation to an additional area of 6.00 lakh acres of cultivable land of the country. This is in addition to other projects on irrigation taken up beyond RD projects and includes micro-level drainage and flood protection. The programme also envisages provision of adequate credit to the farmers.

The above mentioned irrigation programme is being implemented in the RD & I Sector through Rural Development Project-II under which during 1985—88, 6,377 STWs were installed. With an average of 10 acres of irrigation coverage per STW (estimated), an area of about 0.64 lakh acres of cultivable land has been irrigated under this project. Besides, irrigation benefit was also provided to an estimated area of 0.21 lakh acres during 1985—88 (middle of 1988) through implementation of Hand Tubewell Project. Thus, the above two projects have extended irrigation facilities to 0.85 lakh acres of cultivable land which represents 14.16% of the total plan target.

**Production and Employment Programme (PEP) :** The Production and Employment Programme in the TFYP envisaged creation of employment opportunities and increase of income for the rural poor to prevent further immiserization and bring at least 10% of them above the poverty line. The programme is carried on through formation of groups, skill training, credit, supply of input and marketing. Five rural development projects (Rural Development Project-II, North-West Rural Development Project, Noakhali Rural Development Project-II, South-West Rural Development Project and Rural Development Project-5) are under implementation to carry out the programme. Under these projects 9931 groups were organised with 2.27 lakh members, 41,400 group members were given skill training and Tk. 26.33 crore was distributed as credit to the group members during 1985—88. The impact of these efforts to the fulfilment of plan objectives and targets can be ascertained on the basis of evaluation and studies which are yet to be done.

**Employment Generation :** Specific evaluation and studies are necessary to ascertain the impact of the production and employment programme on the generation of employment for the rural poor during the plan period under review. As no such studies have yet been taken up employment generated for the rural poor under the said programme cannot be stated at this stage.



It is, however, possible to present a crude estimate on the employment generated during the plan period under review under the infrastructure development programme. During 1985-88 the investment for the construction/development of physical infrastructural facilities in the rural areas (including some roads in the Pourashava areas under the flood rehabilitation programme) amounts to Tk. 84.34 crore. Assuming 40 percent labour intensity for such construction works the amount spent on wage payment to the labourers stands at Tk. 33.73 crore out of the investment of Tk. 83.34 crore. Assuming an average wage of Tk. 50.00 (average of the skilled and unskilled) per labour per day the estimated employment generated stands at 67.48 lakh man-days during 1985-88. In the non-farm and farm activities under various programme, both Government and non-Government the employment is largely self employment and no quantification has been made in respect of employment and income generation in Rural Bangladesh. The recent household expenditure survey and other evidence have shown that there has been positive increase in real wage and per capita caloric intake possibly due to expanded credit programme under different projects; expanded FFW and VGF Programmes. The cumulative effect has been a positive trend in reducing poverty or a halt in the process or beginning of a positive turn in the poverty scenario. However, it may be a temporary phase and we are to go a long way.

#### Financial Progress :

The TFYP allocation for the RD & I Sector is Tk. 1,960.0 crore out of which the allocation for the spill-over projects is Tk. 336.40 crore and for the new projects it is Tk. 1,623.60 crore. Tk. 245.83 crore for the spill-over projects and Tk. 135.29 crore for the new projects were provided through the ADPs during 1985-88 which are 73 percent and 8.33 percent of their respective plan allocation. During 1985-88 the expenditure on the spill-over projects is Tk. 187.66 crore and that on the new projects is Tk. 82.05 crore which represent 56 percent and 5 percent of their respective plan allocations. Taken together, the expenditure during 1985-88 is Tk. 269.71 crore which is 14 percent of the total sectoral plan allocation. The overall financial progress is low because of lack of sufficient new projects and foreign assistance.

#### Problems/Bottlenecks and Recommendations:

1. Procedural delays in project planning and foreign aid negotiations both on the part of GOB and donor agencies. As a result only a few new projects could be taken up so far.
2. Weakness in formulation of project in the project proforma on the part of project preparation by agencies/ Ministries. As a result, much time than what it should desirably need has to be put into patent authorities for consideration and approval.
3. For some projects, AG's authority is required for placement of fund to the local bodies for expenditure. Delays occur in the process which sometimes affect the scheduled progress of activities.
4. In case of some projects of BRDB, debt service liabilities (BSL) are charged and deducted from allocated funds although provisions of DSL are not provided in the PP cost. DSL are imposed by the Ministry of Finance on BRDB projects presumably on the ground that they are revenue earning projects but the point which has to be recognised is that these projects are service sector projects providing service facilities to the rural poor to facilitate generation of income and employment opportunities for them. The benefits do not accrue to the project, but to the third party (beneficiaries) so DSL charged on the cost of such projects is not an appropriate thing to do. The policy of charging DSL on the project costs of BRDB of the above nature results in reduction of fund for these projects and cause shortfall in project achievements.
5. For some projects, the project headquarters i.e. the offices of the Project Directors are located in Dhaka while the projects are situated in far distant places. This cause problems of management and progress monitoring.

6. Divisible component activities of some projects are to be implemented by the Upazila Parishads. The technical personnel available with them lack proper training and expertise.

7. For some Physical Infrastructure Development Projects, the Upazila Parishads will be required to maintain out of their own resources the Physical infrastructure built/developed after completion of the projects. It is strongly apprehended that the financial resources of the Upazila Parishad would not be adequate enough to meet the cost of maintenance. It is necessary to devise measures and ways to substantially augment the resources of Upazila Parishads.

8. For projects on income generating activities for the rural poor, a strong condition among the participating agencies is essential both at the headquarters and the project level. At the headquarters level, the lead agency/Ministry makes effort to effect coordination at the national level, but such efforts at the project level are weak. This hampers implementation of project activities.

9. A number of projects under this sector had to make provisions for expatriate consultancy services even though in some cases such services did not seem highly essential or they could be made available from local sources.

10. An effective Management Information System is lacking.

11. High efficiency, accountability and managerial ability on the part of the Project Directors are essential pre-requisites for successful implementation of projects. These are not ensured always.

12. Too frequent transfer of PDs and key personnel.

## CHAPTER X

### INDUSTRY

#### Introduction :

Economic development and historical patterns of economic growth indicate that industrialization is a prerequisite for sustained economic development, particularly for the eventual solution of problems of mass poverty, acute unemployment, low GDP growth and heavy dependence on foreign investment resources. The share of the manufacturing sector in GDP continues to remain low at 9.94% of total GDP. There are, however, indications that with extended coverage the share of the manufacturing sector would be about 12%. Industries sector provides employment to 2.43 million people, representing about 8% of total employment. Large, medium and modern small industries account for about one-third of all industrial employment. Cottage industries employ the second one-third of the total, and the remaining one-third is in the handloom sector. Industrial development in the past was characterised by the predominance of import substitution industries with the exception of the traditional jute industry. But since the introduction of the New Industrial policy of 1982 and that of 1986 and subsequent rationalisation measures in policy framework, non-traditional export-industries have been an important source of industrial growth. Readymade Garments, Frozen Food and Leather Industries have grown substantially and have become a major source of foreign exchange earning. The Third Five Year Plan envisages a growth of 10.1% per annum to increase the share of industries sector to 11.9% of GDP by 1989/90 from 9.5% in 1984/85. During the first three years of the plan, (1985-88) manufacturing sector attained an annual average rate of growth of 5.2%. The unprecedented flood of 1988/89 will affect growth rate in industries sector. Even if growth rate increase in the last year of Third Five Year Plan the realised growth rate will fall short of Plan target.

#### Objectives :

The broad objectives of the Industries Sector of the TFYP are:

- (i) to build a viable industrial structure for achieving sustained economic progress of the country through resource development;
- (ii) to support accelerated development of agriculture through production and supply of inputs, processing and absorption of output by dynamic market linkages;
- (iii) to ensure adequate supply of basic needs and consumer goods by domestic manufacturing industries;
- (iv) to create new opportunities for productive employment, particularly by dispersal of small industries and development of rural and cottage industries;
- (v) to help improve the balance of payment position through development of import-competing and export industries;
- (vi) to promote development of a sound indigenous technology base through research and adaptation.

#### Strategies :

The main strategies for industrial development during TFYP are as follows:

- (i) Development of viable industrial sector; For this purpose some of the areas identified are (a) elimination of wastages and improvement of labour productivity; (b) to maintain acute industrial peace through project sharing and participatory management; (c) improvement through market research, production planning, product development, quality control and technological adjustments to increase efficiency in production; (d) formulation of a national fiscal policy; (e) ensuring adequate power supply and (f) improvement in technology.

- (ii) Strengthening linkage with agriculture through development of agro-support industries and agro-processing industries through promotion of small rural industries in an organised manner;
- (iii) Supply of Basic needs and consumer goods through explicit formulation of fiscal and monetary policies support of small and light industries to effect favourably the growth of agriculture and hence the rural income and employment; through the expansion and development of physical infrastructure;
- (iv) Increase employment through the promotion of labour intensive technology;
- (v) Support the balance of payment through product development and aggressive sales promotion;
- (vi) Improve the problem of resource constraint for industrial investment and debt servicing.

### **Industrial Policy :**

A major shift in industrial policy was made in 1982 and it was further strengthened in 1986. The New Industrial Policy (NIP) of 1982 recognised the role of the private sector as the key instrument for industrial development of the country. It brought about a lot of changes and improvement in procedures and incentive structures to promote private investment in industry. This has led to a fast rate of growth in subsequent years specially in 1983/84, 1984/85, 1986/87, 1987/88. The Industrial policy of 1986 has introduced further improvement giving private industrialists more freedom to invest without restrictions.

Under the first industrial policy of 1972 public sector was given the predominant role restricting private sector to small scale investment. The investment limits were first raised in 1974 to allow some participation of private sector. It was further relaxed in 1975 but the performance of private sector was still lagging and confidence of the private industrialists did not yet seem to have restored. Then the New Industrial Policy was introduced in 1982 making fundamental changes in the industrial policy environment and promotional instruments. Under this policy Govt. aims at stimulating industrial development mainly through the private sector. Various changes introduced under NIP include: industry was grouped under three lists, namely reserve lists of strategic industries for public investment, a concurrent list of large scale industries in which either public or private investment would be allowed and industrial investment schedule for all other industries reserved for the private sector. Besides, the free list of industries in which investment under certain condition could be made without formal approval was enlarged. Project approval authority was decentralised to various agencies, DFI and commercial Banks and time limits were set for project appraisal and approval.

Licensing procedures for import of capital goods and raw materials were simplified, the terms of debt-servicing by financial institutions were improved and additional incentives were provided. Promotion of foreign private investment and export industries was given greater emphasis and a one stop investment service agency was set up.

For encouraging backward regional development, the country was divided into developed, less developed and least developed areas with additional incentives provided for investment in the latter. In order to restore confidence of the private industrialists, a large number of industrial enterprises were privatised and returned to their original owners.

The Industrial Policy of 1986 has introduced further changes. All industries excepting 7 strategic industries of the reserve list, are now open to private investment. No approval for investment is required if the investors import machinery and equipment using their own resources and/or through Secondary Exchange Market (SEM) and if imported raw-materials constitute less than 50% of total requirement. The public sector corporations have been made to operate in competitive market. It is intended to convert them into public limited companies and to make up to 49% of their shares available for public

subscriptions. Public sector corporations have been given operational autonomy in pricing, procurement, etc. To promote industrial development in the country, the policy has introduced different fiscal and other incentives like tax holiday, depreciation and investment allowances, business loss, capital gain arising from sale or transfer of land or buildings and from transformation of a firm into a company, dividend or income of an assessee, double taxation in case of foreign investors, import/customs and excise duty, repayment of loan, supplier's credit, tariff protection, export incentives etc.

### **Trade and Industrial Policy (TIP) Reform:**

The growth of a truly dynamic industries sector for achieving the goals of poverty alleviation employment promotion and self-reliance of Bangladesh economy calls for pursuing a rational policy framework in respect of trade and industry. The policies concerning import, export incentives, tariff rates, industrial assistance measures and fiscal measures have important bearing on the nature and pace of industrialisation and efficient allocation of resources. In the absence of any rational criteria, policy measures were to be undertaken on *ad-hoc* considerations. For rationalisation of the various policy measures and for evolving appropriate criteria for the same, the TIP study was undertaken in 1983. TIP project has so far completed a number of studies in various aspects of trade and industrial policies and recommended numerous reform measures to remove existing anomalies in these areas.

The Government has already introduced a number of reforms through revision of industrial policy, annual import and export policies and annual budget on the basis of TIP findings, and recommendations. Some of the policy changes that have already been introduced are mentioned below:

Government have recognised the need for promotion of efficient import-substituting, export-oriented and export linkage industry with comparative advantage through tariff rationalisation and appropriate fiscal measures and this explicit recognition form the corner-stone of the industrial policy of 1986 which further improves the NIP of 1982. A noteworthy feature of Industrial Policy 1986 is further relaxation of direct Govt. control on private industrial investment through elimination of the requirement for Govt. sanctioning of investment financed by investors' own fund, delegation of sanctioning authority to DFI and replacement of direct Government control of investment through the investment schedule by an indicative schedule, a priority list and a discouraged list.

In the budget for 1987-88 a number of changes in the tariff structure has been introduced reducing high tariff, removing tariff anomalies between imported inputs and finished goods. The import and Export policy of 1987-88 have also introduced a number of measures. Import bans and quota restrictions have been relaxed in certain cases to promote industrial efficiency. For promotion of exports and backward linkages greater reliance has been placed on XPB as an incentive measure. Higher rates of XPB has been provided to those export industries which use domestic materials and to those which export new items. These measures will reduce the imbalance in the industrial assistance provided to export industry and import substituting industry. The previous policies favoured import-substitution industry and export industry did not receive adequate encouragement.

### **Progress Achieved in Selected Manufacturing Industries :**

Corresponding to the high growth rate target, industrial production was expected to increase substantially during the Third Five Year Plan (TFYP). Tabl.-I shows production in major selected manufacturing items during 1985/86, 1986/87 and 1987/88 compared to bench-mark production of 1984/85 and the target for 1989/90. Production in most of the major items declined in 1985/86 from the benchmark level. There has, however, been substantial increase in production of jute goods, fertilizer, cement and sugar in 1986/87 & in 1987/88. Jute goods production dropped to 4.78 lakh metric tons in 1985/86 from the bench-mark production of 5.61 lakh metric tons in 1984/85. This was largely due to scarcity of raw jute. But production has increased to 5.93 lakh

metric tons in 1986/87 and 5.82 lakh metric tons in 1987/88. Production of jute goods attained 24% of the incremental target of TFYP. Production of cotton yarn and mill-made cloth declined since 1984/85. The production of yarn and mill-made cloth in 1987/88 shows negative growth trend by 3% and 16% respectively against the incremental target of TFYP. The rate of progress in the textile goods is slow and there is likely to be shortfall in the achievement of target by the end of Third Plan. There has been substantial increase in the production of fertilizer mainly due to commissioning of two urea fertilizer plants viz., Chittagong Urea Fertilizer Plant and Polash Urea Fertilizer Plant. By 1987/88 about 45% of the incremental target for the Third Five Year Plan has been achieved. There may be shortfall in the achievement of the Plan target due to delay in implementation of the private sector fertilizer plant. Production of cement rose by 29% in 1987-88 against the benchmark level but it attained only 11% of the incremental production target of TFYP. The production of steel ingot continues to fall from 1985/86 to 1987/88 compared to the benchmark production. In 1987/88 there was negative growth in production of steel ingot by 23% compared to the incremental plan target (1989/90).

The Government has been making every effort to ensure that the production of goods and services is in accordance with the target set in the TFYP. The Government has also been taking steps to improve the efficiency of the production process and to reduce the cost of production. The Government has also been taking steps to improve the quality of the goods and services produced.

The Government has also been taking steps to improve the efficiency of the production process and to reduce the cost of production. The Government has also been taking steps to improve the quality of the goods and services produced.

The Government has also been taking steps to improve the efficiency of the production process and to reduce the cost of production. The Government has also been taking steps to improve the quality of the goods and services produced.

The Government has also been taking steps to improve the efficiency of the production process and to reduce the cost of production. The Government has also been taking steps to improve the quality of the goods and services produced.

The Government has also been taking steps to improve the efficiency of the production process and to reduce the cost of production. The Government has also been taking steps to improve the quality of the goods and services produced.

TABLE I  
Production of Selected Manufacturing during first three Years of TFYP.

Sl. No.	Industrial Products.	Units	Bench-mark production 1984/85	Production			Production			Plan target Achievement by (1989/90)	
				1985/86 (Actual)	Increase/decrease over bench-mark(%)	1986/87 (Actual)	Increase/decrease over bench-mark(%)	1987/88 (Actual)	Increase/decrease over bench-mark(%)	Incremental.	against target (incremental).
1	2	3	4	5	6	7	8	9	10	11	12
1	Jute goods	(000 MT)	561.00	478.00	(-15%	593.00	(+16%	582.00	(+3.8%	89.00	(+324%
2	Cotton yarn	(MLN.KG)	60.05	56.00	(-7%	51.64	(-14%	59.00	(-2%	34.00	(-13%
3	Mill-made cloth	(MLN. Metre)	72.37	70.11	(-3%	60.53	(-16.4%	56.41	(-22%	102.63	(-16%
4	Fertilizer	(000 MT)	808.00	933.04	(+18%	993.00	(+23%	1408.62	(+75%	1344.00	(+45%
5	Steel (Ingot)	(000 MT)	101.00	95.00	(-6%	82.00	(-19%	70.00	(-30%	129.00	(-323%
6	Cement	(000 MT)	240.00	292.06	(+21%	309.50	(+27%	310.07	(+29%	607.00	(+141%
7	Paper & Newsprint	(000 MT)	90.00	92.74	(+3%	92.86	(+3%	92.25	(+2.5%	15.00	(+115%
8	Sugar	(000 MT)	88.00	82.00	(-7%	182.00	(+107%	178.26	(+103%	212.00	(+239%

## Export of Manufactures :

One of the principal objectives of the industrial programme was to improve the balance of payment position through development of export industries. As a result of favourable policy adjustments and various incentives undertaken under New Industrial Policy (NIP) and Industrial Policy (IP) '86'; there has been a big spur in the export earnings in three sectors namely, Readymade Garments (RMG), leather and Frozen Food. Foreign exchange earnings of the major export items are shown in table below:

TABLE 2  
Foreign exchange earnings of the major export items

(In crore Taka)

Item	1984/85	1985/86	1986/87	1987/88
1. Jute goods .. ..	1,007.63	929.52	925.23	877.34
2. RMG .. ..	393.29	583.29	907.67	1139.98
3. Frozen food .. ..	224.49	335.87	407.72	391.00
4. Leather .. ..	180.43	180.24	409.70	428.00
5. Paper & Newsprint .. ..	26.14	20.10	27.98	37.98
6. Electric Cables .. ..	..	..	5.44	4.92
Total .. ..	1,831.98	2,049.02	2,683.74	2,879.22

The export earnings of Readymade Garments (RMG) has increased about 3 times from Tk. 393.29 crore in 1984/85 to Tk. 1139.98 crore in 1987/88. The export of frozen food increased from Tk. 224.49 crore in 1984/85 to Tk. 391.00 crore in 1987/88 showing an increase of about 74%. The export of leather has increased 2.4 times from 1984/85 to 1987/88 from Tk. 180.43 crore to Tk. 428.00 crore. The export performance of these industries has significantly helped bringing about structural change in the export trade of the economy raising the share of non-traditional export earnings from 34% in 1984/85 to 53.20% in 1987/88 of the total merchandise export.

#### Productivity and Capacity Utilisation :

One of the strategies of the Plan for increasing production is improvement in productivity and capacity utilization through BMR of old and obsolete industries, regular supply of inputs, improvement in management and skill, better maintenance, operational freedom of enterprises, rationalisation of trade and industrial policy etc. The rate of capacity utilization in certain key sectors from 1985/86 to 1987/88 compared to installed production capacity are given in the table No. 3. The rate of capacity utilization for the items except cotton yarn and steel ingot increased in 1987-88 from the benchmark level. There has been substantial increase in the capacity utilization for fertilizer and sugar. Capacity utilization for cotton yarn and steel ingot has declined. In 1985/86, 1986/87 and 1987/88 the rate of capacity utilization for fertilizer was 61.5%, 64.1% and 90.5% respectively against the bench-mark capacity utilization of 52%. For sugar, capacity utilization more than doubled itself in 1987/88 from the bench-mark year of 1984/85. In 1985/86, 1986/87 and 1987/88 the rate of capacity utilization for sugar was 41.4%, 92% and 90% respectively against the benchmark level of 44.4%. For cotton yarn the capacity utilization of 1987/88 was 49.4% against 50.3% in 1984/85 & for steel ingot the capacity utilization has declined from 40.4% in 1984/85 to 28% in 1987/88. Although during the first three years of the Plan period the capacity utilization for the production of major commodities shows increasing trend, still remains much behind the installed capacity of these industries.



TABLE 3

Capacity utilization and productivity during First Three Years of TFYP.

Industrial Products	Units	Installed Production Capacity	Bench mark Output 1984/85	Output			Rate of capacity utilization			
				1985/86	1986/87	1987/88	1984/85	1985/86	1986/87	1987/88
1. Jute goods	(000 MT)	1150.00	561.00	478.00	593.00	582.00	48.8	41.6	51.6	50.9
2. Cotton yarn	(Mln. Kg.)	119.47	60.05	56.06	51.64	59.00	50.3	47.0	43.2	49.4
3. Cement	(000 MT)	390.00	240.00	292.06	309.50	310.07	62.3	75.0	79.2	80.0
4. Fertilizer	(000 MT)	1550.00	806.00	953.04	993.00	1403.00	52.0	61.5	64.1	90.5
5. Paper & Newsprint	(000 MT)	123.00	90.00	92.74	92.86	92.25	73.2	75.4	75.5	75.0
6. Steel ingot	(000 MT)	250.00	101.00	95.00	82.00	70.00	40.4	38.0	32.8	28.0
7. Sugar	(000 MT)	198.00	88.00	82.00	182.00	178.26	44.4	41.4	92.0	90.0

### Financial Performance of Sector Corporation and Contribution to National Exchequer :

During 1985/86, 1986/87 and 1987/88 the Sector Corporations contributed Tk. 239.38 crore, Tk. 226.80 crore and Tk. 239.09 crore respectively to the National Exchequer through payment of taxes. In 1985-86, BCIC earned a profit of Tk. 15.53 crore, BSFIC Tk. 5.13 crore, BSEC Tk. 0.54 crore and BFDC Tk. 0.18 crore. In 1985/86, BJMC & BTMC sustained a total loss of Tk. 214.53 crore. In 1986/87 BSFIC earned a profit of Tk. 4.58 crore, BSEC Tk. 1.48 crore and BFDC Tk. 0.14 crore. The total loss sustained by BTMC was Tk. 22.67 crore, BCIC Tk. 5.59 crore, BJMC Tk. 41.90 crore in 1986/87. In 1987/88 BCIC earned a profit of Tk. 2.54 crore, BSEC Tk. 2.03 crore, BFDC Tk. 0.12 crore and BSFIC Tk. 4.42 crore where as BTMC and BJMC sustained loss of Tk. 30.00 crore and Tk. 125.00 crore respectively. During 1987/88 sector Corporations contributed Tk. 239.09 crore to National Exchequer. The loss sustained by most of the sector corporations may be attributed to lack of proper management and skills, labour absenteeism, power failure, lack of market, cost price squeeze, poor maintenance, shortage of imported industrial inputs, shortage of working capital, low labour productivity, lack of capacity addition and improvement in capacity utilization, dearth of foreign exchange, etc. The Table 4 below shows financial performance of Sector Corporations.

TABLE 4

## Financial performance of sector corporation

(In crore Taka)

Sl. No.	Name of the Corporation	1984/85 Actual		1985/86 Actual		1986/87 Actual		1987/88 Actual	
		Profit/Loss	Contribution to national exchequer	Profit/Loss	Contribution to national exchequer	Profit/Loss	Contribution to national exchequer	Profit/Loss	Contribution to national exchequer
1	BTMC	(+)4.22	27.80	(-)50.27	16.40	(-)22.67	13.57	(-)30.00	11.05
2	BCIC	..	93.49	(+)15.53	57.81	(-)35.59	100.93	(+)2.54	110.08
3	BSEC	(-)3.61	104.50	(+)0.54	104.86	(+)1.48	91.30	(+)2.03	93.16
4	BJMC	(-)148.49	17.62	(-)158.26	15.67	(+)41.90	16.36	(-)125.00	20.00
5	BFDC	..	..	(+)0.18	0.11	(+)0.14	0.09	(+)0.12	0.10
6	BSFIC	..	..	(+)5.13	4.53	(+)4.58	4.55	(+)4.42	4.70
		(-)131.74	243.41	(-)193.15	239.38	(-)63.96	226.80	(-)145.89	239.09

### Agency-wise Disbursement of Funds.

In the Third Five Year Plan there was an allocation of Tk. 2600.06 crore for public sector industries. Out of this allocation Tk. 553.07 crore, Tk. 734.61 crore & Tk. 443.14 crore were actually spent during 1985/86, 1986/87 & 1987/88 respectively. Thus the total expenditure during the Mid-Plan period (1985-88) stood at 1730.81 crore which is 66.6% of Plan allocation. It may be observed that the expenditure seems to be quite high compared to the number of projects taken up for implementation during the first three years of the Plan. This is mainly because Bangladesh Chemical Industries Corporation undertook a number of capital intensive projects and utilised about 55% of the total plan allocation earmarked for the industries sector. The utilization position in real terms would be much lower with corrections for cost over-run and escalations.

Lack of external finance and dearth of taka resources restricted the scope for inclusion of many development projects in annual development programmes. Further, due to institutional weakness development agencies could not come up with adequate number of well prepared new projects.

TABLE 5

## Agency-wise Financial Target and Achievement

[Taka in Lakh]

Sl. No.	Name of the sector/sub-sector	Plan allocation (1984/85 prices)	Expenditure (in current prices)				Percentage of utilisation (7 as % of col. 3)
			1985/86	1986/87	1987/88	1985-88	
1	2	3	4	5	6	7	8
1	BJMC	6,400.00	539.04	370.14	400.00	1,309.18	20.5%
2	BTMC	17,400.00	2,100.00	4,659.00	2,197.00	8,956.00	51.5%
3	BSB	2,900.00	300.00	490.00	400.00	1,190.00	41%
4	BHB	5,200.00	182.00	10.00	58.00	250.00	4.8%
5	Department of Textile.	3,000.00	..	..	60.00	60.00	2%
6	BCIC	151,000.00	44,617.00	62,327.00	35,565.93	14,2509.93	94.4%
7	BSEC	25,500.00	1,507.00	38.00	417.85	1962.85	7.7%
8	BSFIC	22,500.00	1,914.27	1,427.37	634.40	3,976.04	17.7%
9	BSCIC	12,000.00	1,863.72	1,754.27	1,866.13	5,484.12	45.7%
10	BFIDC	1,000.00	..	..	..	..	..
11	Printing and Stationery	950.00	138.00	360.94	306.88	805.82	84.9%
12	BITAC	700.00	34.79	107.04	131.80	273.63	39.1%
13	BMDC	450.00	49.15	57.40	211.57	318.12	70.7%
14	IBA	800.00	221.91	329.67	218.86	770.44	96.3%
15	EPZA	2,500.00	250.00	352.00	1,340.00	1,942.00	77.7%
16	IACB	50.00	24.00	..	..	24.00	48.0%
17	BFDC	2,808.00	350.00	417.00	180.40	947.00	47.5%
18	BOGMC	2,500.00	321.00	113.00	48.40	482.40	19.3%
19	TIP	500.00	461.73	94.00	32.51	588.74	118.0%
20	BBS	2,000.00	381.30	545.36	244.62	1,172.28	58.6%
21	Others [Ministry of Home affairs, Department of Industries, Planning Commission (Ind. Div. DFLS etc.)]	650.00	51.37	6.91	..	58.28	9.0%
Total :		2,60,000.00	5,536.528	73,460.60	44,313.95	1,73,080.83	66.6%
In Constant Price (1984/85)		2,60,000.00	53,179.12	65,009.26	36,928.29	1,55,116.67	59.66%

\* Industry part (Jaipurhat and Maghpara).

**Progress of Implementation of Development Projects (1985—88)**

For the development of Industries sector during the Third Five Year Plan, a total number of 130 projects were identified out of which 44 were spillover projects from the SFYP and remaining 86 were new projects. Up to 1987-88, a total number of 70 projects were taken up for implementation which includes 39 spillover projects and 31 new projects. Out of 44 spillover projects, 5 projects were not taken up for implementation. So far as new projects are concerned, the number of projects taken up are far below the desired level.

Out of 70 projects, 30 projects were completed during 1985/86 to 1987—88. The number of projects completed during this period is shown below :

- 1985/86 :
1. Polash Urea Fertilizer Factory.
  2. Sylhet Pulp & Paper Mills (Without chemical plant).
  3. Cloth processing Centre.
  4. Handloom Services Centre.
  5. Handloom Product and Equipment Development Centre.
  6. Dockyard & Engineering Works, Narayanganj.
  7. Expansion of Eastern Cables Ltd.
  8. Expansion of Gazi Wires Ltd.
  9. Deshbandhu Sugar-Mills
  10. Rice Barn Oil Extraction Plant.
  11. Expansion of Dhaka Vegetables Oil Industries.
  12. National, Regional and District level Institutional Network for Development of Small & Cottage Industries.
  13. Pilot Project for reclaimed rubber (postponed)
  14. Export Development for Handicrafts and handloom Industry.
  15. General Electrical Manufacturing Co., Ltd. (Winding up)
- 1986/87 :
16. Fertilizer Industries Rehabilitation project.
  - 16a. UFFG.
  - 16b. NGFF- (Fenchuganj).
  - 16c. TSP (Chittagong).
  17. Rehabilitation of 38 jute Mills.
  18. Trade and Industrial Policy Reform Programme Phase-I.
  19. Sugarcane Seed Multiplication & Research Farm.
  20. IACB, Phase-II.
  21. Studies on Rural Industry Development.

- 1987/88 : 22. Expansion of Bengal Textile Mill.  
 23. Expansion of Meghna Textile Mill.  
 24. Expansion of RR Textile Mill.  
 25. BMR of Metalex Corporation Ltd.  
 26. BMR of Eastern Tubes Ltd.  
 27. Feasibility study on B.P. sheet.  
 28. Expansion of Carews Distillery.  
 29. Training Institute for small and cottage Industry.  
 30. BMR of BITAC, Dhaka.

**Private Sector :**

Since 1975 the role of the Private Sector Development has changed significantly. The policy during early seventies restricted the scope of private investment to small industries only. Consequent upon the shifts of the economic policy effected during the second Five Year Plan private sector has come to play leading role in Bangladesh economy. During TFYP Government have published three investment schedule. One for large and medium industries and the other two for small and cottage industries. The allocation for the large, medium, small and cottage industries are only indicative. The TFYP envisages an investment outlay of Tk. 3200.00 crore for private sector of which Tk. 2200.00 crore for small and cottage industries.

**Achievement during TFYP :**

During the year 1985/86, 1986/87 and 1987/88 (up to March) total number of 1111 units, 8254 units and 696 units respectively were sanctioned in the large and medium industries sector by the different sanctioning agencies with total investment of Tk. 684.76 crore including foreign exchange component of Tk. 359.34 crore during 1985/86, Tk. 1268.54 crore including foreign exchange component of Tk. 386.59 crore during 1986/87, and Tk. 600.86 crore with a foreign exchange of Tk. 227.98 crore in 1987/88 (Up to March). The investment sanctioned during 1985/86 to 1987/88 comes to Tk. 2554.16 crore compared to TFYP allocation of Tk. 2200.00 crore as shown in Table 6.

TABLE 6

Group-wise summary of Large and Medium scale Industries sanctioned/registered during the period 1985-88

Sl. No.	Name of the Group	No. of Unit	Investment (in current price)										(Taka in crore)		
			1985/86			1986/87			1987/88 (March)			No. of Unit	F.E	Total	
			Local	F.E	Total	Local	F.E	Total	Local	F.E	Total				
1	Agro-basical Industry	..	..	..	..	25	7.86	8.64	16.50	16	45.57	75.52	121.09		
2	Food and Allied Prod.	..	74	22.45	23.81	46.26	250	27.65	17.91	45.57	15	9.90	3.45	13.35	
3	Textile Industries	..	314	87.98	123.26	211.24	1429	153.86	15.54	269.50	179.	40.32	55.92	24.96	
4	Paper Board, Printing publishing.	..	74	16.76	23.21	39.97	42	5.95	3.24	9.19	12	77.39	1.49	78.88	
5	Tannery, Leathers and Rubber products.	..	32	16.43	19.20	36.63	35	23.10	11.09	34.19	28	10.86	3.59	15.45	
6	Chemical, Pharmaceutical, & Allied Industries	..	146	29.20	27.81	57.01	1992	151.41	63.46	214.67	42	73.76	62.20	135.96	
7	Glass, Ceramics & other non-Metal Mineral products	..	9	11.50	10.96	22.46	4	5.57	4.78	10.35	10	9.43	4.51	13.94	
8	Engineering Industries	..	286	105.29	112.29	217.58	4350	371.23	75.63	446.86	351	78.37	12.60	90.97	
9	Mix Industries	..	47	15.33	1.31	16.64	21	5.85	..	5.85	10	5.96	..	5.96	
10	Service Industries	..	36	3.81	10.94	14.75	45	117.05	54.71	171.76	18	12.43	3.29	15.72	
11	Industrials NEC.	..	93	16.67	6.56	23.22	53	12.41	31.78	44.19	15	8.97	5.47	14.44	
	Total	..	1111	325.42	359.34	684.76	8254	881.95	386.59	1268.54	696	372.87	227.98	600.86	



### Disinvestment of Public Sector enterprises:

During 1985-88, eleven industrial enterprises were disinvested and given to the private investors. Total amount of Tk. 0.97 crore has been collected from the purchasers of these enterprises.

### Investment Forum:

In order to attract foreign industrial investment for the country's industrial development and to establish a link between the local industrial sponsors and foreign investors, an investors forum was held in Dhaka from 19th January, 1987 to 22nd January, 1987. In that Forum a total number of 188 persons from 31 countries participated from the foreign companies and 6 loan giving agencies. Up to March, 1987 a total number of 93 Memorandum of understanding (MOU) have been assigned for setting up industries.

### Foreign Private Investment :

During 1985/86 a total number of 11 foreign investment proposals were sanctioned at a total cost of Tk. 60.09 crore including foreign exchange of Tk. 37.83 crore and 15 foreign investment proposals were sanctioned during 1986-87 at a total cost of Tk. 232.41 crore including foreign exchange of Tk. 102.47 crore. During 1987/88 (March) 13 foreign investment proposals were sanctioned at a total cost of Tk. 1261.60 crore including foreign exchange of Tk. 934.70.

### Major Problems of Industries sector:

Although a few industries such a jute goods, sugar, fertilizer and cement show improvement in production and capacity utilization in 1987-88 compared to the bench-mark position, the overall position of industries sector has deteriorated. On the whole the production & capacity utilization continues to remain low. The following problems may be identified as the major reasons for persistence of fluctuation in industrial production, slow rate of increase in production and low capacity utilization :

(i) **Inadequate Demand :** In many cases there is a gap between effective demand and supply of products which industrial enterprises are not capable of producing for a number of reasons which include, among others, overinvestment due to mushroom growth (steel re-rolling, cold storage, etc.), unfavourable import policies (engineering industries), low growth rate of GDP and dearth of purchasing power caused by fall in income due to natural calamities and loss of external market (e.g. jute goods).

(ii) **Cost-Price Squeeze :** In many industries cost of production has been rising secularly due to high capital cost, low capacity utilization, obsolete equipment, lower labour productivity, high cost of imported inputs due to tariff anomalies, rise in wages and salaries and utility prices. The rising cost of production under a situation of depressed selling price has resulted in a cost-price squeeze and hence under utilization of production capacity.

(iii) **Poor Maintenance :** Maintenance of plant and machinery in most of the industry remains inadequate due to lack of adequate staff with appropriate technical training and experience to do the job under severe financial constraint. The use of obsolete technology has aggravated the problem.

(iv) **Input Constraint :** Most of the industrial enterprises are severely affected by interrupted and inadequate supply of powers. Agro-based industries are affected by fluctuations of supply of raw materials due to natural calamities (e.g. sugar and jute) Besides, shortage of working capital finance, difficulties of inland transportation and shipping and shortage of imported raw materials due to dearth of import financing inhibit full capacity utilization.

(v) **Labour productivity :** Labour productivity remains low in most of the industries. Over staffing, dearth of requisite skill and lack of industrial discipline are major reason for low productivity of labour.

(vi) **New Capacity Addition BMRE:** A large part of the increase in output was expected to come from new capacity addition and improvement in capacity utilisation. Project implementation were delayed because of dearth of financing and large in project implementation. As a result new capacity did not take place as expected. This also affected BMRE programme for improvement in productivity.

#### **Sectoral Constraints and Policies :**

The major constraints and policies of industries sector are highlighted in the following paragraphs by major industries.

#### **Steel & Engineering Industry :**

Low capacity utilisation, non-availability of raw materials, newly interest burden, stock piling of locally produced steel & engineering products results in high operational costs & hence costs of production. In spite of adequate demand for products of BSEC, the consuming agencies are inclined to buy imported goods either due to scarcity of local fund or for tied assistance. Besides, specifications prepared by the consuming agencies BSEC faces unhealthy composition with international bids for their products.

Restrictions imposed by the Ministry of Industry to import products which are manufactured locally without prior clearance is not strictly followed by user agencies. Appropriate measures should be taken by the Government that consumer agencies strictly follow the Government instructions in this respect. Rationalisation of tariff anomalies on imported raw materials favourably reduced the cost of BSEC products by 2.5%. Further a rationalisation of tariffs & duties is necessary to further reduce the high costs of imported raw materials.

IDA and ADB allowed 15% price preference against CIF cost for procurement of locally produced materials (BSP, BMTF, GENCO products) through international bidding. But the cost of imported products comes to 25% or more of CIF cost due to inclusion of transportation, clearing & handling charges. As such price preference for at least 25% against CIF cost for international bidding in respect of BSEC products may be considered by the Government for taking up with IDA & ADB. Improvement of management/managerial skills, labour productivity & market research should be vigorously pursued.

The Government has recently introduced a Performance Evaluation System for Public Enterprises to improve their performance. A monitoring cell has been established in Finance Division to pursue & implement "Performance Contracts" to arrive a mutual commitments to certain goals & targets between Government & public enterprise managements, General Electric Manufacturing company, Bangladesh Diesel Plant and National Tubes comes under such "Performance Contracts". The System should be extended to all sick projects of public sector enterprise including BSEC.

#### **Jute Industry :**

The Jute Industry is facing the problems of: (1) technological innovation in bulk transportation and handling, (2) competition from synthetics and other substitutes, increase in the demand for lighter fabrics in the international market affected production of jute goods in volume adversely, (4) maintaining a steady and adequate supply of raw jute at competitive price. (5) Shrink in world market owing to abnormal rise and fall in jute goods price arising out of non-sheet supply raw jute which is dependent on climatic condition, (6) low efficiency of the industry, (7) insufficient effort in the field of products development, technology, management and export promotion, (8) non utilisation of reed space of looms for manufacturing narrow, (9) reduced operation of sacking looms due to fall in demand abroad fabrics which are of higher demand abroad, (10) inappropriate output-input pricing and (11) lay-off strike, power failure, labour absenteeism etc. In such circumstances the jute industry is facing a chronic situation of loss.

**Policy Options:**

- (1) Since the jute industry is continuously running in loss, vigorous efforts should be made to improve management efficiency, analyse costing at each stage of production, improve audit and account system and to ensure accountability at each stage of management ;
- (2) For improvement of the physical character of jute fibres to make it water resistant, all-out efforts may be made to undertake intensive research. An innovation in this field may reduce countries dependence on import of fibres for cloth production ;
- (3) BMR of jute mills has become a continuous process. Since technology is simple, it is necessary to manufacture spare-parts for jute mills locally ;
- (4) Steps may be taken to reduce operation cost so that the mills can run profitably ;
- (5) Improvement of power supply and labour management relation should be ensured to maintain steady and uninterrupted production level.

**Cotton Textile Industry :**

Though in the Third Five Year Plan new capacity creation for the cloth & yarn were almost entirely earmarked for private sector, adequate response was not received by them to set up spinning mills. This is due mainly to lack of sponsor's equity (around Tk. 4 crore) and their inability to make necessary under wanting arrangement with ICB (50% of equity). One of the major policy option to encourage investment in the private sector is to examine the possibility of reducing the size of equity share capital from 30% to a reasonable rate.

For fostering further growth, textile sector should be made export-oriented. Through product diversification & backward integration the sector has the enormous potential to earn foreign exchange & employment generation. To boost up export of this sector, different policy measures like determination of XPB rate on the basis of value addition & raising this rate as per with the rate of assistance provided to import based industries, simplification of the procedures for duty drawback and extension of this facilities to the suppliers of yarn or cloth to the exporter in order to encourage backward integration of the sector & ensuring availability of credit & working capital for exports through setting up of a specialised Import Export Bank, may be taken up.

For handloom industry, the policy measures should concentrate on service & facilities centres, training, design and technology development, loom modernization, marketing of handloom product, reorganisation & development of handloom co-operatives, setting up of a separate Bank for the weavers, subsidising rate of interest for the weavers, reduction of excise duty by 50% on the yarn, subsidy for clearance of handloom products by co-operative society & marketing corporation (10% for 30 days a year), purchase of Sari & Lungi of coarse variety at fixed price from co-operative society & distribution of these fabrics to the poor people at subsidized price, imposing additional tax by 2% on imported second-hand cloth and on others.

**Chemical and Mineral Industries :**

The allocation provided in the Third Five Year Plan for chemical and mineral industries sector has already been almost exhausted. Additional allocation during Third Five Year Plan has to be arranged to complete the on-going projects and to start projects newly undertaken. The supply of raw materials, such as Bamboo, Jute, Bagasse, Wheat-straw and gwa wood, etc., are not adequate. As a result the existing paper and pulp mills are facing problems. Immediate measures have to be taken to improve the raw materials supply situation. The projects of developing fibrous raw materials for these mills have to be implemented. For lack of smooth supply of limestone the Chattak Cement Factory is beset with problems. The existing organisational

difficulties should be settled. According to the Government Rules of Business the development of limestone and manufacture of cement is the responsibility of BOGMC and as such, all cement plants and limestone development projects should go under the control of BOGMC. At present huge quantity of chemicals of different kinds is imported at a higher cost. The Government should encourage setting up of chemical plants on a priority basis to substitute imports.

The current policy to involve the private entrepreneurs in setting up of chemical plants with government collaboration, and or foreign collaboration should continue. But the share of the Corporation concerned in such joint venture projects should be financed out of its own resources, not from ADP allocation. The products of the Corporation in many cases are not priced at per production cost resulting huge losses for the factories. Efforts should be made to convince the government to agree to raise the product price to generate revenue.

#### **Sugar Industry :**

Ministry of Agriculture in collaboration with BSFIC should further strengthen the extension services to the farmers, provide improved variety of sugarcane seed and impart training to the farmers also in non-mill zones. Ensure water management and supply of necessary inputs to the farmers through effective agricultural credit. Payment of incentive price to the growers and the system of procurement of sugarcane by the mills should be improved. Improvement of roads and transport facilities for quick delivery of sugarcane from field to the mills to reduce loss in sugar recovery.

All-out efforts should be made to ensure adequate supply of good quality sugarcane to the mills and reduce loss in the mills so that the rate of sugar recovery increases from about 8% to 9% and increase effective crushing days to 137 days as decided by the cabinet. Continuous improvement of seed is necessary to avoid natural process of degeneration of varieties. There is hardly any prospect for establishing new sugar mills in the country in the non-mill zones because it will adversely affect the supply of sugarcane for gur production and thereby reduce the availability of gur in the country.

#### **Small-scale and Cottage Industries :**

The primary objective of Third Five Year Plan is poverty alleviation through creation of more productive employment. Given the serious unemployment and under employment situation in the country and the limited scope for employment and income generation in agriculture and in large scale modern sector, the Plan emphasised the need for exploiting the potentiality of small scale and cottage industries to help improve the situation. Although BSCIC and other relevant agencies undertook a number of projects and programmes towards this end through their extension and promotional activities achievement in this field is not very significant compared to the emphasis laid in the TFYP. The factors inhibiting development of small scale and cottage industries in Bangladesh are numerous and multidimensional. However, some of the areas where attention may be given are provided in the following paragraph.

Establishment for agro-support, agro-processing, import-substitution and export-oriented small and cottage industries based on indigenous raw-materials should be encouraged. Establishment of small industries through ancillary unit and subcontracting arrangements allowing marketing of the same by the central units should be promoted. Industrial units having high rate of forward and backward linkage with other sectors, particularly with agriculture should be encouraged. Regional development and thereby reducing regional disparity through establishment of small industries on the basis of locally available raw materials, skills and other growth potentials should be encouraged.

Special credit programmes designed particularly for small-scale and cottage industries should be geared up. The procedures of securing institutional credit should be simplified and collateral requirements should be made flexible. The system of credit disbursement

and loan repayment should be improved on priority basis so that it allows quick recycling of loan and thereby improves investment, production and income in this sub-sector. Availability of foreign exchange fortimely and fair distribution of imported raw materials dyes and chemicals required for small-scale and cottage industries should be ensured.

Introduce wherever necessary such modern technology which would encourage favourably the production and employment in small-scale and cottage industries sector instead of using archaic low productive technology. Technological advancement in small-scale and cottage industries should be strengthened through pursuing necessary policy measures in the sub-sector within an overall technological and institutional framework for development, adaptation and diffusion of appropriate technologies. Efforts should be made to promote existing enterprises to operate at optimum capacity.

The conditions of economic overheads like transport, communication, power, gas and water supply etc. should be improved. Infrastructure such as industrial estates, common facilities centres, design centres and market emporium, etc. in important commercial places and growth centres should be set up and their optimum utilisation ensured. Entrepreneurs should be encouraged for setting up small and cottage industries through dissemination of information on industrial investment opportunities and their access to credit facilities. Existing extension services, viz. pre-ante investment advices, choice of technology, securing of necessary licences, product designs and process skill development, financing, management, accounting and market information may be broad based up to Upazila level.

Small-scale and cottage industries products may be protected against competitive local and imported industrial goods wherever necessary. Promote and encourage such small-scale and cottage industries (e.g. handicrafts) having high potentiality in the export market and introduce them abroad through advertisement including participation in different export fair and exhibitions.

## CHAPTER XI

### ENERGY AND NATURAL RESOURCES

The primary objective of the Third Five Year Plan is alleviation of poverty mainly through productive employment and by ensuring common man access to food and basic needs. To achieve this objective emphasis has been given for the modernization of agriculture and expansion and diversification of industries particularly technological improvement of cottage and rural industries. The achievement of these objectives depends on the adequate supply of right form of energy. Realizing importance of energy in the socio-economic development, Government has given second highest priority next to agriculture for the development of energy sector in the TFYP. Out of the total Public sector outlay of Tk. 25,000 crore (at 1984/85 price) Tk. 5,675 crore or 22.5% has been allocated to energy sector.

#### POWER

Power is an essential input for economic development. Accordingly power development has been accorded due priority since liberation, particularly in the Second and Third Five Year Plans by allocating to the power sector 15% and 17.40% of the total public sector plan allocation respectively. Bangladesh Power Development Board (BPDB) was the only Public sector agency responsible for power generation, transmission and distribution in the country. In 1977, some institutional changes were made and the Rural Electrification Board (REB) was created to cater to the needs of electricity to the rural masses.

In 1972/73, immediately before launching the First Five Year Plan (1973—78), the installed generating capacity was 602 MW and the Maximum demand of the system was 222 MW. By the end of this plan, the generating capacity and the maximum demand stood at 767 MW and 396 MW respectively. Then by the end of the Two Year Plan (1978—80) the generating capacity and the maximum demand reached 838 MW and 462 MW respectively. The Second Five Year Plan (1980—85) was launched from 1980/81 with more ambitious objectives and targets. The physical facilities that were developed (cumulative) by the end of June, 1985 were: installed capacity—1141 MW (capability—1018 MW), length of transmission Line—2420 KM, distribution Line (33 KV and below) 31096 KM under BPDB and 11697 KM under REB. The maximum demand of the system as recorded in 1984-85 was 886.8 MW. The system generated 4528.4 Gwh of electricity during that year and sold 2840.6 Gwh. The number of villages electrified were 3288 under the BPDB system and 4600 under the REB system. The number of consumers under the BPDB system was 8,03,767 and the same under the REB system was 1,53,697. The growth of load demand during 1973-80 was 11% annually and the same during 1980—85 was 14% annually. The growth rate of energy generation during 1973—80 was 12% annually and the same during 1980—85 was 14% annually.

Power development, particularly its generating capacity addition, moves in discrete steps. Accordingly it is difficult to always ensure a perfect balance in generation, transmission and distribution facilities. Historically the latter half of 1960's had witnessed a shortfall in generation capacity. In quick succession, several major generating power plants were commissioned in late 1960's which resulted in an imbalance between generation and distribution facilities in early 1970's. However, in the latter part of 1970's transmission and distribution facilities were also built to match the generating capacity. There appeared a serious shortage in generating capacity in 1979 prior to the commissioning of the East-West Interconnector, in the Western Zone. A quick solution was implemented by importing a 56 MW barge-mounted gas turbine for Khulna in 1980. The generating capacity shortfall was again apprehended all over the country during the Second Five Year Plan period particularly in 1983/84 and 1984/85 and actually a crisis situation in power generation occurred in 1984/85 and 1985/86 involving frequent load shedding in different areas of the country. In 1984/85, bottleneck in the supply of natural gas to some major power stations further deteriorated the generation position of the country.

Among the positive achievements made by the BPDB in early 1980's one was the significant substitution of imported fuel oil by indigenous natural gas. Significant achievement was made in this direction particularly in the Second Five Year Plan period when the share of the imported fuels in energy generation dropped from 26% in 1979/80 to 20% in 1984/85 and the share of Natural Gas increased from 50% to 64% with the result that average fuel cost per unit dropped from Tk. 0.56 in 1982 to Tk. 0.50 in 1985.

One of the notable features of the power system in late 1970's and early 1980's was increasing diversification of the use of electricity. Before the establishment of the Rural Electrification Board, use of electricity remained confined mostly in urban areas. With the emergence of the Board in 1978 and implementation of area coverage electrification programmes, use of electricity in rural areas in small industrial and commercial centres, irrigation and rural house holds had been fast expanding. The number of electrified irrigation pumps and deep tube wells reached as many as 5910 (cumulative) in 1984/85 under the REB System.

#### **Objectives of the TFYP :**

The objectives of the TFYP are as follows :

- (a) To ensure adequate and timely supply of electricity, while encouraging its efficient use and reduction of wastage including system loss.
- (b) To substitute imported fuels by maximising the use of natural gas in the generation of power.
- (c) To improve reliability and quality of power supply.
- (d) To continue to extend power supply to rural areas.
- (e) To improve financial performance of Power Board so that a reasonable portion of capital expenditure can be financed of its own earnings.

#### **Strategies :**

The strategies of achieving the above objectives included, completion of on-going schemes on priority basis, development of power system following a least cost programme, improvement of the system voltage etc. The major policies to be pursued in the plan for implementation of the objectives comprised, resource augmentation by BPDB from its own system, increasing use of power equipment locally manufactured, raising the operational efficiency of the system through improvement of system reliability, reduction of system loss and so on.

#### **Target :**

Following the trend in growth of power demand in the recent past a growth rate of 14.5% was envisaged for the Third Five Year Plan and a target for the peak demand of 1823 MW in 1990 was set. Compared to this, the generating capability target (cumulative) was set at 2222 MW. This could provide a reserve margin of only 22%. The

target for transmission line (cumulative) was set at 3246 KM and the same for distribution line including sub-transmission line (cumulative) was set at 79962 KM; under BPDB system 43993 KM and under REB system 35969 KM. The physical targets for the TFYP were as follows:

TABLE 1

## Physical Target of Generation, Transmission and Distribution of Power Sector

	1984/85 (Actual)	1989/90 (Target)
<b>I. BPDB :</b>		
(i) Generation Capability (in MW) .. .. .	1,018	2,222
(ii) Transmission Line (66 KV, 132 KV, 230 KV) (in KM)	2,420	3,246
(iii) Sub-Transmission Line (33 KV) (in KM) .. .. .	7,722	10,104
(iv) Distribution Lines (11 KV, 6-33 KV, 0.4 KV) (in KM) ..	23,374	33,889
(v) Number of electrified villages .. .. .	3,288	7,500
(vi) Number of consumers .. .. .	8,03,767	12,00,000
<b>II. REB :</b>		
(i) Distribution Line (KM) .. .. .	11,697	35,969
(ii) Number of Palli Bidyut Samity Registered .. .. .	33	40
(iii) PBS energised .. .. .	19	40
(iv) Number of Electrified Villages .. .. .	4,600	14,600
(v) Number of Consumers .. .. .	1,53,697	5,53,370
<b>III. National :</b>		
(i) Distribution Lines (KM) .. .. .	35,071	69,858
(ii) Number of Electrified Villages .. .. .	7,888	22,100
(iii) Number of Consumers .. .. .	9,57,464	17,53,370
The targets set for the operating system in 1989/90:		
(i) Peak demand .. .. .	1823 MW.	
(ii) Generation Capability .. .. .	2222 MW (Cumulative).	
(iii) Energy Generation .. .. .	8993 Gwh.	
(iv) System Loss .. .. .	20%	
(v) Energy Sale .. .. .	7146 Gwh.	



target for transmission line (cumulative) was set at 3246 KM and the same for distribution line including sub-transmission line (cumulative) was set at 79962 KM; under BPDB system 43993 KM and under REB system 35969 KM. The physical targets for the TFYP were as follows :

TABLE 1

## Physical Target of Generation, Transmission and Distribution of Power Sector

	1984/85 (Actual)	1989/90 (Target)
<b>I. BPDB :</b>		
(i) Generation Capability (in MW) .. .. .	1,018	2,222
(ii) Transmission Line (66 KV, 132 KV, 230 KV) (in KM)	2,420	3,246
(iii) Sub-Transmission Line (33 KV) (in KM) .. .. .	7,722	10,104
(iv) Distribution Lines (11 KV, 6-33 KV, 0-4 KV) (in KM)..	23,374	33,889
(v) Number of electrified villages .. .. .	3,288	7,500
(vi) Number of consumers .. .. .	8,03,767	12,00,000
<b>II. REB :</b>		
(i) Distribution Line (KM) .. .. .	11,697	35,969
(ii) Number of Palli Bidhyut Samity Registered ..	33	40
(iii) PBS energised .. .. .	19	40
(iv) Number of Electrified Villages .. .. .	4,600	14,600
(v) Number of Consumers .. .. .	1,53,697	5,53,370
<b>III. National :</b>		
(i) Distribution Lines (KM) .. .. .	35,071	69,858
(ii) Number of Electrified Villages .. .. .	7,888	22,100
(iii) Number of Consumers .. .. .	9,57,464	17,53,370
The targets set for the operating system in 1989/90:		
(i) Peak demand .. .. .	1823 MW.	
(ii) Generation Capability .. .. .	2222 MW (Cumulative).	
(iii) Energy Generation .. .. .	8993 Gwh.	
(iv) System Loss .. .. .	20%	
(v) Energy Sale .. .. .	7146 Gwh.	

## Achievement during 1985-88 and projection of 1988 to 1990

## Load Demand :

The Peak demand as originally projected was 1823 MW by the end of June 1990. The actual load growth has not followed the forecast made in the TFYP. By the end of FY 1986 demand recorded was 883 MW compared to the forecast demand of 1070 MW. Power demand had a negative growth rate of 0.4%. But the energy demand increased by about 6% compared to the previous year. Within the span of one year, the peak demand jumped to 1084 MW during 1986/87 recording a growth rate of 22.6% due to the fact that the load remained suppressed in the previous year. Thereafter peak demand rose to 1317 MW in 1987/88 recording a growth rate of 21.5% over the previous year when also the demand remained partly suppressed. We may assume a growth rate of 14.5% as originally envisaged for the remaining period of the TFYP. The projected load demand will be as table below:

TABLE 2

Year	TFYP original projection (MW).	Actual/Revised projection (MW).
1985/86	1070	883 (suppressed)
1986/87	1222	1084 (Partly suppressed)
1987/88	1397	1317
1988/89	1597	1508
1989/90	1823	1727

The revised projected peak demand of 1727 MW by the end of June 1990 on the basis of growth rate of 14.5% per annum over the period July 1988 to June 1990 is realistic because some constraints of transmission and grid substations may continue although generation capacity constraints have been removed substantially. PDB made a revised load forecast in connection with Priority Investment Programme, which is somewhat on the higher side. According to this forecast the projected demand by the end of June, 1990 is 1775 MW. M/S ELECTROWATT, the Consultant for Large Thermal Power Plant has made a forecast of maximum demand of 1759 MW by 1990. All the forecast recently made are pretty close to each other with a growth rate of 13.5% for the period up to 1995. The projected peak demand by the end of June 1993 will be 2525 MW and that by the end of June 1995 will be 3253 MW.

## Energy Generation :

Energy Generation has not also taken place as per original TFYP forecast. As against 5162 Gwh, 5874 Gwh and 6755 Gwh actual energy generation has been 4800 Gwh, 5587 Gwh and 6540 Gwh during the year 1985/86, 1986/87 and 1987/88 respectively. The revised total during the plan is estimated to be 33080 Gwh in place of original forecast of 34599 Gwh as shown below:

TABLE 3  
Electricity Generation

Year	TFYP forecast (Gwh).	BPDB TFYP Revised (Gwh).	Actual/Revised forecast (Gwh)
1985/86	5162	4800	4800* (Actual)
1986/87	5875	5587	5587** (Actual)
1987/88	6755	6495	6540 (Actual)
1988/89	7814	7609	7530 } ***
1989/90	8993	8707	8623 }
	34599	33198	33080

\* at a load factor of 62%.  
 \*\* at a load factor of 59%.  
 \*\*\* load factor being 57%.

**Electricity Sales :**

Because of generation shortfall and high system losses, the electricity sales targets during the first 3 years of TFYP were not realised. Actual sales during 1985/86 and 1986/87 were 3307 Gwh and 3484 Gwh against the target of 3665 Gwh and 4406 Gwh set in the original TFYP document. The provisional sale during 1987-88 also remained far below the targetted sale. The revised targets as against TFYP targets and BPDB TFYP Review targets are as at table:

TABLE 4  
Electricity Sale

Year.	TFYP target (Gwh)	BPDB TFYP Review target (Gwh)	Actual/Revised target (Gwh)
1985/86	3665	3307 (Actual)	3307 (Actual)
1986/87	4406	3484 (Actual)	3484 (Actual)
1987/88	5201	4417	3773 (Actual)
1988/89	6173	5250	4895
1989/90	7194	6121	6036
	26639	22579	21395

**System Loss :**

In the TFYP system loss target was set to reduce the loss from 29% in 1985/86 to 20% in 1989/90. The actual system loss in that year was 31.1%. The system loss in 1986/87 instead of declining, had actually gone up to 37.6%. The system loss in 1987/88 again rose to 42.3 percent. The revised targets for system loss as suggested by the Planning Commission during TFYP are as follows:

TABLE 5  
System Loss [Figures in percent.]

Year	Original target.	Actual/Revised Target.
1985/86	29	31.1 (Actual)
1986/87	25	37.6 (Actual)
1987/88	23	42.3 (Actual)
1988/89	21	35
1989/90	20	30

**System Imbalance :**

One of the objectives in the TFYP was to ensure balanced growth in generation, transmission and distribution facilities. But the slippage of the 210 MW Ghorasal Thermal Power Station (3rd Unit) and 60 MW Barge Mounted Power Station at Chittagong resulted in a situation of extreme shortage in energy generation during 1985/86 and half of 1986/87. By the latter half of 1986/87, although this situation could be overcome, the constraint in the transmission network resulting from the slippage of the upgrading of the East-West Electrical Inter-connector at under capacity of some of the high voltage sub-station has again created a situation of imbalance. This resulted in an increase in the share of oil-based generation and correspondingly overall high generation cost.

**System Reliability :**

Load shedding and grid failures had been a common feature due to generation shortfall in 1985-86 and uptill the middle of 1986/87. The system witnessed a remarkable improvement in respect of this after commissioning of 210 MW Ghorasal Thermal Power Station (3rd Unit), 60 MW Barge mounted Power Station at Chittagong and Ashganj 2X150MW (3rd and 4th Unit) thus overcoming the generation capacity shortage. Since then load shedding remarkably decreased resulting in satisfactory improvement of uninterrupted power supply. Voltage drop problem had also been significantly minimised by mid 1987-88. Northern zone still has problem which could be solved after the implementation of transmission projects, installation of the reactive power compensation and commissioning of gas turbine power plants.

**Imported Fuel Substitution and Saving of Foreign Exchange :**

In the first two years of the TFYP use of natural gas could not be sufficiently augmented for constraints in generating capacity. This was particularly true for 1985/86, when in the absence of gas based generation capacity and water shortage in the Kaptai Reservoir rather more oil had to be used in the western zone to export power to eastern zone. Although the constraint continued for sometime in 1986-87, use of natural gas significantly jumped up with the commissioning of new power plants like 210 MW Ghorasal Thermal Power Station (3rd Unit), 60 MW Chittagong Power Station etc. As a result the total consumption of natural gas by Power Plants increased from 39809.8 MMCF in 1985/86 to 54976.4 MMCF in 1986/87. The level of natural gas consumption by power plants went up to around 65,000 MMCF in 1987/88.

**Contribution of Energy Sector to GDP:**

The share of energy sector to GDP was envisaged to rise in the TFYP from 0.7 in 1984/85 to 0.9% in 1989/90, the annual growth rate of energy sector to GDP being 9.6. The actual percentage share of this sector to GDP in 1985/86 was 0.75% and the same in 1986/87 was 0.83% the growth rate of share being 8.4% and 14.5% respectively. The share in 1987/88 is expected to be 0.89% the growth rate being 13.5%.

**Review of Financial Position of BPDB :**

The reasons accounting for the unsatisfactory financial position of BPDB during the first two years of the TFYP were mainly:

- (i) shortfall in energy generation as a result of delayed implementation of the 60 MW Barge Mounted G.T. Plant at Chittagong, 210 MW Thermal Plant at Ghorasal (3rd Unit) and some of the units under Crash Generation Programme.
- (ii) failure of Ashganj Combined Cycle, 60 MW Chittagong Power Station and Shahjibazar Gas Turbine Power Plants to generate allocated share of electricity.

- (iii) Unprecedented water shortage in the Kaptai reservoir and shortfall in gas supply to Ashuganj Thermal Power Station, compelling oil based generation in the Western Zone of the country and transferring a part of it to the Eastern Zone (105 Gwh had to be transferred from West Zone to East Zone in 1985/86 as against only 21 Gwh in 1984/85).
- (iv) failure to reduce system loss as originally planned, delayed tariff revision; the system loss rather phenomenally increased in 1987/88.
- (v) failure in enhancing efficiency of overall management of BPDB system.

**Accounts Receivable:** One of the reasons for failure of BPDB in making required contribution towards self-financing of the Annual Development Programme is the huge accounts receivable from its consumers. Historically, the amount had been gradually increasing. It was Tk. 171 crore in June, 1985, Tk. 266 crore in June, 1986 and Tk. 376 crore in June, 1987. One of the power sector development strategies was to gradually reduce these receivables and contain it within 3 months billing. But unfortunately no significant achievement could be made in this direction.

**Accounts Payables:** Like accounts receivables, BPDB's debt to its creditors has also alarmingly risen owing to its failure in making necessary payments to its creditors particularly on account of fuel bill, central purchase etc. Non-payment of CDST, field works and bank loan has also inflated their debts. BPDB's total cumulative liability was Tk. 419.14 crore in 1986. This went up to Tk. 567.60 crore in 1987. One of the strategies for improvement of BPDB's performance was also to decrease the liabilities by making regular payments of current bills and repaying a part of the old debts.

#### **Review of the Development Activities:**

##### **Physical and Financial Performance under the Development Programme.**

##### **General Observation :**

Compared to performance of the operating system, performance, financial as well as physical under the Annual Development Programme was better, although allocation could not be made to the Power Sector as per TFYP requirement and even the allocated amounts could not be made available for shortfall in generation of own resources by BPDB. This was possible mainly due to the reasons that some of the Generation projects, which were at the crucial stage of construction were completed by incurring necessary expenditure through diversion of funds from the less priority projects and even by borrowing funds from the commercial banks as well as leaving substantial amount of CDST and contractors dues unpaid. Accordingly physical achievements in some of the sub-sectors during 1985/86, 1986/87 and 1987/88 were quite satisfactory although the same in other fields remained behind targets particularly in transmission.

##### **Financial Achievements :**

The TFYP made a total allocation of Tk. 4,354 crore (at 1984/85 prices) to the power sector (excluding Tk. 25.00 crore on account of NRSE and BAEC). Against this allocation Tk. 924.12 crore, Tk. 1041.26 crore and Tk. 916.14 crore were made available through RADP's for 1985/86, 1986/87 and 1987/88 respectively. Thus the total allocations made available in three years of the TFYP period is Tk. 2973.29 crore, which is equivalent to Tk. 2782.49 crore at 1984/85 prices. This means 64% of TFYP allocation was made available in three years.

The actual expenditure in 1985/86 and 1986/87 is slightly higher than the RADP allocation. It is estimated that the expenditure incurred in three years in around Tk. 3116 crore which is equivalent to Tk. 3014 crore at 1984/85 prices. This is 69% of TFYP allocation. Table-6 shows the financial achievements expenditure *vis-a-vis* TFYP allocation and RADP allocation.

TABLE 6

[In crore taka

Agency	TFYP allocation (1984/85 prices).	1985/86		1986/87		1987/88		Allocations made for 3 years (1985/86 to 1987/88).		Expenditure during 3 years (1985-88).	
		RADP allocation Total (FE).	Actual expen.	RADP allocation Total (FE).	Actual expen.	RADP allocation Total (FE).	Actual expen.	At current prices 1984/85 Total (FE).	At constant prices of 1984/85 Total (FE).	At current prices	At constant prices of 1984/85.
1	2	3	4	5	6	7	8	9	10	11	
BPDB	3609.00	795.30 (530.10)	856.63	911.23 (626.23)	1098.12	764.86 (548.13)	2563.16 (1704.40)	2386.88 (1699.07)	2719.61	2632.14	
REB	690.00	127.16 (92.16)	118.74	129.48 (87.30)	124.01	150.95 (117.33)	407.59 (296.79)	393.11 (294.11)	393.70	379.47	
Planning Commission (ESPC)	5.00	1.66 (1.50)	1.51	0.55 (0.50)	0.53	0.33 (0.25)	2.54 (2.25)	2.50 (2.23)	2.37	2.32	
Block allocation	50.00	..	..	..	..	..	..	..	..	..	
Total	4354.00	924.12 (623.76)	976.88	1041.26 (714.03)	1222.66	916.14 (665.71)	2973.29 (2003.50)	2782.49 (1995.41)	3115.68	3013.93	

**Physical achievements :**

Physical achievements in the Generation Sub-Sector have been quite satisfactory till date, although the physical progress in the transmission and distribution sub-Sectors is yet to be geared up.

**Generation :**

About 56 MW was added to the total generating capacity during 1985-86 by completing the project Ashuganj 2nd G.T. Unit. 436 MW was added to the system in 1986-87 by completing the projects 210 MW Ghorasal Thermal Power Station (3rd Unit), 150 MW of 300 MW. Ashuganj Thermal Power Station Extension (3rd Unit), 56 MW Chittagong Barge Mounted G.T. Power Station and 20 MW Sylhet G.T. under Crash Programme Generation. 539 MW was added to the system in 1987-88 by completing the projects 150 MW of 300 MW Ashuganj Thermal Power Station Extension (4th Unit), 150 MW Ashuganj Thermal Power Station Extension (5th Unit), 100 MW Karnafuli Hydro Power Station Extension (4th and 5th Units), Siddhirganj Gas Turbine Power Plant (3x33 MW) and 20 MW Siadpur G.T. and 20 MW Barisal G.T. under Crash Programme Generation. Therefore total capacity addition to the system during the first three years of TFYP was 1031 MW. As on June 1987, total installed capacity was 1607 MW of which the capability was 1442 MW. Thus by the end of June, 1988 the total installed capacity rose to 2146 MW with a capability of about 1981 MW. Additional capability was 1031 MW up to June, 1988 as against a target of 1204 MW up to June, 1990, that means 86% of the Plan target was achieved by June, 1988. It is expected that 210 MW Ghorasal Power Station (4th Unit), 20 MW Rangpur G.T. and 6 MW Bhola Diesel Power Station will add 236 MW by June 1989. The important projects that will continue to be implemented during the rest of the plan period and the projects that will be initiated in the coming years and will be implemented even beyond the 3rd Five Year Plan are Ghorasal Thermal Power Station Extension 5th and 6th Units, 70 MW G.T. Power Station at Baghabari and 2x300 MW Thermal Power Station etc.

**Transmission :**

About 123 KM transmission line was added to the transmission system during 1985/86 by completing Ishurdi-Shahjadpur 132 KV Tr. Line and some other transmission lines 103 KM was added to the system in 1986/87 by energising the lines like Kaprai-Bara Aulia 132 KV Tr. Line and Inshurdi-Saidpur-Thakurgaon 132 KV Line. 58 KM Tr. Line was added to the system during 1987-88. Thus by the end of June 1988 a total length of Tr. line of 284 KM was added as against plan target of 823 KM (by June 1990), which will mean 35% of plan target achieved during the first three years of the TFYP period. The cumulative length of Tr. Line achieved by the end of June 1988 was 2704 KM as against the plan target of 3245 KM (by June 1990).

**Distribution :**

About 2277 KM of distribution line (33 KV and below) was added under the BPDB system during 1985/86 and 1411 KM was further added to the distribution system (33 KV and below) under BPDB in 1986/87. 866 KM line was added to the distribution system during 1987/88, thus by the end of June 1988 the total length of distribution line addition under the BPDB system was 4554 KM against a plan target of 12897 KM, which means 35% of target achievement under BPDB system. Under the REB system, 4638 KM of distribution line was added during 1985-86 and 4632 KM was added to the system in 1986-87. 3703 KM line was added to the REB's distribution system during 1987/88. Thus by the end of June 1988 the total length of distribution line addition under REB's system was 12973 KM against a plan target of 24272 KM by June 1990 which means 53% of plan target of achievement during first 3 years of TFYP. Thus in June 1988, the total length of distribution line (including 33 KV line) under BPDB and REB would be 60320 KM against a plan target of 79962 KM.

TABLE 7  
PHYSICAL TARGET AND ACHIEVEMENT OF BPDB

Sl. Name of the Item No.	2	3	4	5	6	Achievement/production (Addition)				10	11
						Unit	Base year Achievement/Production (Cumulative)	Plan Target Cumulative Addition	1985/86 (Actual)		
<b>B.P.D.B.</b>											
1	Generation Capability	MW	1018	2222	1204	56	436	539	1031	86%	
2	Transmission Line (230 KV, 132 KV, 66 KV)	KM	2420	3246	826	123	103	58	284	35%	
3	33 KV Line	KM	7722	10104	2382	231	115	72	418	18%	
4	11 KV and below	KM	23374	33889	10515	2046	1296	794	4136	39%	
5	No. of Consumers	Nos.	803767	1200000	396233	84843	74482	75297	234622	59%	
6	Peak Demand	MW	887**	1823***	..	883*	1084*	1317*	..	46%	
7	Energy Generation	GWH	4528**	..	34599*	4800*	5587*	6540*	16927	49%	
8	Energy Sales	GWH	2841**	..	26555*	3307*	3484*	3773*	10564	40%	

\* Total during the plan period/respective year.

\*\* During the base year i.e 1984-85

\*\*\* During the year 1989-90.



TABLE 8  
PHYSICAL TARGET AND ACHIEVEMENT OF REB

Sl. Name of the Item No.	Unit	Base year Cumulative Achievement (1984/85)	Plan Target			Achievement/Production in			Achievement in 3 years (1985-88) (Col. 10)	Percentage Achieved as % of Col. 6
			Cumulative	Addition	1985/86 (Actual)	1986/87 (Actual)	1987/88 (Actual)			
1	2	3	4	5	6	7	8	9	10	11
1	Distribution Line	KM	1697	35969	24272	4638	4632	3703	12973	53%
2	33/11 KV Sub-Station	No.	35	84	49	5	12	2	19	39%
3	Total Service Connection	No.	153697	553370	399673	43105	72382	56030	476491	43%
4	(a) Residential Connection	No.	119118	..	..	30783	60546	45540	..	..
	(b) Commercial Connection	No.	28824	..	..	9259	8652	6743	..	..
	(c) Irrigational Connection	No.	5910	..	..	1068	1329	2576	..	..
	(d) Industrial Connection	No.	2845	..	..	1541	1279	918	..	..
	(e) Other Connections	No.	..	..	..	474	576	253	..	..

TABLE 9

The pattern of electricity consumption in rural areas under REB before the launching the TFYP and first two years of TFYP period.

Year	Domestic		Commercial		Industrial		Irrigation		Others		Total	Increase over last year.
	GWHR	%	GWHR	%	GWHR	%	GWHR	%	GWHR	%		
1	2	3	4	5	6	7	8	10	11	12	13	14
1984/85	34.87	24.45	9.625	6.75	71.211	49.94	26.320	18.46	0.579	0.40	142.627	..
1985/86	44.786	24.80	13.959	7.50	93.696	51.25	29.492	16.25	0.943	0.50	182.856	28.20
1986/87	58.65	25.20	17.278	7.50	117.95	50.65	37.937	16.30	1.081	0.45	232.902	27.37

The electricity consumption in the rural areas increased at a very high rate with the implementation of rural electrification project during first two years of TFYP period. It is also notable that the highest share of consumption went to rural small and cottage industries followed by domestic uses and irrigation purposes. The rural electrification played an important role for the development of the rural economy.

#### Adjustment in policies and strategies :

Partly as a result of low growth of the economy and constraints in generation capacity in the first three years of the plan period, the sectoral growth has already been slowed down and hence a revised load forecast of 1727 MW by Jun, 1990 has been estimated. In the remaining years of TFYP, crucial transmission and distribution projects like the upgradation of east-west inter-connector, Augmentation of existing grid substation, addition of 2nd circuits, Seven Tr. lines, Ashuganj-Comilla 230 KV line and power distribution for greater cities and Area Coverage Rural Electrification will be accorded greater priority as far as possible so that electricity sales significantly increased. In order to meet shortfall in resources BPDB will have to gear up mobilisation of its own resources further.

System loss could not be reduced as per TFYP target. For mobilisation of resources even to achieve the revised plan targets and to arrest the increasing system loss, efforts have to be further geared up. The revised conservative targets for reduction of system losses have been set now as 35% in 1988-89 and 30% in 1989/90. From an analysis of energy generation, electricity sales and system losses over the last three years, it is seen that additional generation in 1984/85 was 562.243 Gwh, out of which additional sale of electricity was only 137.192 Gwh and the system loss was 37.50%. In 1985/86, the additional generation was 271.823 Gwh and the additional sale was 466.738 Gwh reducing thereby the system loss to 31.10%. In 1986/87, when the country had enough generating capacity, energy was liberally generated involving an additional generation of 786.744 Gwh but the additional sale during the year was only 177.192 Gwh pushing the system loss again to 37.6%. This means that in 1986/87 billing of electricity was not carefully done allowing for leakage of a huge amount of electricity in the shape of system loss on account of pilferage, theft etc. It also means that when there is enough generating capacity in the country energy is very liberally generated and distributed without adequate care and without distinguishing between effective demand and non-effective demand. It has to be kept in mind that although electricity is considered to be a utility, like other commodity it cannot be distributed free of cost and hence revenue generation, among others has to be given due consideration. The Agency has, therefore to exercise best of care and caution with respect to commercial operation. Mobilisation of local resources by BPDB and REB will also call for revision of electricity tariff at regular intervals. Tariff was suitably revised in 1985/86 and 1986/87. This was again revised in 1987/88 raising the average rate from Tk. 1.70 to Tk. 1.96 per unit and to Tk. 2.00 per unit in 1988/89. The tariff will need to be revised to Tk. 2.33 in 1989/90.

From an analysis of the consumption pattern of electricity it transpired that in the recent years the percentage of unproductive use of electricity increased compared to productive use. The rate of increase of electricity consumption in the industries was 6.5% and its percentage share in total consumption dropped from 67.43 to 53.98% over the period 1981/82 to 1986/87. In the Agriculture sector the rate of increase of consumption was 25.9% over the period and its percentage share was 1.77% in 1981/82 and 3.27% in 1986/87. The rate of increase of domestic consumption was very significant. Its percentage share was 17.23% in 1981/82 which went up to 25.82% in 1986/87. It seems that the use of electricity in the industries did not increase as desired, but the use of electricity in the non-productive sectors including the domestic sector shot-up. The consumption of electricity has, therefore to be regulated and further rationalised through suitable tariff as well as non-tariff policies with a view to promoting economic growth and discourage unproductive and wasteful use of electricity.

The rationale behind rural electrification financing is that the PBS will ultimately operate as viable unit and become self-reliant, so that subsidy will be discontinued in the future. So far 33 Nos. of PBSs are in operation and they are presently enjoying a total subsidy of around Tk. 9.00 crores. The number of PBSs that have crossed the prescribed time period of 5 years is eleven. Of these, two PBSs only are operating as self-reliant viable unit requiring no subsidy and nine units are yet in need of subsidy because they are still running at deficit. When the entire country will be brought under rural electrification through creation of over 100 PBS the amount of subsidy will exceed Tk. 100 crores. Hence, subsidy will pose a serious problem in the future. One of the reasons for the PBSs running at deficit is high system loss. Presently the system loss of the PBSs varies between 11% to 32% and the objective of comprehensive rural electrification with subsidies may require to be reviewed.

Presently, system reliability is at a satisfactory level compared to what was prevalent two years back. The degree of reliability should be further enhanced in major load centres to ensure uninterrupted supply of electricity. The electricity generation capacity in the public sector is also at a satisfactory level and future plant addition has also been scheduled to avert any generation shortfall in immediate future. Further, the transmission and distribution net work is being strengthened to ensure uninterrupted supply particularly in the major load centres where industrial concentration has been taking place. Hence, captive generation should be discouraged in general.

To encourage local manufacture of electrical equipment and increased use of the same in the power system, the policies of restricting import under credit to those items only which are not locally manufactured or difficult to manufacture, should be vigorously pursued. Efforts should also be made to convince the donors to give project aid/commodity aid/barter for importing the raw materials or semi-finished goods which can be used locally to manufacture/reassemble such equipment that are required in the development projects. In order to solve the acute problems of local resource shortage, foreign donors should be persuaded to increase the Reimbursable Project Aid (RPA) and to allow local manufactures to compete with foreign suppliers under increased price preference. The local manufactures should also be allowed concessionary terms and conditions with respect taxes and duties for imports of raw materials. It has transpired from experience that sufficient care and caution has not been taken for selection of foreign financing for power projects. As a matter of policy, grant financing should be explored by all means. Where the same is not possible, soft term loan and the untied credit should be order of priority. International competitive bidding, particularly in case of loan financing should be ensured as far as possible. The procedures for negotiations of credit should also be strictly followed.

Manpower Development, reduction of dependence on expatriate consultants and technology transfer are essential for successful implementation of the development programme and efficient operation of the power system. But it appears that no concrete achievement could be made in this direction. The overall efficiency of the operating system is yet to be enhanced through efficient operation and maintenance of plants and equipment with the help of appropriately trained manpower in the respective fields, introduction of modern management system in the accounting and financial matters etc. There is yet a lot to be done in the field of planning and implementation of development projects also, starting from feasibility study to completion of the projects. Power Development Board and Rural Electrification Board are still heavily dependant on expatriate consultants for project planning including feasibility studies, design and detailed engineering, preparation of specifications and tender documents and even for supervision of execution works. Simultaneously, some of the major projects and project components are also being implemented on turn-key contract basis. This heavy dependence on foreign consultants and expatriate services must be reduced by increasingly utilising the services of local consultants and utilising PDB's/REB's own personnel and engaging them in practical works in addition to supervision and official works. Greater involvement of PDB and REB personnel in practical works and lesser dependence on expatriate consultants will enable to acquire the know-how and technology transfer.

### Adjustment in the Programme :

In the light of revised objectives, targets strategies revised load forecast, resources mobilisation etc. a revised list of schemes has been evolved. This is mostly in line with the priority investment programme as prepared earlier in connection with energy sector credit through discussion in different interministerial meetings.

In view of resource shortfall, but to achieve the revised projected demand, utmost care has been taken in respect of building up required firm generation capability and plant additions. In order to meet the maximum demand of 1727 MW by June, 1990 a proposal for new plant addition has been made in the revised programme beyond what was included in the original TFYP list of projects. The originally identified TFYP projects under construction/Committed for finance and to be committed soon have been just rescheduled in respect of priority and accordingly allocations for them, for example, in respect of Generation Projects, Considering the Ghorasal 4th Unit to be invariably commissioned by 1989/90, adequate allocations have been made for it. Attempts have been made to ensure that fresh inclusion of new projects like G.T. Units does not cause resource problem or frustrate the progress of the major on-going projects. It is expected that to satisfy the aforesaid maximum demand of 1727 MW, a firm capability of 1809 MW will be built up and the generation capability (after retirement of old sets and derating of some units) will be raised to 2222 MW 1989/90.

Power development being a continuous process an eye has to be kept on creation of capacities at least for the medium term requirement. Accordingly, provisions for initiation of some projects in the TFYP and their commissioning in the Fourth Plan have been retained in the revised programme. 210 MW unit at Gh rasal (6th Unit) being introduced in place of 200-300 MW East Zone Thermal Power Station and two new projects-namely 2 x 300 Large Thermal Power Plan and 30 MW Steam Unit of Ashuganj Second Combined Cycle Plant have been initiated afresh in the TFYP in order to enable their Commissioning in the Fourth Plan. No new project has been included in the revised programme for REB. In view of shortfall in resources, implementation of almost all of projects of REB will be staggering and as such the momentum for rural electrification may slow down.

### Implications of the Revised Programme

The Power Sector is left with a balance amount of Tk. 1572 crores (in 1984/85 prices) for next two years (1988/89, and 1989/90 out of the original plan allocation. But the requirement of the Power sector for these two years is around Tk. 1700 crores (1984/85 prices). Although all efforts will be made to protect the revised targets through a set of new priorities to different programme and projects and new allocations for them, there is no denying the fact that the physical achievements in the Power Sector will be slightly less than what was envisaged earlier, particularly in transmission and distributions sub-sectors.

Total employment creation as expected of the Power Sector will also fall short of the targets. Employment creation through massive rural electrification will suffer most. One of the objectives of the massive rural electrification programme was to reduce dependence on oil import and thereby improve balance of payment position. Another objective of rural electrification was to improve the social conditions of the rural masses with a view to promote equity in the rural areas. All these objectives will remain partly unrealised.

## OIL, GAS AND NATURAL RESOURCES

Oil, Gas and Natural Resources (OGNR) Sector receives an allocation of Tk. 1315 crores which is 5.2% of the total Public sector allocation. Besides, Tk. 500 crores has been earmarked for private sector's investment in the oil/gas exploration and development. In addition Tk. 25 crores has been earmarked for mineral development.

In 1984/85, the country had to import about 1.5 million tons of oil which took away more than one-third of the export earning. The picture of the per capita mineral and metal consumption is no better than that of the energy. The per capita steel/iron and cement consumption in the year 1984/85 are about 4 kg and 12.5 kg respectively which are also one of the lowest in the World. To improve the situation the Third Five Year Plan for the oil, gas and mineral development aims at providing larger amount of commercial energy to raise the per capita consumption from 42 kg. of oil equivalent in 1984/85 to 56 kg in 1989/90, and meeting this increased consumption mostly from indigenous natural gas to reduce the burden of import bill for crude oil. The gas sector will grow at the rate of 13.8% and the share of natural gas to the total commercial energy will rise from 56% in 1984-85 to 68% in 1989-90. Besides it emphasized balances among the various activities of the sector, efficient utilization of the resources, development of appropriate manpower and institutions and alternative uses of natural gas. The main objectives, strategies, policies and targets of TFYP are as follows:

### Objectives:

- (i) To maximise the use of natural gas for meeting increased demand for commercial energy and relieving the balance of payment pressure from fuel import bill.
- (ii) To intensify the appraisal and exploration activities for oil and gas, the latter activities with particular emphasis in the west zone.
- (iii) To undertake appropriate measures for the supply of gas to the western zone and develop a national network of supply in order to achieve a balanced regional development.
- (iv) To conserve the exhaustible energy resources like gas through promotion of the efficient and economic uses by appropriate tariff and demand management.
- (v) To improve efficiency and product mixes of Eastern Refinery.
- (vi) To expedite survey, exploration and feasibility study of Barapukuria coal deposit.
- (vii) To develop local capacity and expertise in hydro-carbon exploration and development through effective manpower training.

### Strategies :

The following strategies will be adopted in pursuing the above objectives:

- (i) In enhancing exploration, involvement of private sector particularly the international oil companies would be encouraged, and data base about gas and oil prospects will be developed to stimulate private sector.
- (ii) For transfer of gas to the western zone, the gas pipe-line along the Jamuna Bridge project and other prospects will be explored.
- (iii) In addition to various alternative uses of gas such as LPG, CNG, the possibility of new gas-based industries would be pursued, but gas based export oriented industries would be planned if there is sufficient reserve of gas after meeting the indigenous requirement.
- (iv) To conserve exhaustible gas resources, efficient and economic use of gas will be promoted through appropriate tariff system.

**Policies :**

- (i) The hydrocarbon development policy must provide, besides greater dependence on domestic capability, more liberal terms for product-sharing venture because of resources and capability constraints.
- (ii) The fund is to be allocated rationally in between exploration, development, and transmission and distribution so that the benefit from limited resources is maximized for economic development.
- (iii) A conservation policy must be adopted to attain a balance between exploration and development within the resources constraint.
- (iv) A rational tariff policy should be pursued so that average gas price includes a rent for the natural resources over and above meeting the long run marginal costs of the sector's expansion.

The price policy has to be based on the following considerations:

- (a) For exclusively export-oriented gas based industries, the f.o.b. price of gas must be equivalent to crude oil price on BTU basis.
- (b) Gas price for industries in the eastern zone will have to be equal to the price of oil or coal to similar industries in the western zone.
- (c) For power generation and domestic market oriented fertilizer industries, gas price will be fixed at a level that will help to attain the development goals.
- (v) A clear policy and programme for the development of manpower be adopted to make the country more self-reliant in gas and oil exploration and development.
- (vi) In order to make oil and gas exploration and development more dynamic and action-oriented the existing companies/organizations should be grouped together on the basis of functional lines.

Performance in the last three years (1985-88):

**Physical Achievement :**

In order to realise the objective of maximising the use of natural gas and relieving the balance of payment pressure from fuel import bill, certain targets were fixed in the Plan Document in respect of peak supply, annual supply, customers connection, drilling of development wells and construction of transmission and distribution lines.

The Table below shows the actual position of 1984/85, the increment during 1985/88 and the revised target for 1989/90.

TABLE 10

	1984/85 (Actual)	Increment during 1985/88 (cumulative upto June 1988)	Revised Target 1989/90
<b>1. Gas</b>			
(a) Peak Supply (In MMCFD)	328	207 (535)	150
(b) Gas Supply (MMCFD)	94,600	52,780 (14,7380)	18,0000

	1984/85 (Actual)	Increase during 1985-88 (cumulative upto June 1988)	Revised Target 1989/90
(c) Customers Connection (Nos.)	240,000	107,913	400,000
(d) Exploration Wells (Nos)	42	2 (44)	48
(e) Development/workover Appraisal Wells (Nos)	21	6 (27)	41
(f) Transmission Lines (In miles)	452	30 (482)	700
(g) Distribution lines (In miles)	1,830	1107 (2937)	3,500
(h) (Survey In Km.)	10,000	5,900 (15,900)	18,000
2. Oil/Oil Products Consumption (In Ton)	15,00,000	200,000 (17,00,000)	17,50,000

The physical targets of the sector during first three years of the plan period could not be achieved in many cases. Due to delay in the implementation of some of the power and industrial plants, the peak supply as stipulated could not be attained. The annual consumption also falls a little behind the target due to delay in the installation of Power Plants as well as due to lack in completion of necessary transmission and distribution lines. One important issue to be mentioned here is that there is a difference of about 5% between the total supply and total consumption of natural gas. This indicates a system loss. The least progress has been made in the installation of development wells and development-cum-appraisal wells. In the last three years, only 6 wells have been drilled against the target of 9. The procurement of a drilling rig under ADB loan and appointing consultants/contractors for development-cum-appraisal wells under IDA's Second Gas Development Project was significantly delayed. In spite of all these bottlenecks the increased gas supply, substituted about 0.25, 0.45 and 0.40 million tons of imported oil additionally in the years 1985/86, 1986/87 and 1987/88 respectively. This saved about Tk. 124 crore, Tk. 200 crore and Tk. 225 crore respectively in foreign exchanges, thus reducing burden on balance of payment. The total quantity of substitution in the last three years was 2.5, 3.00 and 3.4 million tons of oil equivalent respectively. The consumption of imported oil is slightly more than what was projected in the plan.

#### The exploration activities :

The plan targetted drilling of six exploration wells including the on-going two well (Sita kund and Fenchuganj) in the eastern zone. The four new well sites are Patharia in the east zone and Bogra, Mubarakpur and Shaikupa in the west zone. By this time only the two on-going wells have been completed and preliminary activities for the drilling of Patharia and Bogra well have been completed. The overall performance of this is much behind the schedule.



**Appraisal of Gas Fields :**

The Third Plan envisaged drilling of six appraisal wells (in fact nine appraisal wells) in six major fields (two each at Kailashtilla, Rashidpur and Bakhrabad and one each at Beanibazar, Habiganj and Titas). Some of these appraisal wells will be converted into production wells. Only two wells (Beanibazar) had been drilled so far against the target of five during the period under review.

**Supply of Gas to the Western Zone and Develop of National Net-work of supply:**

To supply natural gas to the western zone of the country by the end of the Fourth Plan, provision has been kept in the proposed Brahmaputra Gas Transmission and Distribution which will transmit about 100 MMCFD of gas to the Western Zone.

As regards national grid, already the two gas system namely the Bakhrabad and Titas have been connected and the third system the Jalalabad gas system would be connected to the Titas-Bakhrabad system through North-South Pipe line to be constructed.

**Improve Efficiency and Product-mixes of the Eastern Refinery :**

The Eastern Refinery produces lighter (Naptha) and heavier (FO) product more than the requirement and mid-distillate (Diesel/Kerosine) much less than that is required. To avert the situation a Secondary Conversion plant will be added in the Third Plan period which would facilitate the production of 150,000 tons of extra diesel without any increase in crude throughput. The work for establishment of the plant is going slow and may not be completed as per schedule.

**Financial Performance :**

Total allocation for the sector in TFYP was Tk. 1315.00 crore at 1984/85 prices which is about Tk. 1730.00 crore in current prices. It was expected that out of this total allocation, Tk. 868.00 crore with a Taka component of 360.00 crore would be given to this sub-sector during last three years. But only Tk. 677.00 crore (Taka component 244.00 crores) was allocated through ADP in the last three years. The short-fall of allocation is about 22% in respect of totality and about 33% in respect of Taka component. Utilization of the allocation is quite satisfactory (100% in case of Taka component and 95% in case of Project Aid). The situation is reflected in the following table:

TABLE 11  
Financial performance during 1985—88 :

Allocation.	(Taka in crore.)			
	1985/86	1986/87	1987/88	Total.
(a) Expected TFYP Allocation (at 1984-85 prices).	220	240	260	720
(b) Expected Allocation in current prices (Taka)	242 (100)	288 (120)	338 (140)	868 (360)
(c) RADP Allocation in current prices (Taka)	222 (70)	215 (94)	240 (80)	677 (244)
(d) Shortfall (Taka) .. .. .	20 (30)	73 (26)	98 (60)	191 (116)
(e) Utilization (Taka) .. .. .	209 (71)	215 (94)	— (..)	— (..)

Figures in parentheses indicates Taka component.

**Implementation of Policy/Strategy :****Expedite Survey, Exploration and Feasibility Study of Barapukuria Coal Deposits :**

In Barapukuria, Dinajpur, a big deposits of good quality bituminous coal has been discovered by the Geological Survey in mid 1985. It is estimated that about 250 million tons of coal occurs in a 3 sq. km area between the depths of 150—350 meters.

**Conservation Policy of the Energy Resources:**

Both Plan strategy and policy emphasised conservation of limited exhaustible gas resources by (i) improving the efficiency of energy use in industries and power plants, (ii) introducing appropriate gas tariff, (iii) managing the demand, and (iv) attaining a balance between exploration and development. Except the first measure, no planned action has yet been undertaken in other cases. The existing tariff system is, in its real sense, not designed to effect conservation measures as even today, over 70% of the gas supplied to bulk consumers is priced at only 60% of its economic level. Appropriate demand management practices by restricting connections/gas supplies are yet to evolve.

**Gas Tariff Policy :**

Except raising the gas tariff by 20% in each of the last three years, again on *ad-hoc* basis, nothing has been done in respect of policy issues. The "economic prices" of gas is yet to be worked out by the government. When all over the World the price of indigenous gas is lower than the equivalent oil price, the gas price for industries was on the level of imported fuel price. The gas was supplied to bulk consumers at a much subsidized rate affecting the gas sectors' viability. But it should be given on output and i.e, on electricity and fertilizer.

**Manpower Development Policy :**

The plan emphasises the formulation and adoption of a clear policy and programme for the development of manpower to make the country more self-reliant in gas and oil exploration and development. So far no positive action in this regard has been taken by the concerned Ministry/Agency. Although a considerable amount of money is spent each year for training and higher education, and more than 80% of the professionals of this sector have received foreign training/higher education, some of them a number of times, yet the sector is more or less, completely dependent on expatriate consultant, experts and contractors in most areas of their activities. It appears that instead of becoming gradually self reliant this sector is becoming more dependent on expatriate expertise and services.

**Institutional Development:**

For effective functioning of BOGMC, a policy was taken to reorganise the existing subsidiary Companies and Division under BOGMC on the basis of functional line. A feasibility study for the purpose has already been completed under the financial assistance of ODA. Following the recommendations of the study a summary on reorganisational set up of BOGMC has been prepared and submitted to Cabinet for approval.

**Issues and Problems:**

In many cases the targets have not been achieved to realise the objectives of OGNR Sector. There is little action to implement the policy decisions. The performance of the sector are discussed below:

**Inadequate Allocations :**

The allocation provided through ADP in the last three years is much less than what was expected. This is particularly true in respect of Taka allocation. This shortfall in allocation slowed down the activities and timely implementation of the projects.

**Over-programming:**

There is considerable over-programming in the sectoral activities. While the TFYP allocation even in current price does not exceed Tk. 1730 crore, the total investment programme approved for the Third Plan period was over Tk. 2000.00 crores. In reality it would hardly be possible to provide more than Tk. 1300.00 crores in current prices in the plan period. The easy availability of project aid prompted the concerned Ministry/Agencies to go for over-programming without caring little for the availability of supporting Taka component. This over-programming caused this spreading of limited taka resources over a number of projects resulting in the delay of implementation of more than of 80% of projects by a year or two and hence it affected the achievement of the targets. This delayed implementation also affects the benefit and rate of return of the project.

**Lack of Prioritization and Appropriate Work Plan :**

There is no Work Plan of the concerned Ministry/Agency regarding the ranking and prioritization of projects as well as linkage of the different components of a gas system to derive maximum benefit. As a result the scarce resources could not be best utilised. Even today the agency plans for drilling more production well in a field with much surplus production capacity rather than for constructing matching distribution network to reach gas to the end-users. This is particularly true for Bakhrabad system where six additional wells are planned under different programme without corresponding increase for distribution network. Isolated treatment of different components of a single programme under different authorities sometimes affect the formulation of proper work plan, for example, the drilling of 7 development wells under ADB financing. Implementation of this programme as a single project under one authority could have saved time, money as well as pressure on ADP. The designing of many projects and their costing and phasing are both inadequate and unrealistic which cause, on and often, revision of the projects in some cases a number of times, before its completion with considerable increase in the final cost.

**Complete Dependence on Expatriate Consultants/Contractors :**

It is observed that in most areas of oil/gas Sector activities, such as, project design and engineering, preparation of specification, Tender bid preparation and evaluation, supervision of drilling and pipeline construction, mud engineering, cementation, logging, casing, setting up of processing plants, testing and commissioning etc., the agency more or less, entirely depends on expatriate consultants/contractors. Even the identification and formulation of project by the agency is based on reports of donor's Mission. The main reason for this dependency is the lack of development of indigenous manpower through proper training and higher education. Although a considerable amount of money is spent every year on training and higher education, it could not make any dent in achieving self-reliance in terms of expertise and skill. The reasons for this are probably that either the courses for training are inappropriate or proper personnel is not sent for specified training. The most serious deficiency is observed in the case of technology transfer through Technical Assistance (TA) Projects. The existing system of higher education also taken little notice for the development of appropriate manpower in the country and needs thorough recasting.

**Donors conditionalities and complex Aid Utilisation Procedures:**

In some cases the donors conditionality and complex utilization procedures delays the implementation of the priority projects. In some cases donors provide lump aid for a number of projects some of which are not priority ones according to GOB. But in order to avail the aid all the projects in the bundle should be implemented at a time which in many cases results in over programming and hence delay in project implementation. Sometimes donors impose some conditionalities for credit effectiveness that are related to the implementation of some policy measures and institutional changes. As some of these conditionalities need thorough examination and scrutiny and approval of the NEC/Cabinet before their implementation, the effectiveness of the credit gets

delayed. It is also observed that for more or less every piece of activities clearance/ approval are needed from the concerned donors. In cases of co-financing double clearance are needed once from concerned donor and again from lead donor. This also causes some delay in project implementation.

#### **Lack in the Implementation of Policy Decisions :**

The policy statements documented in the plan, in most cases, are considered highly theoretical in nature as there is no well-defined supporting programme to implement these decisions. The responsibility for implementation is not assigned to and there are many inconsistencies and contradictions within the policy decisions. The time phasing of implementation as well as evaluation mechanism are also lacking. In view of above deficiencies, most of these decisions remain unattended. For example, often policy suggestion are made for raising of gas price to its economic price level. But it would not be realistic to raise only the price of gas for its users to the economic level unless such economic pricing is applied to other areas of national economy. Subsidy should not be given to the user industries particularly the power and fertilizer at the input end or output end unless these issues are resolved in a well-thought manner. In case of manpower development the present syllabus or courses in the Universities and technical colleges are not reoriented to the need of the country to develop appropriate manpower and get rid of dependence on expatriate expertise.

#### **Non-adherence to Planning Discipline:**

It is observed that in many cases Planning discipline is not strictly maintained or followed by the concerned Ministries. In many cases MOU, Aid, Memoire, Protocol etc. are signed prior to the clearance of the concerned PP by the competent authority, and aid negotiation includes areas/issues that were not previously approved by the Government. This drastically influences project designing based on the availability of aid/TA rather than real need. Sometimes the concerned Ministry/Agency start expending money before than inclusion of a project in ADP or before its clearance by the PEC. Expenditures beyond ADP allocation and diversion of fund from one project to another are common features among the projects of the oil/gas sub-sectors project. Unless these are brought under control planning disciplines cannot be maintained.

#### **Recommendations :**

For the effective implementation of the sectoral plan, the following suggestions are made :

- (i) As it is apparant that the planned allocation for the sub-sector cannot be provided through ADP, Planning Commission should work out a revised size of the allocation including Taka component and inform the concerned Ministry/Agencies of this on the basis the revised allocation, the concerned Ministry /Agencies should reallocate/redistribute among the projects based on their priorities and keeping an eye to balanced development of the different components of a gas system.
- (ii) The Energy Ministry should furnish to Planning Commission a complete picture of the projects or a part thereof that are going to be completed in the Third Plan period and those which are to be spilled over to Fourth Plan.
- (iii) In order to arrest over-programming projects whose cost for the plan period greatly exceed the plan allocation should not be approved further.
- (iv) Proper and realistic designing, costing and phasing of the project should be done to avoid repeated project revision.
- (v) While processing for project aid, the priority and non-priority projects should not be bundled together as some conditionalities on the latter affect the timely implementation of the former.

- (vi) The credit should not be tied up with conditionalities.
- (vii) There is urgent need to reorient the existing education system to develop appropriate manpower in the country to reduce dependence on expatriate consultants/experts.
- (viii) No foreign training programme should be approved unless the concerned Ministry/Agency could justify the need for such training in terms of existing trained manpower and the job to be performed. In order to appraise the training need, the concerned Ministry/Agencies should furnish an appropriate manpower development programme clearly indicating the number of personnel to be trained further in different fields, the duration of such training of the implementation schedule. A post-evaluation mechanism should be developed for trained personnel.
- (ix) While approving a Technical assistance project, it should be ensured that appropriate technology transfer takes place through this project.
- (x) No Aid Memoire, Development Credit Agreement, PRODOC should be considered prior to the clearance of PP/TAPP by the PEC/SPEC.
- (xi) In ADP, allocation fund should not be diverted from one project to another, and additional expenditure/investment other than Plan/ADP allocation should not be made without prior clearance of concerned Ministries. Expenditures should not be allowed for projects not included in ADP.
- (xii) The policy decision should be consistent and based on logical framework. The responsibility for implementation of the policy decisions should be fixed, and these should be backed by appropriate supporting programme.

## RURAL AND RENEWABLE ENERGY (RRE)

Rural and Renewable Energy includes bio-mass, solar (Photo-voltaics) wind, river current, draft animals, muscle power, nuclear power etc. More than 90% of the total population depends on the bio-mass fuel source for cooking, paddy par-boiling, gur making and other household activities. Besides, bio-mass fuel is used in industries like tea and sugarcane processing, date-juice concentrating, tobacco curing, baking, brick burning, pottery, soap making, lime making, blacksmith works; while solar energy at the moment is used for pumping lighting, cooking, grain and fish drying.

Presently, about 80% of the total energy requirement is met from the traditional/renewable energy sources alone and only about 20% is met from the commercial energy sources. Although with economic development, the percentage share of the commercial energy will go up, in absolute term, traditional bio-mass energy will continue to occupy a predominant position in the energy scene. But the per capita availability of the bio-mass energy has sharply been declining due to increase in population and conversion of forest land into agricultural land and reckless felling of trees to meet the various needs causing serious ecological imbalance, development of desertification symptoms in the northern region, serious energy crisis in the rural areas and drainage of hard-earned foreign exchange on the import of commercial energy.

In order to overcome the difficulties emphasis was given on the development of traditional/new and renewable energy sources in the Second Five Year Plan and a programme was accordingly taken up at the middle of the plan, but no significant progress could be made. However, a more elaborate programme was taken up in the Third Five Year Plan for the development of traditional/new and renewable energy sources with the objectives targets and strategies mentioned below:

### Objectives :

- (i) To achieve a system of balance between agriculture, water and energy emphasizing optimum use of indigenous energy resources like bio-mass, biogas sunlight, wind, water current, etc.
- (ii) To aim at increasing technical capability in the field of new and renewable sources of energy development.
- (iii) To introduce extension/motivational services for adoption of various technologies for efficient and economic use of new and renewable energy resources.

### Targets :

- (i) Construction of 5000 biogas plants throughout Bangladesh (at least one in each Union).
- (ii) Manufacturing and distribution of 7 lakh improved single stoves and 10,000 multiple stoves.
- (iii) Establishment of 5 (five) rural energy centres in villages for dissemination and back up services for devices on biomass/solar energy/wind, etc.

### Strategies :

To achieve the objectives for new and renewable energy resources main thrust during the TFYP will be given on the following strategies :

- (i) In addition to the central station at Dhaka, research on the assessment of solar energy resources including the techniques of photovoltaic cells will be strengthened by setting up some more stations in the different regions of the country.

- (ii) Development of silicon technology will be pursued in a phased manner with focus on wet and soft ware in the Institute of electronics, BAEC in close co-operation with IFRD of BCSIR, DU, etc.
- (iii) Five rural energy centres proposed for setting up in different parts of the country will disseminate proven NRSE technologies, use photovoltaic cells/wind/biomass in an integrated manner, to generate electricity for pumping of water for irrigation, running of small industry and ice-making, for preservation of fish and vegetables and provide back up services there.
- (iv) Efficient technologies (gasifier, pyrolysis, briquetting, etc.) for thermo-chemical and other conversion of biomass and agricultural and industrial residues will be developed.
- (v) Proven technologies developed in the various institutions, for efficient use of new and renewable sources of energy, will be disseminated among the common people through training, demonstration, mass media, pamphlets, booklets, etc.

A sum of Tk. 20.00 crore was earmarked for new and in the TFYP. Bangladesh Atomic Energy Commission (BAEC) was expanded to accommodate six solar energy, (i. solar pumping, ii. Solar lighting system, iii. Solar battery charger, iv. Solar electricity for off-shore islands, v. Solar Energy Cell, and vi. Silicon wafer fabrication) and Genetic Engineering unit. Rooppur Nuclear Power Plant Project had been in implementation for a long time directly under the Power Wing of the sector and was transferred to RRE sector very recently. IFRD of BCSIR was entrusted with the responsibility of implementing the 'Energy Saving Project' with only three sub-projects. (i). Manufacture and distribution of improved cooking stoves, (ii). Production of kupce as a substitute of hariken and (iii). Setting up of bio-gas plants and further improvement of the present plant design against six identified and earmarked for them.

#### Physical Performance :

##### Solar Energy:

Under the solar pumping system, setting up of one solar pump at AERE, Savar was completed and a number of research activities were undertaken to ascertain that types of crops which could be suitably produced by irrigating the land by the pump. Another solar pump was procured to be installed at Shilua Tea Garden, Moulavibazar, Sylhet for irrigating nursery for raising tea seedlings. As irrigation by solar pump is not required for two-third period of the year, an initiative has been taken for the alternate use of the unused solar panel energy and various devices have been worked out in this connection particularly the work of switching lights and running refrigerators for the preservation of emergency medicines.

Under the solar battery charger a solar panel was used in lighting and collection of data in charging and discharging of batteries at different periods of the year.

Under solar lighting system BAEC has a 75 W (Peak) PV array for charging batteries of a system for lighting in domestic house-holds. Necessary equipment was imported and installed at Hinganagar, Tangail for supplying electricity to 100 families for a typical rural industry (Pati).

Solar power system for off-shore islands was also undertaken during the plan period. Two centres at Sandwip viz. (i) a medicine preservation centre and (ii) a natural calamity and common development centre were made partially operational upto June, 1988. The centres will help preserve emergency medicines, and switch lights of different colours and blow siren to make the people aware of the cyclone in time.

Silicon wafer fabrication was proposed with the object of carrying out basic R&D work for the production of 99.99% pure silicon from rice-husk as well as other organo silicon compounds (i) to prepare silicon ribbon or wafer for the fabrication of solar cells and (ii) to strengthen institutional R&D capability in the field of solar energy using photovoltaics.

### Nuclear Energy :

Rooppur Nuclear Power Plant was inherited from the past decades and the physical facilities under the earlier approved schemes are being maintained. As foreign donors could not be convinced for financing the cost of the main project, the work could not be initiated as yet. However, a fresh feasibility covering techno-economic and safety measures were undertaken and up-to-date cost estimate was being prepared for the Power Plant.

### Energy saving programme :

IFRD of BCSIR manufactured and distributed 2000 no. of single, 80 no. of multiple stoves and 70 no. of bio-gas plants upto June, 1985. During 1985/86 1150 and in 1986/87, 810 cooking stoves has been manufactured and distributed, and 12 and 4 no. of bio-gas plants were set up in the same period. IFRD (BCSIR) also manufactured 8327 kpees upto June, 1985, 4612 ro. in 1985/86, 1073 no. in 1986/87 and 15,000 no. in 1987/88.

During 1987/88, a sum of Tk. 10 lakh was allocated for all the three activities under Energy Saving Project. By the agency's motivational work, training, etc. in three Upazilas viz. Panchagarh and Romari of Rajshahi Division and TeroKhada of Khulna Division, about 15 thousand families were covered in respect of improved stoves and improved lamps and 70 families in respect bio-gas plants. Construction/distribution and operation were done by NGOs viz., Swanirvar Bangladesh, Bangladesh Association for Community Education, and Village Education Resource Centre.

With regard to financial target and achievement it may be noted that only a sum of Tk. 28 lakh in 1985/86, Tk. 76 lakh in 1986/87, and Tk. 352.7 lakh in 1987/88 in L.C. was utilized (including Tk. 315 lakh for RNPP feasibility study).

### Employment :

If due emphasis is given for development of RRE, it is expected that 500 skilled- and semi-skilled persons will be provided with jobs in the Public Sector and job oppor- tunities (in the form of mason, carpenter, blacksmith, day labourer, etc., for construction distribution, operation and maintenance of these devices) of 23.7 lakh man-months will be created in the private sector.

### Constraints and prospects :

Potentialities of the solar energy source is tremendous and all what is needed for the country are appropriate technology, further research, trained and dedicated manpower serious executing agencies, necessary fund, etc.

Main Rooppur Nuclear Power Plant, if found feasible and donor agencies come forward to finance the project, then we may expect to have an alternate source of electric power of 300-500 MW, capacity within next 5-6 years.

In case of Energy Saving Programme particularly improved cooking stove can save cooking fuel by more than 50% and if beneficiaries could be properly trained, motivated helped, considerable bio-mass fuel would be saved and the fertility of soil would be restored, possibility of desertification would be diminished and ecological condition of the country would gradually be balanced.

The development of RRE will ultimately provide a clean and hygienic environment and improve living standard of rural people. But if this trend of investment and activities continues, nothing significant, in respect of its development, will come out within foreseeable future.

As several Ministries and agencies are involved in the R&D and promotional activities of Rural and Renewable Energy, it is felt that, RRE wing of the Planning Commission should be entrusted with the co-ordination of all work directly for the sake of smooth development of this sub-sector.



Table 12  
PHYSICAL TARGET AND ACHIEVEMENT

Sl. No.	Name of the Sector/ Sub-sector/Item	Unit	Base year achieve- ment pro- duction	Plan Target	Achievement/Production in			Percentage achieved (Col. 8 .. as % of Col-5)	Reasons for short- fall.
					1985/86 (Actual)	1986/87 (Actual)	1987/88 (Actual)		
1		3	4	5	6	7	8	9	10
	<b>Power/RRE Agency : B.A.E.C.</b>								
1	Revised Integrated Programme for New and Renewable Sources of Energy (BAEC's 7 Sub-Projects).	No.	..	5 Rural Energy Centres	..	..	2	40%	Lack of interest on the part of the Administrative Minis- try and non-availabi- lity of foreign assis- tance.
2	Rooppur Nuclear Power Plant (Maintenance & feasibility)	..	..	One feasi- bility study	..	..	1	100%	
	<b>BCSIR</b>								
3	Fuel Saving Project :								
	(a) Manufacture and distribu- tion of Improved cooking stoves.	Single No. Multiple No.	2,000 80	7,00,000 10,000	1,000 150	500 310	15,000 ..	2% (app).	Lack of seriousness on the part of the Administrative minis- try.
	(b) Production of kupec as a substitute of Hariken and further research.	No.	8,327	Not fixed in the plan (31,5000 as per PP.)	4612	1,073	15,000	5% (app).	
	(c) Setting up of Bio-gas plants and further impro- vement of the present plant design.	No.	70	5,000	12	4	70	1% (app).	

Table 13

## FINANCIAL TARGET AND ACHIEVEMENT

Sl. No.	Name of the Sector/Sub-sector	Plan Allocation Tk. in lakh	Expenditure				Estimated Expenditure (1985-88)	Percentage achieved (Col. 7 as % of Col. 3).	Reasons for shortfall
			1985/86 (Actual)	1986/87 (Actual)	1987/88 (Actual)	1988/89 (Actual)			
1	2	3	4	5	6	7	8	9	
<b>Agency : BAEC</b>									
1	Revised Integrated Programme for New & Renewable sources of Energy (BAEC's 7 sub-projects)	640.00 (957)	14.00	59.00	12.5	85.5	13.4	Lack of seriousness on the part of the sponsoring Ministry Executing agency and non-availability of Project Aid.	
2	Rooppur Nuclear Power Plant (RNPP)	500.00 (N.A.)	14.00	17.00	330.0	361.0	72.2	No shortfall at the moment. But if the feasibility study suggest for implementation of them main project and the fund becomes available, the actual expenditure during the plan period will be much higher than the plan allocation.	
<b>Agency : BCSIR</b>									
3	Fuel Saving Project	670.00 (197.53)	..	..	10.00	10.00	1.5	No shortfall is visualized.	
4	Block allocation	690.00 (N.A.)	..	..	..	..	..	Not claimed by the Ministry/Agency.	
<b>Total</b>		2,500.00 (N.A.)	28.00	76.00	352.50	456.50	25.50		

Total estimated project cost could not be reflected due to non-availability of the cost of RNPP. Figure within paren theses Indicate cost of the projec.

## CHAPTER XII

### TRANSPORT AND COMMUNICATION

#### Introduction :

Development of an adequate and efficient transportation system is a pre-requisite for economic development of any country. But in Bangladesh, the transport facilities including infrastructure are not adequate and has certain peculiar problems. The terrain is deltaic, flushed by major rivers and inundated by annual floods, making construction as well as maintenance of roads and railways costly and difficult. Again, millions of tons of silts carried by the rivers makes it difficult to keep the waterways navigable. The high cost of construction and maintenance together with resource constraint makes Bangladesh the least developed infrastructure for transportation. In spite of this situation transport sector contributes about 8% of the GDP of which the contribution of the road sub-sectors is about 50 percent. Mechanised transport system of Bangladesh consists of railway transport, roads and road transport, two sea-ports, international shipping, waterways and water transport and civil aviation catering both domestic and international traffic.

Private sector dominated the road transport sector. Share of the private sector in terms of the mechanised road transport vehicles was 85%. The operational situation of the only public sector organisation, BRTC was far from being satisfactory.

Characteristics of the two ports were that the Chittagong port was patronised mainly for imports and the Mongla port for exports. These had important influence on the growth and revenue earning capacity of all the transport modes operating between the ports and hinterland.

International shipping was being carried out by the Bangladesh shipping corporation, a public sector corporation and some private sector enterprises. share of the private sector in terms of the dwt was only about 25%.

Both public and private sectors were responsible for providing water transport services although the maintenance of the navigational channels and regulatory authority remained exclusively with the public sector. Govt. policy was to provide increasing incentives to the private sector for larger participation and to consolidate the public sector organization through improved operating and management efficiency.

Civil Aviation Authority was responsible for providing the infrastructure and the Bangladesh Biman was responsible for providing the services.

#### Sectoral Objectives, Strategies and Targets in the TFYP:

The objectives of the Transport Sector during the Third Plan were as follows :

- (i) to develop adequate transport facilities to connect Upazila headquarters as part of national transport net-work;
- (ii) to maximise the utilization of the existing transport capacities;
- (iii) to ensure economic modal split of traffics through appropriate pricing of transport services and efficient allocation of resources among different modes and medium of transportation;
- (iv) to encourage fuel economy and fuel substitution through technological development and adaption; and
- (v) to ensure better comfort and greater safety to passengers through proper maintenance of facilities and regulatory activities.

**Targets of the TFYP in the Transport Sector :**

Major targets for the Third Plan in the Transport Sector are :

- (i) construction of 1288 km of paved roads, 15,244 meters of bridges including Buriganga, Meghna and Gorai Bridges ;
- (ii) renewal of 925 km of railway tracks ;
- (iii) acquisition of 25 locomotives and 451 passenger carriages ;
- (iv) dredging of 23 million cubic meters of waterways ;
- (v) development of container handling facilities at Chittagong and increase loading/ unloading capacity of the sea-ports by 6 lakh tons annually ;
- (vi) increase of shipping capacity by 2.86 lakh DWT ;
- (vii) development of major waterways by 161 km ;
- (viii) provision of launch landing stations at 150 places ; and
- (ix) providing navigational aids to 483 km waterways.

**Strategies of the TFYP:**

The main strategies for the development of the transport sector in meeting its goals have been focused on :

- (i) the completion of on-going projects on a priority basis ;
- (ii) limiting choice of new projects to economic consideration only ;
- (iii) encouraging efficient use of existing facilities ; and
- (iv) promotion of increasing participation of the private sector in the roads and waterways sector.

**Bangladesh Railway:**

Bangladesh Railway is one of the major mode of surface transport in the country. It carried 30.09 lakh tons of freight and 903 lakh passengers in 1984-85, which declined to 19.84 lakh tons and 723 lakh passengers in 1986/87. Investment programme of B.R. is highly capital intensive. Railway Programme in TFYP laid more emphasis on improvement of the quality of services rather than expansion, mainly through improvement of tracks, development of repair and maintenance facilities, installation of modern and improved signalling system, procurement of locomotives and passenger carriages and provision of a host of other passenger amenities.

**Physical Programme and Performance :**

Major development programme of Railway Transport during the TFYP and achievement thereof up to June, 1988 are as follows:

**(i) Signalling and Tele-communication System:**

The programme envisaged replacement of signalling equipment at 6 stations on Mymensingh-Jamalpur-Dewanganj Bazar Sections; Signalling between Dhaka Bhairab Bazar in connection with line capacity works; Provision of signaling with approach warning at 25 special and 'A' level crossing gates and establishment of an integrated tele-communication System for the Railway.

So far signalling with approach warning at 25 level crossing gates have been completed and tele-communication system between Dhaka-Chittagong will be established by 1988.

**(ii) Repair and Maintenance Facilities :**

The investment programme included setting up of a modern workshop for heavy repair and major overhauling of 100 diesel locomotives, annually, expansion and modernisation of the existing facilities for wagons and carriages at Pahartali and Saidpur Workshops, improvement of Parbatipur Diesel Locomotive Shop/Shed and upgrading of 4 coaching depots, 10 wagon depots and locomotive depot at Pahartali.

Housing complex, Phase-I of the workshop at parbatipur is almost completed. The workshop complex is scheduled for completion by December 1991 as per agreement with SFD. Progress of rehabilitation of the workshops, coaching and wagon depots was 80% by June, 1988 and procurement action for plant and machinery for workshops and depots have been initiated. These are expected to be completed during the plan period.

**(iii) Locomotives, Passenger Carriages and Wagons :**

The programme envisaged procurement of 20 M.G. and 5 B.G. Locomotives; 5 M.G. Air-conditioned and 181 M.G. and 21 B.G. passenger carriages and rehabilitation of 300 M.G. and 150 B.G. passenger carriages and 2100 wagons.

M.G. Locomotives under CIDA assistance, 181 M.G. Carriages (60 from Romania, 61 from India and 60 from South Korea) have been procured. Local assembly of 52 Nos. M.G. carriages already completed. Rehabilitation of 225 Nos. B.G. and 375 Nos. M.G. wagons under the "Fertilizer Transport Project" completed except some minor works. Procurement of materials for rehabilitation of 100 M.G. 50 B.G. carriages and 150 Wagons already initiated during 1987-88.

**(iv) Track and Bridges :**

Track renewal of 925 km was originally envisaged and revised to 660 km consisting of complete track renewal of 561.98 km, through sleeper renewal of 62.30 km and casual renewal of 53,930 Nos. M.G. and 7,324 Nos. B.G. sleepers with ADB assistance under "System Improvement and rehabilitation of Bangladesh Railway". Against the above programme complete track renewal of 143.34 km M.G. and 35.64 km B.G., through sleeper renewal of 3.46 km M.G. and 10.46 km B.G. and casual renewal of 53,930 Nos. M.G. and 7,324 Nos. B.G. was completed by June, 1988.

The TFYP programme also envisages ballasting of 441.71 km M.G. and 402.02 km B.G. sections. Out of the above 182.68 km M.G. and 97.47 km B.G. track have been ballasted and 129 M.G. and 23 B.G. bridges have been rehabilitated by June, 1988. Beside construction of a plant for manufacturing 75,000 Nos. M.G. Mono-block prestressed concrete sleeper annually is under implementation.

**(v) Training facilities :**

The Plan aimed at strengthening the Training Academy through procurement of equipment particularly for the model room. MOU with India is yet to be signed for procurement of model room equipment of the academy.

**(vi) Passenger Amenities :**

To provide basic amenities at the stations for different classes of passengers, construction of 69 platform sheds, 8 foot-over bridges, 34 raised platform, 17 combined 1st and 2nd class waiting rooms, 48 3rd class ladies waiting rooms, electricity at 76 station, R.C.C. benches at 100 stations etc. were programme. So far 27 platform sheds, 3 foot-over bridges, 16 raised platforms, 7 combined 1st & 2nd class waiting rooms, 26 3rd class ladies waiting rooms, electricity at 32 stations, R.C.C. benches at 100 stations etc., have been completed by June, 1988. Besides, to provide better services to the passengers Bangladesh Railway has introduced a total of 50 Inter-city fast trains.

**(vii) Staff Welfare:**

In order to provide facilities for Government employees at Dhaka, Railway Hospital from Fulbaria has been shifted to Kamalapur Area. Construction of office and residential accommodation for officers and staff for GM/Rajshahi, Construction of office building for Railway Head Quarters at Dhaka and construction of 96 units of residential quarters at Dhaka has been planned during this plan period. Construction of 96 residential quarters at Dhaka and 16 at Rajshahi have so far been completed.

**Financial Achievements of Bangladesh Railway :**

The TFYP envisaged a total outlay of Tk. 836 crore for B.R. A sum of Tk. 298.03 crore (P.A. 165.11 crore) was allocated to B.R. during 1985-88. The allocation represented 35.55% of plan allocation. Total expenditure during the period was Tk. 301.95 crore.

**Completion of Projects :**

The following 13 projects including 3 feasibility study projects have been completed during the period :

- (1) Purchase of 97 Nos. B.G. and 197 Nos. of M.G. Passenger carriages.
- (2) Procurement of plant and machinery.
- (3) Construction of a Training Academy for Railway Officers and Staff.
- (4) Relay interlocking and improved Railway Signalling.
- (5) Construction of 50 beds hospital.
- (6) Track Renewal (Phase-1).
- (7) Shifting of 96 units of Railway Quarters from Fulbaria to Shahjahanpur/ Kamalapur.
- (8) Setting up of a plant for manufacturing M.G. mono-block pre-stressed concrete sleepers.  
(Except laying and handling equipments)
- (9) Purchase of 60 Nos. M.G. passenger carriages.  
(Except payment of last installment)
- (10) Study of the Rail-cum-Road bridge over the River Rupsa.
- (11) Introduction of container service for freight movement.
- (12) Study of Rail-cum-Road Bridge over Kushiara.
- (13) Fertilizer Transport Project.

**Issues and Recommendations :**

- (i) Inadequate allocation, both Taka and Project Aid are primarily responsible for shortfall in the achievement of targets. Unless adequate provision particularly in local currency is provided during the rest two years of the plan period achievement of the targets in physical terms will remain unfulfilled.
- (ii) Track rehabilitation programme of B.R. has been delayed mainly due to the difficulty in getting delivery of ballast and sleepers. The problem is acute and all out efforts should be made to resolve the problem.

(iii) Operational and financial performance of the B.R. have been far from satisfactory. In fact there has been continuous deterioration as would be evident from the Table 1. It would appear that there has been decline both in passenger and freight traffic. The decline in passenger traffic would suggest serious increase in ticketless passenger travel. Therefore serious attention to management of the B.R. as a commercial organization is called for. Increase in tariff only cannot solve the problem. Reduction of costs through various measures such as improvement of efficiency, better utilization of the productive assets, reduction in cost of operation including staff cost is necessary. It is reported that B.R. is overstaffed by about 20% and current high staff cost (65% of the total operational costs) needs to be brought down to no more than 50%.

Year	Passenger Traffic	Freight Traffic	Revenue	Operating Costs	Profit
1951	100	100	100	100	0
1952	95	98	98	102	-4
1953	90	95	95	105	-10
1954	85	90	90	108	-18
1955	80	85	85	110	-25
1956	75	80	80	112	-32
1957	70	75	75	115	-40
1958	65	70	70	118	-48
1959	60	65	65	120	-55
1960	55	60	60	122	-62
1961	50	55	55	125	-70
1962	45	50	50	128	-78
1963	40	45	45	130	-85
1964	35	40	40	132	-92
1965	30	35	35	135	-100
1966	25	30	30	138	-108
1967	20	25	25	140	-115
1968	15	20	20	142	-122
1969	10	15	15	145	-130
1970	5	10	10	148	-138

Table 1. Operational and financial performance of the B.R. (1951-1970). The figures are in lakhs of rupees. The figures are preliminary and subject to final audit.

TABLE 1

## B.R.'s Operational Performance

	1983/84	1984/85	1985/86	1986/87	1987/88 (on 7 months)
1. Passenger-km (million) ..	6284	6031	6005	5994	4884
2. Ton-km (million) ..	779	813	612	492	737
3. Service Availability					
(a) Locomotives ..	70%	77%	76%	78%	..
(b) Coaches ..	67%	70%	74%	76%	..
(c) Wagons ..	73%	76%	73%	91%	..
4. Engine-km per Engine Day in use :					
(a) Broad Gauge (BG) ..	269	266	282	320	327
(b) Meter Gauge (MG) ..	249	256	272	289	300
5. Coach-km per Coach Day in use :					
(a) Broad Gauge (BG) ..	203	215	219	223	225
(b) Meter Gauge (MG) ..	166	180	195	210	212
6. Net-Ton-km per Wagon-Day on line :					
(a) Broad Gauge (BG) ..	154	201	150	109	188
(b) Meter Gauge (MG) ..	121	122	104	93	113
7. Wagon Turn-Round Days :					
(a) Broad Gauge (BG) ..	18.0	..	15.0	28.0	18.0
(b) Meter Gauge (MG) ..	20.0	..	24.0	28.0	25.1
8. Total No. of Staff ..	58,662	59,918	59,822	61,200	..
9. Traffic Units per 1,000 Staff ..	120	114	111	106	..
10. Revenue (Tk. million) ..	1,486	1,686 <sup>a</sup>	1,604	1,600	1,791
of which :					
(a) Passengers ..	524	576	631 <sup>b</sup>	719 <sup>b</sup>	..
(b) Freight ..	780	853	728 <sup>b</sup>	605 <sup>b</sup>	..
(c) Others ..	182	257	245 <sup>b</sup>	276 <sup>b</sup>	..
11. Expenses (Tk. million) <sup>c</sup> ..	1,782	2,003	2,765	2,640	3,240
12. Profit/(Loss) Tk. million ..	(296)	(317)	(1,161)	(1,040)	(1,449)

(a) Reflects 29% average increase in tariffs.

(b) Reflects 5%, 10% and 20% increases in passenger, freight and parcel tariffs.

(c) Includes depreciation and debt service.

Source : Aide Memoire of Asian Development Bank, November, 1987 except the figures of 1987/88 which have been calculated and supplied by B.R.



**Roads and Highways :****Introduction :**

Road transport plays an increasingly important role in the socio-economic development of the country and it turned out to be the single largest mode of inland transport system. Road Transport carried 145 lakh tons (63%) of freight and 1718 lakh (38%) passenger traffic in 1985 and is expected to carry 182 lakh tons (59%) of freight and 2545 lakh (42%) passengers in 1990.

**Physical Achievements :**

(a) **Programme:** Physical programme of the Roads and Highways sub-sector in the Third Five Year Plan was divided into regular programme, Upazila connecting roads and special CHT roads. The programmes under the regular programme aimed at constructions of 1288 km of paved roads, 15244 meters of bridges and culverts, upgrading and widening of 1931 km of arterial roads and feasibility study and construction of about 6098 meters of major bridges. Construction of 2896 km of paved roads and 9146 meters of bridges and culverts were targetted under Upazila connecting road Programme, and construction of about 320 km of paved roads was planned under a special CHT Programme.

(b) **Performance :** (i) *Regular Programme :* The TFYP commenced with a bench-mark (mid 1985) road network of 6217 km of paved roads and 1719 km of partly paved and brick paved roads of all categories. By mid 1988, the road network consists of 6808 km of paved and 2603 km of partly paved and brick paved roads. Comparative position of road network under RHD between mid 1985 and in mid 1988 is shown in table below:

TABLE 2

[Length in km]

Category of Roads	1984/85			1987/88		
	Paved	Partly Paved/ Brick Paved/	Total	Paved	Partly paved/ Brick paved/.	Total
1. National Highway ..	2681	36	2720	2740	84	2824
2. Regional Highway ..	1075	87	1162	1190	142	1332
3. Feeder Roads ..	1193	402	1595	1276	507	1783
Sub-Total ..	4949	528	5477	5206	733	5939
4. CHT Roads ..	102	111	213	177	280	457
5. Upazila connecting roads.	1166	1080	2246	1425	1590	3015
Total ..	6217	1719	7936	6808	2603	9411

\* Mid 1985 position of road network shown here is on the basis of actual position furnished by the RHD. It differs from the bench mark position furnished in the plan document which was an estimate.

Besides construction of roads RHD constructed bridges and culverts, upgraded roads and procured ferries and equipments. During the first three years of TFYP 8196 meters of bridges and culverts (excluding Upazila connecting roads) were constructed. RHD also undertook upgrading and development of arterial road system. During the first three years of the TFYP 138 km of roads were upgraded. During the first three years of TFYP, 14 utility ferries and 15 pontoons were procured by the RHD. Further, there has been reasonable progress in the procurement of equipment and machinery and bailey bridges during the period.

The following 14 projects were completed during the period under review :

- (1) Construction of Shango Bridge.
- (2) Construction of Bailey Bridge at Brahmanbaria alternate road.
- (3) Construction of Khulna-Mongla Road.
- (4) Construction of Dayarampur Road.
- (5) Upgrading of Dhaka Chittagong Highway (Feni by pass).
- (6) Comilla Chandina by-pass.
- (7) Construction of Goalanda-Daruludia Road.
- (8) Construction of Hazrat Shahjalal Bridge over Surma at Sylhet.
- (9) Jessore Airport Road.
- (10) Feasibility study on Shikarpur Bridge.
- (11) Construction of Bridge over Bhogali river.
- (12) Repair and Rehabilitation programme of flood effected roads and bridges.
- (13) Strengthening of Central Road Research and Testing Laboratory and Establishment of Field Quality Control Laboratory.
- (14) Construction of Nalka Bridge on Sarajonj-Hatikamrul Roads.

(ii) *Upazila Connecting Roads* : The upazila connecting road programme aimed at construction of 2896 km of paved roads and 9146 meters of Bridges and Culverts. Against the target of 2896 km of paved road and 9146 meter of Bridges & culvert only 259 km of paved roads and 510 km of partly paved roads and 5605 meters of Bridges and Culverts has been achieved.

(iii) *CHT Roads* : Development of 13 road network in CHT region is another important feature of development works of RHD. The TFYP aimed at construction of 320 km of paved roads under the special programme of CHT for which special allocation are made to RHD outside the normal road sector allocation. Out of Tk. 70.58 crore allocated between 1985-88 construction of only 75 km of paved roads or 23.44% of plan target was completed by mid 1988. Besides 175 km of partly paved roads were completed during the period.

#### Foreign Aided Projects :

The number of aided projects during the Third Plan was 19 of which 3 aided projects viz Khulna-Mongla Road (ADB), Feni by-pass, Comilla-Chandina by-pass have been completed. 18 on-going Foreign aided projects are being implemented in 1987/88, mostly

in the area of construction of major bridges. Important among these are Meghna bridge (Japan), Friendship bridge at Postogola (China), Gorai, Halda, Tak-rhat, Khiro and Shurpur bridge (ODA), Karnafully bridge (Dutch). Besides, a feeder road improvement project and two rehabilitation and improvement of major highways (640 km) in the east and west zones have also been taken up for execution with IDA and ADB assistance. Other aided projects are mostly in the field of road infrastructure facilities such as repair and rehabilitation of flood damaged roads. In addition feasibility studies relating to Shambhuganj Kushiara, Saikarpur bridges and road rehabilitation and improvement project were completed with foreign technical assistance. A construction industry study project was also started during 1987-88.

#### Financial Achievement :

(i) **Programme :** A sum of Tk. 780 crore were allocated against regular road projects. Besides Tk. 345 crore were estimated to be allocated for development of Upazila connecting roads and 25 special CHT roads out of block allocation of Tk. 1,000 crores and Tk. 313 crore reserved respectively for Zila and Upazila infrastructure and special CHT plan in the Third Five Year Plan.

(ii) **Achievement :** During the first three years of the Third Five Year Plan (1985-88) a sum of Tk. 523.59 crore (project Aid Tk. 274.18 crore) was allocated for regular projects of RHD. Utilization during the first three years of the Third Five Year Plan was 541.17 crore.

In addition to allocation for normal road projects, Roads and Highways Department was provided during 1985-88 with an allocation of Tk. 168.43 crore by NICAR for construction of Upazila connecting roads out of block provisions kept in the plan for Zila and Upazila infrastructure. Out of this allocation utilisation was 169.48 crore.

Besides, Tk. 70.58 crore was allocated for construction of 13 roads under special CHT plan during 1985-88. Against the total allocation of Tk. 70.58 crore, Tk. 71.125 crore was utilised during 1985-88.

#### Road Maintenance :

Allocation of funds for maintenance of roads in the revenue budget in 1984/85 was Tk. 35 crore and in 1987-88 the allocation went up to Tk. 60 crore.

#### Issues of concern and suggested policies :

(1) Allocation of resources for RHD in the TFYP was inadequate compared to its needs. Against the requirement of about Tk. 3000 crore for 137 projects included in the TFYP only Tk. 780 crore was allocated. Consequently, the allocated funds had to be spread thinly over a large number of projects. In fact, the pattern of allocation for projects did not allow realisation of full benefits of investment. It rather caused cost and time overruns. Further, inclusion of new projects, other than those included initially in the TFYP, aggravated the problem. Unless some hard decisions are taken to provide a harmonious balance between fund availability and programme of implementation, resources will continue to be thinly distributed and meaningful utilisation of funds would not be possible.

(2) Again, inadequacy of the matching local fund allocation also retards utilisation of limited foreign assistance. Local currency allocation does not even permit to provide for adequate provision of CDST except at the cost of deferment of physical activities.

(3) Estimated cost of the Upazila connecting road project is Tk. 5241.75 crore. Average rate of annual allocation for the project has been only Tk. 54 crore. It will, therefore, require about 90-95 years to complete.

(4) Evaluation and monitoring aspects including data base of the RHD are weak and need to be strengthened and improved.

Table 3

## PHYSICAL TARGET AND ACHIEVEMENT OF ROADS &amp; HIGHWAYS

Sl. No.	Name of physical items, in the sector/sub-sector.	Unit	Base year achievement/production (1984/85)	Third Plan target	Achievement/production in			Achievement (1985-88)	Percentage achieved (Col. 9 as % of Col. 5)	Reasons for Shortfall
					1985/86 (Actual)	1986/87 (Actual)	1987/88 (Actual)			
1	2	3	4	5	6	7	8	9	10	11
<b>A Normal Schemes:</b>										
1	Paved Roads	.. km	167	1,288	59	134	64	257	19.95	Due to inadequate allocation.
2	Brick paved/partly paved Roads	km	89	..	66	76	63	205	..	
3	Bridges and Culverts	.. Meter	988	15,244	870	4,438	2,888	8,196	53.76	
<b>B Upazila connecting Roads :</b>										
1	Paved Roads	.. km	115	2,896	63	107	89	259	8.94	
2	Partly Paved/Brick paved Roads	km	136	..	106	187	217	51	..	
3	Bridges and Culverts :	.. Meter	1566	9,146	1,454	2,565	1,586	5,605	61.28	
<b>C CHT Roads :</b>										
1	Paved Roads	.. km	102	320	19	42	14	75	23.44	
2	Brick paved/partly paved Roads	km	111	..	65	53	51	175	..	

Table 4

## FINANCIAL TARGET AND ACHIEVEMENT OF ROADS &amp; HIGHWAYS

Sl. No.	Name of the Sector/Sub-sector	TFY Plan allocation	Expenditure			Expenditure (1985-88)	Percentage Achieved (Col. 7 as % of Col. 3)	Reasons for shortfall	
			1985/86 (Actual)	1986/87 (Actual)	1987/88 (Actual)				
1	2	3	4	5	6	7	8	9	
<b>Roads and Highways</b>									
A.	Normal Programmes	.. ..	78,000.00	13,476.00	17,891.00	22,749.78	5,4116.78	69.38	..
B.	Upazila connecting Roads	.. ..	..	5,777.00	4,986.00	6,185.62	16,948.62	..	..
C.	CHT Roads	.. ..	34,500.00	2,351.00	2,304.00	2,457.49	7,112.49	..	..

### **Jamuna Multi-purpose Bridge :**

To strike a balance between the socio-economic development between the two halves of the country the government decided to construct a multi-purpose bridge over the river Jamuna in 1984. For conducting the feasibility study and construction of the bridge a separate body namely, Jamuna Multi-purpose Bridge Authority (JMBA) was created and a provision of Tk. 200 crore was made in the TFYP. An appraisal study with UNDP assistance and World Bank as executing agency, commenced in 1986. The appraisal study was programmed into 2 phases; characteristics and configuration study in the 1st phase and economic evaluation along with preparation of detailed engineering designs in the 2nd phase.

### **Financial Achievements :**

In the first 3 years of the plan period a total of Tk 2033.32 lakh was spent which is 10.17% of the total TFYP allocation. The 1st phase, the characteristics and configuration study, was completed in 1986 and a corridor ten km south of Sirajganj was found to be the best possible site. A clear view of the characteristics and configuration of the bridge also emerged. The second phase study commenced in June, 1987 involving economic analysis, preparation of design of main bridge, river training works, bridge approaches, preparation of tender documents etc. and the second phase study is going on smoothly. In the phase II study the inclusion of railway track on the bridge will also be firm'd up. It is expected that the report on phase-II will be available by November, 1987. Estimated cost of phase-II is Tk. 24.40 crore. Thus the total estimated cost of the study would be Tk. 29.48 crore.

### **Road Transportation :**

Bangladesh Road Transport Corporation (BRTC) is the only public sector agency to provide road transport services. By the end of the SFYP (1984/85) BRTC owned a fleet of 465 buses and 168 trucks. The road-worthy buses and trucks were 331 (71%) and 155 (92%) respectively.

### **TFYT Programmes and Policies :**

The Third Five Year Plan laid emphasis on the private sector in the operation of road transport services. As such no expansion of the fleet strength of BRTC was proposed during TFYP except for replacement of its old and condemned buses in a programmed manner. For this purpose of sum of Tk. 40 crore was allocated to enable replacement of as many as 400 buses.

### **Financial achievements :**

During the period 1985-88 two projects, one spilled over from SFYP, and another new project were taken up for execution. The programme of the spill over project included acquisition of 24 buses and the objective of the new project was acquisition of 362 buses for replacement of the old ones out of the existing fleet. During the first three years of the TFYP a sum of Tk. 23.95 crore was spent and 266 buses were procured.

### **Maritime Transport and Ports :**

Chittagong and Mongla are the two maritime ports of the country. 73% of the import-export cargo of the country are handled by the Chittagong port and the rest 27% by Mongla port. The TFYP objective of port development was to remove the problems of draft limitation, ensure optimal distribution of traffic between Chittagong and Mongla and make provision for handling increasing volume of containerised traffic so that the two ports may handle efficiently the projected traffic of 11.15 million in 1989/90.

**Chittagong Port :****Physical Achievements and Performance :**

Development programmes of the Chittagong port during the TFYP were related to handling of increasing volume of containerised traffic through construction of 2 multi-purpose berths with back up facilities and procurement of cargo handling equipment, procurement of a trailing suction hopper dredger to maintain the dredged navigability of the entrance channel, procurement of vessels and craft, improvement of water supply system and construction of a 33 K.V. electric sub-station. Construction of 2 multi-purpose berths was completed in 1986 and about 56% of the equipment was procured by June, 1988. But back up facilities required for the jetties still remain incomplete mainly due to problems relating to tendering, appointment of consultants and contractors. It is expected that the back up facilities including acquisition of container handling equipment would be completed by the end of the plan period. It has been decided to abandon the project for the trailing suction hopper dredger. In lieu, the existing dredger (Al-Amanat) would be repaired for this purpose. The work on construction of 33 K.V. power station and renovation of 11 K.V. substation has started and procurement of vessels and craft for the port has also been initiated.

**Financial Allocation and Performance :**

A sum of Tk. 301 crore was allocated for implementation of the programmes of Chittagong Port. During the Ist three years of the plan a sum of Tk. 98.00 (Tk. 53.08 as project Aid) crore has been made available for implementation of the projects as against which expenditure would be Tk. 63.02 crore (Tk. 32.57 as project Aid). It would appear that financial achievement during first three years of the plan would be only 64.31%. This shortfall in expenditure has been mainly due to slow implementation of the back up facilities of the multipurpose berths project and the decision to abandon the programme for procurement of the dredger.

**Mongla Port :****Physical Programme and Performance :**

Development programmes of Mongla port during the TFYP included construction of facilities for permanent port on Pussur River, dredging works, development of fresh water sources at Mongla, reconstruction of Roosevelt Jetty, extension of existing jetties for handling of containerised traffic. During the period under review construction of three transit sheds, two warehouses, 26 residential buildings, 2.48 lakh sq. ft. Open stock yard, 8,000 ft by-pass road, 7 functional buildings etc. have been completed under the project "permanent Port on Pussur River". Construction of residential buildings in the Port Complex has been given priority during 1987/88. The problem of sweet water supply remain to be resolved but a study has been initiated. A study is expected to be taken up for future development of Chalna-Mongla Port Complex including container handling facilities. To facilitate dredging of the port channel it has been decided to acquire a trailing suction hopper dredger for the port in the near future.

**Financial Allocation and Progress :**

In the TFYP a sum of Tk. 74 crore was allocated for the Mongla Port. During Ist three years, a sum of Tk. 35.90 crore including Tk. 3.18 crore from own sources (Tk. 3.40 crore as P.A.) was provided to the port authority against which total expenditure would be Tk. 34.50 crore (Tk. 2.20 crore as P.A.)

**Bangladesh Inland Water Transport :**

The main responsibilities of BIWTA are building and maintenance of inland water ports, maintenance of navigational channels, provision of navigational aids and performance of regulatory function.

**Targets and Physical Achievements :****Targets :**

The Major programmes of BIWTA for the TFYP were as follows :

- (i) Dredging of 160 km of existing channels ;
- (ii) Provision of navigational aids to ensure night and safe navigation and covering over 480 km with navigation marks ;
- (iii) Establishment of 150 launch landing stations at important places ;
- (iv) Improvement of existing facilities and development of new facilities at various ferry-ghats ;
- (v) Procurement of 3 hydrographic survey vessels ; and
- (vi) Technical/economic feasibility study for handling containers at the inland ports.

Besides, programmes were taken for replacement of 10 nos. of pontoons, repair and rehabilitation of 65 nos. of Pontoons and Gangways, construction of Barisal C.S.D. ghat and balancing and modernization of Barisal Marine Workshop.

**Physical Achievement :**

During the period 1985-88 BIWTA carried out dredging of 36.35 lakh cubic meters of silt. Compared to plan target of dredging of 23 million cubic meters of waterways, the progress is low mainly due to inadequate provision of fund for the purpose. By 1987-88 hydrographic surveys of 5615 km of inland waterways and 2165 sq. km of coastal waterways are completed. 10 vessels are expected to be overhauled and made ready for operation during the period, 4 ferry ghats at Aricha, Daulatdia, Mawa and Kewrakandi have also been developed during the period under review. Improvement of 3 river-ports at Bhairab Bazar, Narsingdi and Ajmeriganj will also be completed in 1987-88. Replacement of 10 Pontoons be completed in 1988.

**Allocation and Expenditure :**

BIWTA was provided with an allocation of Tk. 88.00 crore in TYFP. During 1985-88 a sum of Tk. 38.83 crore (P.A. Tk. 13.32 crore) was provided in the ADP for implementation of its programmes. During the first 3 years of TFYP Tk. 27.36 crore (P.A. Tk. 7.53 crore) was spent. Main reason for this shortfall has been delays in finalizing the aid agreement with NORAD.

**Bangladesh Water Transport Corporation :**

BIWTC is the only public sector agency for providing inland water transportation. TFYP programme for the BIWTC was procurement of 4 Roll on Roll of ferries and 4 pontoons, modernisation of repair yard and rehabilitation of the floating dock.

**Physical Achievement :**

Of the 8 ferries subsequently targetted to be procured, 4 ferries and 2 pontoons were programmed for construction in Denmark and 4 ferries and 2 pontoons in local yards with Danish assistance. 2 ferries and 2 pontoons built in Denmark are delivered in February, 1988. Rehabilitation of the ferry Shahjalal is completed. Foreign assistance for rehabilitation of the floating dock and modernisation and improvement of its repair yard has not yet been lined-up.



**Financial Achievement :**

An allocation of Tk. 34 crore was originally made for the corporation. Inclusion of the new programmes costing Tk. 61.92 crore beyond the plan stipulation called for upward revision of the allocations for the corporation. During 1985/86 and 1986/87 allocations of Tk. 0.20 crore and Tk. 28.25 (P.A. 24.00) crore respectively were made. Actual expenditure were Tk. Nil and Tk. 27.30 crore. RADP allocation for 1987/88 is Tk. 50.55 crore and total expenditure is Tk. 48.13 crore. Thus the total expenditure by June, 1988 is Tk. 75.43 crore against the total allocation of Tk. 79.00 crore.

**Issues and Recommendations :**

The corporation is operating at a loss mainly due to maintenance of services on some non-economic routes under government instruction. The operation of the corporation should be based on commercial principles and necessary subsidy/compensation arising out of maintaining the services under Government instruction should be paid to the corporation directly.

**Bangladesh Shipping Corporation (BSC) :**

BSC dominates the shipping sector of Bangladesh. In June, 1985 it had a fleet of 21 vessels with a total capacity of 2.64 lac tons DWT. Private sector had a capacity of only 80,000 tons DWT in 1984/85. As per UNCTAD code Bangladesh vessels are entitled to carry 40 percent cargo in 1984/85. In order to enhance the capability of BSC the TFYP aimed at creating a DWT capacity of 5.86 lac tons through building up of mixed fleet of 31 vessels.

**Physical Achievement :**

Against the programme, BSC was able to acquire two second hand cargo vessels of 15,18,000 tons DWT capacity each under IDB credit and two light cargo tankers under Danish assistance in 1987. Further, an agreement has been signed with China for acquisition of two new dry cargo vessels (16,000 DWT each), one is expected to be delivered in August 1988 and other one in June 1989.

BSC's fleet position as on June, 1988 stands at 21 vessels with a total capacity of 2.70 lac DWT (MT). The quantum of cargo handled by BSC vessels during 1984/85 to 1987-88 is shown in the table below :

Table 5

(Lakh ton)

Year	Import		Export	
	BSC's share	%	BSC's share	%
1984/85 .. .. .	14.96	16.98%	1.27	15.86%
1985/86 .. .. .	12.54	17.18%	1.48	14.86%
1986/87 .. .. .	16.55	22.38%	0.89	6.64%
1987/88 .. .. .	12.15	16.09%	0.79	10.69%

**Financial Performance :**

A sum of Tk. 51.00 crore was allocated to BSC in TFYP. A sum of Tk. 123.10 crore (P.A. 110.00 crore) was allocated for the shipping corporation through ADP for 1985-88, including the allocation of Tk. 73.77 crore (Tk. 3.55 crore and project aid Tk. 70.22 crore) in 1987/88. Total expenditure for BSC would be Tk. 109.56 crore (Tk. 8.40 crore, P.A. Tk. 98.83 crore) during 1985-88.

**Mercantile Marine Department:**

Providing assistance for search & rescue of distressed vessels in the territorial waters of Bangladesh is the responsibility of the Mercantile Marine Department. The Third Plan aimed at completion of the spill-over project "Rehabilitation of three light houses". The project was completed during 1985/86.

**Marine Academy:**

The Marine Academy provides pre-sea and post-sea courses and coaching classes for higher level professional examinations. For this purpose implementation of a Master Plan of the Academy was aimed at during the plan period and a sum of Tk. 17.93 crore was allocated. Besides, establishment of a Marine Fisheries Training Centre was also planned to be implemented for which a sum of Tk. 2.07 crore was earmarked in the TFYP. Subsequently however, Marine Fisheries Training Centre was transferred to Fisheries Development Corporation.

The work of implementation of the Master Plan for the Marine Academy progressed satisfactorily and the project was expected to complete in 1987-88 but it may now continue upto June, 1989. Total allocation provided for the Marine Academy during 1985-88 was Tk. 16.92 crore, and expenditure during that period was Tk. 12.88 crore. From July, 1985-June, 1988, 909 students under different courses have been trained in the Academy.

**Department of Shipping:**

The Department of Shipping is mainly responsible for regulating maritime shipping and train up manpower for shipping services. The Third Plan aimed at completion of the on-going project of seaman's training school (crash programme) and establishment of a permanent seaman's training school and a sum of Tk. 2.83 crore was allocated for the purpose.

During the period 1985-88 the spill-over project of seaman's training school (crash programme) was completed and action was initiated to set up a permanent school. The site has been selected and the Department was suggested to submit a detailed project proposal based on UNDP/IMO feasibility study. During the period 1985-88 a sum of Tk. 0.16 crore was allocated against which total expenditure would be Tk. 0.12 crore.

**Air Transport :**

Development of infrastructure for air transport and air services was given due importance in the TFYP and a sum of Tk. 70 crore was earmarked for infrastructure development by the Civil Aviation Authority and Tk. 140 crore was allocated for the programme of Bangladesh Biman.

**Civil Aviation :****Physical Programme and Achievement:**

The Third Plan development programme consisted of development of Sylhet and Chittagong airports, establishment of a Civil Aviation Training Centre, extension of pavement system at ZIA and acquisition of equipment for communication and navigation

system and safety services. During the period 1985-88, terminal and runway facilities at Sylhet has been constructed for landing of P-28 aircraft and the runway at Chittagong airport has been extended to allow landing of B-707 type of aircraft. Procurement of equipment for communication and safety services system and establishment of the Civil Aviation Training Centre has also been completed.

**Allocation and expenditure of Civil Aviation Authority :**

Against the TFYP provision of Tk. 70.00 crore, a sum of Tk. 48.58 crore (P.A. 20.47 crore) was allocated to CAAB during 1985-88. Total expenditure is Tk. 38.00 crore (P.A. Tk. 13.71 crore) which would be 54.28% of the plan allocation.

**Bangladesh Biman :**

**Programme and Achievement :**

Development programme of Bangladesh Biman during TFYP included establishment of a ground training centre, acquisition of motor vehicles and communication equipment for operational efficiency, construction of hanger complex, a flight catering centre, modernisation of printing press and procurement of a mock-up trainer for DC-10. During the period 1985-88 the construction of ground training centre at ZIA has been completed. The centre has started functioning and is providing training to two batches of trainees. The programme for acquisition of motor vehicles did not progress much due to embargo imposed on acquisition of vehicles. Programme for acquisition of communication equipment which was expected to be completed during 1987/88 will now be completed during 1988/89. The programme for construction of a flight catering centre has been taken up for execution during 1986-89 on self financed basis.

**Allocation and expenditure :**

To execute the development programme of Biman Tk. 140 crore was allocated in the TFYP against which Tk. 29.69 crore was provided during 1985-88. A total of Tk. 25.66 crore was utilised during 1985-88.

**Conclusion and Recommendation :**

Demand for development of transport facilities is both derived and derivatory. Transport facilities creates possibilities for enhanced economic activities and again demand for transport services amounts up with increased economic activity. In spite of this critical importance the share of transport sector in the overall plan allocation showed a downward trend. In the First Five Year and Two Year Plan, the share of transport sector was 12.73% and 13.80% respectively. The share of transport sector declined to 11.33% in the Second Five Year Plan and it further declined to 10.55% in the Third Five Year Plan. In view of the critical importance the share of transport sector in the overall plan allocation deserves to be raised.

Plan allocation and actual requirement of funds in the sector is not consistent. Total cost of projects in the Transport Sector is about four times the plan allocation. Cost of spill over projects of the sector in the TFYP is estimated to be Tk. 4118.48 crore. Leaving a side the expenditure of these projects prior to the TFYP, fund requirement for the spill over projects during TFYP is Tk. 2583.02 crore against which allocation was only Tk. 1484.62 crore or 57.40% of the requirement. Due to inadequate sectoral allocation, resources are distributed thinly and consequently large number of project have to spill-over from one plan to another. This causes both cost and time over run and deprivation of optimum benefit out of investment. Project cost and allocation relationship, therefore, deserves to be considered.

Planning exercise in the transport sector has been more or less on adhoc basis. Projects outside the plan have to be occasionally included. Sectoral programmes as such are distorted and historically were over-burdened with projects costing beyond allocation. Hard decisions are called for, particularly in the road sector, to prune out less priority projects so as to enable concentrating on timely completion of critical projects.

## COMMUNICATION

### Introduction :

The Communication sector in Bangladesh covers the development activities of Bangladesh Telegraph and Telephone Board, Bangladesh Post Office and Bangladesh Meteorological Department.

Telecommunication facility not only sustains economic development but also promotes economic development. It is also to a certain extent, a substitute for the transportation facilities which are both underdeveloped and inadequate.

The programme of communication sector under the Third Five Year Plan was designed to expand the facilities both in the urban and rural areas, particularly keeping in view the decentralization of public administration and to improve the quality of services based on modern technology within the constraints of available resources.

### Third Five Year Plan—its Sectoral Objectives, Strategies, Policies and Targets :

In the formulation of the Third Five Year Plan, priority was accorded to completion of the on-going projects. Only a few inescapable new projects and special Chittagong Hill Tracts and Upazila projects were to be taken up. The major objectives, strategies, policies and targets of the Third Plan period are briefly outlined below :

#### Telegraph and Telephone Sector :

During the Third Five Year Plan efforts would be made to establish adequate and reliable telecommunication links both inland and overseas through consolidation of the existing facilities, improvement of managerial and operational efficiency and adoption of modern technology.

The new technology in the field of telecommunication is to gradually switch over from analogue to digital technology. Due to financial and other constraints, a policy of co-existence of the two systems with ample scope for gradual transition was adopted. Analogue switches would be gradually eliminated with the digital switches in phases. Most of the district towns are already connected by automatic exchanges; the remaining district towns would be covered by automatic telephone exchanges and stable microwave/UHF radio links.

With the decentralization of administration it became imperative to extend telecommunication facilities to all the 460 Upazila headquarters. Besides 42 auto-telephone exchanges with total capacity of 8,700 lines and expansion of existing 95 manual exchanges from 30 lines to 70 lines each and UHF digital radio lines would be established between district towns and their Upazila headquarters.

During the TFYP telegraph services would be modernised by establishment of a Genex Exchange at Dhaka and three sub-exchanges at Chittagong, Khulna and Bogra. District and Upazila headquarters would be connected with the teleprinter services. To meet the growing demand of overseas and inland telex services, the existing digital exchanges at Dhaka would be expanded.

#### Postal Sector :

The TFYP programmes aimed at developing such physical facilities by way of improvement and expansion of postal services by construction renovation/improvement of postal office and residential accommodation, mechanisation, prompt mail services and welfare activities.

**Meteorology Sector :**

In terms of meteorology, Bangladesh is vulnerable to seasonal effects of tropical cyclones, tornadoes, floods and draughts. Necessary infrastructure has been developed for weather forecast. During TFYP period, efforts would be made to minimise damages and loss of life at the time of natural disasters through accurate and timely forecast of their occurrences, movement and intensity. The southern parts of Bangladesh, particularly the off-shore islands, are vulnerable to occasional natural disasters. The Third Plan recognised the need for provision of accurate pre-cyclone warning system and t.l.-communication facilities (UHF radio link) for post-cyclone relief and rehabilitation activities.

**Financial Position :**

An amount of Tk. 388.00 crore was allocated for 43 projects (32 spilled-over from SFYP and 11 new) for the communication sector. This sector was expected to get an additional amount of around Tk. 59.00 crores to finance Upazila t.l.-communication project, Upazila post office project and special telecommunication project in CHT.

The agency-wise breakup of the allocation and projects are shown below :

TABLE 6

**Third Plan Allocation and No. of Project of Communication Sector***(Tk. in crore)*

Name of Sub-sector/Agency	No. of projects			Allocation		
	On-going	New	Total	On-going	New	Total
<b>A. Ministry of Post and Telecommunications :</b>						
(i) T&T Board ..	19	4	23	280.75	65.00	345.75
(ii) Bangladesh Post Office.	9	3	12	26.20	7.62	33.82
<b>B. Ministry of Defence :</b>						
(i) Meteorology Deptt.	3	3	6	1.23	6.00	7.23
<b>C. Ministry of Foreign Affairs</b>						
	1	1	2	0.70	0.50	1.20
Total...	32	11	43	308.88	79.12	388.00

**Physical Performance :****Post Office :**

The Bangladesh post office Department had 12 projects. Out of which 9 projects were targeted to be completed during TFYP. 2 projects (Postal Academy at Rajshahi and P.O. Building in Motijheel C.A., Dhaka) were completed by June 1987. 2 projects (Rajshahi Postal Complex and Postal Printing Press in Tongi) are scheduled to be completed during 1987/88.

At the beginning of 1985/86 there were 7583 post offices in the country and the Third Five Year Plan envisaged construction of 157 post offices and postmasters quarters in Upazila headquarters. But during the period of 1985-88, 45 post offices/postmasters quarters were completed. Other achievements during the period include: extension/reconstruction of 33 extension/d/reconstruction of post office buildings, 132 residential buildings, 83 units of Franking machines, 32 No. of motor vehicles and 5 numbers of printing machines.

The following table shows the targets and achievements of the Bangladesh Post Office Department during the first three years of the TFYP period.

TABLE 7

(figures in Nos)

	Third Plan target 1985-90	Achievement during 1985-87	Achievement during 1987-88	Total achievement during 1985-88	% of the plan targets
1. Construction of Post Office Buildings.	135	17	10	27	20.0
2. Construction of Residential quarters.	296	35	63	98	33.0
3. Procurement of Franking machines, etc.	114	65	20	85	74.6
4. Procurement of mail vans/motor vehicles.	64	—	31	31	48.4
5. Construction of P.O. in Upazila.	157	37	7	44	28.0
6. Procurement of :					
(a) Printing machines	5	3	1	4	80.0
(b) Air-cooler	5	—	—	—	—

#### Telegraph and Telephone :

23 projects were targeted for completion during Third Plan. Out of which 6 projects were completed during 1985-87 and another 3 projects are expected to be completed in 1987-88.

The plan target was to add 75,000 new telephones to existing 1,82,000 line units. The actual number of new lines added during the first three years is 2,1310. The number of telephones installed in urban and rural areas was 17,530 units and 3780 units respectively. Telephone density which was 1.8 per 1000 population in 1984/85 increased to 2.0 per 1000 population in 1987/88. Number of districts covered by telephone connection is increased to 109 in 1987/88 from 94 districts in 1984/85. 21 new Telegraph Offices and 308 new public call offices were opened. Besides this, NWD system introduced in 7 new districts and PBX/PABX lines increased by 3000 number in 1987/88. Detailed year-wise position may be seen at Table-8.

TABLE 8

Items	Position in		
	1985/86	1986/87	1987/88
I. Telephone Capacity (No. of lines)	1,87,731	2,01,599	2,03,599
(a) Automatic	1,63,600	1,76,920	1,81,470
(b) Manual	24,131	24,679	22,129
II. Urban	1,59,400	1,72,060	1,73,080
(a) Automatic	1,57,460	1,70,270	1,72,720
(b) Manual	1,940	1,840	410
III. Rural	28,331	29,539	30,521
(a) Automatic	6,140	6,700	8,800
(b) Manual	22,191	22,839	21,721
2. Telephone per 100 population	0.19	0.20	0.20
(a) % of Telephone in urban areas	84.91	85.35	85.06
(b) % of Telephone in rural areas	15.09	14.65	14.94
Area covered by Telephone	96	108	109
(I) District (64) Nos.			
(a) Automatic Exchange	94	106	109
(b) Manual Exchange	2	2	2
(II) Rural Areas covered by Auto, Manual or PCO (Nos.)	1246	1248	1248
(a) Upazila (460 Nos.)			
(i) Manual Exchange	486	480	478
(ii) Automatic Exchange	30	38	38
(b) Union Councils (4350)	590	590	590
(c) Rural Growth Centre (974 Nos.)	140	140	140
(III) Public Call Offices (Nos.)	1734	1738	1738
(a) Urban (including coin box)	934	934	934
(b) Rural	800	804	804
4. Telegraph Offices (Nos.)	621	621	621
(a) Urban	150	150	150
(b) Rural	471	471	471
5. Nation-wide Trunk Dialing Facility :			
District (Total 64)	27	33	33
6. PBX/PABXs lines	27,938	27,938	28,341
7. Telex/Gentex lines	1,418	1,418	1,418
8. Overseas Circuits (No.)	351	393	418
(a) Telegraph/Telex	163	183	198
(b) Telephone	188	210	220

**Meteorology :**

Two projects namely, Implementation of Indo-Bangladesh agreement on cyclone warning, Flood Forecasting and distress Mitigation and Improvement of Agriment Services were completed during 1985-87. In these projects all physical works such as building construction; roads and installation works have been completed. Plan target and achievement of Meteorological Department are shown in table 9.

TABLE 9

## METEOROLOGICAL INSTALLATIONS

Name of Installations	Position in		
	1985/86	1986/87	1987/88
1. Part-time observatory ...	...	...	...
2. 1st Class Observatory ...	34	34	34
3. Pilot Balloon Observatory ...	11	11	...
4. Rawinsoudé Observatory ...	3	3	...
5. (a) Wind Finding Radar ...	...	...	...
(b) Weather Surveillance Radar ...	3	3	...
6. Storm Warning Centre ...	1	1	...
7. Main Meteorological Office ...	2	2	...
8. Dependent Met. Office ...	2	2	...
9. Supplementary Met. Office ...	...	...	...
10. Agromet Observatory ...	8	8	...
11. Automatic Picture Transmission (receiving ground station) ...	1	1	...
12. Remote Recording/Automatic Weather Observation Station. ...	1	1	...
13. Tide Gauge Observatory ...	...	...	...
14. Seismic Observatory ...	1	1	...
15. Geomagnetic Observatory ...	1	1	...
16. Hydrogen Plant ...	1	1	...
17. Meteorological Training Institute ...	1	1	...
18. Workshop & Laboratory ...	1	1	...
19. Data Processing Centre ...	1	1	...
20. Meteorological Store ...	2	2	...
21. National Meteorological Communication Centre. ...	1	1	...
22. Sub-Regional Research Centre ...	4	4	...
23. Meteorological & Geophysical Centre, CTG ...	1	1	...



### Constraints & Recommendation

Major constraint, as already mentioned, for this sub-sector is the shortage of local resources. Ministry of Posts and Telecommunication estimated a requirement of Tk. 837.50 crores (Tk. 571.73 crores in L.C. and Tk. 265.77 crores in P.A.) for completion of 18 ongoing and 2 new projects during 1987/88 to 1989/90. Besides, additional funds were also required for taking up 6 additional new projects (not included in the TFYP) which were considered to be of high priority against a total provision of Tk. 345.75 crores in the TFYP. There is no denying of the fact that there is a huge lacking of the demand for telecommunication facilities. Therefore quick implementation of the on-going projects and the projects identified would help in extending the facilities to greater number of subscribers covering larger geographical areas and in the process would help in socio-economic development of the country.

Need for additional funds particularly local funds for the T&T sub-sector was considered at high levels of the Government and there was a consensus that the possibility of obtaining loans from the scheduled banks and other non-conventional sources, for implementation of projects which are of high priority and are economically and commercially viable is being followed up. In this connection it may be mentioned that T&T Board is an exception in the sense that it has been earning profit and contributing hand somely to Government exchequer since its establishment whereas most of the public sector corporation are loss making. It is reported that the T&T Board earned a profit of Tk.65.7 crores in 1985/86 and Tk. 59.7 crores in 1986/87. Therefore apart from allowing the T&T Board to borrow from the banks and/or non-conventional sources, a reasonable amount out of the profit be set-apart for supplementing the ADP allocations. This would, on the one hand help implement the projects quickly and on the other hand fetch additional income for the T&T Board and Government. Therefore, a policy decision on this subject is urgently called for.

The technology in the field of telecommunication is fast changing. The general trend all over the world is gradually to switch over from analogue to digital technology. In Bangladesh due to resource constraint a policy of coexistence of both the systems with scope for gradual Transition to digital system has been adopted. In order that maintenance does not pose a problem in future it is desirable that the appropriate digital technology is selected and eventually standardised.

There is a telephone factory at Tongi. It manufactures analogue telephone exchanges, spare-parts and other related equipment. This was set up in collaboration with West Germany and the equipment manufactured are also based on Germany technology with gradual switch over from analogue to digital technology. It may be necessary to develop manufacturing capability of the telecommunication equipment based on this new technology. World Bank Mission reviewing the World Bank aided projects of the Telecommunication sector recently made the following observation :

"Regarding transfer of technology for digital-switching equipment manufacturing locally, BT&T should study this carefully, in particular its potential benefits in relation to costs in the context of Bangladesh's demand (not expected beyond 10,000 digital switching lines per year) The minimum level for economically viable production of digital exchanges per year is over 1,00,000 lines".

In the light of the above observation a detailed study to examine the various related issues, before further investment is made in the existing factory to develop new facilities based on digital technology, will be in order.

## CHAPTER XIII

### PHYSICAL PLANNING, WATER SUPPLY AND HOUSING

#### Introduction :

Physical Planning, Water Supply and Housing Sector is mainly involved in Physical Planning of the cities, towns and upazilas; in water supply in cities, towns, upazilas and rural areas; in building of government office and public servants housing and development of infrastructure for tourism, creation of facilities for fire prevention, creation of building facilities for Ansar and Police Directorates and development of basic infrastructure and services in the newly created Zilas and Upazilas.

The Second Five Year Plan (1980—85) allocated a sum of Tk. 820 crores against which Tk. 739 crores were utilised. In addition, a sum of Tk. 319 crores was invested for development of infrastructure facilities such as construction of office and residential buildings at the upazila centres. Thus total investment amounted to Tk. 1058 crores under the Second Plan as against Tk. 511.00 crores was invested during the First Five Year Plan and the Two Year Plan. Major Physical targets achieved during the Second Plan were completion of construction of office buildings at 265 upazila towns out of 460 and construction of 1160 staff quarters and 145 dormitories at different upazila towns. In major urban centres 4731 housing units were completed against the target for 4000 units and for private housing, 5,400 housing plots were developed and allotted to private owners. Important developments were the completion of the National Assembly Building and a 5-Star Hotel at Dhaka. 159,000 tubewells of various description were sunk against the target of 209,000 tubewells. Piped water was provided to 56 district headquarters against the target of 64 along with the expansion of water supply facilities at Dhaka and Chittagong. Five water sealed sanitary latrines were provided for each village as per the target.

#### Objectives, Strategies and Policies of the Sector during the Third Five Year Plan :

**Physical Planning :** The Objectives in regard to physical planning were to accelerate infrastructure development at upazila and Zila headquarters and promote development activities there. The main strategy of physical planning in this context were to formulate complete physical as well as Land use plans for the upazila and zila headquarters.

**Housing :** The major thrust in this area was to formulate necessary policy prescriptions for stimulating expanded private sector participation. Public Sector investment would be made only in those areas where it was inescapable, such as land development, roads construction, water supply and construction of residential buildings for public servants. Rehabilitation of squatters' families would also be the responsibility of the public sector and for some socio-economic groups the government would provide core houses on self-financed basis. To stimulate private investment in housing in district towns, the government adopted the strategy of seed fund during the Second Plan period for development of small serviced plots for the low and middle income groups of people. This strategy would continue to be followed during the Third Plan period also.

#### Water Supply and Sanitation :

**Rural Water Supply and Sanitation :** The Third Plan would continue with the programmes for village water supply and sanitation. The number of drinking water tubewells would be increased with greater emphasis on their repair and maintenance at local levels. Use of water sealed pans in lavatories would be encouraged in rural areas along with their manufacture at Zila and Upazila levels.

**Urban Water Supply and Sanitation :** Completion of the on-going projects in this area would get priority to bring tap water supply and sanitation facilities to a larger number of population in the cities and municipal areas where slum dwellers were in a pitiable state. Supply of piped water at the upazila centres would also be adequately augmented to meet its increasing demand.

**City Development :** Master Plans would be prepared for systematic expansion of three large cities of Dhaka, Chittagong and Khulna. Similar exercises would also be taken up for other major cities. Various metropolitan city authorities would give greater attention to co-ordination of their activities and concentrate more on their regulatory functions.

**Tourism, Fire Services and other Developments :** A study would be undertaken to prepare a Master Plan for development of tourism during the Third Plan. Further programmes would follow this study. The existing fire services stations would be strengthened and new stations would be established at places of commercial and industrial importance. Facilities for imparting training to the Police, Ansar and Village Defence Party (VDP) would also be increased during the plan period.

#### **Physical Progress :**

A review of the development activities in different areas of this sector during 1985-88 is given in the following paragraphs :

#### **Housing :**

During the period 307 multi-storied flats as against a target of 384 was completed in Paikpara, Dhaka. Under the scheme, construction of 70 officers' flats at Dhanmondi Road No. 7, 20 flats were constructed out of the total programme of 70.

The preparation of the design for the project Urban Area Development for the low income housing at Kaibalyadham, Chittagong, which aims at building shelter to 4,021 low income family in urban areas has been completed and the investment project is expected to start in 1988/89. The work for rehabilitating 2,600 squatter families at Mirpur Section 11 with UNCDF assistance achieved substantial progress during the period. Rehabilitation of squatter families at Dattapara has been progressing slowly with own resources of the government, UNCDF assistance for this project is expected. Construction of Link Road from Sher-e-Bangla Nagar to Mirpur was completed in 1987/88.

#### **Government Office and Institutional Buildings :**

The projects, i.e. (i) Construction of civic and cultural centre at Fulbaria, Dhaka, (ii) Construction of Conference Block and vertical extension of the existing blocks in the Planning Commission, Sher-e-Bangla Nagar, Dhaka, (iii) Construction of National Monument at Mujib Nagar, Kushtia (iv) Construction of Secretariat Building (5th to 9th floor) and (v) Construction of National Monument for unknown martyrs at Savar, Dhaka were completed by June, 1988.

#### **Physical Planning :**

In the field of physical planning the following three projects were completed in 1986/87.

- (a) National Physical Planning (Phase-II)
  - (b) National Housing Policy and Programme Development (Phase-II)
  - (c) Urban Development Programme (T.A. for the design of urban area and environmental improvement).
- (a) **Under the Project National Physical Planning (Phase-II):**
- preparation of outline National Physical Plan,
  - preparation of Master Plan for Rajshahi,
  - Survey and preparation of structure plan for 6 towns (Sylhet, Rangpur, Panchagar, Jhenaidah, Rajbari, Narshingdhi),
  - preparation of physical survey map of Narayanganj,
  - preparation of instructure plan for 4 upazilas (Rajshahi, Balagonj, Bochagonj, Kalapara), and
  - establishment of regional offices of Urban Development Directorate at Khulna and Rajshahi were completed.

- (b) Under the project National Housing Policy and Programme Development (Phase-II) feasibility and design (except Dholarkhal) for environment improvement of old Dhaka and upgradation of environment and creation of new housing opportunities at Mirpur, Dhaka were also completed.
- (c) Under the project Urban Development Programme (Technical Assistance for the design of urban area development and environmental improvement) feasibility and design for area development and municipal services at Chittagong, and a feasibility study on Khulna City regarding area development and services upgradation were completed.

Besides, the land use master plan for 172 upazilas and 10 zilas were completed by June, 1988.

#### Urban Development :

While the Urban Development Directorate is concerned with the overall urban development, the four city development authorities like RAJUK, CDA, KDA and RTDA are responsible for development within their geographical limits. Many other agencies are also involved in the development of various facilities in the cities. During the period the Dhaka Improvement Trust (DIT) has been transformed to Rajshahi Unnayan Kartipaksha with additional administrative and regulatory powers of demolition of unplanned/unauthorised buildings. In addition to that Building Construction Act, 1984 and rules/regulations relating to construction of buildings in Dhaka City have been approved. Similar enforcement of town improvement acts and rules are expected to be followed in other city development authorities.

**Dhaka City Development :** During the period 6.00 km long and 100 ft. wide Ullon-Badda-Zoar Sahara Road Project was completed in 1985/86 and the work for construction of the bridge over this road under a separate Project will be in full swing. Dhaka Municipal Corporation improved 46.8 km. of roads and constructed 180 low cost sanitation latrines during the period under review. Dhaka WASA made substantial progress in implementation of its overall development, maintenance and operational works. Major physical improvement includes sinking of 16 deep tubewells, laying of 107.45 km water pipe line and 21.08 km of sewerage lines, 14,360 nos. of water connections and 4,100 sewer connections. Water production increased by 8.00 IMGD raising the total production from 100.00 IMGD to 108.00 IMGD.

**Chittagong City Development :** Chittagong City Development Authority completed the most important 3.67 km long port connector road in 1985/86 and 2.80 km long link road between Patonga Bazar and Airport in 1987/88. They also developed and allotted 471 residential plots during the period. Chittagong Municipal Corporation repaired and improved 49 important city roads covering a length of 52.72 km by June, 1987. The only project of Chittagong WASA, i.e. Second Chittagong Water Supply Project was completed during 1987/88 with a production capacity of 20.83 IMGD raising the total production for the city to 33.33 IMGD. This would cover 75% of the existing demand.

**Khulna City Development :** For Development of Khulna city 1.52 km long road from Jessore to Telighati was completed in 1986/87. 44.00 km road, 1.29 km drains, 90.50 meters side wall, 82 square meters buildings and 463 street lights were maintained and improved. Moreover, installation of 10 deep tubewells, laying of 18 km pipe lines and providing 2000 house connections for water supply were completed during the period under review.

**Rajshahi City Development :** Under Rajshahi City Development, extension of Greater Road by 3.54 km length would be nearing completion by June 1988 and 29.00 km roads, 5.46 km drains, 104.4 meter culverts/bridges and 127 meters of retaining wall were maintained and improved during the period under review. Besides, 3 overhead tanks were constructed and 0.16 km pipe lines were laid during the same period.

**Other Urban Areas:**

Other Pourashavas which are provided with grant through the ADP in the form of assistance to Pourashavas in addition to their own fund constructed 3933 km of roads, 6.12 km of bridges and culverts 55.40 km of drains, 5,833 sq. meters of buildings, 13,970 sq. meters of markets, 1.90 km of retaining wall and 88 meters of sewerage during the period. For improvement of water supply in these Pourashavas establishment of 49 production tubewells, construction of 3 RCC overhead tanks, 6 water treatment plants, laying of 241.86 km of pipe line, providing 8,552 house connections and constructing 3149 units of low cost sanitary latrines were completed during the period under review.

**Rural Water Supply and Sanitation :**

Against the plan targets of 1,20,000 shallow tubewells, 4,000 deep tubewells and 50,000 deep set pumps, 77,691, 1,975 and 2,275 were installed respectively and there by raising the total number to 6,70,774, 18,806 and 11,165 during the period under review. A total of 32,279 choked up tubewells were resunked during the period. The total rural population coverage for water supply would therefore, rise from 49.3% in 1984/85 to 62.25% in 1987/88. In the sanitation side 1,45,400 water sealed sanitation units were manufactured and distributed against the plan target of 5,00,000 units and thus 20.08% of the plan target was achieved by June, 1988.

**Tourism Development :**

Bangladesh Parjaton Corporation has completed Master Plan for Tourism in 1986-87 with the UNDP/ILO assistance. The project, construction of cottage at Cox's Bazar was completed in 1986/87.

**Fire Services :**

Buildings at 11 fire stations, purchase of 7 big Water Tender, 9 small Water Tender, 41,000 RFT Delivery Hose pipe, 34 Pumps, 2 Snorkel, 1 Foam Tender, 1 Break down Van, 1 Emergency Tender were completed during the period.

**Impact on Employment Creation:**

The sector contributed a total No. of 4763 man years of employment creation during the period 1985-88. And a total amount of Tk. 1599.28 lakh revenue was generated Tk. 3092.00 lakh tax was paid to the government during the first three years of the TFYP.

**Financial Progress :**

For implementation of the programmes of PP & H. Sector, 59 projects were included in the TFYP with an allocation of Tk. 550 crore at 1984/85 prices. But ultimately 56 projects with an allocation of Tk. 540 crore remains for implementation. In addition 26 new projects were taken up during 1985/88 as mandatory and other priority consideration at a cost of Tk. 353.84 crore. Thus total number of projects taken up for implementation up to June, 1988 stood at 82. In total 24 projects were completed by June, 1988.

A total amount of Tk. 485.73 crore including P.A. of Tk. 229.35 crore was allocated in the Revised ADPs of 1985-88 of which Tk. 430.79 crore (P.A. Tk. 187.54 crore) was utilised. Though the rate of utilisation over plan allocation (at constant price) 79.78% is satisfactory it has actually jeopardised the progress of the on-going projects due to inclusion of 26 new projects which were not anticipated at the time of formulation of the TFYP.

### Problems encountered during implementation of the TFYP (1985-88)

The main problems/bottlenecks faced in the implementation of the programmes/projects of the sector during the period under review are given below :

- (i) Resource constraint with regard to local cost was particularly felt for most of the on-going projects when funds were diverted for financing 26 mandatory new projects which were not originally in the TFYP. Resource constraint was also faced due to diversion of fund towards flood rehabilitation.
- (ii) Though project aid was available the matching local fund could not be timely provided and, therefore, the utilization of the project aid was delayed.
- (iii) Failure on the part of the concerned autonomous executing agencies to make necessary provision in their revenue budget for servicing the debts already taken from the government, resulted in delays in implementation of projects besides cost escalation.
- (iv) It was envisaged that the Housing and Settlement Directorate would undertake a vigorous programme for construction of housing units with funds to be advanced by the intending buyers. This decision was undertaken on the basis of the experience during the SFYP. But the entire programme has come to a stand still because of the unwillingness of the Finance Division to accord their approval to this programme.

### Suggestions for improvement:

- (i) Sectoral plan allocation may be raised from the existing 2.16% of TFYP to the level of 5.10% of Second Five Year Plan, if not to that of 8% in the First Five Year and Two Year Plans.
- (ii) Mandatory and priority new projects if included during the operation of the plan additional allocation for these projects, without curtailing the allocation of the existing projects may be given. For this purpose, necessary sufficient block allocation may be kept.
- (iii) Sufficient flexibility may be kept for providing additional matching local fund, if necessary, to utilize the projects aid.
- (iv) Autonomous organisations which are unable to generate revenues may not be given loan, rather they may be given grant depending on the merit of the case.
- (v) A policy should be adopted to utilise savings of the private sector for construction of multistoried appartments under self-financed programme. This will reduce pressure on public sector investment for housing.

TABLE 1  
PHYSICAL TARGET AND ACHIEVEMENT OF PHYSICAL PLANNING SECTOR

Sl. No.	Name of the Sector/ Sub-Sector/Item	Unit	Base Year achievement/ production	Third Plan Tar- get(Revi- sed)	Achievement/Production			Total (1985-88) (1987/88 (Estimate)	Percent- age Achieved (Col 9 as % of Col 5)	Reasons for shortfall
					1985/86 (Actual)	1986/87 (Actual)	1987/88 (Estimate)			
1	2	3	4	5	6	7	8	9	10	11
<b>Govt. Staff Quarters Office</b>										
	Staff Qrt. excluding Upazila Shahar	Nos.	4731	384	52	155	100	307	79.95	..
	Staff Qrt. New Zila Shahars	Nos.	319	425	193	164	68	1425	100.00	..
	Staff Qrt. at Upazila Shahar	Nos.	2853	1911	1700	211	..	1911	100.00	..
	Dormitory at Upazila Sahar	Nos.	145	252	234	18	..	252	100.00	..
	Office Building at zila Shahar	Sft. in lakh	..	70	5	6	7.30	18.30	26.14	..
	Office Building at Upazila Shahar	"	11.82	6.00	5.50	0.50	..	6	100.00	..
<b>Rural Water Supply &amp; Sanitation</b>										
	Shallow Tube well	Nos.	5,93,083	1,20,000	26,683	29,284	21,724	77,691	64.75	..
	Deep Tube-well	Nos.	16,831	4,000	256	1,228	491	1,975	49.38	..
	Deep set Pump	Nos.	8,891	50,000	50	1,748	476	2,274	4.55	..
	Replacement of choked up tube-well	Nos.	50,727	50,000	8,766	11,645	11,858	2,279	64.56	..
	Production of water sealed Latrine	Nos.	3,40,000	5,00,000	23,055	64,335	61,010	145,400	29.08	..
<b>Urban Water Supply</b>										
	Dhaka City	IMGD	100	19	0.85	3.40	3.75	8.00	42.11	..
	Chittagong City	IMGD	15.83	17.50	1.42	4.17	11.91	17.50	100.00	..

**FINANCIAL TARGET AND ACHIEVEMENT OF PHYSICAL  
PLANNING SECTOR**



TABLE 2  
FINANCIAL TARGET AND ACHIEVEMENT OF PHYSICAL PLANNING SECTOR

[Tk. in lakh]

Sl. No.	Name of the Sector/ Sub-Sector	Third Plan Allocation	Expenditure				Estimated Expenditure (1985-88)	Percentage Achieved (Col. 7 as % of Col. 3)	Reasons for increase/ Short-fall
			1985/86 (Actual)	1986/87 (Actual)	1987/88 (Estimate)	1987/88 (Estimate)			
1	2	3	4	5	6	7	8	9	
<b>A. Ministry of Works</b>									
1	Public Works Department:	12,913	3,315	3,696 (735)	2,792 (597)	9,803 (1332)	75.91		
	(a) Public Servants Housing	1,413	60	475	804	1,339	94.66	For inclusion of mandatory projects & price escalation.	
	(b) Govt. Offices and Institutional Buildings	5,018	2,260	1,594	1,390	5,244	104.50	Do.	
2	Housing & Settlement Directorate	5,926	536	1,231 (735)	1,019 (597)	2,786 (1332)	47.01	Delay in arranging aid.	
3	Rejshahi Unnayan Kartripakkha (RAJUK)	118	118	50	228	396	335.59	For inclusion of new priority projects.	
4	Chittagong Development Authority (CDA)	218	221	100	66	387	177.52	Do.	
5	Khulna Development Authority (KDA)	20	20	10	..	30	150.00	For price escalation.	
6	Rejshahi Town Development Authority (RTDA)	200	100	236	89	425	212.50	Price escalation and increase in scope of works.	
<b>B. Ministry of Law &amp; Justice</b>									
		207	207	..	..	207	100.00	..	

25	C. Ministry of LGRD & Co-operatives	36,300	5,373 (2845)	9,668 (5750)	74,811 (8327)	29,852 (16922)	79.76	..
7	Dhaka WASA	9,025	174 (150)	652 (519)	2,400 (1600)	3,226 (2269)	35.74	..
8	Chittagong WASA	3,300	1963 (750)	1,614 (1108)	1,973 (557)	5,550 (2415)	168.18	Non-availability of more Aid and price escalation.
9	Directorate of Public Health Engineering.	19,042	2,448 (1857)	5,854 (4032)	9,700 (6100)	18,002 (11989)	94.53	Non-availability of More Aid and price escalation.
10	Dhaka Municipal Corporation (DMC)	3,350	585	955	705 (40)	2,245 (40)	67.01	..
11	Chittagong Municipal Corporation (CMC)	1,383	114	500	..	614	44.39	Delay in availability of aid & price escalation.
12	Local Govt. Engineering Bureau	200	89 (88)	93 (91)	33 (30)	215 (209)	107.50	Price escalation.
	D. Ministry of Civil Aviation and Tourism							
13	Bangladesh Parjaton Corporation (BPC)	110	110	..	..	110	100.00	..
	B. Ministry of Home Affairs							
14	Fire Service and Civil Defence	4,100	581	1,246	1,130 (500)	2,957 (500)	72.12	..
15	Ansar Directorate	2,000	171	471	830 (500)	472 (500)	73.60	..
16	Police Directorate	1,100	410	599	..	1,009	91.73	..
17	Ministry of Land	1,000	..	176	300	476	47.60	..
18	Block Provision for New Projects	.. } 370	.. } ..	.. } ..	.. } ..	.. } ..	40.54	..
	F. GRAND TOTAL :	54,000	9,586 (2845)	14,610 (6485)	18883 (9424)	43079 (18,754)	79.78	
	At 1984/85 Prices :		9,217.31	12,929.20	15,735.83	37,882.34	70.15	

## CHAPTER XIV

SOCIAL INFRA-STRUCTURE—EDUCATION, SCIENCE AND TECHNOLOGY,  
SPORTS, CULTURE, YOUTH DEVELOPMENT AND MASS MEDIA.

## EDUCATION

Human resource development occupies a key-position in any nation's efforts for socio-economic advancement. As elements of socio-economic development, uplift of education and religious/moral values have been accorded a high priority in the planning process in Bangladesh. A mid-plan review therefore of necessity has to take a meaningful stock of the developments in the field of education and religious affairs.

**An Overview of the Current Situation:**

An appraisal of the present situation in the field of education and allied fields can be made under four broad heads, namely (a) Primary Education, (b) Post-Primary general Education, (c) Professional Education and (d) Religious Affairs.

**Primary Education:**

The scenario in the field of primary education can be summed up as follows:

TABLE 1

**Important Parameters in Primary Education.**

Head of Information	June, 1985	June, 1988
Number of Institutions ... ..	44,383	45,080
Enrolment (In lakh) ... ..	77.22	112.52
Drop-out rates (%) :		
Class-I ... ..	25.00	13.76
Class-II ... ..	12.50	9.51
Class-III ... ..	10.90	14.69
Class-IV ... ..	10.30	13.68
Class-V ... ..	9.20	15.05

Source : Ministry of Education.

The Third Five Year Plan did not identify any target with regard to the total number of primary schools. It was only provided that 1,000 non-government primary schools will be nationalised in addition to the 36,881 government primary schools existing in June, 1985. The nationalisation programme has been accomplished by June, 1988. The 1988 enrolment target of 1.06 crore as against the TFYP aim of 116.00 crore for 1990 seems to have been achieved.

With an area of 144 thousand sq. k.m., the overall spatial distribution of primary schools in Bangladesh works out to be one school per 3.18 sq. k.m. School mapping exercises however have indicated that there is at least one school in every 2 sq. k.m. of human habitat throughout the country. Estimated average enrolment per primary school works out to be 249. With the projected (June, 1988) primary age-group population to be 1.60 crore, the schools enroll 70% of the targetted clientele as against 52% in June, 1985.

The TFYP did not set definite quantitative targets for minimising drop-out except for the proposition that measures will be taken to ensure student retention for the full completion of the primary education-cycle. However, the magnitude of drop-out is considerable even in 1988 and will continue to be sizeable also in 1990.

#### Post-Primary General Education :

The number of institutions in post-primary general education and enrolments therein stand estimated as follows:

TABLE 2  
Selected Indicators in Post-Primary General Education

Level/Type.	Reference Period (June).	Number of Institutions.	Enrolment	
Secondary Schools	1985	9,440	24,83,311	
	1988	10,246	28,60,658	
Cadet Colleges	1985	10	3,000	
	1988	10	3,000	
Intermediate Colleges	1985	205	86,048	
	1988	286	1,05,416	
Degree Colleges	Intermedial Level	1985	403	3,02,805
		1988	472	4,28,787
	Degree Level	1985	403	1,07,350
		1988	472	2,50,111
Total	1985	403	4,10,155	
	1988	472	6,78,898	
General Universities	1985	4	33,555	
	1988	5	39,118	

Source : Ministry of Education.

On an average, for every 4.4 primary schools, there will be one secondary school in June, 1988 as against 4.7 obtaining in June, 1985. Enrolment in the secondary schools will be about 25.42% of the primary school enrolment in June, 1988 compared to 28.96% in June, 1985. This indicates that educational participation at the secondary level has not matched well with the expansion in enrolment at the primary stage.

There is now one cadet college for every two of the original 20 districts of the country. With a standing enrolment of 3,000 under a comprehensive fees exemption programme that takes due cognizance of the economic status of the student, the cadet college network has now been able to widen its in-take opportunities to a larger section of the society. While quantitatively this was the situation also in June, 1985, the cadet

colleges now are better equipped. The TFYP target of minimising the gap in respect of physical facilities between the new and old cadet colleges have been largely achieved by June, 1988.

Presently, every Upazila has at least one college and some Upazilas two. This was more or less the situation also at the end of the SFYP. Half of the estimated current enrolments (a) at the intermediate colleges, and (b) at the intermediate sections of the degree colleges give a rough annual in-take of 2.67 lakh which is about 94% of the estimated combined outputs of about 2.85 lakh from the SSC examinations from the four Education Boards. The corresponding figures were 1.94, 93% and 2.08 respectively at the beginning of the TFYP. Based upon a similar approach, half of the current degree level enrolment yields 90% of the estimated HSC level output of 1.38 lakh, compared to 92% in June, 1985. In addition to the four general universities that were operational in June, 1985 at Dhaka, Savar, Rajshahi and Chittagong, an Islamic University is also now functioning at Tongi. The combined enrolment at the general universities presently runs into about 39,000 students against 33,500 at the beginning of the TFYP. In addition (i) Jagannath College and (ii) Eden Girls' College at Dhaka, (iii) A.M. College at Mymensingh, (iv) Saadat Karatia College at Tangail, (v) Rajendra College at Faridpur, (vi) Carmichael College at Rangpur, (vii) A.H. College at Bogra, (viii) Edward College at Pabna, (ix) Victoria College at Comilla, (x) M.M. College at Jessore, and (xi) B.M. College at Barisal are offering Master's level courses at present. The number of colleges running post-graduate courses were 5 when the TFYP was launched. Further, two more universities, one each at Sylhet and Khulna are coming up as additional to the TFYP benchmark.

The TFYP did not specify any mid-plan enrolment parameters to be achieved in 1988. However, the TFYP enrolment target for 1990 and the performance by June, 1988 can be seen below:

TABLE 3

## Enrolment in Post-Primary General Education

Sl. No.	Level of Education.	TFYP Bench-mark (1985).	TFYP target (1990).	Actual Enrolment June, (1988).	1988 enrolment as % of TFYP target for 1990.
1.	Secondary Education (lakh students).	24.83	27.50	28.62	104.03
2.	College Education (lakh students).	4.28	4.40	7.85	178.19
3.	General Universities (thousand students).	31.89	34.90	39.12	112.00
	(a) Science .. ..	8.50	10.70	10.79	101.00
	(b) Arts and others ..	23.39	24.20	28.32	99.00

Source : Ministry of Education.

**Professional Education :**

Because of its ADP purview, the Education Chapter of the Mid-Plan Review will confine professional education to mean only the following types of institutions with their number and enrolments indicated therewith :

TABLE 4

## A Profile of Professional Education

Sl. No.	Level/Type.	Reference period (June).	Number of Institution.	Enrolment.
1.	Vocational Training Institutes .. ..	1985	51	4,490
		1988	51	5040
2.	Polytechnic Institutes .. ..	1985	17	12,750
		1988	18	12,900
3.	College of Textile Technology .. ..	1985	1	200
		1988	1	200
4.	College of Leather Technology .. ..	1985	1	120
		1988	1	120
5.	Institute of Glass and Ceramics .. ..	1985	1	145
		1988	1	145
6.	Institute of Graphic Arts .. ..	1985	1	120
		1988	1	120
7.	Institutes of Technology (Formerly Engineering Colleges).	1985	4	2,640
		1988	4	2,640
8.	Technical Teachers' Training Colleges (TTTC)	1985	1	..
		1988	1	120
9.	Vocational Teachers' Training Institute .. ..	1985	1	120
		1988	1	120
10.	Engineering University .. ..	1985	1	3,360
		1988	1	3,765
11.	Agricultural University .. ..	1985	1	3,360
		1988	1	3,527
12.	Commercial Institutes .. ..	1985	16	2,457
		1988	16	2,642
13.	Primary Training Institutes .. ..	1985	51	8,303
		1988	53	8,893
14.	Teachers' Training Colleges .. ..	1985	10	3,500
		1988	10	3,624

Source : Ministry of Education.

Out of 64 districts in the country, only 19 districts are without a Vocational Training Institute (VTI). These districts are Panchagarh, Gaibandha, Bogra, Rajshahi, Jessore, Khulna, Borguna, Jhalakati, Faridpur, Shariatpur, Sherpur, Narsingdi, Gazipur, Comilla, Laxmipur, Feni, Chittagong, Rangamati and Bandarban. Of the districts not covered by a VTI, there are Technical Training Centres (same as VTIs but under the administrative control of the Ministry of Labour and Manpower) in six of them, namely, Bogra, Rajshahi, Khulna, Faridpur, Comilla, Chittagong and Rangamati. Again, there are two VTIs in each of the districts of Dinajpur, Kushtia, Jamalpur, Kishoregonj and Noakhali. In respect of numerical location, this was the situation also at the beginning of the TFYP. However, each one of the 51 VTIs has undergone qualitative improvement over the last three years by way of addition to their academic logistics. The same is also true for the four Bangladesh Institutes of Technology (BIT), the reorganised new name for the erstwhile Engineering Colleges which are situated in each of the Divisional headquarters. Of the 20 old districts, 17 has a Polytechnic (together with the Mahila Polytechnic, Dhaka has two) and another two are under construction at Tangail and Patuakhali respectively. So, excepting Jamalpur, all the 20 old districts are now covered by a Polytechnic.

The College of Textile Technology, the College of Leather Technology, the Institute of Glass and Ceramics and the Institute of Graphic Arts are in Dhaka. The situation with regard to all these institutions remain much the same as it obtained at the beginning of TFYP except for the Leather College which has been equipped with common finishing facilities to convert 500 pieces of wet blue hides into finished leather daily.

Ten Teachers' Training Colleges are operating, two at Mymensingh, one at each of the Divisional headquarters and four others at Comilla, Feni, Rangpur and Jessore respectively. This was the number also at the beginning of the TFYP. However, nine of them are now better equipped to provide in-service teachers' training. In all, 49 of the 64 districts have one or more Primary Training Institute located in each of them. Bogra, Rajshahi Kushtia and Chittagong have two each. This was the situation also at the end of the SFYP. The districts without a PTI are: (1) Gazipur, (2) Narayanganj, (3) Shariatpur, (4) Gopalganj, (5) Rajbari, (6) Sherpur, (7) Rangamati, (8) Khagrachari, (9) Bandarban, (10) Lalmonirhat, (11) Panchagarh, (12) Narail, (13) Meherpur, (14) Borguna, (15) Jhalakati and (16) Dhaka.

Enrolment targets for professional education (under the purview of education sector) specific to any mid-plan point, were not defined in the TFYP. However, the achievements by 1988 as against the TFYP targets for 1990 can be seen below:

TABLE 5  
Enrolment in Selected Branches of Professional Education

Level of Education.	TFYP bench-mark (1985).	TFYP Target.	[Thousand Students]	
			Actual enrolment (June, 1988).	1988 Enrol- ment as % of TFYP Target for 1990.
Engineering Education (Degree level)	6.20	7.12	6.65	93.14
Technician Education (Polytechnic level)	12.75	13.26	12.90	97.29
Vocational Training (Vocational Training Institutes only)	4.49	5.33	5.04	94.56
Agriculture Education (Only BAU) ...	3.36	4.50	3.52	78.37
Commercial Institutes ...	3.30	3.58	2.64	73.74

Source: Ministry of Education.

The TFYP did not stipulate any enrolment programme for textile, leather, glass and ceramics, graphic arts and teachers' training (either for TTC or for PTI levels)

#### Religious Affairs :

As of June, 1988, the field of religious affairs is characterised by the following development scenario :

- (a) 41 Islamic Cultural Centres at 41 district headquarters are operating in the country against 21 in June, 1985. These Centres maintain an Islamic Library attached to each, organise book clubs and mosque-libraries, bring out journals and formally observe the various national days and the Islamic anniversaries.
- (b) About 8450 Imams of the mosques trained by the Islamic Foundation and the Masjid Samaj in mass education, population planning, local resource mobilisation, cooperatives, fisheries, livestock, cottage industries, etc., are available in rural Bangladesh as useful extension and change agents. At the beginning of the SFYP, the number was 541.
- (c) As of June, 1988, about 312 books, 5 specialized research papers and 156 issues of the weekly journal published by the Islamic Foundation have added to the volume of Islamic literature in Bengali language in which even some years ago, the stock of Islamic books was nominal. During the SFYP, 348 books and 55 special research papers were published.
- (d) When the TFYP was launched, a short encyclopaedia of Islam and one of the volumes under the larger encyclopaedia series produced by the Islamic Foundation was available in Bengali in published form. The full series is now under preparation in 20 volumes. Good progress has been made over the last three years and two volumes have been prepared (up to 1988) out of eight volumes targetted for 1990.

The principal achievements against the TFYP targets have been as shown in the following table :

TABLE 6

#### Mid-Plan Achievements in the Religious Affairs Sub-Sector

Head of information.	Bench- mark position (1985).	TFYP target for 1988 (addi- tional).	TFYP target for 1990 (addi- tional).	1988 achievement.		1988 achieve- ment as % of target for 1990.
				No.	as % of target for 1988.	
Islamic Cultural Centres (No.).	21	23	43	20	86.96	46.51
Trained Imams (No.) ..	13017	8450	15500	8450	100.00	54.52
Publication of Islamic Books (No.).	348	(P)197 (R)110	(P)450 (R)250	(P)193 (R)119	97.96 108.18	42.88 47.60
Publication of specialised research papers (No.).	55	5	10	5	100	50.00
Volumes in the larger en- cyclopaedia series (No.).	1	2	8	2	100	25.00

NOTE : (P)=New publication.  
(R)=Reprint.

Source : Ministry of Religious Affairs.



**Manpower Export :**

Manpower export lately has assumed an important position as a source of foreign exchange earnings for the country. The education sector has its contribution in this field. Output of the Bangladesh University of Engineering and Technology, the Bangladesh Institutes of Technology, the Polytechnics and the Vocational Training Institutes have been replenishing the void created by the migration of senior engineers, technicians and craftsmen. Freshers also avail of the opportunities of overseas employment. Teachers of schools, colleges and universities produced by the Teachers' Training Colleges, the Dhaka University Institute of Education and Research and the General Universities are also among these proceeding abroad with overseas employment. However, an account of the lack of statistical details in the overseas employment records maintained by the Ministry of Labour and Manpower, it is not possible to exactly quantify the contribution of the education sector to the total volume of manpower exports. Nevertheless, it can be safely assumed that the size is considerable and that the relative share has not deteriorated in June, 1988 compared to the TFYP bench-mark position. Moreover, in consideration of the fact that savings and home remittances are higher for the professional higher income group migrants produced by the education sector, the balance of payments impact is more than proportionate compared to the absolute number of highly educated overseas migrants.

**Employment :**

In an economy where the Informal Sector is dominant in the rural areas, education is one branch of national activity which represents the presence of the Formal Sector in rural Bangladesh. Education is a major avenue of employment in the country. In respect of educated manpower, education is one of the biggest consumers of its own output.

Tentative volume of employment in Education stands as follows.:

TABLE 7  
Estimated Employment in Education

Sl. No.	Field.	June, 1985.		July, 1988.	
		Number employed.	%	Number employed.	%
1.	Primary Schools ... ..	1,45,276	28.3	1,65,632	25.6
2.	Secondary Schools ... ..	1,29,111	25.1	1,41,253	21.7
3.	Intermediate Colleges ... ..	6,998	1.4	8,797	1.4
4.	Degree Colleges ... ..	10,923	2.1	12,714	2.0
5.	Universities ... ..	12,721	2.5	12,853	2.0
6.	Vocational Training Institutes ... ..	1,035	0.2	1,149	0.2
7.	Polytechnics ... ..	1,660	0.3	1,840	0.3
8.	Bangladesh Institute of Technology	716	0.1	740	0.1
9.	Cadet Colleges and allied educational organs of the Ministry of Defence.	2,893	0.6	2,893	0.4
10.	Other Agencies of the Ministry of Education.	2,01,934	39.3	2,98,745	46.1
11.	Islamic Foundation and its Executing Agencies.	733	0.1	1,278	0.2
	Total ... ..	5,14,000	100.00	6,47,894	100.00

Source : Ministry of Education.  
Ministry of Defence.  
Ministry of Religious Affairs.

The over-all development situation for the output of the education system is of course gloomy. Right at the moment, not more than 5% of the labour force are secondary school certificate holders or above. Even then, the employment market of the national economy is failing to absorb a great bulk of the out-flow from this small base of education.

### Investments in Education :

A complete account of information in respect of public sector investments in education for 1980-85 is shown below :

TABLE 8

### Revenue and Development Expenditure on Education by Major Components (1980-85)

[Taka in Crore]

Sl. No.	Component	1980/81	1981/82	1982/83	1983/84	1984/85	Total (1980-85)
<b>1. Hardware Development :</b>							
Revenue	...	42.34	7.13	18.26	11.90	12.42	92.05
Development	...	60.15	52.06	76.00	110.72	100.24	399.17
Total	...	102.49	59.19	94.26	122.62	112.66	491.22
% Total Expenditure	..	36.04	19.23	25.36	25.16	19.27	24.13
<b>2. Liveware Development :</b>							
Revenue	...	127.00	189.07	223.10	305.34	402.47	1247.00
Development	...	7.49	11.50	1.55	0.90	3.82	26.26
Total	...	134.48	200.57	225.65	306.24	406.29	1273.26
% Total Expenditure	...	47.29	65.17	60.72	62.84	19.50	42.54
<b>3. Software Development :</b>							
Revenue	..	40.30	38.45	417.65	47.93	55.30	223.64
Development	..	7.11	9.58	10.09	10.55	10.38	47.71
Total	..	47.41	48.03	51.74	58.48	65.68	271.35
% Total Expenditure	..	16.67	15.60	13.92	12.00	11.23	13.33
<b>GRAND TOTAL (Rev. &amp; Dev.)</b>		248.38	307.79	371.65	487.34	584.63	2035.83

For each year five year period since 1960, size of educational investments, converted into constant prices, will not represent much of a divergence from the above.

Public sector educational investments over the last three years can be seen from the following table :

TABLE 9

## Governmental Educational Investments (1985-88)

{Taka in Crore}

Sl. No.	Components	1985/86	1986/87	1987/88	Total (1985-88)
<b>1. Hardware Development :</b>					
Revenue	..	0.10	0.47	2.95	3.52
Development	..	166.99	197.81	254.97	619.58
Total	..	167.08	198.28	257.74	623.09
% Total Expenditure	..	21.44	20.76	23.40	21.97
<b>2. Liveware Development.</b>					
Revenue	..	600.36	742.47	817.16	2159.98
Development	..	11.66	14.12	26.49	52.28
Total	..	612.02	756.59	483.65	2212.26
% Total Expenditure	..	78.55	79.23	76.59	78.02
<b>3. Software Development</b>					
Revenue	..	0.02	0.08	0.09	0.19
Development	..	..	..	..	..
Total	..	0.02	0.08	0.09	0.19
% Total Expenditure	..	0.003	0.01	0.01	0.01

Source : Bangladesh Bureau of Educational Information and Statistics, Ministry of Education.

An estimate of the private sector investments in education can be attempted as follows :

**TABLE 10**  
**Tentative Private Sector Investments in Education**

Type of Institution	Number of Institutions under private management.		Average Investment Cost Per Institution (Tk. in lakh in tentative 1988 current prices)	Total (In Crore Taka)			
	June, 1985	June, 1988		In 1988 current Prices		In constant prices of 1984/85.	
			June, 1985	June, 1988	June, 1985	June, 1988	
1	2	3	4	5	6	7	8
1. Primary Schools	7502	6599	3.00	225.06	197.97	187.55	164.97
2. Secondary Schools	9259	9994	10.00	925.90	999.40	771.58	832.83
3. Intermediate Colleges	198	275	20.00	39.60	55.00	33.00	45.83
4. Degree Colleges	270	298	35.00	94.50	104.30	78.75	86.91
<b>Total</b>	<b>17,229</b>	<b>17,166</b>		<b>1285.06</b>	<b>1356.67</b>	<b>1070.88</b>	<b>1130.54</b>

#### Capacity Use :

Firm capacity utilisation investigations have hardly ever been attempted in a comprehensive manner in the education sector. Nevertheless, it can be safely concluded that in primary schools, junior high schools and colleges, there is hardly any capacity under-utilisation. In fact, facilities in these places are being used over-intensively.

However, indications are that at least half of the classroom facilities in the Arts and Commerce Facilities of the General Universities, one-third of the total facilities of Bangladesh Agricultural University and more than half of the over-all enrolment capacities of the Vocational Training Institutes remain under utilised. To these extents, enrolments can be expanded in these educational institutions without much of an increase in physical facilities therein. Academic logistics of the Bangladesh University of Engineering and Technology, the four Bangladesh Institutes of Technology and the 19 Polytechnics can also undergo notable improvement in respect of full-capacity utilisation practices. Objective and detailed studies are called for in these area.

#### Board objectives of the sectoral Third Five Year Plan and Progress of Implementation thereof (1985-88).

The sectoral objectives set out for the Third Five Year Plan were as follows :

- (i) to enrol 70% of the primary age-group children by 1990 and ensure their retention for completion of primary school cycle in order that UPE might be achieved by the end of the century ;
- (ii) to reduce the rural-urban gap in educational facilities ;

- (iii) to provide in-service training to primary, secondary and technical education teachers;
- (iv) to give emphasis on science, technical and vocational education;
- (v) to rationalise enrolment among various disciplines at the college and university levels;
- (vi) to reduce illiteracy among the adults;
- (vii) to reduce the gap in educational opportunities between sexes;
- (viii) to enhance the size of trained religious leadership at the mosque level, equipped with updated concepts about modern life in order to broad-base the utilization of their services as resource persons for socio-cultural transformation in the rural areas;
- (ix) to strengthen the process of disseminating moral and religious values by enlarging the volume of Islamic literature in Bengali language and increasing its readership;
- (x) to expand the organisational net-work for spreading the universal teachings of Islam through meaningful and regular observance of the historic days commemorating significant Islamic events and also the national anniversaries

Remarkable success seems to have been achieved in the matter of primary school enrolment. Records indicate favourable trends with regard to the fall in the drop-out rates particularly at the primary level. Facilities for and participation in teachers' education/training programmes are on increase. The base of science, technical and vocational education has been steadily expanding. Female participation at all levels of education has been registering an upward growth. Trained Imams are now recognised activists in the rural areas. Magazines, books and other publications of the Islamic Foundation have now a large readership. In urban and mufassil areas alike, Islamic days are observed with noted zeal and fervour regularly and with a great deal of social participation by people from all walks of life. In fact, the momentum of an Islamic Renaissance is now gradually visible among the people of Bangladesh.

However, failures are observed in advancing the policy targets with regard to minimising the urban-rural gap in educational facilities. Again the mass education programme, discontinued in 1982, has not been able to show signs of effective revival and regeneration as yet. Further, there continues to be an over-concentration of students in arts and humanities at higher levels of education as opposed to the policy pronouncements in favour of expanding enrolment in science faculties. The notable shortcomings will be analysed in some details in subsequent sections.

The over-all financial performance during the first three years have been as follows :

TABLE 11

Financial Performance (1985-88) of the Sectoral TFYP Programmes  
(In current Prices)

[Taka in Crore]

Level	Plan Allocation (1985-90)	RADP Allocation 1985-88		Utilisation (1985-88)		Utilisation as % of RADP Allocation.	
		Total	GOB	Total	GOB	Total	GOB
1. Primary Education ..	538.00	323.00	64.96	228.93	49.12	70.87	75.60
2. Secondary Education ..	252.59	131.68	58.67	101.66	50.88	77.20	86.72
3. Technical Education ..	178.35	105.68	40.18	101.18	38.58	95.74	96.02
4. Universities ..	115.00	44.19	40.41	44.19	40.41	100.00	100.00
5. Special Projects of this Ministry of Education.	36.06	18.86	8.36	15.87	6.73	84.15	80.50
6. Block Allocation ..	50.00	..	..	..	..	..	..
7. Educational Programmes of the Ministry of Defence.	10.00	9.82	9.82	9.40	9.40	95.72	95.72
8. Religious Affairs ..	40.00	15.50	15.50	15.44	15.44	99.61	99.61
<b>Total</b> ..	<b>1220.00</b>	<b>648.83</b>	<b>237.90</b>	<b>516.66</b>	<b>210.55</b>	<b>79.61</b>	<b>88.29</b>

Source : Ministry of Education.

TABLE 12

Financial Performance (1985-88) of the Sectoral TFYP Programmes  
(In Constant Prices)

[Taka in Crore]

Level	Plan Allocation (1985-90)	Utilisation (1985-88).	Utilisation as % of TFYP Allocation.	
1. Primary Education ..	..	538.00	216.04	40.16
2. Secondary Education ..	..	252.59	72.84	28.84
3. Technical Education ..	..	178.35	91.38	51.24
4. Universities ..	..	115.00	40.21	34.97
5. Special Projects of this Ministry of Education.	..	36.06	12.39	34.36
6. Block Allocation ..	..	50.00	..	..
7. Educational Programmes of the Ministry of Defence.	..	10.00	8.61	86.10
8. Religious Affairs ..	..	40.00	13.57	33.92
<b>Total</b> ..	<b>..</b>	<b>1220.00</b>	<b>455.04</b>	<b>37.30</b>

Source : Ministry of Education.

**Primary Education :**

Attainment of the TFYP objective on primary education was planned through the implementation of two schemes, namely (a) Universal Primary Education (IDA), and (b) Universal Primary Education (National). The first project had a cost of Tk. 96.00 crore with Tk. 76.00 crore as project aid. The TFYP obligation for the project was to accomplish the final stages of the scheme inherited as a spill-over of the SFYP and originally scheduled for completion by June, 1985. With a TFYP allocation of Tk. 1.70 crore, the scheme was declared as completed in December, 1986 with some minor physical targets yet to be fulfilled. The project provided classroom accommodation, furniture, academic tools and equipment, text-book and stationeries, tubewells, latrines, etc., for about 4000 primary schools in 44 selected Upazilas of the country in the districts of Gaibandha, Chuadanga, Jhenaidah, Patuakhali, Faridpur, Tangail, Sylhet and Brahmanbaria. At the time of winding up the project, construction of classrooms and supply of furniture to 438 schools remained to be taken up, which has since been incorporated under the second project now under implementation.

With the same type of facilities as under the above scheme, the second project was launched to cover the remaining 416 Upazilas and all the 26 metropolitan thanas of the country at a total cost of Tk. 512.00 crore including a project aid of about Tk. 275.00 crore. This single project had a share of 42% in the total allocation of the Education sub-sector.

The expenditure programme of the scheme was phased out as follows :

TABLE 13  
Budget for the UPE (National) Project

		[Taka in Crore]
Year		Amount
1985/86	.. .. .	83.93
1986/87	.. .. .	100.15
1987/88	.. .. .	132.64
<hr/>		
Sub-Total	.. .. .	316.72
<hr/>		
1988/89	.. .. .	106.60
1989/90	.. .. .	89.36
<hr/>		
Sub-Total	.. .. .	195.96
<hr/>		
Total	.. .. .	512.68

Source : Ministry of Education.

Actual expenditures during the first three years of the TFYP stand as follows :

TABLE 14

## Financial Performance of the UPE (National) Project (1985-88)

[Taka in Crore]

Year	Type of Financing	Actual Expenditure in 1985-88 Prices	Expenditure in Constant Prices of 1984/85
1985/86	GOB	6.84	6.51
	P.A.	31.69	30.58
	Total	38.53	37.09
1986/87	GOB	17.83	15.78
	P.A.	67.93	67.63
	Total	85.76	83.41
1987/88	GOB	24.45	20.38
	P.A.	80.19	75.16
	Total	104.64	95.54
Total 1985-88	GOB	49.12	42.67
	P.A.	179.81	173.37
	Total	228.93	216.21
Percentage :	100%	72.28%	68.21%

Source : Ministry of Education.

The GOB expenditure has been slightly more than what was planned for 1985-88. Project aid outlay has fallen short of the scheme provision by 34.42%. The total financial shortfall is thus 27.72% compared to what was envisaged under the scheme. Principal reason for the shortfall have been shortage of engineering hands in the Facilities Department, delay in opening SAFE Account and other procedural bottlenecks. The situation has since improved. Engineering manpower under the primary education wing of the Facilities Department has been enhanced and rationalised. The SAFE Account has been operationalised and over-all administrative arrangements have been streamlined.



Actual performance with regard to the physical implementation of the project components as against the scheme provision, can be summed as follows :

TABLE 15

## A Review of the Physical Performance of the UPE (National) Project.

Sl. No.	Component	Physical Target (1985--88)	Actual Accomplishment.	Performance percentage
i.	Minor repair .. ..	1743 schools	1306	75%
ii.	Major repair .. ..	1557 ..	1305	84%
iii.	Repair of flood damaged schools.	658 ..	658	100%
iv.	No. of schools for constructing new class rooms.	4367. schools	2204	50.46%
		14083 class rooms	7148	51%
v.	Latrines .. ..	6600 units	2204	37%
vi.	Tube-well .. ..	8605 units	2204	26%
vii.	AUEO's Office .. ..	650 offices	39	6%
viii.	Joydeypur PTI .. ..	1 institute	1	100%
ix.	Transport vehicles ..	254 units	3	0.84%
x.	Furniture : .. ..	.. ..	.. ..	.. ..
	(a) Seat Bench .. ..	383580 pairs	41565	11%
	(b) Steel Almirah .. ..	.. ..	.. ..	.. ..
	(c) Table .. ..	25114 Nos.	3357	13.36%
	(d) Chair .. ..	25114 Nos.	3357	13.36%
	(e) Teaching Aid .. ..	31668 sets	31668	100%
	(f) Readiness .. ..	.. ..	.. ..	.. ..
	Learning Materials ..	37 lakh sets	34 lakh	92%
	(g) Teacher Edition of Text-books 16 volumes		7.27 lakh	48%

Source : Ministry of Education.

The performance on the enrolment front can be seen below :

TABLE 16  
The Enrolment Scenario (1985-88)

Sl. No.	Head of Information	<i>In crore</i>			
		June, 1985	June, 1986	June, 1987	June, 1988
A.	Population	10.54	10.30	10.55	10.77
B.	School Age-Group Population (6-10 years)	1.48	1.53	1.56	1.60
C.	Target of the PP				
1.	Enrolment	0.89	0.95	1.01	1.06
2.	Enrolment as % of the age cohort	60	62	64	66
D.	Actual Achievement				
1.	Enrolment	0.77	0.98	1.08	1.12
2.	Enrolment as % of the age cohort	52	64	69	70

Source : Ministry of Education.

It seems that the enrolment target for the year 1988 has been achieved. This provides a foundation for the successful achievement of the TFYP enrolment target of 1.16 representing 70% of the primary age-group population of 1.66 crore as of 1990.

The enrolment performance is a highly notable feature in the implementation of the TFYP primary education programme. This is particularly significant in view of the SFYP experience. This achievement in the area of enrolment is the result not only of higher education participation rates at Class I, but also of better continuation/retention ratios in higher classes manifested in lower drop-out rates shown earlier.

Though drop-out data for the SFYP period are not available, educational administrators are positive that drop-out rates were much higher during that period and that the present trends indicate a change for continuous improvement.

Though not set out as a target in quantitative terms by the TFYP, the UPE (National) scheme provided for programmes to narrow down the rural-urban gap. However, performance of the first three years do not conform to the PP objective in this regard. This can be seen below :

TABLE 17

Rural Urban Share

Location	Number of schools in which new class rooms will be constructed.				Number of New class rooms			
	PP Provision (1985-88)		1985-88 Performance		PP Provision (1985-88)		1985-88 Performance	
	Number	%	Number	%	Number	%	Number	%
Rural	38.75	88.75	1936	87.84	11628	82.57	5808	8.25
Town	295	6.76	203	9.21	1475	10.47	1015	14.20
City	196	4.49	65	2.95	980	6.96	325	4.55
Total	4367	100%	2204	100%	14083	100%	7148	100%

Source : Ministry of Education.

It is expected that during the next two years, rural schools will get increased attention and that the relative shortfall will be made up.

**Teacher Training :**

As per provision of the Third Five Year Plan programme, a new Primary Training Institute at Joydevpur with an enrolment capacity of 200 is yet to be set up and put to functioning before June, 1988. However, the following training programmes have been administered :

TABLE 18

## UPE Training Programme

Type of Training	Nature of the Clientele.	Target for 1990	Size of the Clientele			
			PP Target (1985—88)	Actual Achievement. (1985—88)	Achievement as % of 1988 target	Achievement as % of 1990 target.
1	2	3	4	5	6	7
Supervisory Training.	Upazila Education Officers, Assst. Upazila Education Officers, and Primary School Teachers.	49,98,738 mandays	29,99,242 mandays	16,49,583 mandays	55%	33%
Management Training.	Officers of the Directorate of Primary Education PTI Superintendents, etc.	8560 mandays	5136 mandays	4280 mandays	83%	50%

Source : Ministry of Education.

### Female Enrolment in Primary Education :

A break-up of primary enrolment by sexes for 1985 and 1988 can be seen below :

TABLE 19

#### Trends in Female Enrolment

Class	Year	Male		Female		Total	
		Enrolment	%	Enrolment	%	Enrolment	%
Class-I	1985	15,38,793	56	12,57,099	44	27,95,892	..
	1988	20,69,587	56	16,13,025	44	36,82,612	..
Class-II	1985	11,06,117	62	6,77,941	38	17,84,058	..
	1988	14,50,183	56	11,49,704	44	25,99,887	..
Class-III	1985	8,38,508	63	4,99,535	37	13,38,043	..
	1988	11,63,134	56	9,15,629	44	20,78,763	..
Class-IV	1985	6,77,943	63	3,92,492	37	10,70,435	..
	1988	8,82,741	56	7,05,239	44	15,87,980	..
Class-V	1985	4,83,858	66	2,49,767	34	7,33,625	..
	1988	7,16,293	57	5,49,461	43	12,65,754	..
Total	1985	46,45,219	60	30,76,834	40	77,22,053	..
	1988	62,81,938	56	49,33,058	44	1,12,14,996	..

Source : Ministry of Education.

The above table indicates and also there is a general consensus that female enrolment is on the increase in keeping with the objectives of the TFYP which, however, did not set definite quantitative targets in this regard.

#### Secondary Education :

For secondary education, the TFYP enlisted the following principal programmes :

- Completing the first phase of the community schools project. This envisaged that in 400 high schools (200 boys' and 200 girls') designated as community schools, a total of about 33,600 persons would be trained annually in five fields, namely, agriculture, building crafts, mechanical trades, sewing and food processings
- Enhancing the physical facilities in eleven university colleges, 100 selected government degree colleges and 79 selected government high schools ;
- Strengthening science education in 76 selected private intermediate colleges, 25 selected private degree colleges, 3800 selected private high schools and 200 selected private madrasahs ;

- (d) Expansion and development of the facilities at the Dhaka Music College which is the only government institution in the field ; and
- (e) Establishment of a new Sanskrit College.

The TFYP did not strictly stipulate any definite phasing for these programmes. However, by June, 1988, the main achievements in secondary education have been as follows:

- (a) At the upazila level, 400 high schools have been developed as community schools. About 55,000 persons representing 33% of the TFYP target of 1,68,000 have been trained. The programme has been discontinued after June, 1988 and its success/short comings are being evaluated by an interministerial team. Based upon the findings of this evaluation some future course of action may be decided under the Fourth Five Year Plan. It may be mentioned in this connection that community school approach is one of the recognised instruments of human resource development and self-employment promotion in rural areas in some of the Third World countries.
- (b) Laboratory buildings have been constructed and science equipment provided to 31 intermediate colleges, 1240 high schools and 144 madrasahs, all under private management ;
- (c) New classroom accommodation capacities have been created and furniture, tools, equipment, books, etc. provided to 77 government high schools, 99 government degree colleges and 11 university colleges ;
- (d) Laboratory buildings are being expanded and workshop facilities being enriched in 76 private intermediate colleges, 38,000 private high schools and 200 private madrasahs ; and
- (e) To strengthen in service teachers' training programmes for secondary education, a National Secondary Education and Science Development Centre (NSEDG) has been established in the premises of the Teachers' Training College at Dhaka as per the TFYP programme. The NSEDG will coordinate the activities of Secondary Education and Science Development Centres that are being set-up at the premises of the Teachers' Training Colleges at Mymensingh (in the one for men only), Chittagong, Comilla, Feni, Rajshahi, Rangpur, Khulna and Jessore. Work has started at five places and progress achieved by June, 1988, has lagged behind the schedule on account of procedural bottlenecks. The work will now be completed by June, 1990, as against the original schedule for June, 1989.

However, upto now, private degree colleges have not been taken up for development and strengthening of facilities for science education.

Work on the development of Music College is yet to commence. The Ministry of Education has lately decided to abandon the establishment of a new Sanskrit College, based on a stock-taking of the existing institutions of Hindu religious education where considerable under-utilised capacities have been found to exist.

The financial performance have been shown as follows :

TABLE 20  
Financial Performance in Secondary Education

[Taka in crore]

Sl. No.	Name of the Scheme	Expenditure in current prices (1985-88)	Expenditure in the constant prices of 1984/85
1	Community Schools .. .. .	6.96	6.52
2	77 Government Schools .. .. .	3.76	3.38
3	98 Government Colleges .. .. .	5.68	5.01
4	4 University Colleges .. .. .	1.79	1.58
5	7 University Colleges .. .. .	4.46	3.87
6	76 Intermediate Colleges .. .. .	2.00	1.72
7	3,800 Private High Schools, 200 Private Madrasahs and 9 Science Development Centres attached to 9 Teachers' Training Colleges. .. .. .	51.59	50.76
Total .. .. .		76.24 (45.84)	72.84 (43.80)

Source : Ministry of Education.

Excepting the eleven University Colleges and the TTCs, the large majority of the educational institutions mentioned above are in rural areas. Barring the madrasahs, female enrolment which is already considerable in all the educational institutions covered, by the above schemes, has been steadily expanding.

#### Cadet Colleges

The programmes envisaged during the TFYP for cadet colleges are as under :

- (i) Completion of incomplete works of conversion of Comilla Residential Model School into a Cadet College;
- (ii) repair and renovation of 4 old Cadet Colleges;
- (iii) construction of mosques for the newly converted Cadet College; and
- (iv) construction of staffquarters for Class III and Class IV employees of the old Cadet Colleges.

The first item enlisted above has been completed in June, 1987. Work on the remaining three components are on progress quite as per schedule and expected to be completed during the TFYP period. Expenditure incurred on these programmes are as follows:

TABLE 21  
TFYP Expenditure on Cadet Colleges

[Taka in crore]

Projects	Expenditure 1985-88 in current prices.	Expenditure 1985-88 in 1984/85 constant prices.
1 Comilla Cadet College .. ..	1.23	1.13
2 Mosques for 6 Cadet Colleges .. ..	0.90	0.77
3 Renovation of Cadet Colleges and construction of staffquarters. .. ..	2.03	1.73
.. ..	4.1	3.63

Source : Ministry of Education.

#### Technical Education :

The TFYP programme on technical education can be broadly classified under two heads :

- (A) completion of the final stages of the projects taken over as spill-overs from the SFYP; and
- (B) fresh schemes on engineering, technician and vocational education.

By June, 1988, the SFYP spill-over schemes have been completed as per schedule. The performance in a nutshell are as follows :

- (i) Conversion of the Institute of Leather Technology into a College capable of offering degree courses (instead of diploma) has been accomplished with increased physical and academic logistics. The enrolment capacity remains at 120 as before.
- (ii) A Common Finishing Facilities Centre (CFFC) has been set up and made fully operational as an allied unit of the Leather College. The CFFC has a daily capacity to convert 500 pieces of wet blue hides into finished leather;
- (iii) A Mohila Polytechnic is now functioning with an enrolment capacity of 240;
- (iv) The existing Vocational Training Institutes have been enriched with additional quantity of workshop tools and equipment;

- (v) The Board of Technical Education has been provided with an office complex, suitable set up of functional tools and trained personnel capable of handling inspection, affiliation, examination, grading and certification responsibilities.
- (vi) The SFYP provided for the establishment of 17 Vocational Training Institutes, one each at Joypara, Narsingdi, Dewanganj, Bhsirab, Gouripur, Mirpur, Saidpur, Lalmonirhat, Parbatipur, Sherpur, Joypurhat, Bancharampur, Begumgonj, Sreemongal, Chatak, Gournadi and Jhikargacha. Based upon field level investigation, it was interministerially decided in 1987 that since the existing VTI's were under-utilised, this spill-over scheme would be declared complete in June, 1987, with only 10 of the VTIs being ready. The programme for establishing VTIs has been dropped in seven places, namely, Narsingdi, Mirzapur, Saidpur, Sherpur, Srimongal, Gournadi and Jhikargacha. However, by June, 1988, construction and allied works of these 10 VTIs have lagged behind. The project will now be wound up in June, 1988.

The Bangladesh Institutes of Technology at Dhaka, Chittagong, Rajshahi and Khulna and 18 Polytechnics (except the Mohila Polytechnic and the ones under construction at Tangail and Patuakhali) are being provided with increased academic and residential accommodation, enriched workshop installations and staff training facilities under two schemes entitled "Technical Education Project A" and "Additional Facilities for BIT, Dhaka" respectively. Though the first project is a spill-over, only a part of the work started under the SFYP and the major component is under implementation under the TFYP. Through this project, enrolment capacity of the BIT Dhaka, has been increased from 600 to 720 by June, 1988, as per the TFYP schedule. For the other three BITs in each of which the enrolment capacity is already 720, the schemes will bring about qualitative improvement of academic inputs through expansion and rationalization of physical facilities. Progress upto June, 1988, has been in consonance with the TFYP stipulation. Similar facilities are being further developed for the 51 Vocational Training Institutes through a fresh TAPP under the TFYP. Work initiated in all the 51 institutes together have advanced well by June, 1988, as planned.

Adequate attention is being paid to the training of teachers of technical education. The Technical Education project 'A' and the TAPP entitled "Support Facility to the VTIs and one VITI" provides for enhanced quantities of workshop tools and equipment, staff training facilities and other academic inputs to the Technical Teachers' Training College at Dhaka and the Vocational Teacher Training Institute at Bogra, the enrolment capacity being 120 in both the institutions. Achievements by June, 1988, have been in keeping with the phasing envisaged under the programme.



The financial achievements of the projects under Technical Education have been as follows :

TABLE 22

## Financial Performance of the Technical Education Projects

[Taka in crore]

Name of the scheme	Expenditure (1985-88) in current prices.	Expenditure in 1984/85 constant prices.
1. Leather College ..	0.45	0.45
2. Common Finishing Facilities Centre ...	4.63	4.37
3. Mohila Polytechnic ..	2.73	2.63
4. Board of Technical Education ..	0.95	0.91
5. Renovation of VTIs ..	4.75	4.55
6. 10 VTIs ..	2.20	1.96
7. Technical Education Project 'A' ..	75.79	70.28
8. Tangail and Patuakhali Polytechnics ..	4.57	3.98
9. Additional Facilities for BIT, Dhaka. ..	1.05	1.54
10. Winding up expenditure for 35 VTIs ..	0.75	0.71
Total ...	97.87	91.38

Source : Ministry of Education.

A new TFYP scheme providing for reconstruction/renovation of four VTIs and introduction of new courses therein has been kept in abeyance pending market study with regard to the demand for these skills and the need for project re-programming to minimise the scheme costs.

Most of the VTIs are in rural areas. Female enrolment in the polytechnics and VTIs are on steady increase.

#### Rehabilitation/Reconstruction

The cyclone of May, 1984 had a devastating effect on the educational institutions as well. Seven districts were affected by the cyclone. These are : Chittagong, Cox's Bazar, Noakhali, Laxmipur, Patuakhali, Bhola and Barguna. Nowever, except those is Urirchar, educational institutions in the other areas mentioned above did not get the benefit of post-cyclone rehabilitation work. A project for the reconstruction of the damaged educational institutions was enlisted under the TFYP. For each of the seven districts, the following

programmes were envisaged ; (a) four educational institutions for pucca structure ; (b) seven educational institutions for semi-pucca structure; and (c) one cyclone shelter-school. The project thus identified in all 28 educational institutions for pucca structure, 49 educational institutions for semi-pucca structure and seven schools to be used also as cyclone shelters.

In early 1985, the IDA indicated its firm willingness to finance the project. However, the project with a cost involvement of Tk. 625.00 lakh has not been fielded as yet, principally on account of absence of lack of effective follow-up on the part of GOB to establish meaningful rapport with the IDA in this regard. As the situation stands now, the programme may go by default under the TFYP, since the scheme does not seem to be included under IDAs current portfolio of projects.

The floods of 1987 have caused tremendous damage to the educational institutions. Two major rehabilitation programs have been identified by IDA and EEC respectively and both of them concentrate on primary schools exclusively. The IDA reconstruction project costing Tk. 22.00 crore covers 1260 institutions. For the other project proposed to be financed by EEC, the number of educational institutions are 167. As of June, 1988, both the programmes were yet to be launched. The IDA project though scheduled to commence in January, 1988 could not be fielded as the MOE was not ready for it. The EEC is preparing to make its own engineering assessment before they commit and make available their resources.

Hopefully, these two projects costing Tk. 24.00 crore and Tk. 27.00 crore (tentative) respectively will be completed within the TFYP. In addition, the Universal Primary Education (National) project is being revised inter-alia to take care of the post-flood rehabilitation work of 322 rural primary schools (that have not been covered by the separate reconstruction schemes), the IDA providing the major financial cover for it.

#### University Education :

During the first two years, the TFYP completed the spillover SFYP project for Dhaka University, Rajshahi University and the BUET. The items related to electrification, sanitation (including the installations/erection) and other finishing components of the construction phase. This was as per the TFYP schedule.

The TFYP provided for the establishment of two new universities, one each at Sylhet and Khulna. Enrolment capacities during the first phase (1985--90) of these two projects were envisaged to be 300 and 295 respectively. Construction work of the University at Sylhet known as the Shah Jalal University of Science and Technology has made the desired progress as envisaged in the TFYP and it is expected that it will enrol the first batch of students in the academic session 1989-90.

However, progress towards the establishment of the Khulna University has suffered a set-back. This was because the PWD, supported by a subsequent BUET-Building Research Institute joint study (conducted through a PC II financed under Annual Development Programme, 1987/87) pointed out that special foundation work involving additional costs would be required at the site selected for Khulna University. The Ministry of Education then moved a Summary to the Cabinet seeking a decision with regard to the advisability of going ahead with the implementation of the project at the site.

The Cabinet has since given its decision in favour of the site originally selected. The PP originally based on under-estimated foundation cost, has now to be re-drawn.

Under the TFYP, all the existing Universities are being provided with enhanced academic logistics in order to expand the in-take capacities and also to bring about overall qualitative upgrading of the present academic facilities. On the whole enrolment and residential facilities will increase as follows at the end of the TFYP period :

TABLE 23

## Enrolment and Student Residence Capacities in the Universities.

Sl. No.	University	Enrolment		Students' Residence Capacity	
		Pre-TFYP level	TFYP Target	Pre-TFYP level	TFYP Target
1	Dhaka University	15,000	16,000	6421	8861
2	Chittagong University	5,000	6,000	2309	3211
3	Rajshahi University	11,655	15,000	4937	7000
4	Jahangirnagar University	1,900	2,570	1900	2800
5	Islamic University	..	1,800	..	830
6	Bangladesh University of Engg. and Technology	3360	4,500	1970	2650
7	Bangladesh Agricultural University	3,360	4,500	2838	3500
		40,275	50,370	20,375	28,852

Source : Ministry of Education.

For the Universities, mostly the targets are achieved with the full completion of the projects. The TFYP, therefore, did not identify or definitely envisage the enrolment and hostel in-take targets for 1988.

However, the actual achievement during the first three years have been as follows :

TABLE 24

## Enrolment and Student Residence Position in June, 1988

Sl. No.	University	Enrolment		Student Residence Capacity	
		Actual	% of TFYP target	Actual	% of TFYP target
1	Dhaka University	16,622	104.00	6750.00	76.00
2	Chittagong University	6,554	109.00	2457.00	76.52
3	Rajshahi University	12,332	82.21	6040.00	86.00
4	Jahangirnagar University	2,660	103.00	2660.00	95.00
5	Islamic University	950	41.66	602.00	72.00
6	Bangladesh University of Engineering and Technology.	3,765	83.66	2350.00	88.68
7	Bangladesh Agricultural University	3,527	78.37	3077.00	88.00

Source : Ministry of Education.

The new Institutes and Departments that have been established under various Universities during the last three years of the TFYP are as follows :

TABLE 25

## New Departments/Institutes/Centres in the Universities Established during 1985-88

Sl. No.	Name of the University	Name of the new Department/Institute	TFYP Enrolment Target	Achievement by June, 1988
1	Chittagong University	(i) Journalism	45	Not yet operationalised
		(ii) Law	45	Ditto.
2	Rajshahi University	(i) Pharmacy	225	Ditto.
		(ii) Mass Communication.	225	Ditto.
		(iii) Institute of Biological Science.	33	Ditto
3	Jahangirnagar University	(i) Anthropology	90	49
		(ii) Institute of Life Science.	90	104
4	Islamic University	(i) Usul-us-Sharia	150	65
		(ii) Ulum-ul-Quran	300	191
		(iii) Tauhid-ud-Dewaa	300	190
		(iv) Management	300	254
		(v) Economics	150	60
		(vi) Accounting	300	190
5	Bangladesh University of Engineering and Technology.	(i) Centre of Excellence	Full-fledged operation	Not yet operationalised
		(ii) Centre for Numerical Methods in Engineering.	Full-fledged operation	Not yet operationalised

Source : Ministry of Education.

During the first two years, the spill-over SFYP schemes required an expenditure of Tk. 1771.68 lakh (in 1985-87 current prices) to get completed. The scheme-wise outlay position is shown below :

TABLE 26

Expenditure on SFYP spill-over schemes completed by June, 1988.

[Taka in crore]

Sl. No.	Name of the Projects	Expenditure (1985-87) in current prices	Expenditure (1985-87) in constant prices of 1984/85
1	Supplementary Scheme of Dhaka University (SFYP)	6.29	5.80
2	Supplementary Scheme of Rajshahi University (SFYP)	2.26	2.07
3	Supplementary Scheme of Bangladesh University of Engineering and Technology (SFYP)	2.56	2.33
4	Development of Rajshahi University under SFYP (1981-85)	1.03	.98
	Total	12.14	11.18

Source : Ministry of Education.

For the new TFYP schemes, expenditures during the first three years constitute 34.71% the TFYP allocation. Table 27 portrays the situation.

TABLE 27  
Expenditure on new TFYP Schemes under Implementation

[Taka in crore]

Name of the University	Expenditure (1985-88) in current prices	Expenditure (1985-88) in constant prices of (1984-85)
1. Commerce Faculties	4.43	4.27
2. Dhaka University	2.32	2.18
3. Chittagong University	6.20	5.62
4. Rajshahi University	0.93	0.77
5. Jahangirnagar University	5.41	5.08
6. Shahjalal University	4.05	3.53
7. Islamic University	3.56	3.19
8. Khulna University	0.36	0.31
9. Bangladesh University of Engineering & Technology	1.00	0.83
10. Bangladesh Agricultural University	1.79	1.58
11. Repair and Renovation of Universities.	2.00	1.66
<b>Total</b>	<b>32.05</b>	<b>29.03</b>

Source : Ministry of Education.

**Scholarships :**

Under the Education Sector, the TFYP provides for two schemes on scholarships. One is for the students of Engineering University, the Bangladesh Institutes of Technology, the Polytechnics, the Vocational Training Institutes and other institutes of technical education/training. The other scheme is for the students of general universities colleges, schools and madrasahs. Number of students targetted as beneficiaries are 84,000 and 96,000 respectively for the two projects. Out of the TFYP allocation of Tk. 55.00 crore, an amount of Tk. 28.72 crore has been spent by June, 1988 on account of scholarships in the education sector.

**Special Projects of the Ministry of Education :**

In the TFYP, there are some special multi-dimensional projects that are not confined to primary, secondary, technical or university education as such. Administratively and operationally, these schemes are under the direct management of the Ministry of Education.

One such project is the Bangladesh Institute of Distance Education (BIDE). The purpose of the scheme is to conduct school broadcasting programmes and offer audio-visual technological assistance to the National Institute of Educational Administration, Extension and Research (NIEAER), the Teachers' Training Colleges, the Primary Training Institutes and the National Academy for Primary Education (NAPE). The BIDE was a SFYP spill-over project and has been completed in June, 1986. It was further strengthened through a TAPP during 1987/88. As an additional output, the BIDE has successfully introduced the Experimental Distance Education B.Ed. programme that may well be the potential nucleus of an Open University in Bangladesh.

The National Institute of Educational Administration, Extension and Research, a SFYP spill-over scheme completed in June, 1987, provides in-service foundation training for the BCS (Edn.) recruits. It also offers extension education and management training to the officers of the various Directorates of the Ministry of Education. Further, the NIEAER offers research support to its Administrative Ministry.

The Bangladesh Educational Equipment Board (BEEB), another spill-over project from the SFYP, has the following objectives :

- (a) to extend and strengthen the governmental machinery for the design and development of proto-type educational equipment;
- (b) to institute quality control practices on a scientific basis;
- (c) to receive from government sources bulk orders that BEEB can contract out to private manufacturers;
- (d) to train teachers and inspectors on the use and maintenance of educational apparatus.

The construction, installation and staff training works have been completed by June 1988. It is expected that this will improve the availability of quality equipment and spares for the science laboratories and workshops in the educational institutions of the country. However, the project has been retained in the development budget for another two years so that the institution can prepare itself for running as a self-sustained commercially viable venture without imposing any burden on the revenue budget of the government.

The Multi-Lingual Shorthand Academy, Bogra, the leading teaching and research institution in secretarial science in the country, was completed in June, 1987 as scheduled. This was a new TFYP scheme, as distinguished from SFYP spill-over. The Institute has an enrolment capacity of 460 students.

The TFYP expenditures for the above projects have been as follows :

TABLE 28

## TFYP Outlay on Special Projects

[Taka in crore]

Sl. No.	Name of the Scheme	Expenditure (1985-88) in current prices.	Expenditure (1985-88) in constant prices of 1984/85.
1	Bangladesh Institute of Distance Education (BIDE) ...	1.49	1.44
2	National Institute of Educational Administration, Extension and Research (NIEAER)	0.84	0.76
3	Bangladesh Educational Equipment Board (BEEB)	11.41	8.28
4	National Academy for Training and Research on Multi-Lingual Shorthand, Bogra (NATRMS)	0.68	0.62
	Total ..	14.42	11.10

Source : Ministry of Education.

## Extra Curricula Activities

The Bangladesh Boys Scouts had a target of attaining a membership of about 2 lakh by the end of the TFYP by expanding the scouting network further deep into remote rural areas. Increased accommodation capacities and an expanded set-up of training logistics were also planned for under the TFYP period. By June, 1988, they have been able to achieve about 50% of the TFYP targets. This is quite in line with what was envisaged for the first three years of the Plan.

The Bangladesh Girls' Guides had a TFYP programme to train more than 7000 girls through camps and rallies during the plan period. In addition, physical facilities and organisational strength of the Girls' Guide network were planned to be expanded during the first three years of the TFYP. At the end of 1987-88, the achievements has been around half of the TFYP stipulation and broadly in consonance with the target envisaged for 1988.

For the Bangladesh National Cadet Corps, the programme for the SFYP was to raise 5 Regiments in the Army Wing, 3 Flotillas in the Naval Wing and 3 Squadrons in the Air Wing. It was envisaged that the BNCC would have 2 Divisions: the Junior Division comprising students of Classes VIII to X having a duration of 2 years, while the other Division would be formed with the College and university students having a duration of 3 years. During the SFYP period, about 1200 cadets could be raised as against the target of 1500. The incomplete works of the BNCC have been accomplished by June, 1988.



The TFYP expenditure for the three above projects have been as follows :

**TABLE 29**  
**Expenditures (1985-88) on Extra Curricular Activities**

		[Taka in Crore]	
Sl. No.	Project	Expenditure (1985-88) in current prices.	Expenditure in 1984/85 constant prices.
1.	Boys' Scouts ... ..	0.78	0.68
2.	Girls' Guides ... ..	0.69	0.60
3.	Cadet Corps .. ..	5.30	4.98
Total		6.77 (90.27)	6.26 (83.47)

Source : Ministry of Education.

#### Religious Affairs

The TFYP inherited two spill-over projects. These are :

- (a) Completion of 21 Islamic Cultural Centres in the 21 old districts ; and
- (b) Completion and publication of a shorter Encyclopaedia and one of the volumes in the series of larger encyclopaedia of Islam in Bengali.

Both were completed in June, 1986 with TFYP allocations of Tk. 145.00 lakh and Tk. 25.00 lakh respectively.

In addition, the following accomplishments have been made by the Islamic Foundation against fresh TFYP schemes :

#### Al-Quran Cassetting :

By June, 1988 a total of 1875 cassettes have been produced with correct recitations from the Holy Quran. This is 100% of the TFYP target and in agreement with the phasing from 1985-88.

#### Library Development :

About 8,650 books have been procured by June, 1988 for the Islamic Foundation Library against the Plan target of 35,000. Further about, 1,840 new mosque libraries have been organised by June, 1988 out of 34,000 planned for the TFYP. As per the TFYP provision, some expansion of the accommodation capacity of the Islamic Foundation Library has also been undertaken. The performance is in keeping with that envisaged for the first three years of the TFYP.

#### Imam Training :

About 8,450 Imams have been trained by the end of the third year of the TFYP that has a total target of training 15,500 Imams. This is in line with the schedule for June, 1988.

**Printing Press :**

Major work of expansion and modernisation of the Islamic Foundation Press has been undertaken by June, 1988 as planned

**Publication :**

By June, 1988, 312 books have been printed, 119 books reprinted and 5 research papers produced against the plan target of 450, 250 and 10 respectively. A total of two volumes in the series of the larger encyclopaedia has also been published by June 1988 against the plan target of eight. The three-year performance is in keeping with the TFYP schedule.

**Islamic Cultural Centres (ICC) :**

By June 1988, 20 new centres have been set up against the plan provision of establishing 43 new ICCs. The progress conforms to the TFYP programme.

Fund utilization position of the Islamic Foundation is as follows :

TABLE 30

**TFYP Expenditure of Islamic Foundation :***(Take in Crore)*

Schemes	Expenditure 1985—88 in current prices	Expenditure 1985—88 in constant prices
<b>Spill-over :</b>		
1. Islamic Cultural Centres	1.39	1.32
2. Encyclopaedia	0.24	0.22
	1.63	1.54
<b>New Projects :</b>		
1. Islamic Cultural Centres (TFYP)	0.93	0.77
2. Ecyclopaedia (TFYP)	0.56	0.43
3. Publication	4.30	3.76
4. Imam Training	4.15	3.62
5. Islamic Foundation Library	0.59	0.51
6. Mosque Library	1.08	0.94
7. Al-Quran Cassetting	1.00	0.88
8. Islamic Foundation Press	1.26	1.12
	15.44	13.37

Source : Ministry of Education,

### Some Areas of Notable Successes in Plan Implementation :

Attainment of the enrolment targets of primary education and visible fall in drop-out rates have been redeeming features in a most important field of national activity. The Successes owes principally to active extension efforts by the Upazila Primary Education Administration. In addition, free distribution of the text-books has been an extremely important contributory factor.

Free distribution of books started with effect from the first academic year (1981) of the Second Five Year Plan (July, 1980—June 1985). In the initial year, 50% of the students of only Class I were given books free of cost. In 1982, the clientele for free distribution was enlarged to 50% of the students of Class-I and Class-II. From 1983, the coverage was extended to 100% of the students of Class I and Class-II. The same year, i.e., in 1983, 50% of the students of III were also brought under the purview of the programme. The entire population of the students of Class III were included as beneficiaries of the programme in 1984. In 1985, 100% of the students of Class-IV and 50% of those enrolled in Class-V were brought under the network of the programme. From 1986, i.e., the first academic session of the Third Five Year Plan (1985-90), books are distributed free of cost by the Directorate of Primary Education to all the students right from Class-I through Class-V.

The UPE (National) scheme provides the following financial cover for the text-book distribution schedule:

TABLE 31  
Text-book Budget (1985-90) for Primary Education

(In Crore Taka)

Year	Local Currency	Foreign Exchange	Total
1985/86	15.28	7.00	22.28
1986/87	19.75	5.00	24.75
1987/88	15.16	5.75	20.91
1988/89	18.68	8.28	26.96
1989/90	20.15	7.25	27.40
Total	89.02	33.28	122.30

Source : Ministry of Education.

During 1985-86, the UNICEF has already provided Tk. 33.28 crore. The UNICEF commitment was originally for three years from July, 1985 to June, 1988. Further commitments of Tk. 15.54 crore have also been made by the UNICEF to cover a part of the text-book budget for the last two years of the Third Five Year Plan period. The free text-book support should continue on a sustained basis in the interest of successful educational participation and retention.

### Some Weak Points in the TFYP Performance :

A mid-Plan Review reveals atleast three areas in which the performance of the Education Sector is poor by all standards. These are as follows :

- (a) Routine repairs and renovations of buildings maintained under the revenue budget do not normally come under the purview of the development budget of the five year plans. However, a large number of schools, colleges and universities of Bangladesh are quite old and they have not undergone the periodic repairs and renovations as required by engineering standards. This is because of the educational administration at all tiers do not have adequate funds in their respective revenue budgets for repair and renovation. In consideration of the fact that some of the educational buildings are in a dangerously dilapidated condition, the TFYP as a special measure to renovate the enrolment capacities, provided for an amount of Tk. 30.00 crore for the repair of schools, colleges and universities. However, progress in this area is extremely nominal. By June, 1988, works for at best an amount of Tk. 3.55 crore has been initiated and that again only in some of the universities alone. Programmes for schools and colleges are yet to be conceived by the Ministry of Education.
- (b) Mass Education Programme discontinued in 1982 has not been revived properly. A scheme costing Tk. 26.24 crore was cleared by the PEC in 1987. However, by June 1988, the project administration was yet to organise its activities and plan out the organisational-cum-academic schedule in order to achieve any visible impact even by the end of the TFYP period.
- (c) Self-employment is a high priority area in a labour surplus country like Bangladesh. The Ministry of Education had a Community Schools project as an instrument for skill development for the purpose of self-employment. The Community Schools project did not receive adequately serious attention of the relevant administrative authority. The inter-relationships between the functional components of the scheme its inter-ministerial and multi-sectoral links were not taken care of. The scheme has not been properly monitored and its potentials not well-investigated and promoted, though considerable investments including loan money were made available for the project. The programme has been discontinued after June, 1988.

### Gaps in Policy Reforms :

Uptil now, the Ministry of Education has not undertaken any positive steps towards the implementation of the TFYP policy recommendations which in a nutshell were as follows :

- (a) There is an increasing demand for nationalisation of non-government educational institutions. This puts an additional burden on the government budget and helps widen the gap in educational expenditures between the government and non-government institutions. It runs counter to the government policy of increasing community participation. A clear and pronounced position should be taken on the issue as to whether the policy of nationalisation should be continued for the present.
- (b) The present policy of not restricting the recruitment of primary school teachers from amongst the PTI graduates alone involves wastage of public money through the PTI training of persons many of whom do not join the teaching profession. In order to obviate the problem, persons with good academic background should be recruited first as primary school teachers and then they should be sent for PTI training with proper arrangements to ensure that they stick to the teaching profession.

- (c) Administration of primary education has been decentralised. However, in order to make decentralisation really meaningful, the Upazila Parishads should pay greater attention for better physical and financial performance and maintenance of good financial records in the matter of repair of primary schools which is the delegated responsibility of the Upazila Parishads for the present.
- (d) The present system of continuation of separate Honours and Pass Degree courses simultaneously creates discrimination among the graduates. Plus, not all the colleges have adequately qualified teachers to teach Honours courses, though it is difficult to resist pressures to open Honours at the college level. The result is a deteriorating quality. One way to approach the problem could be abolition of the present Pass and Honours courses in their present form and to have only one stream. Alternatively, the two streams could be reconciled by making them of the same duration, the Honours course students being required to take additional courses in a chosen subject.
- (e) The existing system of affiliation of degree colleges to the teaching universities possibly does not serve any useful purpose. Hence, the question of setting up Affiliating Universities may be thought of. Affiliation of the intermediate section of the degree colleges with the Education Board and the degree sections with the Universities create unnecessary complications in the administration of the degree colleges. As such, HSC should be considered as part of college education and should have the same affiliating authority like the degree colleges.
- (f) Unplanned opening of Departments in the Universities often causes wastage of resources. During the TFYP, conscious and deliberate attempts should be made for inter-university rationalization of Departments. Perhaps some departments in some universities may be gradually closed down and their teachers transferred to other universities to strengthen the same or similar departments there. Inter-university exchange of teachers may be tried initially and adopted gradually. With this end in view, creation of a University Education Service may be considered.
- (g) The universities are costly enterprises which are maintained almost entirely with tax payers' money and as such, some sort of cost sharing and selectivity need to be thought of, if higher education is to be meaningful and is to expand rationally.
- (h) At all levels of education, there should be provision for teachers' evaluation. For evaluation of the performance of University teachers, methods should be devised by the Universities themselves.

## The Estimated Final Size of the Sectoral TFYP (1985-90)

The GOB Taka component under the sectoral ADP, 1989-90, ultimately will be approximately the same as that for 1988/89. Alongwith the corresponding Project Aid allocations, development expenditure for 1988-90 and the cumulative tentative final shape of the sectoral TFYP will be as follows :

TABLE 32

## The Estimated Final Size of the Sectoral TFYP

[Tk. in Crore]

Sub-sector	Type of Financing	1985-88	1988/89	1989/90	Total 1985-90
Primary	GOB	49.11	37.87	41.00	127.98
	RPA	151.30	104.32	88.75	344.37
	PA(FE)	28.51	15.53	9.30	53.34
	Sub-total	228.92	157.72	139.05	525.69
Secondary	GOB	50.88	29.26	26.84	106.98
	RPA	43.97	16.90	13.64	74.51
	PA(FE)	6.81	8.05	11.35	26.21
	Sub-total	101.66	54.21	51.83	207.70
Technical	GOB	38.58	11.21	17.10	66.89
	RPA	27.85	13.68	14.21	55.74
	PA(FE)	34.75	22.48	9.39	66.62
	Sub-total	101.18	47.37	40.70	189.25
University	GOB	40.41	9.50	9.50	59.41
	RPA	1.20	0.30	-	1.50
	PA(FE)	2.58	0.75	-	3.33
	Sub-total	44.19	10.55	9.50	64.24

Sub-sector	Type of Financing	1985-88	1988-89	1989-90	Total 1985-90
Special Projects of the MOE	GOB	6.73	6.70	13.42	26.85
	RPA	2.10	6.20	..	8.30
	PA(FE)	7.04	5.07	..	12.11
	Sub-total	15.87	17.97	13.42	47.26
Ministry of Religious Affairs	GOB	15.44	7.61	5.77	28.82
	RPA	..	..	..	..
	PA(FE)	..	..	..	..
	Sub-total	15.44	7.61	5.77	28.82
Ministry of Defence	GOB	9.40	4.35	3.45	17.20
	RPA	..	..	..	..
	PA(FE)	..	..	..	..
	Sub-total	9.40	4.35	3.45	17.20
Total	GOB	206.31	106.50	105.40	430.88
	RPA	226.42	141.40	116.60	484.42
	PA(FE)	82.93	51.88	36.04	164.85
	Sub-total	515.66	299.78	252.34	1080.15

Source: Ministry of Education.

TABLE 33

## The Estimated Final Size of the Sectoral TFYP

(In crore taka)

Sub-sector	Plan Allocation (1985-90)	Expenditure	
		1985-90 (in current prices)	1985-90 (in constant prices)
Primary	538.00	525.69	435.19
Secondary	252.59	207.70	152.59
Technical	178.35	189.25	160.16
University	115.00	64.24	51.41
Special Projects of the MOE	36.06	47.26	36.03
Ministry of Religious Affairs	40.00	28.82	27.73
Ministry of Defence	10.00	17.20	15.06
Block Allocation	50.00	..	..
<b>GRAND TOTAL</b>	<b>1220.00</b>	<b>1080.15</b>	<b>878.87</b>

Source: Ministry of Education.

In constant prices, the actual expenditure under the sectoral TFYP will thus be Tk. 878.87 crore against the TFYP sectoral allocation of Tk. 1220.00 crore. This gives an implementation performance of 72% from the standpoint of outlay incurred.



**An Indication of the Spill Over to the Fourth Five Year Plan :**

On account of resource constraint, it has not been possible to take up the following projects upto now and in all probability, these will not be included in the ADP, 1989-90 also :

**TABLE : 34**

**TFYP Enlisted Schemes not Likely to be Implemented**

Sl. No.	Name of the Scheme	Tentative cost (Taka in crore)	Principal benefits to be forgone
1.	Development of Science Education Facilities in Non-Govt. Degree Colleges.	5.00	Supply of laboratory tools and equipment.
2.	Development of Science Education Facilities in Non-Govt. High Schools.	8.00	In-service training to teachers. Supply of laboratory tools and equipment.
3.	Development of Science Education Facilities in Madrasahs.	6.75	In-service training to teachers. Supply of laboratory tools and equipment.
4.	Repair and Renovation of Colleges	7.50	Re-building the intake capacities.
5.	Reconstruction of Educational Institutions affected by the Cyclone of 1984.	6.25	Re-building the intake capacities
6.	Repair and Renovation of Schools	7.50	Re-building the intake capacities.
<b>Total</b>		<b>41.00</b>	

Again, mainly due to reasons connected with policy formalities, the scheme entitled "Establishment of the Affiliating Universities" has also not been commissioned as yet. It is not clear as to whether the project will be fielded during the remaining tenure of the TFYP.

Implementation gaps have led to the deletion of the following components (originally included in the approved UPE Project) from the revised scheme that is now under re-formulation :

TABLE 35  
Cuts in the UPE Programme :

(Tk. in crore.)

Name of the component	Dimension to be cut out	Cost involvement
<b>Civil Works</b>		
Rural Schools	1522	49.00
Town Schools	91	9.53
City Schools	118	14.37
Latrine	8598	8.59
Tube-well	7508	3.75
AUEOs Office	600	5.88
DPE Office	1	0.96
<b>Furniture</b>		
Seat bench (Pair)	108654	8.14
Table chair (Pair)	3277	0.37
Furniture for AUEO's Office	600 set	0.37
<b>Total</b>		<b>100.96</b>

Sources : Ministry of Education.

For all practical purposes, the above components represent TFYP spill-over to be taken over by the forth coming Fourth Five Year Plan.

Except the one for overseas training of teachers of commerce facilities, all the remaining ten schemes of the University Grants Commission are fully GOB financed and it has not been possible to obtain external assistance for them uptill now. Paucity of resources may therefore lead to considerable spill-over for the universities sub-sector. An estimated position is shown below :

TABLE-36  
Possible TFYP Spill-over to the FFYP in the University  
Sub-sector

[Taka in Crores]

Sr. No.	University	Total TFYP Provision in current prices as per approved scheme	Estimated Expenditure during 1985-88.	Probable Allocation for 1988-90.	Estimated Total Expenditure (1985-90).	Balance to be carried-over to the FFYP.
1	Dhaka University .. ..	10.35	2.32	1.98	4.30	6.05
2	Rajshahi University .. ..	9.20	0.23	1.75	2.68	6.52
3	Chittagong University .. ..	11.32	6.20	1.75	7.95	3.37
4	Jahangirnagar University .. ..	8.00	5.41	1.32	6.73	1.27
5	Islamic University .. ..	8.22	3.56	1.75	5.31	2.91
6	Shahjalal University .. ..	8.00	4.05	1.70	5.75	2.25
7	BUET .. ..	6.50	1.00	1.75	2.75	3.75
8	B A U .. ..	10.00	1.79	1.50	3.29	6.71
9	Khulna University .. ..	8.00	0.36	1.50	1.86	6.14
10	Repair and Renovation .. ..	13.00	2.00	4.00	6.00	7.00
	Total .. ..	92.59	27.62	19.00	46.62	45.97

Consequent upon the resource shortage, there will be some shortfalls in the attainment of physical targets in respect of creation of host l capacities at Dhaka University, Islamic University, Rajshahi University, Chittagong University and the Bangladesh Agricultural University. This can be seen from the following table :

TABLE 37  
Shortfalls in the TFYP physical Targets

Sl. No.	Name of the University	Enrolment Capacity		Student Residence Capacity		
		TFYP Target	Expected Capacity (1990)	TFYP Target	Expected Capacity (1990)	Percentage
1	Dhaka University ..	16000	16622	8861	7950	90%
2	Rajshahi University ..	15000	15000	7000	6040	86%
3	Chittagong University ..	6000	6554	3211	2457	77%
4	Jahangirnagar University ..	2570	3570	2800	2800	100%
5	Islamic University ..	1800	1800	830	680	82%
6	Shahjalal University ..	300	300	50	50	100%
7	Engineering University ..	4500	4500	2650	2650	100%
8	Bangladesh Agricultural University	4500	4500	3500	3077	88%

It is interesting to note that inspite of budgetary constraints, there will be no shortfall in attaining the enrolment targets of the TFYP.

Another major spill-over is imminent in case of the Mass Education Project. The likely position is as follows :

TABLE 38  
Spill-over in case of the Mass Education Project

[Taka in Crore]

Head of Information	TFYP Provision	Performance	Balance	Short-fall Percentage
Utilisation of Funds (Taka in crore),	26.24	16.66 in current prices of 1987-90.	9.58	36.51
Number of Training Centres	27,600	11,520	16,080	58.26
Number of literates to be trained out	13.08	4.60	8.48	64.83

Source: Ministry of Education.

If spill-over is defined in a narrow sense to denote only those on-going programmes that will be taken over to the Fourth Five Year Plan, then the size of spill-over of the Education Sector will be Tk. 55.55 crore in current prices of 1985-90. In the broader sense of spill-over that also includes the programmes which have not at all been taken up or which have been cutdown by way of drawing up revised versions of PPs of the on-going activities, the sectoral spill-over will amount to Tk. 197.51 crore in current prices of 1985-90.

## SCIENCE AND TECHNOLOGY

Development of science and technology is crucial for accelerating the pace of development and specially for Bangladesh which faces underdevelopment in different fields, development of appropriate technologies and their application is of strategic importance.

The development plans of Bangladesh have accordingly emphasised scientific and technological research. Though the individual sectors like agriculture, water resources, industries, transports and communication etc., would have their own technological R & D plans and financial allocations, the plans have constituted a separate sector as Scientific and Technological Research (STR) with specific financial allocations for programmes of some organisations like Bangladesh Atomic Energy Commission (BAEC), BCSIR, SPARRSO, Department of Environment Pollution Control (DEPC) Bangladesh Standards and Testing Institutions (former BDSI and CTL), National Museum of Science and Technology. The allocations for the STR sector over the plans are as follows:

TABLE 1

(Taka. in crore.)

Plan period.	Public sector outlay.	Plan allocation for STR sector.
FFYP (1973-76) .. .. .	3,984	23.27
TYP (1978-80) .. .. .	3,261	39.16
SFYP (1980-85) .. .. .	11,100	92.00
TFYP (1985-90) .. .. .	25,000	61.00

Note: Allocation of FFYP is at current prices and others are at constant prices (base-year).

The plans have stressed upon development of S & T research of applied and adaptive nature suited to the economic and social development needs of the country. The SFYP envisaged a wider scope of S & T research and institutional development to carry out R & D. The financial allocation for the STR Sector in TFYP is less than that in SFYP. The major work of institutional development projects, the BAEC and SPARRSO costing about Tk. 115 crore were already completed by the end of SFYP. The TFYP envisages completion of the projects of the SFYP costing about Tk. 28.66 crore and the balance amount would be utilised for taking up new projects during the Third Plan.

**Objective of TFYP:**

The objective of the STR sector in the TFYP have been formulated within the framework of overall objectives of the TFYP and on the performance of the Sector during the earlier plans. The objectives is to develop a scientific and technological process which would help accelerate country's development.

Given the limitations of factor endowments, imbalances in supplies (land, labour, capital), underdevelopment in different fields, the TFYP specially recommends development of technologies which would be appropriate to the needs of the country, have wide application in both the public and the private sectors and at the same time be most cost-effective.

**Policies and direction of S & T in TFYP :**

The Plan has identified some weaknesses in the fields of STR as (i) absence of national S & T policies and plans, (ii) lack of direction in planning, programming and coordination in S & T work, (iii) multiplicity of R & D organisations and overlapping R & D work, (iv) lack of coordination in R & D institutions, (v) institutional weakness in dissemination of technological information and transfer of technologies. These have led to: (i) R & D without assessment of needs, (ii) prolonged R & D work, (iii) underutilised capacities, (iv) problems of commercialization of the research results and processes. Keeping in view of the problems, the TFYP recommends the following policies and strategies:

- (a) Formulation of national S & T policies consistent with national development goals, policies and priorities.
- (b) Carrying out S & T research on the basis of S & T needs assessment in different sectors within the framework of sectoral programmes and targets of the TFYP.
- (c) Determination of priorities of S&T research. R & D activities would be selective. Emphasis will be given more on applied and adaptive research than on fundamental scientific research. The fundamental research will be selective as to provide technological inputs to field oriented research.
- (d) A wide range of technologies would have to be developed to meet the inter-industry requirements both at horizontal and vertical levels. Alongwith improvement of traditional technologies, technological advancement will be made from simple process to that of engineering and fabrication of industrial plants and materials.
- (e) Import of technologies to be strictly guided by absolute necessity and in cases where indigenous technologies are not available and technological adaptation would suit the socio-economic conditions of the country.
- (f) The technological advancement will be planned on long-term basis, within which the short-term strategies would be directed towards meeting the immediate needs of the economy, such as production and employment with emphasis more on utilization of existing institutional facilities, supplemented, where necessary, by development of required facilities.
- (g) A package of national policy support will have to be given to promote and develop science and technology which would, *interalia*, relate to production and employment, protection of local industries and technologies, price supported.
- (h) The NCST and the S & T Division would undertake a review of entire S & T organisational structure and function, the weakness and deficiencies in S & T development and of formulate S & T policies and plans for future direction of S & T both in the short and the long-term perspective.
- (i) Education and manpower development plan would have to be oriented towards the needs of S & T development in different fields.

**Financial allocation and projects :**

Financial allocation for the STR Sector in the TFYP is Tk. 60.00 crore at 1984/85 prices. Agencywise distribution of the allocation is as follows :

TABLE 2

*(Taka in crores)*

Agency	Allocations
1. BAEC	24.91
2. BCSIR	5.77
3. SPARSO	8.40
4. NMST	4.00
5. S&T Division..	6.50
6. BSTI	10.42
<b>Total</b>	<b>60.00</b>

In addition Tk. 100.00 lakh has been diverted from Sports and Cultural Sector for a Project (named, establishment of Planetarium) under S&T Division. So total allocation would be Tk. 6100.00 lakh.

The TFYP included 18 projects against allocation of Tk. 6000.00 lakh. Including the project of Planetarium and another new one (named, Improvement of Projects of science clubs) which has already been approved, total number of projects would be 20 for increased amount of Tk. 6100.00 lakh.

**Implementation of the Plan :****S & T Policy :**

National Science and Technology Policy has been formulated and adopted in February, 1985. This is the second national policy, the first being formulated in 1980 which could not be implemented. The policy lays down the objectives and directions of S & T activities and research, fields of research, institutional and manpower development in S & T fields, dissemination of technological knowledge and information, and development of documentation facilities. The NCST which was created in 1983 has been reconstituted in January, 1987. The NCST determines the S&T policies and priorities of R & D programmes, reviews the activities of different institutions, provides directions towards S & T research and activities. The Executive Committee of the NCST reviews the progress of S & T work and implementation of the decision of the NCST and also provides direction in S & T activities and research.

Some steps have been taken for implementation of the S & T policies which primarily relate to (i) constitution of a Consultative Committee headed by Minister for Education, (ii) assessment of R & D work and manpower of Research Institutions (iii) establishment of a Central S & T documentation Centre. The Consultative Committee on transfer of technology has laid down a work programme for assessment of technological needs, preparation of mid-term technology plan and technology schedules, and adoption of legal and financial measures for technological development. These will be carried out by instituting technical committees in Ministries to assess technological needs and uses.



Besides a national committee has been formed with the Universities and the industrial establishments to discuss and formulate opinions on the technologies of chemical industries.

The R & D work of different R & D institutions are being reviewed with a view to assessing the R & D results so far obtained, and the prospects and problems of dissemination and commercialisation of the results and the needs for further development of laboratory experiments.

The National Science Library and the BANSDOC has been merged and it has been made the national documentation centre in the field of S & T and a project has been undertaken to develop its facilities.

These are but few steps towards policy planning. No technological plan has yet been formulated and without a plan R & D would not be read based and it would be difficult to undertake R & D activities in any coordinated and effective way. The S & T Division, however, with the assistance of Asian Development Bank has taken up a T.A. project for preparation of industrial technology plan.

Rationalisation of R & D institution is also required and the task is still pending though the Plan envisages review of institutional structure and its rationalisation. There are also problems relating to dissemination of technological information. Besides there is scope of duplication of R & D work and improper planning in the use of indigenous technologies and/or imported technologies.

#### **Programmes.**

##### **B.A.E.C. :**

The plan envisages research on nuclear technology by the BAEC in its research establishment named Atomic Energy Research Institute (AERI), Savar. The plan makes an allocation of Tk 10.16 cr for completion of the project implementation which started since 1978. The project was completed in June, 1987.

In addition to the allocation for the above project, the TFYP includes allocation for completion of one on-going project, Exploration of Uranium and Thorium in Bangladesh and four new projects. The new projects are (a) Establishment of four new nuclear medicine centre (NMC) at Barisal, Khulna, Rangpur and Mymensingh, (b) Modernisation of existing NMCs at Dhaka, Chittagong and Rajshahi, (c) Replacement of equipment in Atomic Energy Centre, Dhaka and (d) BAEC Housing Colony at Savar.

The project on establishment of new medical centres has been cleared by PEC but its implementation has not started as no aid has been lined up to finance its foreign exchange cost which is to the extent of Tk. 5.29 crore. The project on modernisation of NMCs at Dhaka, Rajshahi and Chittagong would be entirely financed by GOB and its implementation has started in 1988/89. The other two projects, one on housing colony and the other, replacement of equipment at (BAEC) have not yet been taken up. The project on Exploration of Uranium and Thorium has been declared completed in June, 1986.

##### **BCSIR :**

During the FFYP and SFYP, the research establishment of the BCSIR were developed which included the BCSIR laboratories at Rajshahi and Chittagong, and the Institute of Food Science at Dhaka Laboratory. Since basic research facilities have been developed, the TFYP emphasises continuation of R & D activities in the research establishments. The Plan, however, includes only one project for acquisition of new equipment for the Dhaka Laboratory which has not yet been taken up. This would, however, be a TA project.

The BCSIR is, however, continuing its R & D activities in different fields under revenue budget and a number of research projects on energy, food, medicine, chemicals and oil, industrial wastes and materials etc., have been taken up.

#### **SPARRSO :**

SPARRSO was established under a project costing Tk. 29.52 crore over the period from July, 1978 to June, 1986. SPARRSO has established a Regional Remote Sensing Centre (RRSC) costing Tk. 31.37 crore over the period from July, 1980 to June 1987. Expenditure for the SPARRSO projects during TFYP is Tk. 1.34 crore. The project was completed by June, 1987.

The RRSC has not been made fully operational. The operational cost of the centre would be too high. The Centre has been established to receive satellite imageries on natural resources covering a wide area including the neighbouring countries. This involves the issue of meeting a part of the operational cost by selling imageries to the neighbouring countries which has not yet been resolved. An alternative approach for operationalizing the Centre is regionalisation of the Centre the under auspices of international organization like ESCAP or making it a joint venture with France under whose assistance the Centre has been established. Negotiation is underway with the French Government for operation of the Centre as a joint venture. The principles of joint venture operation have not yet been settled.

The TFYP does not include any new development project for the SPARRSO. However two technical assistance projects have been undertaken for strengthening its activities and development of manpower with the assistance from the USAID and UNDP outside the plan allocation.

#### **S & T Division :**

The plan includes 5 projects for the S & T Division. They are (i) SFYP spill over project of National Museum of Science and Technology (MMST) and (ii) 4 new projects such as (a) procurement of books and equipment for BANSDOC and National Science Library, (b) Feasibility Studies for Oceanographic Research (c) Feasibility Study for Biotechnology and (d) Establishment of Jatiyo Biggan Academy Bhaban. The construction of the Science Museum is in progress and expected to be completed by June, 1990. Technical Assistance Projects (TAPP) for development of BANSDOC and feasibility studies of Oceanographic Research and Biotechnology are approved but their activities have not yet started as no aid has been lined up. The project on establishment of Biggan Academy Bhaban has not yet been taken up.

The S & T Division would set up a planetarium in the Science Museum and Japanese assistance is being explored for this purpose.

#### **BSTI :**

The Plan envisages development of testing and standardisation facilities of BSTI and includes a project for such purpose. The project is at initial stage of execution.

The BSTI project on Introduction of Metric System and strengthening of BCSI which has spilled over from the SFYP to the TFYP was completed in the 1st year of TFYP (1985/86). Under this project metric system was introduced and four Metrology Inspectorate-cum-laboratories were set up at Dhaka, Chittagong, Rajshahi and Khulna. The BSTI is carrying out its normal function of testing and standardisation of different products and implementation of metric system. A new project would be taken up for establishment of branches of BSTI at Chittagong and Khulna. Implementation of the project has not started.

**Implementation status of the projects (1985/86 to 1987/88).**

The TFYP includes 18 projects (7 spill over from SFYP and 11 new). In addition, two new projects have been taken up.

Of the 7 spill over projects, 6 have been completed and 1 is under execution and is expected to be completed in June, 1990. Of the new 13 projects, 6 have been approved of which one has been already implemented and two are under implementation. Execution of three projects have not yet been started as aid has not been lined up. For the rest 7 projects, 2 have been recommended by PEC but implementation has not yet started; other projects are at different stage of preparation and external assistance for them is being explored.

**Financial Progress.**

Third Five Year Plan allocation for the STR sector is Tk. 61.00 crore at (1984/85 prices). Against this ADP allocation and estimated expenditure are as follows:

TABLE 3

*(Taka. in crore.)*

Particulars	Upto June, 1988.	1988/89	Total.	Remarks.
<b>ADP allocation.</b>				
a. Allocation at current prices ..	23.88	5.55	29.43	This includes TA allocation of Tk. 4.42 crore for TAPP which were not originally included in TFYP.
b. Allocation at constant prices of 1984/85.	22.38	4.80	27.18	
% of b. over TFYP allocation	36.70	7.85	44.55	
<b>Expenditure.</b>				
a. Expenditure at current prices ..	23.45	5.55	29.00	This includes expenditure of TAPP.
b. Expenditure at constant prices	22.06	4.80	26.86	
% of b. over TFYP allocation	36.70	7.85	44.55	

ADP allocation up to June, 1989 is Tk. 2943.57 lakh which at constant prices of 1984/85 is Tk. 2717.84 lakh or 44.55 percent of Plan allocation. Expenditure up to June, 1988 is about 36 percent of the plan allocation (at constant prices). Estimated expenditure at constant prices up to June, 1989 (taking into account of ADP allocation for 1988/89) would be 44 percent.

Estimated requirement for 1989/90 would be about Tk. 18.00 crore involving GOB allocation of Tk. 6.65 crore for both the on-going projects, the projects which have been cleared by the PEC/SPEC but implementation of which has not yet started and the new projects. Utilisation of fund would, however, depend on availability of project aid. At constant prices, the proposed requirement would mean an allocation of Tk. 14.17 crore only. Even if this allocation is provided total allocation during the TFYP at constant prices would be Tk. 41.00 crore or 67 percent of the TFYP allocation.

In addition to the allocations made up to June, 1989 and the proposed allocation for 1989/90, additional financing to the extent of about Tk. 37.00 crore including GOB financing of Tk. 17.00 crore would be needed for completion of the projects included in the TFYP. This would be the spill-over financial requirement for the 4th Five Year Plan at 1989/90 prices.

### Observations and Recommendations:

Problems related to this sector are mainly of institutions, project planning and lack of external financial assistance for the projects.

These have led to (i) R & D without assessment of needs, (ii) uncoordinated and duplication of R & D (iii) problems of marketability or commercialisation of R & D results, and (iv) low utilization of plan allocation. For non-availability of external assistance, implementation of projects suffers.

Revenue budget for the institutions can hardly accommodate R & D projects. Important R & D projects may be identified and they may be financed out of technical assistance, or from development funds of GOB.

## SPORTS

### Introduction :

Sports are considered as one of the major elements responsible for the development of good physical and mental health and moral character of the nation as well as introduce discipline among people. As such the policy of sports during TFYP was to grow more interest among men and women for participation in games and sports and to channelise the entire youth forces through discipline of games and sports to improve both physical and mental health of the nation.

### Objective of the TFYP :

The main objectives of the TFYP are as follows:

- (i) To generate more interest among common masses for participation in rural and less costly games and to channelise the entire youth forces through discipline of games and sports.
- (ii) To provide infrastructural facilities and special training for wider participation and improvement of sports and games, and
- (iii) To strengthen physical education in all educational Institutions.

### Programmes and allocation during TFYP :

To meet the above objectives 19 projects were proposed to be taken up during the TFYP in the areas of (i) institutional facilities, (ii) development of stadia, gymnasia etc., (iii) development of sports facilities for women and (iv) training and other facilities at a total allocation of Tk. 64.00 crore. Subsequently 3 more projects were included and thus the total number of projects stands at 22. Out of 22 projects 16 have been taken up for implementation during 1985-88.

### Physical and Financial Performance during 1985-88.

#### Physical Progress :

*Institutional Facilities:* Bangladesh Krira Shikkha Protishtan has started its Krira College and completed some infrastructural facilities like college hostel, gymnasium, two playing fields etc. It also organized some training programme for the national players.

*Development of Stadia, Gymnasia, etc.:* Out of 10 district Gymnasia, 8 have been completed by June 88. Construction of Dhaka Divisional stadium has been completed in 1986/87 and work of Rajshahi and Khulna Divisional stadia has been completed this year (1987/88). Construction of Chittagong Divisional stadium has been strengthened. Out of 29 district stadia 9 have been completed and another 9 are to be

completed by 1987/88. Expansion work of National stadium was completed and land was developed in Arambag where the clubs from the national stadium area will be shifted. Construction of national indoor stadium taken up during SFYP could not make any progress. Only land has been acquired and developed. Another project to set up an International Standard Swimming Pool was taken up during 1987/88 but could not make any progress.

*Development of sports facilities for women:* Construction of a Women Sports Complex at Rajshahi Divisional head quarter has recently been taken up. Land of this project is being acquired by the end of this year (1987-88).

*Training and other facilities:* There was a target for giving special training to 3379 players and coaches in different games and sports out of which only 889 were given training. The number will rise to 1737 by the end of 1987/88. About 1039 youth and sports clubs were provided with sports gears. In the current year (1987/88) sports gears will be distributed to another 615 clubs. In 1986/87 sports competition was organised for the 12-16 years aged boys and girls and this will continue in the next years also.

#### **Financial Progress :**

During the first three years of the TFYP, 16 projects with an ADP allocation of Tk. 31.76 crore including project aid of Tk. 0.80 crore were taken up for implementation. About Tk. 29.69 crore in local currency is expected to be spent and 5 projects have been completed by June, 1988.

#### **Employment effect :**

Implementation of the above projects was expected to generate direct employment for 76 people at various level and all of them have already been recruited.

#### **Problems/Bottlenecks and Recommendations :**

The project "Construction of National Indoor Stadium" was taken up during SFYP. Uptil now no progress could be made except land development mainly due to delay in finalization of design of the stadium. The PP was recommended by the PEC at an estimated cost of Tk. 7.30 crore. The PP has been revised again at a cost of Tk. 18.63 crore. Since it will not be possible to provide so much money to this project in the next two years, it may be spilled over to the next plan. Other two important projects for development of Rajshahi and Dhaka College of Physical Education also could not be taken up due to shortage of fund.

The PP of the project entitled "Construction of International Standard Swimming Pool" has recently been prepared. Another project "Installation of Flood Light at National Stadium-2" has been merged with the main PP of National Stadium-2 but could not be undertaken for implementation pending finalization of Japanese grant.

Out of 22 projects included in the TFYP for implementation, 16 were taken up during the first three years under review. Out of these, 3 projects have already been completed and other 2 are being completed by June 1988. For completion of the remaining 11 on-going projects during the Plan period Tk. 51.45 crore would be required for the next two years. In addition to this Tk. 13.30 crore will be required for other 6 new projects which are yet to be taken up. Thus the total requirement for the next two years will stand at Tk. 64.75 crore.

The current resource position indicates that during the next two years a maximum amount of Tk. 28.00 crore could be made available through the ADP for this sub sector. Under this circumstances it is suggested that no new projects should be taken up. Emphasis should be given for completion of 11 on-going projects with an allocation of Tk. 51.45 crore.

## CULTURE

### Introduction :

The policy of culture sub-sector during the TFYP was to promote and foster cultural activities throughout the country in line with hopes, aspiration and values of the society as a whole. Language, literature, fine and performing arts library, museum etc., are the ingredients of culture. So emphasis was given for development of these ingredients for the development of the society in desired economic, moral and social aspect.

### Objective of the TFYP :

The main objectives of the TFYP are as follows:

- (i) to promote and foster cultural activities throughout the country in line with hopes and aspirations of the people.
- (ii) to develop institutional facilities for further development of Bengali language and literature, production of quality books, expanded library service systems,
- (iii) to preserve national history and heritage.

### Programmes and Allocation during TFYP :

To meet the above objectives 22 projects were proposed to be taken up during the TFYP in the areas of (i) language and literature, (ii) library services, (iii) fine and performing arts and (iv) museum development at a total allocation of Tk. 51.00 crore. Subsequently 4 more projects were included and thus the total number of projects stands at 26. Out of 26 projects 20 has already been taken up for implementation during 1985-88.

### Physical and Financial Performance during 1985-88.

#### Physical Progress :

**Language and Literature :** Bangla Academy has so far published 196 research books and periodicals and it is expected that by June 1988 the total publication will be 224 out of targetted number of 260 set for TFYP—the progress will be 86%. In respect of publication of text books in Bangladesh for higher education about 175 books will be published during the period under review. The progress will be 58% of the targetted number (300) of TFYP. Library building of Bangla Academy has been completed. The work on improvement and electrification of Bangla type-writer will be completed by June, 1988. National Book Centre has started its book development work from 1987/88. It has completed a training course and started a survey work.

**Library Services :** Airconditioning and installation of light and sound equipment at Central Public Library auditorium, establishment of Mohanagar Pathagar at Dhaka have been completed. Construction work of Chittagong Divisional Public Library has been completed and its remaining work will be finished by June, 1988. Construction and development of other 8 district public libraries have been started this year (1987/88).

**Fine arts and performing arts :** Bangladesh Shilpakala Academy could not start construction work of its academy building though Tk. 1.16 crore was released for it during 1986/87.

**Museum :** Establishment of Osmani Museum at Sylhet, renovation of Lalbag Fort, land acquisition of Satt Gambuz Mosque complex has been completed. Construction of Sonargaon Folk Art and Craft Museum, conversion of Ahsan Manzil into a museum are progressing satisfactorily. Survey work on archaeological monuments at 6 greater

districts has been completed this year (1987/88). Development work of Khulna Divisional Museum and Chittagong ethnological Museum have already been started and conservation work of Paharpur and Bagerhat monuments has been started in 1987/88.

#### **Financial Progress :**

During the first three years of the TFYP 20 projects with an ADP allocation of Tk. 21.43 crore including project aid of Tk. 1.32 crore were taken up for implementation. About Tk. 19.83 crore including project aid of Tk. 0.67 crore are expected to be spent by June 1988 and 9 projects will be completed.

#### **Employment effect :**

Implementation of the above projects is expected to generate 319 direct employment at various levels out of which 85 people have already been employed.

#### **Problems/Bottlenecks and Recommendations :**

During the last three years no progress could be made in the field of fine and performing arts. Shilpakala Academy could not start construction work of the academy building though its project was recommended for approval by the PEC. There is an allocation of Tk. 13.00 crore for Shilpakala Academy in the TFYP. But it is learnt that Shilpakala Academy is revising its PP at a cost of Tk. 42.00 crore. Under the circumstances it might not be possible to accommodate the PP in the TFYP. However, a part of the project may be taken up at the moment and rest of the work may be spilled over to the next five year plan. Other programmes like development of tribal cultural academy at three centres and promotion of classical music also could not be taken up during the period under review because the Ministry could not submit the PP.

Out of total 26 projects included in the TFYP for implementation, 20 were taken up during the first three years under review. Out of these 20 projects 9 will be completed by June, 1988. For completion of the remaining 11 on-going projects during the plan period Tk. 25.15 crore including project aid of Tk. 1.96 crore will be required for the next two years. In addition to this Tk. 6.28 crore will be required for other 6 new projects which are yet to be taken up. Thus the total requirement for the next two years will stand at Tk. 31.43 crore.

The current resource position indicates that during the next two years a maximum amount of Tk. 24.00 crore could be made available through the ADP for this sub-sector. Under the circumstances it is suggested that no new projects should be taken up. Emphasis should be given for completion of 11 on-going projects with an allocation of Tk. 25.15 crore including project aid of Tk. 1.96 crore.

One of the major on-going project of the sub-sector entitled Bangladesh Shilpakala Academy would be spilled over to the 4th Five Year Plan since the major component of the project viz., the academy building could not be started so far. The project is being revised again at a very high cost (Tk. 42.00 crore). So at the end of the TFYP out of remaining 11 on-going projects actually 10 are expected to be completed with an allocation of Tk. 25.15 crore.

## **YOUTH DEVELOPMENT**

### **Introduction :**

Youth is the most potential and viable human resource of the country. The youth in the age range of 15—30 years constitutes nearly 30% of our total population and nearly 90% of them live in rural areas most of whom neither attend any institution nor do they have much opportunities to learn any skill to engage themselves in productive activities. Consequently, a vast majority of youth population have remained alienated to and outside of the main stream of the country's development activities.

A disciplined, properly organized and trained youth can take part in and make contribution to the development process of a nation. Sustained economic progress in a country like ours can be achieved by harnessing and utilizing the potentials of this youth force by giving them knowledge as well as inculcation of appropriate values and attitude in them.

With the above realization, the Ministry for Youth Development was created in December, 1978 (redesignated later as Ministry of Youth and Sports) to provide unified direction and co-ordination to all youth development programmes concerning organization, motivation, mobilization and utilization of the youth forces of the country for nation building activities.

#### **Objectives:**

The objectives of the Youth Development Programmes in the TFYP are as follows:

- (i) to inculcate proper values in the youth through study and practice of the national culture and to inspire them in creative activities;
- (ii) to equip the youth with working skill and suitable training in technical, vocational and professional fields and to ensure optimum utilization of the existing training facilities;
- (iii) to encourage formation of youth clubs, exchange of ideas of the youth and to motivate youth forces to assist the community in development work through voluntary youth organizations.

#### **Programmes :**

The following are major programmes for youth development during the TFYP :

- (i) Socio-economic Programme and Skill Development Training for the Youth:

The major thrust in the development programmes are to improve the socio-economic status of the youth by involving them in community development programmes and different income generating activities, skill development trainings are imparted to the youth to enhance their capability.

- (ii) Self-employment Programmes :

In view of the limited opportunities for wage earning jobs in the country, all possible assistance are being rendered for self-employment programmes to the trained youth.

- (iii) Upazila Resource Development and Employment Programme:

Under the programme two Upazilas are covered on experimental basis for resource development and employment generation in the youth force of the concern upazila.

#### **Physical and Financial Performances during 1985-88.**

##### **Physical :**

For implementation of the above programmes, 5 projects with an allocation of Tk. 17.00 crore were undertaken in the TFYP. Out of these, one project namely "International Youth Year Activities" has already been completed during the period under review and the rest 4 projects are being implemented through the ADPs. There was a target for imparting training for skill development to 38,735 unemployed youth out of which 15,704 are to be trained by the end of current financial year (June, 1988). Ski



development training projects will create employment facilities for 432 persons of which 418 will be employed by the end of June, 1988. Under the programme support for self-employment activities, 13,800 trained youth will be self-employed in the respective fields of training. Of the target of 13,800 in the TFYP, 7,611 trained youth are to be self-employed by the end of June, 1988. The programme will provide employment opportunities of 212 persons of which most of them are to be employed by the end of June, 1988. The targets of Upazila Resource Development and Employment Project are (i) to provide employment of 75 persons and (ii) to form 600 groups involving a total of 3,000 beneficiaries for employment in different fields of activities in two Upazilas. Of the above targets 70% have already been achieved and 270 groups are formed by the end of June, 1988.

#### **Financial:**

The total allocation for the 5 projects during the TFYP was Tk. 17.00 crore. The estimated expenditure during 1985-88 is Tk. 9.95 crore reflecting an achievement of nearly 59%.

#### **Problems/Bottlenecks and Recommendations:**

The total cost of the 4 on-going and one completed project is Tk. 20.68 crore. The expenditure up to June, 1988 of these 5 projects is Tk. 9.95 crore. This shows that there is hardly any scope of including any new project in the TFYP under Youth Development sector as about Tk. 11.00 crore will be required in the next two ADPs for completion of the 4 on-going projects of this sector.

### **MASS MEDIA**

Mass Media is an effective instrument of development process. The socio-economic value of the mass media such as radio, television, press etc., to educate and motivate people is immense. More than 80 percent of our population live in the rural areas. So the mass media specially the radio and television play vital role in transmitting the needed and desired information to the rural people and in encouraging them to participate in the national development process.

#### **Objectives :**

In order to establish mass media as powerful means of communication the major objectives for the TFYP are set as follows:

- (i) To provide greater facilities in the production of domestic and external programme in order to bring entire population of the country under radio and television coverage.
- (ii) To impart knowledge through radio and television and other mass communication programme for food production, planned parenthood, formal and non-formal education in order to make the people aware of the national problems and its solution.

#### **Strategies:**

To achieve the above objectives, the following strategies are being adopted:

- (i) Mass communication, especially radio and TV are to be made easily accessible to the target population.
- (ii) Since 85% of the total population live in rural areas, rural life oriented programme are going to be emphasized.

- (iii) Attempt are being made to establish two-way communication between the listeners/viewers and the broadcasters for both radio and TV.
- (iv) Emphasis are laid on motivational programme to raise social consciousness reflecting the culture and value of society.

#### Physical Progress :

Programme-wise physical progress in Mass Media sub-sector is represented in the following paragraphs:

**Radio Bangladesh :** A project Establishment of 3 LPTS was undertaken to establish 3 low power Radio Station at Comilla, Rangamati and Thakurgaon. Out of the 3 stations, Comilla station started operation and the rest 2 stations, Rangamati and Thakurgaon are nearing completion. The completion of the projects will ensure availability of strong and good quality signal over an area of 3,600 sq. miles. On completion of the project 90 persons will be employed in different posts of which 30 persons have already been employed. The project 100 K.W. transmitter in the Northern Zone, Bogra will provide Radio signal of good quality on an area of 20,600 sq. miles. The above project has already been completed and 100 percent equipment are already installed. Under the project 36 persons will be employed in different posts.

To provide strong radio signals in and around Chittagong Division during cyclone and tidal wave a project '100 K W Transmitter at Chittagong' has been undertaken for implementation. Construction works have been completed and equipment has already been installed and this station started operation. Under the project 23 persons will be employed.

**Bangladesh Television :** Considerable progress has been made in respect of construction work under the project, "Further Development of BTV and Including Construction of Store, Workshop and OB/Van Garage".

**Other Programmes :** Under other mass communication agencies 2 projects 'History of Bangladesh War of Independence-II' and 'Multi-storied Building Complex (NIMCO) Film Archive and Censor Board' have been taken up for implementation. Under the project 'History of Bangladesh War Volume-I' were completed. The project provided employment to 26 persons in different posts. Major physical targets and achievement of Mass Media is given in the following table:

TABLE I  
Physical Target and Achievement

Sl. No.	Name of the sector/ sub-sector/item	Unit	Base Year achieve- ment	Third Plan Target	Achievement/Production				Percent- age (Col. 9 as % of Col. 5)
					1983/85	1986/87	1987/88	1985-88	
1	2	3	4	5	6	7	8	9	10
<b>1. SECTOR : Mass Media</b>									
	Three low Power Station	No.	..	3	1	1	1	3	100%
	Two 100 K. W. Transmitter.	No.	..	2	..	..	2	2	100%
	Television	..	..	1	..	25% of one unit	12½% of one unit	37½% of one unit	37½%
	Books on War of Independence.	Volume	..	4	1	1	2	4	100%

**Economic Impact :**

Through the implementation of all the projects, 100 percent population will be brought under Radio and TV coverage and people will be encouraged to participate in national development activities. A total No. of 131 persons were estimated to be employed during 1985-88 as against the plan target of 1984 persons.

**Financial Progress :**

During the period 1985-88 an amount of Tk. 3166.00 lakh including P.A. of Tk. 940.00 lakh was allocated in the ADPs for implementation of these projects. Out of this Tk. 2019.56 lakh was utilized during the same period.

**Reason for major shortfall:**

During 2 years 1985/86 and 1986/87 an amount of Tk. 1752.00 lakh including Tk. 426.00 lakh as project aid was allocated in the ADPs for implementation of 7 projects but during this period only Tk. 617.36 lakh was utilized that is only 35 percent of total allocation was utilized. As a result, the targetted result could not be achieved during the period under review.

**Policy implication and financial requirement:**

The following measures will be necessary to complete the projects of this sector as per schedule :

- (i) Functional capability will have to be increased to complete the project in time.
- (ii) Utilization capacity should be enhanced so that ADP allocation may be utilized timely.
- (iii) For the remaining period of TFYP 4 on-going projects and 3 new projects are to be implemented. A total of Tk. 2577.50 lakh will be required to allocate in the next two years ADPs to complete all these 7 projects and year-wise fund requirement will be Tk. 1288.75 lakh which is in consistent with previous ADPs' allocation.

## CHAPTER XV

## PUBLIC ADMINISTRATION

**Introduction :**

In a planned economy like Bangladesh where the public sector plays crucial role for planning and development on the one hand and regulating and motivating the private sector on the other, the Public Administration system assumes great importance and responsibility. Development of public administration being a continuous process, improvement in its various aspects is needed to make it dynamic to meet the changing needs of economic and social development.

**Objectives :**

Within the framework of above parameters, the country's Third Five Year Plan (TFYP) envisaged development of an efficient public service system commensurate with the country's socio-economic needs, keeping particularly in view the policy of decentralisation of both administration and development. The major objectives of the sectoral programmes of public administration as enunciated in the TFYP are enhancement of job knowledge and skill of public officials through systematic training within the framework of a National Training Policy, development of organisational management and personnel administration in the government, semi-government, autonomous bodies and other institutions, streamlining of the development administration through simplification of accounting, budgeting and financial control procedures, rationalisation of the system, procedures and structures of government offices and agencies, development of organisational and infrastructural facilities for socio-economic and administrative research, provision of work oriented incentives and adequate staff welfare for improvement of morale and efficiency of the public services.

**Strategies :**

Instead of considering development of public administration to be pursued singularly as a centralised activity the TFYP as a strategy emphasised on multi-sectoral approaches and programmes. The plan suggested that different ministries, departments and agencies will be required to launch a wide variety of programmes towards improvement of organisational management, systems and procedures commensurate with their respective organisational goals and needs, on the one hand and the national objective and policies for development of public administration system as a whole in the country, on the other. In keeping with the process of decentralisation of development activities, the Plan stressed on the enhancement of capability of project planning, formulation, implementation, monitoring and evaluating among the executing agencies including the local administration bodies and units. Within the sectoral programmes of public administration highest priority was assigned to training of personnel including extension of training support to the local bodies for increasing their capabilities in formulation and implementation of development programmes and projects. In respect of training, the TFYP emphasized more on the job training as against academic type of training, faculty and staff development and full capacity utilisation of the existing training institutions and also on the need for qualitative improvement of training rather than simple expansion of training facilities. With regards to research activities, the TFYP recommended that research should be action oriented and addressed to specific issues and problems wherefrom policy guidelines and remedial measures would emerge.

**Progress of Physical Programmes :**

In conformity with the above objectives and strategies the sectoral programmes of Public Administration for the TFYP was formulated and taken up for implementation envisaging activities in the areas of personnel training, personnel management, development of financial management system and institutional development for socio-economic research. A brief description of physical progress by areas of activities under the Public Administration sector achieved during 1985-86 to 1987-88 is given below :

(a) **Training in Administration and Development :** Commensurate with the objectives of personnel training for enhancement of efficiency of the public service, the National Training Council (NTC) set-up in 1981 which has been emphasizing on formulation of a

National Training Policy in the light of the country's personnel training needs. As an intermediary measure the NTC approved the Government Officials training policy in 1984. Thereafter, the Executive Committee of the NTC which is now working under the chairmanship of the Minister for Planning has been deliberating upon formulation of a comprehensive National Training Policy encompassing the entire personnel training needs of officers and staff of the Government, Sector Corporations, Autonomous and Semi-autonomous Organisations and bodies as well as the Private Sector as envisaged in the Third Plan. A draft National Training Policy has been formulated in late 1986 which is now under consideration of the Government for approval. The policy envisages that within its framework the Ministries and Divisions would prepare their own annual training policy and programmes for consideration of the NTC. The National Training Policy sets as its objectives effective and proper utilisation of the existing training institutions and facilities, planning of need-based training to build up the career of civil servants, grooming of unemployed manpower with necessary skills to become employable, development of a few training institutions in the country as apex-training centres in their own areas of expertise, encouragement of the growth of private sector to come up as a powerful training and R&D resources, setting up a trend for self-financing of the public sector training institutions, streamlining of foreign training to make it need-based and encouragement of more foreign assisted in-country training.

The Bangladesh Public Administration Training Centre (BPATC) was created under an ordinance of the Government of the People's Republic of Bangladesh through merger of four former training institutes namely, Bangladesh Administrative Staff College (BASC), National Institute of Public Administration (NIPA), Civil Officers Training Academy (COTA) and Staff Training Institutes (STI) in 1984 and has been functioning since April 1984. All physical constructions of the BPATC is expected to be completed by June, 1989. The BPATC has the responsibility of imparting training to officers of Civil Services, other Government officers, Management officials of Public enterprises and also to selected Business Executives. Besides, the BPATC has been assigned the responsibility of conducting research, holding of seminars and workshop, publication of journals and periodicals and advising the Government in the areas of administration and development from April, 1984 to June, 1988. The BPATC at Savar has trained 4228 officers in 93 courses and organised 28 seminars and workshops on administration and development. In conformity with the TFYP objectives adequate attention has also been given to the promotion of Staff training and training of local government officials in planning and development. With a view to strengthening and expanding the training facilities for the secretarial support staff of the Government as also some officers of the local Government at field level. Moreover the work to develop the four former STIs into Regional centres of the BPATC is also under implementation. The four BPATCs organised 320 courses and trained 9,722 support staff till June, 1988. A separate academy for the BCS (Adm.) cadre has been established in 1987 and housed in the former COTA building. In addition to the above training activities in administration and development, the Academy for Planning and Development (APD) imparted training in such areas as project management, financial management, processing of project proposals, food management etc. The trainees were drawn from the officials of the BCS cadres and other government, semi-government and autonomous organisations concerned with formulation, implementation and monitoring of development programmes. Since the beginning of its training programme in September, 1981, 3,600 trainees were trained in 148 courses up to June, 1988 including a one year foundation course in Basic economics.

(b) **Organisational Development and Systems Improvement:** With a view to improving the various systems and procedures in the Government and organisational capability, several projects were taken up under the auspices of the Finance Division, ERD, BBS, IMED, Ministry of Establishment and the BIDS. With a view to improving the financial and budgetary performance of the public Sector, the Finance Division undertook a project entitled "Development of Performance Evaluation and Financial Management Information System for Autonomous Bodies". A system framework called SABRE for Autonomous Bodies reporting and evaluation has been developed. Data for a total of 13 corporations were consolidated and macro-economic and financial analysis were prepared under the

system. A new in-depth planning and target setting procedure has been designed and applied in some selected enterprises in the country. The Ministry of Establishment under Personnel Management Information System Project made efforts for modernisation of the personnel management system and development of its O&M Wing through computerised facilities. ERD's programmes consisted of improvement of the capability in respect of programming, processing, monitoring and co-ordination of foreign aid including technical assistance and streamlining of the aid accounting and debt servicing procedures. Work of development of cartographic system which would cater to the cartographic needs for all census, and survey operations in the country continued under the Statistics Division. The Statistics Division also undertook the work on experimental basis for development of a functional system of collection and utilisation of community level statistics through people's participation.

(c) **Research on Administration and Development :** While the Bangladesh Institute of Development Studies continued its regular programmes of research and studies on various socio-economic aspects and issues, the PATC, APD and other training institutes conducted research on administration and management as a part of their regular normal training programme. Several studies on personnel management were carried out under the auspices of the Ministry of Establishment. Two projects, one relating to the preparation of the Perspective Plan and the Fourth Five Year Plan and the other relating to Employment Monitoring have been taken up under the General Economics Division of the Planning Commission. Studies have been undertaken on different aspects of development programmes on the Upazilas under a project in the Planning Commission entitled "Special Cell for Regional and Upazila Investment". A detailed guidelines and an interim policy report on all aspects of Upazila development have been prepared under the project. Besides, the Statistics Division has also taken up two separate projects in 1987/88 which aims to study the progress of upazila development and impact of Food for Works and Vulnerable Groups Feeding programmes. Emphasis has also been laid on infrastructural development for research in various fields of socio-economic development and administration. In this regard, the work relating to the construction of a separate office complex with all logistic support for the BIDS at Agatgaon, Dhaka has already been completed by June, 1987.

(d) **Administrative Reforms :** Several important administrative reforms and improvement of national significance has been carried out in pursuance of the recommendation of the Committee on Administrative Re-organisation and Reforms of 1982. The implementation, management and monitoring of the recommendations have been overviewed under the aegis of the National Implementation Committee for Administrative Reform (NICAR). Work relating to the structural re-organisation and rationalisation of development of manpower of various Ministries, Divisions Autonomous and Semi-autonomous Bodies have been completed. Along with such re-organisation at National level the Government carried out massive programmes of decentralisation of administration and development. The former Thanas have been upgraded into Upazilas and substantial responsibilities of planning and implementation of development activities have been transferred to the level of the local Government. In addition to the projects planned at the local level, implementation responsibilities of divisible components of a large number of national level projects were also delegated to the upazila administration. The upazila are, however, yet to attain the desired efficiency in planning, formulation and implementation of development activities by and large owing to lack of experience, necessary expertise and in some cases lack of adequate resources. It is felt that viability and effectiveness of the decentralised system of administration and development activities at the local level should undergo further in depth examination and study so that steps can be initiated and measures taken wherever necessary to make the system effective.

As the implementation of the TFYP programmes proceeded difficulties were encountered in some areas of project planning, identification, project formulation, processing as well as project execution. Substantial steps were taken by way of efforts for simplification and improvement of the development project proforma and budgetary procedures including procedure for fund release for carrying out development programmes. The Ministry of Finance has streamlined the fund release procedures from the development budget

while draft PPs separately for the production sector projects and the social sector project proforma for technical assistance projects have been devised under the auspices of the Planning Commission. The IMED has been taking steps to further streamline and intensify the project implementation monitoring activities.

#### Financial Progress :

Third Five Year Plan allocation for the Public Administration Sector is Tk. 60.14 crore (at 1984/85) prices. Against this ADP allocation and estimated expenditure are as follows :

ADP Allocation	Upto June 1988	1988/89	Total	Remarks
(a) Allocation at current prices.	4775.35	1766.50	6541.84	This excludes allocation provided for TAPP.
(b) Allocation at 1984/85 prices	4548.36	1466.06	6014.42	
% of (b) over TFYP allocation.	69.97%	27.17%	92.52%	
<i>Expenditure</i>				
(a) Expenditure at current prices	3340.18	1766.50	5106.68	
(b) Expenditure at 1984/85 prices	3186.89	1466.06	4652.95	
% of (b) over TFYP allocation.	49.02%	22.55%	71.58%	

Expenditure in the sub-sector between July 1985 to June 1988 is Tk. 31.87 crore which is about 49% over Third Plan allocation at 1984/85 prices. This is about half of the Plan allocation in a period of three years.

The estimated expenditure during 1988/89 is to be about Tk. 14.66 crore at 1984/85 prices, which means estimated expenditure up to June, 1989 would constitute 72% of the Plan allocation.

Moreover estimated requirement for 1989/90 could be about Tk. 1.82 crore involving GOB allocation of Tk. 1.19 crore for the on-going five projects.

In addition to the allocation made up to June 1989 and proposed allocation for 1989 90 additional financing to the tune of about Tk. 3.96 crore including GOB involvement of Tk. 3.08 crore would be needed in the fourth plan period for completion of the on-going projects to be spelled over.

#### Programme from 1988/89 and likely spill over to the Fourth Plan:

All civil construction works relating to RPATCS at Rajshahi, Khulna and Chittagong is expected to be completed by June, 1989 while the existing building of the NILG will be renovated to house the RPACT, Dhaka and the work is to be completed by June 1990. Moreover the construction of the hostel building and the provision of logistic support of APD are to be completed by June 1990. Besides those the project on preparation of Perspective Plan of Bangladesh and establishment of Employment Monitoring Unit are schedule to be completed by June, 1989. Projects schedule to be completed by 1990 are special cell for Regional and Upazila Investment, expansion of APD through construction of hostel building, Development of cartographic system, Upazila Development Study and conversion of NILG into RPATC, Dhaka. As most of the projects of the Public Administration Sector included in the TFYP (Total 21, including 10 now which are not originally included in the blue book) are likely to be completed within the Plan period only five projects namely strengthening the SSRC and establishment of a documentation centre within it, evaluation and monitoring of FWP and VGF programme development of performance evaluation and MIS for autonomous bodies IME of IDA project and JGUAQ will spill over to 4th Plan.

## CHAPTER XVI

### HEALTH

#### Introduction :

Health is one of the basic requirements to improve the quality of life. Socio-economic development and welfare of a nation greatly depend on the state of health enjoyed by its people.

Health sector programme in the Third Five Year Plan (TFYP) is based essentially on Primary Health Care (PHC) as the key approach towards providing a minimal level of health care to all. It envisaged the development of a net work of static health care facilities and domiciliary services, particularly in the rural areas. The main focus is on the completion of essential infrastructure for expansion of coverage and accessibility in respect of PHC. The TFYP has the objectives based on broad principles of promotion and supporting the development and operation of a national health care system so as to attain the global strategy "Health for All by the year 2000".

#### Objectives of the TFYP :

- (i) to improve quality and increase coverage of health care delivery system;
- (ii) to consolidate and strengthen existing PHC programme and its supporting systems;
- (iii) to prevent, control and treat major communicable and non-communicable diseases;
- (iv) to foster appropriate health manpower development and its optimum utilisation;
- (v) to promote systematic development of Homeopathy, Unani and Ayurvedic systems of medicine on scientific basis;
- (vi) to mobilise resources to support expanding Health Care Services;
- (vii) to promote adequate production, supply and distribution of essential drugs vaccines and other diagnostic and therapeutic agents;
- (viii) to develop a net work of health information system for monitoring and development of an affordable health care delivery; and
- (ix) to promote and provide facilities for bio-medical and health system research.

#### Strategy for TFYP :

In order to attain the above objectives, the following strategies are designed to be followed :

- (i) Primary Health Care (PHC) Services will be provided through a three tier system of consultation and referral. The level of services considered are : (a) community level (village level) through community health worker/voluntary health worker/health volunteer, (b) Intermediate level (ward level) through health post with mid-level health manpower, and (c) Health Centre level (Union level) through Union Health and Family Welfare Centre. The on-going programme for establishment of UHFWC and raising up of voluntary community health workers/health volunteers will be speeded up. All Upazila Health Complexes will be provided with diagnostic and treatment facilities for acting as spear-head for progressive delivery of all services related to Primary Health Care.



- (ii) Health and Family Planning Services so far integrated at upazila and union will be rationalized for providing better and smooth services for 'a' safe delivery of pregnant mothers, growth chart, nutrition, immunization, family planning preventive and promotive health education (health consciousness/awareness) to the family in a package (b) registration and reporting of vital events (c) referral and follow-up.
- (iii) To control communicable diseases effectively, the immunization and other related programmes such as health laboratory, epidemiological surveillance/health information system and health education will be further expanded and strengthened.
- (iv) Health manpower will be developed through appropriate education, training and continuing education programme for doctors and para-professionals. The thrust will be on production of specialized manpower (technical and managerial) and also on production of the mid and grass-root level manpower. To meet acute shortage of graded specialists, some of the existing medical colleges will be upgraded with necessary facilities for post-graduate level medical training and research. A training programme for general practitioners will be undertaken.
- (v) Health infrastructure throughout the country will be built up with special emphasis on referral services. Ultimately the entire health care system will be structured on a regionalized health care module and supported by a network or referral system in which special urban health establishments at district level will serve the rural people, being the referral institutions. District hospital will be expanded with increased number of beds for different specialties. Beds at Upazila Health Complexes will similarly be increased in phases to provide first level specialised care at the door step of the people. Specialised unit will be set up in medical college hospitals.
- (vi) Supply of essential drugs, vaccines, sera, chemicals and reagents, rehydration fluids, etc. will be augmented by increasing their production through establishment of new manufacturing plants in the country. Bottlenecks experienced in the past due to an over centralised system of supply of basic drugs and medicine will be removed by establishing supply depots and sub-depots and streamlining the distribution system.
- (vii) Development of indigenous and homeopathic systems of medicine will be encouraged under public/private sectors. However, research training and pilot clinics will be established initially through the public sector.
- (viii) Adequate health care facilities for the industrial worker/other organised group will be developed through setting up of Health Cooperatives to be run jointly by Government, employer and employees.
- (ix) Dimension of Medical Research will be expanded to priority areas particularly in development operational and biomedical fields.
- (x) To generate resources, various methods like cost sharing, health insurance and cooperative will be adopted keeping in view equity among various socio-economic classes.
- (xi) Cooperation and coordination with other socio-economic development sectors as well as participation with the community in terms of ideas, fund, staff, management of the organisation will be developed particularly in Primary Health Care towards self-reliance.
- (xii) Private bodies will be encouraged to undertake programmes in the fields of training, development of infrastructure, pharmaceutical industries and extension services for Primary Health Care.

### Review of Important Projects/Programmes under TFYP :

Following the TFYP objectives and strategies different projects were undertaken during the period under review. The review of the major programmes/projects included in the TFYP are as follows.

#### Upazila Health Complex (UHC) :

In order to bring the health service delivery system including the primary health care services to the door steps of the rural people, the programme for development of a comprehensive network of health infrastructure in rural areas through the establishment of one Upazila Health Complex (UHC) in each Upazila was continued during the TFYP. Under the programme, 397 UHCs were planned to be established of which altogether 351 health complexes have so far been made functional and out of them 245 health complexes have been completed. Other UHCs are at different stages of implementation and service delivery. Specialised services in the field of medicine, surgery, gynaecology, dentistry etc. have been provided in each Upazila Health Complex. Supply of essential drugs and vaccine have been further improved. Cold chain has been set up in each UHC to maintain the quality and effectiveness of drugs and vaccines.

#### Hospitals and Clinics :

The hospital facilities are insufficient to the need of the people of the country. In spite of different constraints, continuous efforts are being made for increasing the hospital beds in the country. 13 projects were undertaken upto the year 1987-88. Of the 13 projects construction of 2 projects has been completed and the remaining are at different stages of implementation.

The programme for expansion and modernization of district (erstwhile sub-division) hospital has been partially undertaken. The staffing and facilities in most of these hospitals are inadequate. With the decentralization of administration and upgradation of sub-division into districts, the existing hospitals need to be upgraded and modernised with adequate diagnostic and treatment facilities as referral hospitals for primary health care. The programme includes upgrading of 36 existing sub-divisional hospitals into 50 beds and modernising 9 existing 100 bed hospitals.

At present (up to 1987-88) the total number of hospital beds is 32,988 (23,801 in public sector) giving a bed population ratio of 1:3092 as against the TFYP planned ratio of 1:2712.

#### Public Health Services :

- (a) An expanded immunization programme against six major killer diseases, i.e. tuberculosis, tetanus, Diphtheria, Polio, Whooping Cough and Measles was undertaken for implementation during TFYP. In the context of TFYP objective to immunize 85% children under 1 (one) year of age and pregnant mother by 1990 in 460 Upazilas and Municipal areas for attaining universal child immunization (UCI), an intensified vaccination programme was undertaken in 8 Upazilas during 1985/86. In 1986/87 and 1987/88 this programme was expanded to additional 62 and 120 Upazilas respectively making the cumulative coverage of 190 Upazilas. Simultaneous progressive immunization coverage was also planned as 3%, 15%, 35% during 1985/86, 1986/87 and 1987/88 respectively. In 1986-87 achievement as regards to children was 7.3% and that for pregnant women was 4.7% against the set national target of 15% and 13.5% respectively. In 1987/88 the programme has made good progress and the achievement is close to the planned target of 35%. However, in coming years the programme needs to be vigorously pursued to achieve the desired national coverage.

- (b) Acute diarrhoeal diseases are one of the leading causes of morbidity and mortality in children under 5 years of age. To combat diarrhoeal disease 15.43 million packets of oral saline were produced in the year 1987/88. Besides, EDCL and other produce annually about 7.00 million packets.
- (c) Malnutrition is wide spread in Bangladesh. 76% of all the households are deficient in calorie intake. A comprehensive Public Health Nutrition Programme was undertaken during the TFYP to improve the nutritional status of the vulnerable groups. The programme comprises distribution of vitamin A capsules, imparting nutritional training and orientation of health and other related personnels. The programme also includes establishment of feeding and rehabilitation centres (Child Nutrition Unit) for severely malnourished children in the selected Upazila health complexes.

#### Manpower Development :

- (a) Medical education: To increase medical manpower in the field of treatment, due importance has been attached to medical institution. There are 8 medical colleges and one dental college in the country. The annual intake in these colleges are 1200 and 60 and annual output on the average is 1000 and 45 graduates respectively. By now (1987-88) the cumulative number of qualified doctors stands at 19,340 against a population of 100 million giving a doctor-population ratio of 1:5170 as against the TFYP planned ratio of 1:4984.
- (b) Nursing education: The role of nurses in the field of treatment is highly significant. The annual intake of the existing 38 Nurses, Training Centres (NTCs) is 1135 students and annual output on the average is 600. The total number of qualified nurses in the country by June, 1988 stands at 8,200 giving a nurse-population ratio of 1:12195 as against the TFYP planned ratio of 1:1099. To meet the increasing demand for nurses, facilities for training of nurses are being developed under two different schemes. Construction of 10 centres out of 30 NTCs under these two schemes is nearly completion. Presently training programme is going on in all the centres in hired accommodation.
- (c) Mid-level health worker : To produce mid-level workers at grass-root level for health care activities, 8 Medical Assistant Training Schools (MATS) are functioning. The annual intake of the 8 MATS is 240. So far (1987/88) 4348 Medical Assistants have been qualified from these Schools.

#### Drugs and Biological Production :

For rendering effective primary health care services, adequate supply of essential drugs has to be ensured. Measures have been taken to increase production of these drugs. Three projects relating to production of drugs and biologicals have been undertaken. The Essential Drugs Company Limited (EDCL) at Tejgaon has been producing essential drugs worth about Tk. 29.00 crore annually. A similar plant established at Bogra under Japanese assistance has started producing some of the essential drugs. Expansion of I.V. fluid production unit, production of vaccine and establishment of district reserve stores with attached workshops for repair and maintenance of electromedical equipment have also been undertaken and the implementation of these projects are satisfactory.

#### Traditional Systems of Health Care :

A substantial measure of health care is provided in the villages by using indigenous medicines (Ayurvedic and Unani). But due to lack of training, research and patronages the indigenous systems of medicine could not make much advancement. Development of indigenous medicine has been recognised as one of the support strategies for the delivery of primary health care. Steps are being taken to the development of the traditional systems of medicine so that it can be integrated in and brought to the main stream

of modern health care delivery system. The TFYP keeps the provision of development of necessary infrastructure and manpower through a development project. The project is under implementation and is expected to be completed by the end of TFYP.

#### Physical and Financial performance :

##### Physical :

A total of 67 projects were identified for implementation during the TFYP. These include 34 spill-over and 33 new projects. Up to the year 1987/88, 60 projects have been undertaken for implementation of which 55 projects are already included in the TFYP project list. By the end of 1987/88, 13 projects have been completed (including a dropped project) and another 6 projects are targetted for completion during 1988/89. According to the revised programme a total of 74 projects, will be undertaken during the TFYP, of which 40 projects are expected to be completed and 34 projects will spill-over to the Fourth Five Year Plan.

Progress in health situation is reflected by some popular indicator. The major health indicators and targets for the TFYP and progress made there on upto the year 1985-88 may be seen at Table 1. By the end of the TFYP these indicators are expected to register further advancement on completion of the projects included in the Plan.

##### Financial :

The TFYP allocation for the Health Sector is Tk. 550 crore out of this Plan out-lay, actual allocation made through last three ADPs i.e. 1985/86, 1986/87 and 1987/88 for this sector stands at Tk. 253.63 crore including project aid allocation of Tk. 110.87 crore. Against this allocation, Tk. 240.35 crore is expected to be incurred by the end of 1987/88 (assuming 100% utilization of 1987/88 allocation) which represents financial performance of about 95% against ADP allocation and 43% against the total TFYP allocation.

#### Resource Requirement for the TFYP :

Allocation made through ADPs for the first three years of the TFYP (1985-88) is Tk. 253.63 crore. The estimated allocation for the remaining two years of the plan i.e. 1988/89 and 1989/90 is envisaged to be Tk. 264.01 crore. Therefore, the total resource allocation during the TFYP (1985-90) for the Health Sector will stand at Tk. 517.64 crore (approximately) at current prices which is around Tk. 361.01 crore in constant prices of 1984/85 as against the original plan allocation of Tk. 550.00 crore (constant prices) for completion of 40 on-going projects and continuation of other 34 projects. Although there is high demand of resources in the Health Sector but considering the overall resource position of Government and the status of implementation of different projects under the sector, the project list has been reviewed and resource required ment has been reassessed to Tk. 517.64 crore at current price (following the trend of availability of last three years ADP allocations) against the original allocation of Tk. 550.00 crore at constant price. As a result, a large number of projects will be staggered to the Fourth Plan than the number originally stipulated.

#### PROBLEMS/BOTTLENECKS ENCOUNTERED DURING 1985-88

While implementing the projects under Health Sector, the following problems/bottle-necks were encountered :

- (i) Inadequate allocation through ADPs compared to the PP requirement.
- (ii) Inclusion of new projects outside TFYP resulting thinnig of resource allocation of projects scheduled to be implemented during the Plan.

- (iii) Delay in lining up the foreign assistance programmed to be made available.
- (iv) Delay in preparation/revision of projects.
- (v) Lack of proper management and supervision in implementation of projects.
- (vi) Lack of proper training particularly for the field level health workers.
- (vii) Lack of deployment of field level workers particularly at the grass-root level.
- (viii) Lack of inter sectoral/ministerial coordination.
- (ix) Lack of proper monitoring and evaluation.
- (x) Lack of utilities and logistics etc.

#### Policy Issues/Problems and Recommendations :

Major policy issues/problems and recommendations related to health sector programming and services delivery in the context of achievement of the objectives and targets of the TFYP are as follows :

- (1) 'Health for All by the year 2000' is a national social goal and it can be fulfilled through the universal provision of Primary Health Care supplemented by adequate social measures. Universal access to PHC, provision of adequate resource (domestic & external), consolidation of existing facilities, improvement of the management of the health care system, active participation of the community/local self-government bodies in achieving self-reliance in matters of health, and concentrated intersectoral actions etc. are the key factors for the attainment of Health for All by the year 2000.
- (2) Though the Government has the major responsibility for the provision of health care, the people have the right and duty to participate individual and collectively in planning, management and cost sharing of their health care. The role of the people and the Govt. in sharing and sustaining the health care services through shared responsibilities needs a clearer definition.
- (3) The non-government sector and communities should be encouraged and helped to develop and extend health care delivery services. Interventions and technologies that are appropriate for the country and lead towards national self-reliance are to be applied and promoted for health development.
- (4) Planning and development deficiencies of the health services should be removed to improve their planning and management capabilities and functional deficiencies. For this purpose the planning outfit at the Ministry level should be rationalised both in terms of manpower and logistics and at the agency level i.e. DGHS level, an effective planning outfit should be developed.
- (5) The health information and monitoring system should be properly developed to ensure availability of valid health related information for planning and management. Continuous monitoring and evaluation of projects should be done for guidance and correction.
- (6) All the upazila health complexes should be completed in all respects. Diagnostic facilities including X-Ray and facilities for surgical operations at the UHCs should be established. Gradually some of the UHCs should be converted into 50-bed hospitals and provided with essential specialized services. Efforts should be made to establish Health posts at the ward level, but these should preferably be managed and partially financed by local self-government community. A PHC supportive referral system at the secondary (district) level should be devised and put into effect in a systematic way.

- (7) Major communicable diseases should be controlled at a most essential step towards the improvement of overall health status. Particular emphasis should be given to the expanded programme of immunization, control of diarrhoeal diseases and national epidemiological surveillance. Each local area (e.g. Upazila) should have its own EPI and epidemiological targets.
- (8) Adequate supplies and proper utilization of selected essential drugs, vaccines and other diagnostic/therapeutic substances must be ensured. The local production, quality control and efficiencies of such substances are also to be ensured.
- (9) Appropriate type and number of health manpower is to be developed and deployed to meet the needs of the entire health programme, ensuring that such personnel are socially committed and responsible and possess the technical and managerial competence for the development and maintenance of a comprehensive health care system based on primary health care with emphasis on preventive health care. Rationalization in production, improvement in managerial efficiency and optimum utilization of available manpower should be of utmost concern.
- (10) Inter sectoral action between health and other related sectors, e.g. Agriculture, Food, Education, Public Health Engineering, Local Government and Rural Development, Housing, Social Welfare etc. should be fostered.
- (11) Facilities for bio-medical and health system research including operational research (based on experimental/pilot models) should be improved; such research should be oriented to support the national strategies for Health.
- (12) Domestic resources have remained a serious impediment to the development of health projects. Therefore, external assistance in favourable terms and conditions should be explored from donor agencies for health development projects/programmes.

Table 1

Major Health Indicators : Targets and Achievements during SFYP and TFYP

Sl. No.	Name of the items	Unit	Achievement during SFYP (1989-85)	Target for TFYP (1985-90)	Achievement during TFYP		
					1985/86 (Actual)	1986/87 (Actual)	1987/88 (Estimated)
1	2	3	4	5	6	7	8
<b>HEALTH STATUS</b>							
1	Infant mortality	Per 1000 Live births	125	100	..	*116.6	114
2	Child Mortality	Per 1000 (1 to 5 yrs.)	22	12	..	*13.1	12.5
3	Maternal Mortality	Per 1000 Live births	6	4	..	6	6
4	Crude birth rate	Per 1000 Population	39.00	31.00	..	34.4	33
5	Crude death rate	Per 1000 Population	15.00	13.00	..	11.9	11
6	Population growth	% per year	2.40	1.80	..	2.3	2.20
7	Life expectancy at birth	Birth in year	50	54	..	*53.2	54
8	Hospital beds :	Cumulative number.	27,637	40,734	31,681	32,113	32,988
	(a) Health Services	Ditto	19,661	29,534	22,874	23,906	23,801
	(b) Other Ministries & Private sector.	Ditto	7,976	11,200	8,807	8807	9,187
9	Population per Hospital bed.	Ditto	3,589	2,712	3,156	3,188	3,092
10	Upazila health Complexes	One in each rural Upazila	341	397	344	347	351
11	(a) Union Health & Family Welfare Centres (UHFWC)	One in each Union.	2,329	4,500	..	2,615	2,865
	(b) Health post for Community basic services (self financing)	One for about 5000 People	..	397	..	..	..
12	Immunization against :						
	(a) Tuberculosis	% under 15 yrs. covered.	60	90	63.38	*70.94	75
	(b) Diphtheria, Whooping Cough and Tetanus.	% under 2 yrs. immunized.	2	80	2.66	*7.3	55
	(c) Measles ..	% Coverage	0.8	80	2.29	*7.00	34
	(d) Polyomyelities	Ditto	2	80	2.2	*7.78	55
13	Control of Diarrhoeal diseases.	% coverage of ORS distribution.	50	90	56	58	70

Sl. No.	Name of the items	Unit	Achievement during SFYP (1980-85)	Target for TFYP (1985-90)	Achievement during TFYP		
					1985/86 (Actual)	1986/87 (Actual)	1987/88 (Estimated)
1	2	3	4	5	6	7	8
14	Control of Tuberculosis	% case finding and treatment of estimated total diseased.	13	35	20	23	25
15	Delivery by trained Midwife/Birth Attendant		5	50	..	..	..
16	Antenatal Care	.. % pregnant women given care at least once,	20	50	..	..	..
17	Blindness Prevention	.. % children under 6 receiving Vit. A Capsule.	76	90	82.26	83.62	85
18	Goitre Control	.. % covered for protection.	30	100	61	70	80
19	Nutrition Services	.. % of 2nd/3rd degree malnutrition.	5	30	..	..	..
20	Coverage of population by primary health care services.	% of population	30	65	..	..	..
21	Essential drugs and vaccines.	Availability for public health services (% of total required.)	25	60	..	..	..
22	Production of essential drugs vaccines, ORS & I.V. fluids.	Value in million Taka.	80	300	220.25	245.76	290.00
23	Health Laboratory Services :						
	(a) Simple clinical diagnostic laboratory facilities at UHC's.	% of coverage	25	100	86	87	92
	(b) District laboratory facilities.	Ditto	25	60	59	59	59
	(c) Simple tests in UHFWC.	Ditto	5	25	..	..	..
24	X-Ray facilities in the UHCs.	Ditto	20	60	105	105	126
25	Blood transfusion services in District hospital	Cumulative Number.	20	64	33	33	33
<b>HEALTH MANPOWER</b>							
26	Graduate Doctor	.. Cumulative Number.	16,000	22,500	17,341	18,103	19,340
27	Post-Graduate Doctor	.. Ditto	1,050	2,100	1,162	1,316	1,450
28	Dentist	.. Ditto	510	750	566	651	685
29	Basic Nurse/Midwife	.. Ditto	6,500	10,200	6,773	7,789	8,200



Sl. No.	Name of the items	Unit	Achievement during SFYP (1980-85)	Target for TFYP (1985-90)	Achievement during TFYP		
					1985/86 (Actual)	1986/87 (Actual)	1987/88 (Estimated)
1	2	3	4	5	6	7	8
30	Medical Assistant	.. Cumulative Number	3,600	4,600	3,776	4,022	4,348
31	Laboratory Technician	.. Ditto	1,350	2,000	1,376	1,611	1,642
32	Radlographer	.. Ditto	350	700	361	459	472
33	Pharmacist (Diploma)	.. Ditto	5,800	3,500	5,820	6,067	6,163
34	Health Sanitary Inspector	Ditto	1,265	1,500	..	..	..
35	Asstt. Health Inspector	.. Ditto	1,870	4,500	4,200	4,200	4,200
36	Health Assistant	.. Ditto	15,000	23,000	21,000	21,000	21,000

Source of information: (i) \*BBS, Dhaka.

(ii) \*\*Project Director, EPI.

(iii) Rest of the information from DGHS (HIU), Dhaka.

## CHAPTER XVII

### POPULATION CONTROL AND FAMILY PLANNING

#### Introduction:

Population of Bangladesh was estimated to be 105 million in 1987, adding almost five million more to its 1985 level. An increase of population of five million in a short span of two and a half years is indeed very alarming. As a result, it has deteriorated further the land-man ratio of 1:029 acre, population density has increased up to 1966 persons per square mile in 1987 from the 1985 level of 1808 persons per square mile.

The Third Five Year Plan recognises the high rate of population growth as the most serious problem hindering socio-economic progress. Considering the serious consequences of rapid population growth on health, education, employment, per capita availability of food etc., government has sought to strengthen the population policy and its implementation during the current plan period (1985-90). Population policy for TFYP envisages greater degree of public awareness about the population problem, and intensive local participation through decentralised upazila administration and a high level of political commitment. It is intended to provide wide coverage of the population through family planning services both domiciliary and clinical. Better maternal and child health services aimed at reducing infant mortality and improvement in the quality of family planning services including follow-up care.

One important feature of the population programme of the Third Plan is the establishment of clinical network at the union level so as to have 2,400 UH & FWC by 1990. Another important feature is to expand and intensify three women's programmes of Ministry of LGRD and Ministry of Social Welfare and Women Affairs by providing credit facilities, skill training and setting up training-cum-production centres to generate some income for the organisations themselves. Apart from all these measures scope for participation of NGOs in population programmes has been widened through subvention committee mechanism of the Ministry of Health and Family Planning as well as through the ERD mechanism. The NGOs hitherto working in urban areas, have been allowed to work in rural areas. Thus, population policy has made a major shift in emphasis from the SFYP in the sense that it has allowed the NGOs to provide both family planning and MCH services in rural areas. Another major thrust in the service delivery is the intensification of MCH services (i.e., ORT, safe delivery and immunization) strategy alongwith family planning services and supplies.

After review of 8 alternative demographic scenarios ranging from assumed constant fertility and constant mortality to very rapid fertility and mortality declines the path involving a very rapid fertility decline and a slow mortality decline, designed to reach NRR-1 by end of the century was selected as the basis for formulation of TFYP development programme. The main objective of population policy is to reduce the rate of population growth from 1985 level of 2.4% to 1.8% in 1990. The implication of this policy is to reduce the crude birth rate (CBR) and crude death rate (CDR) per 1000 population from 1985 level of 39 and 15 to 31 and 13.4 respectively by mid-1990. Total fertility rate of Bangladesh at 5.8 in mid-1985 is indeed very high. During the current plan period, it is expected to be reduced to 4.8 in mid-1990 through implementation of various programmes. TFYP also envisaged to reduce infant and maternal mortality rate from 1985 level of 125 and 6 per 1000 live births to 100 and 4 per 1000 live births to 100 and 4 per 1000 live births respectively by mid-1990. When it was launched contraceptive prevalence rate (CPR) was 25% of the eligible couples. The population policy aims at raising it up 40% by 1990 implying that 81.59 lakh eligible couples will be brought under the regular use of contraception from 1985 level of 41.95 lakh couples.

With a view to achieving this demographic objective government has identified 33 projects and programmes to expand and intensify population activities of the Ministry of Health and Family Planning as well as several other Ministries which have also population projects. Out of these 33 programme and projects, 30 are new; and three are spilled over from second plan.

During the last three years of the Third Plan progress made in the sector is briefly described as follows :

#### Demographic Situation:

Recent review of several demographic and programme related surveys show that some modest progress has been made in terms of reducing fertility and raising the contraceptive prevalence rate (CPR). Total fertility rate (TFR) appears to have declined to 5.5 in 1988 from 1985 level of 5.8 and corresponding crude birth rate (CBR) has been shown a decline to 36 per 1000 population in 1987 from 1985 level of 39. In the case of infant mortality rate, there has been some decline, but not enough to have significant improvement in the overall status of mortality. Crude death rate (CDR) is still hovering around 14 per 1000 population and the rate of natural increase of population was 2.2 per cent in 1988 according to the Planning Commission's recent estimate. The contraceptive prevalence rate (CPR) during 1985-87 appears to have increased up to 33%. It may be noted that vigorous efforts on the part of programme functionaries are necessary to arouse public interest to practise contraception specially among the younger couples with fewer children so as to achieve a fertility level of 4.8 by the end of TFYP (1985-90.) Table-1 shows changes in different Demographic Indicators during July 1985 to December 1987 against TFYP targets.

TABLE 1

Changes in different Demographic Indicators during July 1985 to December 1987 against TFYP targets.

Year	CBR (000)	CDR (000)	RNI(%)	CPR(%)
1984/85 (Base Year)	39	15	2.4	25.00
1987/88	36	14	2.2	33.0

#### Programmes

In this section review of population programmes is made in the following order :

##### Family Planning service :

##### Contraceptive services :

These include oral pills, condoms, IUD's, injectables, Sterilization, menstrual regulation (M.R.), Vaginal methods and traditional methods (withdrawal, safe period & breast feeding). Field and clinical workers of Family Planning Wing and other multisectoral agencies have continued to provide services to all eligible couples. Family Planning services were delivered through several service outlets, such as hospitals, UH & FWC and NGOs in addition to domiciliary services through the field workers e.g., FPAs, FWAs and Dais of Ministry of Health and Family Planning. Efforts to utilise effectively 87 MCWCs and MCH units in the 348 Upazila Health Complexes were made by providing technical supervision through the MCH and adequate support of drugs and equipment as well as by establishing proper referral system with the field functionaries at peripheral level. Popular brands of low dose combined type of oral pill like Combination-5 and Overall safer and effective brand of Copper-IUDs such as Copper-T, 380AG have been introduced in the programme. In order to ensure supply of good quality condoms to users PIACT is regularly conducting testing of samples obtained from the peripheral service points. Bangladesh Fertility Research Programme (BFRP) is undertaking research to test the efficacies on the potential use of Norplant injectables on trial basis.

The overall scenario of service delivery is not as satisfactory as has been expected. Two reasons can be identified for this: (i) additional field functionaries could not be deployed as planned for reducing worker population density and (ii) dysfunctioning of the existing field workers. Lack of supervision and accountability of the functionaries at the Upazila level and below appears to be a serious problem. In the method-mix of contraception, fluctuations have been observed. For example, performance in sterilisation programme has slowed down so much that it fell short of the target by 38 per cent although allocation of money for sterilization from government sources has been continuing. The number of IUD acceptors has increased by almost 140% of the target. So also is the case of distribution of oral pill and condom. Low performance of sterilization is due to the following:

- (i) Younger age group and lower parity are not coming to accept sterilization.
- (ii) Method shifting from sterilization to IUD and injectables and also to Pill and Condom.

Although, the Ministry of Health and Family Planning issued directives to health workers to work for family planning motivation and distribution of contraceptives, various surveys and reports show that they have not participated in family planning programme activities. As a result, their contribution is almost minimal. Notwithstanding the difficulties encountered by the programme during the period under review, some progress has been made as may be seen in the table below:

TABLE 2  
Programme Performance in terms of users for 1985/86 to 1987/88.

Year		Method						
		Sterilization in Nos.	IUD/CT in Nos.	OP	Condom	Injectable	Emko	Foam
1984/85	Target	9,18,000	2,82,000	17,74,000	1274,000	141,600	141,600	141,600
	Performance	491,599	432,465	770,191	1012,932	41,483	17,949	21,481
	Achievement %	53.6	153.4	43.4	79.5	29.3	12.7	15.2
1985/86	Target	455,000	212,000	750,000	630,000	630,000	534,000	535,000
	Performance	267,554	367,368	809,112	906,047	54,122	11,604	20,836
	Achievement %	58.8	173.3	107.9	143.8	85.9	2.2	3.9
1986/87	Target	529,000	285,000	893,000	725,000	890,00	535,000	535,000
	Performance	350,560	420,338	1001,539	994,905	78,687	5,829	23,088
	Achievement %	66.3	147.5	112.2	137.2	88.4	1.8	4.3
1987/88	Target	551,000	355,000	103,2000	813,000	119,000	510,000	510,000
	Performance	196,015	379,128	127,3316	109,749	973,25	36,96	259,33
	Achievement %	35.6	106.8	123.4	136.5	81.8	1.0	5.1

Source: Reports of the Management Information System (MIS) of the Directorate of Family Planning, Dhaka for 1985-88.

It is pointed out here that it will be seen from the above table during 1984-85 higher targets in respect of different methods of contraception was fixed and consequently the performances were also high in comparison with the performances of different methods in the subsequent years. The target for IUD, Condom, Emko, foam tablet etc. in TFYP has been realistically fixed on the basis of experience obtained from the field.

#### Information, Education and Motivation (IEM) :

Audiovisual aids and interpersonal communication through workers and involvement of community are the key population related IEM strategies in the Third Five Year Plan. The IEM Unit of Family Planning Directorate has engaged folk talent teams which performed 26,792 programmes, that is, only 29.4% of the Plan target, played 11.7% film shown; participated at 33 exhibitions that represent only 6.23% of the target; arranged only 57% of the targetted mass motivational meetings and produced 62% media materials for use of the field functionaries, arranged 60% seminar/workshops on family planning for community leaders. The programme for training of religious leaders as envisaged in the plan has only recently been initiated. According to a study the Population Development and Evaluation Unit and ESCAP, family planning field workers household visit for interpersonal communication with eligible couples was only 52% up to 1986.

Knowledge of family planning in Bangladesh has increased significantly after the initiation of a number of programmes in Information, Education and Motivation (IEM) since 1976. The results of the Bangladesh Contraceptive Prevalence Survey (BCPS) of 1986 show that 98.2% of the ever-married women under 50 years of age know, at least one method of contraception compared to 81% in 1976. Pill was the most widely known method (94.5%), followed by female sterilization (92.4%) and male sterilization (71.5%), Condom was mentioned by 59.2%, injectables by 59.9% and IUD by 41.7%.

While awareness is high, practice level of contraception is still low. The major objectives of the information education and motivation (IEM) activities in the present plan period would be to convert this awareness into practice by acting vigorously upon attitudinal and motivational attributes of acceptors, interpreting the various methods especially with reference to advantages, limitations and suitability to persons concerned and clarifying the doubts. The strategy to reach the people through three different but mutually reinforcing approaches; are household contacts, mass media and small group meetings. Steps have been taken to initiate a pilot project to experiment and develop newer strategies for IEM activities.

#### Maternal and Child Health (MCH):

The MCH goals for reduction of maternal mortality, infant mortality and neonatal mortality are expected to be achieved from 1985 level of 6,125 and 85 to 4,100 and 65 per 1000 live births in 1990 respectively through strengthening of MCH clinical facilities, training of TBAs, immunization of children, use of ORS and preventive and promotive activities of MCH through field workers. Review of MCH data shows that the progress in achieving the above MCH goals is not as satisfactory as expected with reference to the plan documents. Infant mortality and maternal mortality are estimated in 1987 as 111.9 and 6 respectively per 1000 live births. At present there are 86 functional MCWs, 347 MCH units of Upazila Health Complex and 1793 Union Health and Family Welfare Centres throughout the country to deliver MCH and F.P. Services. The following MCH performances have been achieved during 1985-88.

TABLE 3

## MCH targets and achievements for 1985-88

Year	Ante-natal	Delivery	Post-natal	Child Care
<b>1985/86</b>				
-Target	25,22,338	7,20,295	12,13,781	38,54,536
-Achievement	5,24,904	96,417	5,47,685	28,83,946
-% of achievement in terms of target.	21%	13.3%	45.12%	75%
<b>1986/87</b>				
-Target	26,60,104	7,02,791	12,68,939	39,71,048
-Achievement	6,47,894	1,13,060	5,63,871	35,39,350
-% of achievement in terms of target.	24.35%	16.08%	44.43%	89.12%
<b>1987/88</b>				
-Target	24,04,690	7,00,472	12,84,495	39,79,325
-Achievement	6,11,035	1,03,005	5,65,006	31,83,091
-% of achievement in terms of target.	25.49%	14.70%	43.99%	79.99%

Source ; Directorate of Family Planning, MCH-Services Section.

In order to provide a minimum level of safe delivery care to rural pregnant women training of TBAs (traditional birth attendants) is considered important. During the period under review, some training materials such as FWV's (Family Welfare Visitor training modules for TBA training, curriculum for field workers ; curriculum for the training of 300 Senior FWVs, 915 FWVs and 13,725 TBA's and re-orientation of 5,250 TBAs were produced.

During the period under review 228 out of 308 Senior FWVs, 144 out of 915 FWVs and 810 out of 13500 TBA's were trained and 41 Senior FWVs, 31 FWVs and 120 TBA's are now undergoing training. The achievements of training during 1985-8 for SFWV, FWV and the TBA's is 49.5%, 5.46% and 2.03% respectively. The low performance is due to the following reasons :

- (i) Training period of SFWV was originally for six weeks but it has been increased to 10 (ten) weeks, consequently training curriculum and module was revised. As such the training of SFWV could not be undertaken in the FY 1985/86.
- (ii) Due to delayed start of SFWV training, training of faculty member the FWV's and delayed preparation of FWV's training curriculum by NIPORT, the orientation training to FWVs could also not be started in time.
- (iii) Due to the above two reasons the basic training of TBAs has also been delayed.

Under the expanded Programme of Immunization of the Directorate of Health Services immunization services against 6 diseases such as tetanus, diphtheria, pertussis, polio, tuberculosis and measles are made available in 70 Upazila Health Complexes (UHCs) of 20 districts. In addition to the above static facilities outreach services with the involvement of Family Welfare Assistants (FWA) and Medical Assistants (MAs) have also been introduced in other upazilas.

For management and control of diarrhoeal diseases production and supply of ORS under Oral Rehydration Programme have been intensified.

#### **Infrastructural development :**

In the SFYP, the target of construction of Union Health and Family Welfare Centre (UH & FWC), although was fixed at 1500 the construction Management Cell (CMC) of Ministry of Health and Family Planning for various reasons, could not complete more than 1035 UH & FWC as anticipated, only 810 UH & FWCs were actually completed by June 1985. The construction of remaining 225 UH & FWCs were spilled over to the TFYP. During 1985/86 and 1986/87 construction of the same were completed. In addition to the above, one time repair work of 514 UH & FWCs of the already completed centres was also undertaken and completed during the period under review. In the TFYP period, the target for construction of 1200 UH & FWCs was fixed. But due to CMC's preoccupation with the maintenance works, only 276 UH & FWCs have been completed so far falling far behind the plan target. During 1987/88 construction of 174 UH & FWCs has been undertaken and these are at various stages of construction. Besides, 27 rural dispensaries have been renovated and 59 more are under construction. Total number of UH & FWCs completed up to June 1988 stood at 1793.

#### **Multisectoral Programmes and supporting services including Women's Programme :**

##### **Various Ministries/Divisions :**

Within the basic population policy framework, different Ministries/Divisions are undertaking certain population related activities under the overall coordination of Ministry of Health and Family Planning.

Ministry of Information is implementing population projects with Radio and Television focusing population policies, project related goals on family planning and MCH programmes. Radio utilizes 75 minutes broadcasting time and has disseminated population related messages through 29 programmes from the National Hook-up and 45 minutes each day through six Radio Sub-cells at Chittagong, Sylhet, Rangpur, Rajshahi, Bogra and Khulna. Thus, Radio has significantly intensified its activities. The population programme in Television was noticeably infrequent during 1985-87. However, the programme frequency has of late, been increased and its efficacy is yet to be seen.

Ministry of Local Government, Rural Development and Cooperatives (Rural Development and Cooperative Division) has implemented a project entitled "Family Welfare Education and Motivation for Family Planning services through Rural Cooperatives" through the Bangladesh Rural Development Board (BRDB) and has formally integrated population education into the existing curricula of Rural Development Academy at Bogra, Sylhet and eight regional cooperative institutes. As a result, the rural development and cooperative officers will be exposed to population education and motivation to take appropriate roles to disseminate family planning messages.

##### **Women's Programme :**

The Third Five Year Plan has given emphasis on the participation of women in development including population activities. The Rural Women's Cooperative project being implemented by Rural Development Board under Rural Development and Cooperative Division represents one of the major efforts in this direction. The Women's cooperative societies are established to serve as grass-root level institutions for providing literacy,

functional education, skill training for generating income, and disseminating family planning message among the village women. During the period 1985-88, a total of 944 Women Cooperative Societies have been formed against the plan target of 1,620 in 90 Upazilas. Total number of membership of the cooperatives stands at 3020 which is 46.6% of the plan target. Skill related training was given to 971 cooperators in different income generating activities against the target of 4150 which is 23.4% of the plan target. Total number of Family Planning Acceptors during the period under review were 15,441 which was 47.7% of the plan target.

Another major project is "Use of Mother's Clubs for Population Activities" of the Department of Social Welfare under the Ministry of Social Welfare and Women's Affairs. During the period 1985-88, 2240 mother's clubs have been established under the project which is 63% of the plan target in TFYP; about 1,84,380 members have been enrolled in the mother's club for different skill training which represent 48% of the plan target. Family Planning acceptors recruited under this project are 2,16,580 as against the target of 4,73,628 which is 46% of plan target. About Tk. 92.16 lakh has been disbursed as seed money for income generating activities which is 60% of the plan target.

Another project relating to women's development is "Use of Women's Vocational Training for Population Activities" being implemented by the Directorate of Women Affairs. Under this project, women selected from rural areas are being given vocational training in income generating activities such as, sewing, handicraft, weaving, soap making etc. Most of these centres function as skill-training-cum-production centres. During 1985-88 vocational training was imparted to 18,900 women who represent 55.20% of the plan target. Total number of family planning acceptors recruited under the project is now 1,40,122 against 4,53,000 which is 31.00% of the plan target. Tk. 13.36 lakh as credit money has been disbursed against Tk. 30.00 lakh envisaged in the plan during 1985-88 which is 44.58% of the plan target.

#### Training, Research Evaluation and Management and Monitoring :

##### Training :

Population is a comparatively new subject in development programmes. Due to multi-disciplinary nature of its activities, training of personnel of various cadres under different projects has been arranged through some main institutions, such as the National Institute of Population Research & Training (NIPORT), Family Welfare Visitor's Training Institute (FWVTI) and Regional Training Centre (RTC). In these Institutes, job specific and skill related training have been imparted to different categories of mid-level officials. In order to provide continued guidance to training activities, an Advisory Committee under the National Institute of Population Research and Training (NIPORT) has been formed. The progress which these Institutions have made during the mid-plan period is presented below :

TABLE 4  
Achievements of the training programme.

Training Institutes	Target for TFYP	Achievement up to June 1988	%
NIPORT .. .. .	5550	3164	57%
FWVTI .. .. .	8127	2276	28%
RTC .. .. .	55000	16500	30%



**NIPORT :**

This is an apex national institution for population training for the Upazila and district level officers as well as the officer of multi-sectoral programmes and NGOs. Review of training programmes show that only 57% target has been achieved out of the training target of 5,550 Upazila and district level officials in TFYP. In addition 97 persons were given special training in the NIPORT. Of late, attempt is being made to speed up training programmes as planned. It is observed that due to lack of adequate faculty strength specially in some key areas of training, such as, population dynamics, primary Health Care and MCH, IEM, monitoring and management, the quality of training could not be improved.

**FWVTI's :**

There are 12 FWVTI's with capacity to train personnel to impart formal and refresher training to create cadre of workers called FWVs. Since the number of trained FWVs already exceeded existing requirement, an expert committee was formed to examine how to utilize the existing physical facilities of FWVTI's. According to the decision of the expert committee, eight institutions are being utilized for FWV's training and remaining four are being utilized for field workers' training. During period 1985-88 28% of the FWVs have been trained and retrained out of 8,127 as envisaged in the relevant project (1985-90).

**RTC's :**

There are 20 RTCs in the country to cater the needs of field training of 4,500 FPA's 12000 Health Assistants, 3,500 Assistant Health Inspectors, 1,500 Multi-sectoral Workers, 23,500 FWA's including 10,000 new FWA's. During the period 1985-88, 30% of the field personnel were trained out of the target of 55,000 in TFYP (1985-90).

In brief, overall programme of the training institutes are far from satisfactory, although the relevant PPs were approved in time and necessary fund was provided.

**Research & Evaluation :**

Evaluation and Research are recognised to be inseparable components of family planning programme. National Steering Committee for Population Research (NASCOPR) has been set up in NIPORT under the chairmanship of Secretary, Ministry of Health and Family Planning to make policies, approve priority areas of research and guide, coordinate and monitor all population related research activities. Research and Evaluation activities have been continuing during the 1985-88 period under the auspices of the NIPORT, MIS Unit of the Family Planning Directorate of MOH & FP, Population Development and Evaluation Unit (PDEU) of the Planning Commission. The PDEU had completed 10 project related research in population field; published 1987 Population Data Sheet and held National Seminar on the level and trend in fertility and mortality. Besides, two covenanted studies one in health financing and the other on sterilization payment procedures have been commissioned. In 1986, IUD and sterilization monitoring research and one C.P.S were conducted during the period under review. One nationally important fertility survey that was due to start in 1985 by NIPORT is recently started. However it is observed that project related research findings are not being useful to provide feed back in implementation and management of the programme at the field level. A new mechanism is required to be evolved to undertake evaluative and action oriented research which may suit the programme needs. BBS continues to collect vital statistics and its data are found to be deficient in the sense that it still provides a low estimate of fertility and mortality which is the theoretically not plausible in our given level of programme performance and socio economic condition.

### Management Monitoring and Coordination :

Greater attention has been given to improve supervision and managerial technique of family planning programmes on a continuous basis. The field visit of the Senior Officials at management level has been intensified. An inspection manual for supervisory officials has been developed to make inspection effective. Four special programme vigilance teams with two Directors and four Deputy Directors have been set up in the office of Director General. In addition, four management service development teams has been set up in the Ministry to identify and examine specific managerial constraints at various operational level and explore possible solutions. The teams are working closely with district and Upazila level officials. At the district level, a post of Assistant Director (IEM General) has been created for the management of IEM activities. At the Upazila level, post of Assistant Family Planning Officer has been created & filled in. Family Planning Officers now members of the Upazila Parishad and are responsible to the Chairman, Upazila Parishad for Family Planning matters.

The Management Information System Unit of the Family Planning Directorate has been strengthened by establishing a special family planning and MCH service statistics cell to collect data and vital events in stipulated sample areas. The MIS is currently developing an integrated reporting system of both health and family planning. It is being experimented on pilot basis in 8 Upazila before implementation on a nation-wide basis.

Coordination is very important for monitoring and enlisting public support for the programme at various levels. This is being done from national to Upazila level. The National Council for Population Control (NCPC) headed by Hon'ble President continue to provide policy guidelines, as required from time to time. Multi-sectoral Coordination Committee has been set up in the Family Planning Wing to coordinate the population activities of the concerned Ministries/agencies. Upazila Family Planning Committee has been constituted to take all possible steps for implementation of the Family Planning Programme at the Upazila within the decentralised set-up.

In order to strengthen MCH activities MCH Committees have been formed at national district and Upazila level. There is also a coordinational Council for Family Planning Voluntary Organisations.

### Socio-Economic legal measures :

Some social and legal measures in support of small family norms have been undertaken. These include annual family planning awards on National Population day on January 2, every year and also raising age at marriage from 16 to 18 in the case of female and from 18 to 21 in the case of male.

Government has already taken appropriate steps to give priority to government servants with smaller family members for overseas posting. Those who have not more than two children are now eligible to apply for overseas posting. Couples of ideal families who do not have more than two children and who have accepted family planning method are being given receptions to demonstrate social desirability of small family. A system of community awards has been instituted to generate popular interest in the family planning programme.

Certain social and legal disincentive pertaining to limiting of ration cards, appointment in government services, maternity benefits and income-tax benefits for two child families have not been implemented.

### New approaches :

Steps have been taken to implement some new approaches to accelerate the family planning activities. These are—(a) introduction of newer techniques of family planning, clinical devices—such as Norplant, and other devices of IUD, (b) Community participation

(c) Household volunteers scheme and (d) Strengthening field workers' morale through reward and recognition. Other new approaches viz.- "No Birth Award Scheme", "Support for Promotion of Female Education" and "Social Security Scheme" have not been initiated as the projects are yet to be formulated and resources are to be mobilised.

#### Role of NGOs :

Government attaches considerable importance to the role played by non-government organizations (NGO) in family planning and maternal child health. NGOs have made significant contributions in these areas. Cooperation between the government and NGOs has increased over the years. Government provides seed money for promoting voluntary efforts through the subvention committee mechanism. A good number of local level voluntary organization with active support from international agencies and with seed money provided by GOB are working for the family planning programme in rural areas. Around 200 organizations, mostly offering community-based services (CBS), and CBS-cum-clinical and operations research are now active in the field. In addition national NGO's such as Family Planning Association of Bangladesh (FPAB) Christian Health Care Project (CHCP) Concerned Women for Family Planning Programme (CWFPP) are providing clinical and domiciliary family planning services. Bangladesh Association for Voluntary Sterilization (BAVS) is serving as the retraining place for surgical contraception. Bangladesh Rural Advancement Committee (BARC) and CARE are playing significant roles in the national universal child immunization (UCI) programme. ICDDR,B's role in hiring of FWAs for the government and in training of GOB physicians for diarrhoeal disease control may also be mentioned. Besides, NGOs play a key role in voluntary sterilization programme and commercial distribution of contraceptives. There is a Coordination Council for Family Planning Voluntary Organizations. Measures are also underway to simplify NGO procedures relating to award of grant, project approval, appointment of staff etc.

#### Financing :

Development expenditure in Population Control and Family Planning sector recorded sustained increase since 1973/74. A sum of Tk. 90.00 crore was allocated in the First Five Year Plan (1973-78) of which Tk. 72.25 crore was utilised. In the Two-year Plan (1978-80), Tk. 100.00 crore was allocated of which Tk. 84.20 crore was utilised. During the Second Five Year Plan (1980-85), a total of 346.00 crore was spent against the allocation of Tk. 459.50 crore. In the Third Five Year Plan (1985-90), an amount of Tk. 870.00 crore (at 1984-85 prices) for 37 projects was earmarked. Out of 37 projects, 4 winding-up projects with allocation of Tk. 17.49 crore followed by three spilled over projects with an allocation of Tk. 2.15 crore were included. Out of these three spilled over projects, 2 projects were completed. Total number of new projects taken for TFYP (1985-90) was 30. At present, 26 projects are under implementation. By June 1988 Tk. 344.40 crore was utilised. To complete the on-going projects, total requirement in the remainder of the plan period is estimated to be Tk. 563.83 crore. It may, however, be noted that this does not include the investment to be made for six new projects included in the list of projects under the Third Five Year Plan. A table indicating the ADP allocation and actual utilisation during the first three years is shown below :

TABLE 5

Allocation in the TFYP actual allocation through ADP's and utilisation during 1985/86 to 1987/88.  
(in Current prices)

		1985/86	1986/87	1987/88	Total
ADP Allocation (revised)	..	127.69	142.47	170.40	440.56
Utilisation ..	..	87.56	106.96	139.88	334.40
% of Utilisation	..	68.57%	75.08%	82.08%	75.90%

Note : TFYP allocation for PC & FP Sector is Tk. 870.00 crore.

Reasons for shortfall in ADP utilisation were mainly due to slow pace of the construction of Union Health and Family Welfare Centres (UH & FWC), unfulfilment of training target and procedural problems particularly relating to sanction of expenditures and release of funds and delay in recruitment of personnel. Due to inadequate clinical facilities at the union level, the desired physical target for service delivery could not be fully achieved. Lack of supervision at peripheral level, inadequate follow up insufficient linkage between motivational and service delivery facilities, apathetic attitudes of the field level officers and workers of Health and Family Planning Wing toward the integration of Health and Family Planning Services, are, inter alia, important deterrent to progress in family planning during 1985-88.

#### The issue of Intergration :

Functional integration of Health and Family Planning at Upazila level and below was designed as a part of the strategy to supplement and improve the motivational and service delivery system for MCH/FP services. The principle governing functional integration is to identify priorities FP/MCH services to be delivered at the community level, distribute these between Health Assistants and FWA's and facilitate implementation of both through the supervisory systems, institutional and outreach services from the union and upazila level. But since such integration entails complexities and organisational difficulties the development of a positive behavioural attitude towards effective coordination became difficult. It was observed that the frequent changes for administrative integration by issuing a series of circulars and orders by the MCH & FP have left a legacy of programme disruption and staff demoralisation. Specially this has created dissatisfaction among the family planning functionaries at all levels as well as administrative anomaly in as much as it has rendered the programme dysfunctional. To reduce friction between the line and technical supervisors and facilitate co-ordinated functioning and team work, the MOH & FP has set up regular fortnightly meeting of all union level staff at UH & FWCs under the leadership of the Medical Assistant. The stalemate at upazila level has been reduced by involving the upazila parishad as the head of the Upazila Family Planning Implementation Committee and making the upazila F.P.O. as the member of the Upazila Parishad.

#### Revised Plan :

Existing programme and projects already underway will continue until the end of the plan period. No new project will be undertaken except those included in the Third Five Year Plan and also those which are innovative in nature and likely to give clues to the formulation of future policies and programmes.

Family planning functionaries at peripheral level are still dysfunctional and are unlikely to yield expected results as stipulated in the third plan objectives, unless adequate supervision and accountability of their performances are ensured. It is expected that henceforth, the implementing agencies shall assume their full responsibilities in this regard and accelerate their efforts side by side with the non-governmental organization which have, meanwhile intensified their activities in family planning and MCH. Hence, the

method-mix that are related to the demographic goal have been reviewed, keeping in view the emerging trend in programme performance. The revised contraceptive method-mix is given in the following table :

TABLE 6  
Contraceptive Mix during 1989/90.

Method	Originally approved mix	Revised Mix.
Sterilization .. .. .	43.0	25.0
IUD .. .. .	14.0	20.0
Oral Pill .. .. .	17.5	22.5
Condom .. .. .	13.0	15.0
Injectables .. .. .	2.5	7.5
Others .. .. .	10.0	10.0
Total .. .. .	100.00	100.00

The repair and renovation of 514 FWCs within a span of 2-3 years of their completion, spending almost a quarter of total investment give rise to a serious question regarding the justifiability of top level supervision provided by the World Bank consulting firm, in aid to the Construction Management Cell (CMC) at a cost of Tk. 7.00 crore. The CMC's pre-occupation with repair works of such a large number of FWCs, and the backlog of constructions undertaken during 1986/87, has made it clear that it will be impossible for the cell to complete the plan target of 1200 FWCs by 1990. Hence, it is proposed that at least, 50% of remaining FWC construction should be assigned to the Upazila Parishad. This may help achieving the physical target of CMC.

There is likely to be a shortfall in the achievement of targets envisaged. So innovative strategies need to be worked out. The Project on support to female education by way of giving stipends to school girls after grade-VIII which may lead to delayed marriage need to be undertaken shortly. This project is felt to be crucial for fertility decline and is proposed to be initiated in 4-5 upazilas on an experimental basis for which funds will be provided.

As already pointed out that in order to complete the on-going projects, the total requirement during 1988/89 and 1989/90 will stand at Tk. 563.83 crore. The investment as estimated for six new projects during 1988/89 and 1989/90 will be Tk. 26.30 crore. Thus, the total revised requirement for the remainder of the plan period stands at Tk. 590.13 crore. It is mentioned here that in the TFYP Tk. 870.00 crore (current price) at 1984/85 prices was allocated to this sector. But taking into consideration the actual expenditure during 1985-88 of Tk. 334.40 (crore current price) and for estimated expenditure for 1988/90 of Tk. 590.13 crore (current price), the tentative size of the investment to this sector will be Tk. 924.53 crore at current prices. It means that an additional amount of Tk. 54.53 crore (current price) will be required.

It may be noted that the requirement of this sector during 1985-90 of Tk. 924.53 crore as shown above when calculated at constant prices of 1984/85 stands at Tk. 613.34 crore.

## CHAPTER XVIII

### SOCIAL WELFARE AND WOMEN'S AFFAIRS

#### SOCIAL WELFARE

Social Welfare Programmes currently aim at helping socially, economically and physically handicapped members of the society to participate in the national development process and making them self-reliant members of the society. The programmes of Women's Affairs aim at promoting activities for overall development of women and children. The major objectives of the Youth Development Programmes are to make the youth population productive and self-reliant through imparting different income generating training and introduction of various self-employment projects.

The major objectives of the Social Welfare sub-sector during the TFYP are as follows :

- (i) To create productive employment opportunities for poorest segment of the population in the rural areas.
- (ii) To promote and improve the institutional programmes for orphans, mentally retarded children and infirms, beggars and vagrants.
- (iii) To convert all the existing Sarkari Shishu Sadans and Baby Homes into Shishu Paribar in phases in the line with SOS children village.
- (iv) To redesign educational programmes for the physically handicapped taking into account their aptitude and available employment opportunities including self-employment.
- (v) To provide financial assistance to only those voluntary organizations whose past records of social activities indicate the positive contribution towards socio-economic development.
- (vi) To integrate the motivational aspect of primary education, family planning and primary health care programmes along with the income generating activities for the poor with most of social service projects during the plan period. A good number of social programme will be implemented with the assistance of upazila parishads.

To achieve the above objectives, the following strategies will be adopted :

- (i) All the existing Sarkari Shishu Sadans and Baby Homes will be converted into Shishu Paribar in phases in the line with SOS children village.
- (ii) Educational programmes for the physically handicapped will be redesigned taking into account their aptitude and available employment opportunities including self-employment.
- (iii) Only those voluntary organizations whose past records of social activities indicate a positive contribution towards socio-economic development will be selected for providing financial assistance for supplementing private efforts.
- (iv) At present, social welfare is primarily oriented towards development of social services at the local level. As such a good number of social programmes were to be implemented with the assistance of Upazila Parishads; so the motivational aspect of primary education, family planning and primary health care programmes along with the income generating activities for the poor would be integrated with most of social service projects during the plan period.

**Physical Progress :**

During the 3 years of the TFYP 15 projects were under-taken so far for implementation with a total cost of Tk. 1,03,227.41 lakh including 6 spilled-over projects and 3 winding up projects from SFYP.

During the first 3 years of the TFYP following 5 projects were completed :

- (i) Expanded Rural Social Services-II;
- (ii) Employment Rehabilitation Centre for the Physically Handicapped;
- (iii) Training and Rehabilitation of the Vagrants;
- (iv) Development of Social Services-II and
- (v) Hussain Mohammad Ershad Orphanage, Mirpur.

Programme-wise physical progress of this sub-sector is given in the following paragraphs :

**Rural Community Development Programme :** Under this programme, a project entitled "Expanded Rural Social Services-II" was implemented. Major activities under this project included building of 390 community centres, providing help to a total of 180,000 disadvantaged people to find employment or self-employment in the rural areas. The third phase of the above project has been undertaken for implementation. During the current year, 11000 persons will be employed and 83 Upazilas will be brought under it.

**Welfare Services for the Physically and Mentally Handicapped :** Under the programme 3 projects namely, Training and Rehabilitation of the Deaf, Institute for the Mentally Retarded Children and Employment Rehabilitation Centre for the Physically Handicapped were undertaken. Under the project "Training and Rehabilitation of the Deaf" 2 storied building out of the planned 4 storied has already been completed. Land has already been purchased and construction work has been started for the project "Institute of Mentally retarded Children." Under the project "Employment Rehabilitation Centre for the Physically Handicapped" 2 centres were built and 67 persons were employed and 25 beneficiaries were given training for making themselves productive.

**Welfare Services for the Children :** Under the above programme a project entitled "Conversion of Existing Sarkari Shishu Sadan into Shishu Paribars" has already been undertaken and 11 existing Shishu Sadans have already been converted to provide required training and physical facilities to the orphans.

**Welfare Services for the Vagrants :** A scheme entitled "Training and Rehabilitation for the Vagrants" has been undertaken for providing training and other facilities to the vagrants. Under this programme, 6 vagrant homes were repaired and renovated 143 employees of different categories were provided employment and 3450 vagrants were given training and other facilities during this period.

**Treatment and Rehabilitation Services for Diabetics :** A project entitled "Bangladesh Institute of Research and Rehabilitation in Diabetics" has been undertaken construct residential buildings of the employees and the 4th storied residential building has already been completed. Physical targets and achievement of different programmes is given in detail at Table 1.

A total number of 1520 persons against the third plan target of 2260 persons were directly employed and 83,700 persons against the target of 360,000 were provided with self-employment/training during the first three years of the TFYP representing 67% and 51% achievement respectively of the plan target.

**Financial Progress :**

During 1985-88 an amount of Tk 4034.71 lakh including Tk. 847.00 lakh as project aid was allocated in the ADPs for implementation of the social welfare programmes of which Tk. 4022.39 lakh was estimated to be spent during the period.

**Reason for major short fall :**

The project "Expanded Rural Social Services-II," was to be completed during SFYP but due to delay in appointing required manpower, the implementation of the project was disturbed and the said project was completed in 1987(during TFYP). As a result the third phase of the above project could not be taken up in due time.

**Policy implication and financial requirement :**

- (i) For the remaining period of the TFYP, 8 on-going projects in the ADP and 4 new projects are to be implemented. However, 4 new projects which are yet to be included in the ADP may be deferred because the total plan allocation for the social welfare sector is Tk. 75.00 crore and total cost of the project which have already been taken up is Tk. 90.00 crore; that is, the plan allocation has been already exceeded by Tk. 15 crore.
- (ii) The 4 new projects not yet included in the ADP mainly entail construction work, it would not be possible to complete the said project during the remaining two years.
- (iii) To complete 8 projects already included in the ADPs as per schedule, an amount of Tk. 3659.00 lakh including Tk. 1030.00 lakh as project aid will be required to provide in the next two years, ADPs, and the year-wise fund requirement i.e. Tk. 1829.50 lakh which is in consistent with previous ADPs allocation.
- (iv) Functional capability will have to be increased to complete these 8 projects as per schedule.

**WOMEN'S AFFAIRS**

Women constitute almost half of the total population of Bangladesh as also of the world. To ensure a balanced socio-economic growth and development of the country, equal participation of women is an absolute necessity. And hence to make women's participation in development activities increasingly possible and to realise the ultimate goal of 'Equality, Development and Peace, of the UN Decade, not only firm commitments were made by Government but also attempts had been made to fulfil the commitments with necessary programmes and policy supports.

**Objectives :**

The major objectives of this sub-sector during the TFYP are as follows :

- (i) to promote increased participation of women in income generating activities;
- (ii) to motivate women for greater participation in education and skill development training;
- (iii) to expand accommodation facilities for job seeking career women and set up day care centres for the children of working women and to take measures for moral, physical and cultural development of children.



**Strategies :**

To achieve the above objectives at a minimum cost, the following strategies are being adopted during the Third Plan period :

- (i) In recognition of the fact that improvement of women and children's condition is a necessary pre-requisite for overall development, a Supreme Council for Children and Mothers has been set up with the President at its head in order to adopt measures for welfare of the children and mothers mainly relating to maternal and child care, health, nutrition and rehabilitation of handicapped children.
- (ii) The role of non-government organizations in the field of socio-economic development of women are promoted to supplement overall government activities. The NGOs are being strengthened to provide social, health and economic benefits to women living in poverty.
- (iii) Low-cost community based day-care centres for children are being developed to enhance women's participation in organised labour force.
- (iv) Leadership development programme is being emphasised to create a self-perception and increased awareness among women.
- (v) Because of multi-disciplinary nature of women's programme, coordination among the ministries and agencies involved in women's development activities is extremely important. A National coordination Committee will be set up to formulate guidelines and functional integration of women's programme. Supervision, monitoring and evaluation of women's programme will also be instituted by the coordination Committee.

**Programmes :**

To achieve the objectives of the sub-sector following programme were undertaken during the TFYP with an allocation of Tk. 50 00 crore.

- (i) Skill development training and production centre for women.
- (ii) Services for women.
- (iii) Services for children.
- (iv) Strengthening of national women's training academy.
- (v) Rehabilitation of socially handicapped women.
- (vi) Credit revolving fund.

**Physical Progress :**

The programmes under this sub-sector are related to skill development training of the destitute women so that they can make a better living for themselves and their families. During this period, 13 projects were undertaken for implementation of which 5 projects, including 3 spilled-over projects have been completed by June, 1988. As objectives of most of development projects of Women's Affairs are to impart skill development training and promote non-formal education to women, the implementation of the women's development projects will provide both direct and indirect opportunities for employment generation/income generation. Out of the target provision of 572 number of direct employment generation facilities, a total of 404 women have been provided with employment during 1985-88 which is about 71% achievement of the plan target. All the TFYP

Projects will provide an indirect employment/ self-employment facilities to estimated 174,130 women. Out of this plan target, 161,683 women are going to be trained in different fields of related activities such as agriculture, poultry, pisciculture, goat rearing, leadership, immunization during the period under review. Physical targets and achievement of this sub-sector are shown in detail at Table 2.

#### Financial Progress :

During 1985-88, an amount of Tk. 1689.74 lakh including Tk. 1354.21 lakh as projects aid was allocated in the ADPs for implementation of the projects under Women's Affairs sub-sector. Out of this allocation a total of Tk. 1594.98 lakh including Tk. 1295.99 lakh as project aid is expected to be spent during the same period.

#### Policy implementation and financial requirement :

An allocation of Tk. 30.00 crore has been provided in the TFYP for Womens Affairs sector. But the estimated total cost of the project already included in the ADPs during 1985-88 is Tk. 4129.88 lakh. Of the total estimated cost of the above projects, only Tk. 1689.74 lakh have been provided during 1985-88. A total amount of Tk. 2440.14 lakh will be required to be provided during the next two years ADPs, if the on-going projects are to be completed in the TFYP. Emphasis should be given to complete the on-going projects in TFYP as far as possible rather than including more new projects in the next two years ADPs.

TABLE 1.

## PHYSICAL TARGET AND ACHIEVEMENT OF SOCIAL WELFARE SUB-SECTOR

Sl. No	Name of the Sector/ Sub-Sector/Item.	Unit	Base Year	Third Plan Target	1985/86 (Actual)	Achievement in			Percentage achieved (col. 9 as % of col. 5)	Reasons for shortfall.
						1986/87 (Actual)	1987/88 (Estimate)	1985/88 (Estimate)		
1	2	3	4	5	6	7	8	9	10	11
<b>Social Welfare :</b>										
<b>Sub-Sector : Social Welfare.</b>										
(a)	Community Centre	No.	..	390	306	84	..	390	100	..
(b)	Res Upazila to be covered.	"	..	83	..	..	63	63	76	..
(c)	Vagrant home	"	..	6	3	3	..	6	100	..
(d)	Employment Rehabilitation centre.	"	..	2	1	1	..	2	100	..
(e)	Conversion of existing Shishu Sadan into Shishu Paribar.	"	..	17	1	1	9	11	65	..

TABLE 2  
PHYSICAL TARGET AND ACHIEVEMENT OF WOMEN AFFAIRS SUB-SECTOR

Sl. No	Name of the Sector/ Sub-Sector/Item.	Unit	Base Year achieve- ment/pro- duction.	Third Plan Target	1985/86 (Actual)	Achievement in			Percentage Reasons achieved (col. 5) as % of (col. 5)	
						1986/87 (Actual)	1987/88 (Estimate)	1985-88 (Estimate)		
1	2	3	4	5	6	7	8	9	10	11
<b>Sector: Social Welfare :</b>										
<b>Sub-Sector Women's Affairs :</b>										
(a)	Skill development training provided.	No.	9,281	38,040	17,751	11,854	6,095	35,700	93.85	
(b)	Non-formal education given	No.	11,060	1,36,990	41,193	47,520	37,270	1,25,983	92.57	
(c)	Immunization covered.	No.	1,460	20,150	3,050	9,050	7,550	19,650	97.52	

## CHAPTER XIX

### MANPOWER AND LABOUR

#### Introduction :

With alleviation of poverty as the main theme, expansion of productive employment, human resources development, development of technological base for bringing long-term structural change in the economy and acceleration of economic growth, among others, feature prominently in the objectives set for the Third Five Year Plan (TFYP). Human capital in the form of manpower skills, particularly in the face of serious deficiency in other resources is of crucial importance towards realisation of these objectives as envisaged in the Plan. Manpower situation in Bangladesh is typically characterised by the simultaneous existence of acute unemployment and underemployment including that of the educated/skilled on the one hand and shortage of strategic skill, on the other. Such a situation calls for balanced development of skills and its optimum utilization through planned enhancement of employment opportunities in the economy as also in the overseas employment markets which has also gainful balance of payment implication for the country. Programmes of labour welfare and labour relations including occupational hygiene and safety are important pre-conditions of improvement of labour productivity which determines the effectiveness and employability of the labour force.

#### Objectives :

In conformity with the above pre-requisites for attaining the objectives of planned development, the sectoral programmes for the Manpower and Labour sector was formulated envisaging strengthening the craftsmen skill training system including in-plant and apprenticeship training with better capacity utilization and co-ordination within the framework of a national policy for skilled development, promotion of employment including overseas employment and self-employment-along with reorganization and further strengthening of the country's employment services network, improvement of industrial relations through more effective motivation, provision of labour welfare, workers education, establishment of arrangement for industrial safety and occupational hygiene and research on manpower and employment including institutional arrangement for monitoring of employment and productivity.

#### Strategies :

Under the sectoral programme of manpower and labour, the TFYP emphasised on planning and organising skill training activities within the framework of national skill development policy to be formulated on the basis of objectives need assessment, institution of an effective mechanism for coordination of skill training activities carried out under different organisational arrangements including the private programmes, unification of approach and efforts in respect of training, curricula development, development of training materials and course contents, uniformity in skill standards, trade testing and certification procedures, and the training evaluation system. As a matter of strategy the plan emphasised on consolidation including strengthening the management and supervision of the existing skill training system for ensuring optimum capacity utilisation and quality of training rather than expansion of facilities. With a view to augmenting employment of skilled personnel, the plan suggested greater linkages and liaison between the industries and institutions laying more emphasis also on inplant apprenticeship and skill upgradation training. Adequate provision for instructor training was also emphasised for ensuring better quality of training. In respect of investment for training, the TFYP recommended that participation by way of cost sharing by the employers in training activities should be motivated during the plan period since the industries will be the beneficiaries of the training programme.

In respect of employment services, the TFYP spelt out necessity of a mechanism of labour market operations adapted to rural informal market needs. The Plan emphasised on a decentralised organisational network for employment services with the main task of

promotion and supervision of group activities for self-employed along with focus on the training of personnel for labour market operations, overall system evaluation and performance reporting. While the plan envisaged necessary promotional support for sustaining overseas employment, it recommended productive role of returnee migrants. The plan suggested consideration of the question of labour welfare, industrial safety, occupational hygiene and vocational rehabilitation of disabled workers as a package in a broader context and in the perspective of productivity.

#### **Physical Progress :**

A brief description of physical progress of various programmes taken up under different sub-sectors/areas of activities of the manpower and labour sector during 1985/86 to 1987/88 indicating also the extent of adherence to the TFYP sectoral objectives, strategies and targets is given below :

#### **Skill Development :**

In consideration of the strategic importance of skilled manpower in the various sectors of the economy, highest emphasis was laid on skill development training among the programmes of the sector during the period under review. Such priority of skill development is also reflected in the pattern of resource deployment in the TFYP where as much as 72.8% of total sectoral outlay of manpower and labour has been allocated for the skill development programmes. In accordance with the TFYP strategies the major thrust of the skill development programme was on strengthening and consolidation of the existing training network, better capacity utilisation and quality of training on the basis of available information on skill needs of the economy. Towards this end, a training needs assessment exercise for TTCs and VTIs was carried out in June, 1986 under an UNDP/ILO assisted vocational training project. A National Council for Skill Development and Training (NCSDT) along with its four regional offices was set-up for formulation of national skill development policies including overseeing the activities of grading curriculum development, setting up of trade standards, trade testing and certification. The Planning and Development Committee of the NCSDT has set-up trade standards for almost all skill trades and a unified system of trade testing and certification has been introduced in collaboration with the Bangladesh Technical Education Board for the TTC's as well as the VTIs. Through joint efforts of the NCSDT and the Bureau of Manpower Employment and Training (BMET), a system of trade testing and certification of untrained industrial workers has also been introduced. Construction of the NCSDT head quarters building and its four regional offices has been completed under an IDA assisted vocational training project. Under the same project all work relating to construction of five TTCs at Comilla, Barisal, Mymensingh, Khulna and Bogra were completed and arrangement made for development and supply of training materials to the entire TTCs network including the Vocational Teachers Training Institute at Bogra. With the establishment of a new technical training centre at Faridpur and completion of the five TTCs under the IDA assistance project during the TFYP, the number of fully operational TTCs stands at 12 including 6 Institutes established prior TFYP. The annual training capacity of the present network (as estimated by the BMET) stands at 5715 as against the estimated target of 4000 as envisaged in the TFYP.

In respect of actual performance skill development programme were carried out through the institutional network of 12 TTCs including an Institute of Marine Technology (BIMT) and also non-institutionally in the form of apprenticeship, inplant and up-gradation along with supervisory level training in industries. In addition to the courses of one and 2 years duration conducted by the TTCs the BIMT offered 3 years Diploma courses in Marine Technology. Besides, the TTCs also provided institutional facilities for special self-employment oriented vocational training programme of short duration sponsored by the Ministry of Youth Development, Police Directorate etc. Number of training provided under the regular and special courses of the TTCs and under inplant and

apprenticeship training programme during calendar year 1985, 1986, 1987 and January to June, 1988 are shown in the following table :

**Table 1**  
**TRAINING PERFORMANCE OF THE BMET**

Year	Regular course	Special course	In-plant	Apprentices
1985	1157	723	445	686
1986	2112	1177	61	48
1987	2080	709	263	16
1988 (January—June).	1100	1000	170	70

Source : BMET

As per strategy spelt in the TFYP for promotion of collaborative training programmes with the private sector and motivation for participation by way of cost sharing by the employers in training activities, the BMET has planned a training and employment programme for the garments industries workers through a Technical Assistance project. The BMET has received all the equipment for the training programme through the Garments Industries Employers Association provided by a Japanese manufacturer of garment industry equipment. Arrangements for training of garments industry workers at supervisory and training level personnel will be made in the Bangladesh German TIC in five basic skill viz. sewing machine operation, cutting and marking, pattern making, machine maintenance and repair and supervision.

#### Employment Promotion :

The TFYP emphasised on dispersal of the country's employment services to increasingly meet labour market operations in rural areas and to promote self-employment. By the end of the year 1985-86 the country had a network of 21 District Employment and Manpower Offices (DEMO) at old district headquarters to operate as institutional arrangements for promotion of employment, both in-country and overseas including self-employment. The DEMOs were entrusted with the function of employment monitoring and collection of employment and manpower information for the purpose of objective in-country and foreign employment planning along with traditional job registration and placement services. The DEMOs carried out, on regular basis, the functions of registration of both local and foreign employment including preregistration interview, scrutiny and trade testing. The DEMOs referred the job seeking candidates to employers for local employment and to the Bangladesh Overseas Employment Services Limited (BOESL) Company, BMET, different authorised recruiting agents and recruitment missions from abroad for foreign employment. The following table shows the registration and referred by the DEMOs for local and foreign employment during the calendar years 1985, 1986, 1987 and 1988(January—June).

**TABLE 2**

Year	No. registered for local Employment.	No. candidates referred for local Employment.	No. registered for foreign Employment.	No. of candidates referred for foreign Employment.
1985	7099	8981	11538	7980
1986	8518	11682	4764	5892
1987	8636	14867	617	2465
1988	3570	5879	1166	555

The DEMOs apart from their normal functions of registration and placement for in-country and overseas employment played a pivotal role in creation of self-employment opportunities for the rural landless and poor people by organising them into small non-formal groups. While cash credit was arranged from the Sonali Bank and the Janata Bank, the BMET provided such inputs as orientation training and expert services with funding from UNDP. The following table shows the year-wise number of beneficiaries covered and amount of loan disbursed under the above on-going self-employment project of BMET.

TABLE 3

Number of beneficiaries and amount of loan disbursed under the self-employment project of the BMET.

Year	No. of beneficiaries	Amount of loan disbursed (Lakh Taka)
1984/85	8,770	280.51
1985/86	1,601	70.05
1986/87	3,101	175.26
1987/88	1,428	86.88
	14,900	612.70

Source: BMET

A project of wider dimension has been taken in hand for creating self-employment opportunities in 84 Upazilas of 21 new districts in the country with arrangement for cash loan and provision of tool kits. Self-employment facilities will be created under this project through provision of tool kits to the experienced and trained persons in different trades in the urban and semi-urban areas and cash loan to the landless and the marginal farmers in the rural areas for non-farm activities.

The vocational Guidance and Employment Counselling Unit of the BMET has provided career guidance and employment counselling to 35,598 students in 1985, 27,548 students in 1986 and 27,924 students in 1987 (upto August) of class VIII, IX and X.

Besides in-country and self-employment, considerable progress took place during the plan period in respect of overseas employment of professionals, skilled, semi-skilled and unskilled labour from Bangladesh to the overseas employment markets, particularly in the middle east and the gulf areas. The TFYP envisaged on average annual target of manpower export at 60 thousand. However, as per information provided by the BMET it has been possible to exceed the target.

The following table shows a comparative year-wise picture of labour emigration from Bangladesh by skill categories along with remittances received from January 1985 upto June, 1988.

TABLE 4  
Foreign Employment of Bangladeshis and Remittances Received.

Year	Skilled categories					Total	Remittances Received (Tk. in crore)
	Professional	Skilled	Semi-skilled	Unskilled			
1985	2568	28225	7823	39078	77694	1416.70	
1986	2200	26294	9265	30891	68658	1752.85	
1987	2223	23839	9619	38336	74017	2313.69	
1988 (January to June)	1210	11195	3742	14942	31089	1197.92	

Source: BMET



While necessary promotional support will continue to be provided through the existing institutional arrangements such as the BMBT and BOESSEL, the TFYP emphasised on due attention to the issue of increasing the productive role of returnee migrants. The plan suggested that detail information on returnee migrants should be collected systematically and emphasised on sensitisation of returnee migrants for self-employment ventures. The BMBT has planned a detail study on returnee migrants with ILO assistance.

In consideration of the fact that monitoring of employment on a continuous basis is important for making necessary adjustment and re-adjustment in different sectors and activities of the economy with a view to realising the employment objectives of the plan, projects have been taken up to monitor the trend of employment creation in different sectors. A unit has been set up in the Planning Commission to conduct studies and monitor employment generation in various sectors of the economy. Another project with assistance from USAID has been taken up by the Planning Commission to investigate employment generation capabilities in small enterprises in certain sectors and recommend measures for employment promotion in the entire small industries sectors.

#### Labour Welfare and Labour Relations :

Provision of welfare to the work force and sound labour management relation are important pre-conditions for enhancement of labour productivity. The country has presently a network of 25 Labour Welfare Centres (LWC) including one Labour Welfare Division for Tea industry workers at Srimongal. Of these, 21 LWCs and the LW Division at Srimongal are already operational. The centres are catering to the health, educational and recreational needs of industrial workers. Besides, these centres function as institutional arrangement for family planning and population control activities among the organised labour. The average size of clientele per centre for the years 1985-86 up to 1987-88 are as follows.

TABLE 5

Year						No. of workers
1985/86	..	..	..	..	..	2,500
1986/87	..	..	..	..	..	2,500
1987/88	..	..	..	..	..	3,000

Source : Department of Labour.

A scheme has been taken up with effect from 1987/88 to functionally strengthen the existing 21 LWCs and the Labour Welfare Division for tea industry at Srimongal with some necessary additional physical facilities and other logistic support. In respect of industrial relation, the existing Industrial Relation Institutes (IRI) at Tongi, Rajshahi, Chittagong and Khulna organise regular training programmes in labour management relations for the representatives of workers, trade unions and management. The IRI Tongi has been strengthened with additional necessary physical facilities which provided better scope to the institute for conducting training. Another project has also been taken up for improvement and renovation of physical facilities of the IRIs at Chittagong, Khulna and Rajshahi which would involve some additional construction and provision of equipment and others logistic. The following table shows the training activities under the IRIs during 1985/86 to 1987/88.

TABLE 6  
TRAINING ACTIVITIES UNDER I.R.I.s

Name of the Institute	Year	Target/Capacity Category of Trainees				Actual training offered (No. of person)			
		Industrial Relations Course		Workers Education Course		Course held industrial relations		Course held on workers education	
		No. of course	No. of participants	No. of course	No. of participants	No. of course	No. of participants	No. of course	No. of participants
1	2	3	4	5	6	7	8	9	10
IRI, Tongi	1985/86	4	120	20	800	4	176	18	611
	1986/87	4	120	20	800	7	221	11	347
	1987/88	4	120	20	800	3	103	10	400
IRI, Chittagang	1985/86	2	50	10	400	2	65	11	405
	1986/87	2	60	10	400	2	70	10	380
	1987/88	2	60	10	400	1	39	4	156
IRI, Khulna	1985/86	2	60	10	400	4	131	8	310
	1986/87	2	60	10	400	2	48	9	374
	1987/88	2	60	10	400	1	19	2	66
IRI, Rajshahi	1985/86	2	120	10	400	2	68	9	316
	1986-87	2	120	10	400	2	26	10	300
	1987/88	2	120	10	400	..	..	1	23

Source : Department of Labour.

#### Inspection of Factories and Establishment :

The TFYP emphasised that proper institutional facilities are essential for ensuring safety and hygiene at work places and monitoring and supervision of the enforcement of the country's labour laws. The Department of Inspection of Factories and Establishments is responsible for enforcement and administration of various labour laws and rules concerning work hours, working conditions, labour and welfare, safety, health and hygiene of workers, payment of minimum wages, maternity benefit, workers compensation, conditions of employment and labour standard for workers engaged in different mills and factories, shops and establishments, road transport, etc. The department continued regular inspection of the factories and establishments as per their functional purview. The following table shows the total number of inspection of the factories, shops and establishments, number of prosecution and the total amount of penalty realised by the department during January, 85 upto June '88.

TABLE 7  
Inspection, prosecution and realisation of fine

Year	Total number of inspections in the Factories, Estt. and Shops.	Total number of prosecution	Total amount of fine realisation (Tk.)
1985 .. ..	35,360	4,310	3,15,515
1986 .. ..	34,749	3,454	4,30,420
*1987 .. ..	37,456	3,000	1,80,000
*1988 (January—June)	18,000	1,409	83,545

\*Estimated figures are used for 1987 and 1988 (Jan—Jun-)

#### Productivity, Monitoring, Evaluation and Research:

In realisation of the fact that labour productivity is an important pre-condition of overall economic development and it is important to closely monitor productivity, the Bangladesh Productivity Centre carried out studies and research on labour productivity in different sectors of the economy. During the TFYP period so far 13 studies have been completed in respect of labour productivity in the Jute, Textile, Chemical, Engineering Communications and Health sectors under the auspices of the Centres. Suggestion regarding necessary action programme for enhancement of labour productivity in different sectors are expected to emerge from these studies. In addition, with UNDP assistance the centre initiated research and training activity in respect of method and techniques of measurement of productivity under various sectors. A tripartite "National Productivity Council has been set up under the chairmanship of the Ministry of Labour and Manpower. Under the aegis of the Centre productivity Cell" have been set up in the head offices and plants of some of the sector corporations and organisations which are member of the CONCOPE.

The Bangladesh Manpower Planning Centre (BMPC) carried out research, studies and surveys on various aspects of manpower and employment which also covered overseas employment and the country's education and training systems.

#### Implementation status, problems, employment implication and programmes for 1988—90 :

A total number of 18 projects—3 on-going and 15 new were included in the TFYP under the Manpower and Labour sector. Out of these, it was possible to take up 9 projects (including on-going 3 projects) up to the year 1987-88. Of these, 4 projects were completed by June, 1988. Work relating to the 5 projects on self-employment, stipend to the trainees of the TTCs and BIMT, strengthening of the BIMT and improvement and development of existing 21 LWCs and one L.W. Division for Tea Industry to be carried over from the ADP 1987/88 and will continue during the remaining years of the Plan. Out of the remaining 9 projects included in the TFYP, which have not yet been taken up for implementation, need assessment and background studies for conceptual clarification will be necessary for some of the projects before their inclusion in the ADP. It is expected that a project for improvement and strengthening of old TTCs will be taken up 1989/90. Besides, after completion of necessary need assessment exercises in 1988/89, under an UNDP assisted vocational training project, the BMPT is also likely to undertake a broad based apprenticeship, inplant and upgradation training programme for industrial workers with effect from 1989/90. Preparatory background study for conceptual clarification will be carried out by the Department of Labour in connection with the formulation of a project Establishment of a Centre for occupational Health Analysis and Accident prevention Training and the other relating to Re-employment of Industrially Disabled workers.

Delay in project formulation including necessary studies and surveys therefor, preparation of plans and estimates and execution of actual construction works hampered implementation of sectoral programmes. In respect of large aided projects, certain conditionalities delayed aid disbursement and it also hampered implementation on schedule.

In respect of employment generation certain projects were designed for creating employment opportunities and certain other projects had employment implications by way of creation of posts within the projects themselves. Under self-employment programmes of the BMET which operated from 1984/85 with provision of tool kits as well as cash loan nearly 14,900 self-employment opportunities are reported to have been created by mid 1988. Under another self-employment project which has also been taken up a total number of 45,350 self-employment opportunities is expected to be created by June 1990. A total number of 1,182 job opportunities are estimated to have been created under the projects taken up for implementation in the Manpower and Labour sector. Besides projects relating to skill training development will have employment implications by way of rendering persons employable in various sectors of the economy.

#### Financial Performance :

A total amount of Tk. 93.00 crore (1984/85 prices) has been allocated for the Manpower and Labour sectors programme in the TFYP. Out of this total allocation provided to the sector during 1985/86, 1986/87 and 1987/88 through the ADPs stood a total amount of Tk. 24.67 crore at 1984/85 prices (Tk. 25.84 crore at current price). Against this allocation Tk. 17.84 crore at 1984/85 prices (Tk. 18.76 crore at current price) has been spent. An allocation of Tk. 6.65 crore has been made in the ADP 1988/89 and the financial requirement for 1989/90 is estimated at Tk. 8.60 crore (current price). Total expenditure for the sector during TFYP is estimated to be Tk. 28.00 crore in 1984/85 price (Tk. 33.01 crore at current price). Financial implication of the on-going projects to spill over to the Fourth Five Year Plan is estimated to be 18.00 crore (at 1989/90 price).

#### Financial Progress :

Third Five Year Plan allocation for the Manpower and Labour Sector is Tk. 93.00 crore (at 1984/85 prices). Against, ADP allocations and estimated expenditure are as follows:

TABLE 8

[Taka in lakh]

ADP allocation	Upto June/88	1988/89	Total	
(a) Allocation at current prices ...	2584.38	665.00	3249.38	...
(b) Allocation at 1984/85 prices	2467.10	524.24	2991.34	...
% of over TFYP allocation	26.52%	5.36%	32.16%	...
<i>Expenditure</i>				
(a) Expenditure at current prices	1876.00	665.00	2541.00	...
(b) Expenditure at 1984/85 prices	1783.67	524.24	2307.91	...
% of over TFYP allocation	19.18%	5.63%	24.81%	...

ADP allocation upto June, 1989 is Tk. 3249.38 lakh which at constant prices of 1984/85 is Tk. 2991.54 lakh or 32.16 percent of Plan allocation. Expenditure upto June, 1988 is about 19.18 percent over TFYP allocation (at 1984/85 prices). Estimated expenditure upto June, 1989 (taking into account of ADP allocation for 1988/89) would be 24.81 percent of the Plan allocation (at constant prices).

Estimated requirement for 1989/90 would be about 200.00 lakh involving GOB allocation of Tk. 50.00 lakh for the projects likely to be taken in 1989/90. At constant prices of 1984/85, the proposed requirement for 1989/90 would mean an allocation of Tk. 153.00 lakh. Even if, this allocation is provided total allocation during TFYP at constant prices would be Tk. 3144.34 lakh or 33.81 percent of the TFYP allocation.

In addition to the allocations proposed for 1989/90, financing to the extent of about Tk. 2622.07 lakh including GOB financing of Tk. 1872.87 lakh would be needed for completion of the projects. Besides, Tk. 4350.00 lakh would be needed at 1984/85 prices for those projects which were included in the TFYP but are not likely to be started in the TFYP period.

## **STATISTICAL APPENDIX**

## STATISTICAL APPENDICES

## TABLE

	Page No'
1. Gross Domestic Product of Bangladesh at constant prices ..	304
2. Composition of Gross Domestic Product .. ..	305
3. Sectoral Distribution of Private Investment .. ..	306
4. Production of selected Agricultural Crops .. ..	307
5. Production of Selected Industrial Products .. ..	308
6. Revenue Receipts under Major Head .. ..	309
7. Financing of Public Sector Outlay .. ..	310
8. Development Expenditure in the Public Sector .. ..	311
9. Money Supply and Causative Factors of the change in Money Supply	312
10. Cost of Living Index for Middle Income Families in Dhaka ..	314
11. Merchandise Export from Bangladesh (Current Prices) ..	315
12. Merchandise Import into Bangladesh (Current Prices) ..	316
13. Balance of Payments (Current Prices) .. ..	317
14. Disbursement of Foreign Aid to Bangladesh .. ..	318
15. Progress of Physical Planning and Housing Sector Programmes ..	319
16. Health Care Delivery and Health Manpower Development ..	320
17. Enrolment Target and Achievement .. ..	321
18. Progress of Transport and R & H Sector Programmes ..	322

TABLE 1

Gross Domestic Product (GDP) of Bangladesh  
(at 1984/85 prices.)

(Taka in million)

Sector	1984/85	1985/86	1986/87	1987/88 (Provisional)	Annual compound growth rate (%)	
					1985-88	1985-90
1. Agriculture ..	165,919	172,680	178,080	179,235	2.6	4.0
2. Industry ..	31,250	31,630	34,620	35,989	4.8	10.1
3. Electricity and Gas	2,380	2,580	3,010	3,458	13.3	9.6
4. Construction ..	7,610	8,150	8,800	9,669	8.3	4.9
5. Transport and Com- munication.	17,220	17,930	18,750	20,344	5.7	6.9
6. Trade and other services	73,190	75,450	78,810	82,751	4.2	6.4
7. Housing ..	9,860	10,410	10,820	11,090	4.0	3.7
8. Public Services ..	21,450	23,220	24,330	25,234	5.6	4.6
Total ..	328,870	342,050	357,220	367,770	3.8	5.4
GDP Growth Rate (In %).	..	4.01	4.44	2.95	..	..



TABLE 2  
**Composition of Gross Domestic Product**  
 (at 1984/85 prices)

Sector.	[Percentage]			
	1984/85	1985/86	1986/87	1987/88
1. Agriculture .. ..	50.45	50.49	49.85	48.74
2. Industry .. ..	9.50	9.25	9.69	9.78
3. Electricity and Gas .. ..	0.72	0.75	0.84	0.94
4. Construction .. ..	2.31	2.38	2.47	2.63
5. Transport and Communication .. ..	5.24	5.24	5.25	5.53
6. Trade and other services .. ..	22.26	22.06	22.06	22.50
7. Housing .. ..	3.00	3.04	3.03	3.02
8. Public services .. ..	6.52	6.79	6.81	6.86
Total .. ..	100.00	100.00	100.00	100.00

Source: Planning Commission.

TABLE 3  
Sectoral Distribution of Private Investment  
(At 1984/85 prices)

Sector.	1984-85	TFYP Target	Achievement in					Percentage of the Target achieved (col. 7 of col. 3).
			1985/86	1986/87	1987/88	Total 1985-88		
I	2	3	4	5	6	7	8	
1. Agriculture	..	777.00	424.29	547.71	409.97	1,381.97	31.41	
2. Manufacturing	..	214.00	204.84	292.97	201.01	698.82	21.84	
3. Physical Planning and Housing	..	449.00	337.31	338.00	429.07	1,104.38	30.24	
4. Transport	..	239.00	576.25	425.11	379.69	1,375.05	89.67	
5. Trade and Other Services	..	301.00	369.23	440.94	448.65	1,258.82	148.10	
<b>Total</b>	..	1,980.00	1,905.92	2,044.73	1,868.38	5,819.04	42.79	

TABLE 4  
Production of Selected Agricultural Crops

Crop	Unit	1984/85	1985/86	1986/87	1987/88	1989/90	Percentage achieved col 6 as of Col. 7.
		3	4	5	6	7	
1. Foodgrains	.. Million Ton	16.11	16.12	16.50	16.50	20.70	79.9
(a) Rice ..	.. ..	14.62	15.04	15.41	15.41	18.00	85.6
Aas ..	.. ..	(2.78)	(2.83)	(3.12)	(2.99)	(3.42)	(87.4)
Aman ..	.. ..	(7.93)	(8.54)	(8.26)	(7.72)	(9.18)	(84.0)
Boro ..	.. ..	(3.91)	(3.67)	(4.03)	(4.70)	(5.40)	(87.5)
(b) Wheat ..	.. ..	1.46	1.04	1.09	1.05	2.50	40.4
(c) Other grains ..	.. ..	0.03	0.04	0.02	0.04	0.10	40.0
2. Jute ..	.. Million bale	5.11	7.60	6.75	4.70	6.00	78.3
3. Tea ..	.. Million Kg.	38.21	43.40	40.00	40.31	52.77	76.4
4. Tobacco ..	.. Thousand ton	49.00	46.00	57.00	58.00	60.00	96.6
5. Cotton ..	.. Thousand bale	12.00	30.00	40.00	31.00	300.00	31.0
6. Potato ..	.. Million ton	1.16	1.09	1.20	1.20	1.70	70.6
7. Sugarcane ..	.. ..	6.77	6.64	6.90	7.55	8.20	92.0
8. Edible Oil-seeds ..	.. Thousand ton	266.00	260.00	270.00	300.00	350.00	85.7
9. Pulses ..	.. ..	195.00	184.00	178.00	250.00	300.00	83.3

TABLE 5

## Production of Selected Industrial Products

Commodity	Unit	1984/85	1985/86 (Actual)	1986/87 (Actual)	1987/88 (Actual)	1989/90 Third Plan Target	Percentage achieved col. 6 as of col. 7.
I	2	3	4	5	6	7	8
1. Jute goods	..	..	..	..	..	..	..
	..	..	..	..	..	..	..
2. Cotton cloth (Mill-made)	..	..	..	..	..	..	..
	..	..	..	..	..	..	..
3. Cotton yarn	..	..	..	..	..	..	..
	..	..	..	..	..	..	..
4. Sugar	..	..	..	..	..	..	..
	..	..	..	..	..	..	..
5. Paper and newsprint	..	..	..	..	..	..	..
	..	..	..	..	..	..	..
6. Fertilizer	..	..	..	..	..	..	..
	..	..	..	..	..	..	..
7. Cement	..	..	..	..	..	..	..
	..	..	..	..	..	..	..
8. Steel Ingot	..	..	..	..	..	..	..
	..	..	..	..	..	..	..
9. Cigarette	..	..	..	..	..	..	..
	..	..	..	..	..	..	..
10. Matches	..	..	..	..	..	..	..
	..	..	..	..	..	..	..
11. Petroleum Products	..	..	..	..	..	..	..
	..	..	..	..	..	..	..

TABLE 6

## Revenue Receipts under Major Heads

[Taka in crore]

Head	[Taka in crore]							
	1	2	3	4	5	6	7	8
	1984/85 (Revised)	1985/86 (Actual)	1986/87 (Actual)	1987/88 (Revised)	Total 1985-88	IFYP Target 1985-90	Percentage achieved col 6 as of col. 7.	
<b>A. Tax Receipts</b>	2,847	3,131.07	3,424.93	3,571.90	10,127.90	17,845	56.75	
Customs	1,120	1,269.48	1,364.98	1,323.41	3,957.87	6,718	58.91	
Sales	410	436.52	476.74	429.41	1,342.67	2,640	50.86	
Excise	705	732.21	809.40	958.61	2,500.22	4,686	53.36	
Income	390	438.10	489.81	543.10	1,471.01	2,347	62.68	
Land	40	51.87	58.12	72.80	182.79	250	73.12	
Stamp (Non-Judicial)	110	132.02	129.95	139.05	401.02	464	62.08	
Registration	40	41.13	60.06	49.08	150.27	233	64.49	
Motor Vehicles	10	10.87	10.90	16.36	38.13	65	58.66	
Other	22	18.87	24.97	40.08	83.92	260	32.28	
<b>B. Non-Tax Receipts</b>	630	783.47	720.69	637.17	2,141.33	3,988	53.69	
<b>Total (A+B)</b>	3,477	3,914.54	4,145.62	4,209.07	12,269.23	21,833	56.20	
<b>Current Expenditure</b>	2,930	3,543	3,481	3,869	10,893	16,850	64.65	
<b>Revenue Surplus</b>	547	371	655	340	1,376	4,983	27.61	

TABLE 7

## Financing of Public Sector Outlays

(At 1984/85 prices)

(Taka in crore)

Source	1984/85 (Revised)	1985/86 (Actual)	1986/87 (Actual)	1987/88 (Revised)	Total (1985-88)	TFYP Target (1985-90)	Percentage achieved col. 6 as of col. 7.
1	2	3	4	5	6	7	8
1. Total Resources	3,310	3,445.28	4,520.04	4,073.71	12,039.03	25,000	48.2
(i) Domestic Resources	692	577.28	819.04	497.71	1,894.03	5,960	22.67
(a) Total Current Revenue	3,477	3,914	4,146	4,209	12,269	21,833	56.2
Tax Revenue (at 1984/85 rate)	2,847	3,131	3,425	3,572	10,128	17,845	56.8
Non-tax Receipts	630	783	721	637	2,141	3,988	53.7
(b) Current Expenditure	2,930	3,543	3,481	3,869	10,893	16,850	64.6
(c) Current Revenue Surplus	547	371	665	340	1,376	4,983	27.6
(d) Capital Receipts	145	206.28	154.04	157.71	518.03	977	53.0
(ii) External Resources	2,618	2,868	3,701	3,576	10,145.00	19,040	53.28

TABLE 8

## Development Expenditure in the Public Sector

(At 1984/85 prices)

Sl. No.	Sector	1984/85							Percentage achieved col. 7 as of col. 8.
		3	4	5	6	7	8	9	
1	Agriculture, Water Resources and Rural Institutions	771.43	689.65	672.37	668.30	2,030.32	7,060.00	28.76	
2	Industries	241.07	516.22	616.75	338.89	1,491.86	2,600.00	57.38	
3	Power, Gas and Natural Resources	853.53	903.85	1,013.85	811.83	2,729.52	5,675.00	48.10	
4	Transport	269.04	246.25	390.83	388.61	1,025.70	2,637.00	38.90	
5	Communication	70.73	42.37	32.77	80.59	155.73	388.00	40.14	
6	Physical Planning and Housing	114.04	109.60	122.99	139.55	372.14	550.00	67.66	
7	Education and Religious Affairs	125.20	123.13	174.82	177.78	475.73	1,220.00	39.00	
8	Labour and Manpower	13.46	5.64	6.51	2.18	14.33	93.00	15.41	
9	Public Administration	12.98	11.95	9.74	5.49	27.18	65.00	41.82	
10	SCYSWAM & STR.	47.50	31.53	44.77	40.40	116.71	367.00	31.80	
11	Health	93.01	63.70	64.90	69.41	198.02	550.00	36.00	
12	Population Control and Family Planning	101.82	84.50	92.71	117.40	294.61	870.00	33.86	
13	Others	454.28	659.64	685.76	597.84	1,943.25	2,925.00	66.44	
	<b>Total</b>	<b>3,168.09</b>	<b>3,488.06</b>	<b>3,928.77</b>	<b>3,458.27</b>	<b>10,875.10</b>	<b>25,000.00</b>	<b>43.50</b>	

Source: Implementation Monitoring and Evaluation Division.

TABLE

Money supply and its

Particulars	1984/85			1985/86	
	June 30, 1984	June 30, 1985	Change,	June 30, 1985	June 30, 1986
1	2	3	4	5	6
1. Money Supply (Mt) ..	3,549.9	4,231.8	+681.9	4,231.8	4,927.9
(a) Currency outside banks ..	1,556.3	1,772.9	+166.6	1,722.9	1,953.1
(b) Demand deposits ..	1,993.6	2,508.9	+515.3	2,508.9	2,974.8
2. Causative Factors :					
(i) Public Sector ..	4,606.5	5,217.8	611.3	5,217.8	5,826.0
(a) Government Sector (net)	2,054.5	1,988.3	-66.2	1,988.3	1,853.2
(b) Other Public Sector	2,552.0	3,229.5	677.5	3,229.5	3,972.8
(ii) Private Sector ..	4,914.4	6,890.6	1,976.2	6,890.6	8,356.2
(iii) Time Deposits (increase—)	4,836.0	6,302.5	-1466.5	6,302.5	7,410.2
(iv) Foreign Sector (net) ..	147.2	-2.5	-149.7	-2.5	73.9
(v) Misc. Factors ..	-1282.3	-1571.7	-289.4	-1571.7	-1918.0
Total ..	3,549.9	4,231.8	+681.9	4,231.8	4,927.9

\* Figures of June 30, 1987 were revised as per new  
Figures of corresponding period, i.e., 1986/87 were



## causative Factors

[Taka in Crore]

Change	1986/87			1987/88		
	June 30, 1986	June 30, 1987	Change	June 30, 1987	June 30, 1988	Change
7	8	9	10	11	12	13
+696.1	4,927.9	5,262.8	+334.9	4,351.6	5,047.7	+696.1
+230.2	1953.1	2,074.9	+121.8	2,075.6	2,415.0	+339.4
+465.9	2,974.8	3,187.9	+213.1	2,276.0	2,632.7	+356.7
+608.2	5,826.0	6,334.3	+508.3	6,334.3	6,908.8	100.0
-135.1	1,853.2	1,978.7	+125.5	2,647.0	2,606.9	-40.1
+743.3	3,972.8	4,335.6	+382.8	4,161.8	4,301.9	+140.1
+1465.6	8,356.2	8,974.0	+617.8	8,963.6	10,896.3	+1,932.7
-1107.8	7,410.2	9,090.3	-1680.1	9,513.2	11,360.3	-1,847.1
+76.4	73.9	399.8	+325.9	388.5	826.0	+437.5
-346.3	-1918.0	-1355.0	+563.0	-2296.1	-2223.1	+73
+696.1	4,927.9	5,262.8	+334.9	4,351.6	5,047.7	+696.1

system introduced by statistics Department, Bangladesh Bank.

calculated as per old system. As such two sets of figures are not comparable.

TABLE 10

## Cost of Living Index for Middle Income Families in Dhaka

(Base: 1973/74=100)

Period	General	Food	Fuel and Lighting	Housing	Clothing	Miscellaneous
1984/85 .. ..	397	388	503	454	255	392
1985/86 .. ..	436	429	539	507	274	419
1986/87 .. ..	481	483	542	551	293	460
1987/88 .. ..	536	535	562	648	319	524
<b>1986/87 :</b>						
July, 1986 .. ..	473	476	538	538	285	450
August, 1986 .. ..	474	479	537	535	285	449
September, 1986 .. ..	473	475	536	539	285	454
October, 1986 .. ..	482	488	533	550	287	454
November, 1986 .. ..	493	503	546	550	287	452
December, 1986 .. ..	485	491	546	552	289	451
January, 1987 .. ..	479	479	547	553	289	458
February, .. ..	477	474	546	555	297	463
March, .. ..	479	475	544	559	298	467
April, .. ..	480	480	541	555	298	467
May, .. ..	488	490	541	559	305	471
June, .. ..	490	490	552	562	305	476
<b>1987/88 :</b>						
July, 1987 .. ..	512	515	559	598	309	485
August, 1987 .. ..	533	544	561	599	317	501
September, 1987 .. ..	535	550	560	594	314	494
October, 1987 .. ..	533	542	553	628	313	497
November, 1987 .. ..	539	546	549	630	315	521
December, 1987 .. ..	534	538	551	630	317	523
January, 1988 .. ..	533	529	555	663	317	529
February, .. ..	534	524	564	668	318	542
March, .. ..	536	525	569	671	320	546
April, .. ..	542	530	570	695	319	552
May, .. ..	548	537	569	698	334	550
June, .. ..	554	545	585	699	337	552

SOURCE : Bangladesh Bureau of Statistics.

TABLE 11

## Merchandise Exports from Bangladesh

(At current prices)

(Value in million US \$.)

Commodity.	Unit.	1984/85		1985/86		1986/87		1987/88 (Estimate).	
		Qty.	Value.	Qty.	Value.	Qty.	Value.	Qty.	Value.
1. Raw Jute ..	Million bale.	1.41	150	2.30	123	2.24	103	1.35	80
2. Jute goods ..	'000' ton	484	399	495	324	528	302	480	280
3. Tea ..	Million kg.	25.9	60	29.8	33	21.4	29	27.6	39
4. Leather ..	..	..	70	..	60	..	134	..	146
5. Frozen food ..	..	..	86	..	114	..	133	..	138
6. Naptha, furnace oil and bitumen.	..	..	21	..	14	..	13	..	12
7. Others ..	..	..	154	..	177	..	354	..	505
<b>Total</b> ..	..	..	<b>940</b>	..	<b>845</b>	..	<b>1,068</b>	..	<b>1,200</b>

SOURCE: Planning Commission.

TABLE 12

## Merchandise Import into Bangladesh

(At current prices)

Commodity	Unit	1984/85		1985/86		1986/87		1987/88	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
1. Foodgrains	Million ton	2.60	498	1.19	220	1.77	272	3.01	489
(Rice)	"	(0.70)	(176)	(0.03)	(8)	(0.26)	(49)	(0.67)	(150)
(Wheat)	"	(1.90)	(322)	(1.16)	(212)	(1.51)	(223)	(2.34)	(339)
2. Edible-oil	Thousand ton	217	143	272	135	283	115	300	137
3. Oil-seeds	"	28	9	..	..	116	25	150	38
4. Petroleum products	"	634	152	805	165	732	104	790	134
5. Crude Petroleum	"	985	226	1008	177	1000	126	988	136
6. Cotton	Thousand bales	236	79	181	52	205	45	250	83
7. Staple fibre	"	10	3	3	1	29	7	28	8
8. Yarn	Million lb.	56	59	56	50	39	42	40	45
9. Textiles	"	..	45	..	46	..	63	..	125
10. Fertilizer	Thousand ton	666	137	460	108	145	25	277	46
11. Cement	"	1286	57	1333	57	1601	64	1500	60
12. Capital goods	--	..	616	..	680	..	1003	..	856
13. Others	--	..	625	..	674	..	723	..	835
Total	--	..	2649	..	2365	..	2614	..	2992

Source: Planning Commission.

TABLE 13

## Balance of Payments

(At current prices)

[In million U S \$]

Transaction	1984/85	1985/86	1986/87	1987/88 (Estimate)
Merchandise Imports (c.i.f)	-2647	-2364	-2626	-2987
Merchandise Exports (f. o. b)	971	909	1000	1186
Services	-36	-125	-151	-141
Payments	-337	-385	-413	-451
Receipts	301	260	262	310
Private Transfers	398	525	649	783
Balance on Current Account	-1314	-1055	-1122	-1159
Capital Account and Others				
Loan/Grant	1267	1306	1595	1640
Food	244	203	225	300
Commodity	432	393	403	509
Project	591	710	967	831
Debt Repayment	-16	-178	-248	-149
Medium and Long-term	-107	-111	-152	-159
Food Loan (net)	-91	-67	-96	10
IMF Account	-16	-28	136	-18
Purchase	58	92	308	115
Repurchase	-74	-126	-172	-133
Short-term Borrowing (net)	-35	1	-8	-31
Other Capital	-	-	-	-
Change in Official Foreign Exchange Reserves (- = increase)	141	-76	-239	-140

Source: Planning Commission.

Notes: 1. Imports and exports are on payment and receipt basis respectively and may not agree with imports and exports shown elsewhere.

2. Change in reserves does not agree with imports and exports shown elsewhere

TABLE 14

Disbursement of Foreign Aid to Bangladesh  
(At Current Prices)

[Million U S Dollars]

Type	1984/85	1985/86	1986/87	1987/88
(a) Food Aid .. .. .	244.5	202.7	225.4	299.4
Grant .. .. .	242.0	202.7	225.4	299.4
Loan/Credit .. .. .	2.5	..	..	..
(b) Non Project Aid .. .. .	431.6	393.4	402.5	509.4
Grant .. .. .	243.9	137.2	176.0	170.7
Loan/Credit .. .. .	187.7	256.2	226.5	338.7
(c) Project Aid .. .. .	590.9	709.88	967.2	830.5
Grant .. .. .	214.9	205.7	260.1	352.6
Loan/Credit .. .. .	376.0	504.1	707.1	477.9
Total Foreign Aid .. .. .	1,267.0	1,305.9	1,595.1	1,639.3
Grant .. .. .	700.8	545.6	661.5	822.7
Loan/Credit .. .. .	566.2	760.3	933.6	816.6

SOURCE: External Resources Division.

TABLE 15

## Progress of Physical Planning and Housing Sector

Item	Unit	1984-85	Third Plan Target (Revised 1989-90)	Achievement in			Total 1985-88 Col. 8 as of Col. 4.	Percentage Achieved Col. 8 as of Col. 4.
				1985/86 (Actual)	1986-87 (Actual)	1987-88 (Estimate)		
1	2	3	4	5	6	7	8	9
<b>Government Staff Quarters/Office :</b>								
1. Staff Quarter Excluding Upazila Shahar ..	No.	4737	384	52	155	100	307	79.95
2. Staff Quarter New Zila Shahar ..	..	319	425	193	164	68	1425	100.00
3. Staff Quarter at Upazila Shahar ..	..	2853	1911	1700	211	..	1911	100.00
4. Dormitory at Upazila Shahar ..	..	145	252	234	18	..	252	100.00
5. Office Building at Zila Shahar ..	Sft. in lakh.	..	70	5	6	2.30	18.30	26.14
6. Office Building at Upazila Shahar ..	..	11.82	6.00	5.50	0.50	..	6	100.00
<b>Rural Water Supply and Sanitation :</b>								
1. Shallow Tube-well ..	Nos.	5,93,083	1,20,000	26,683	29,284	21,839	77,806	64.84
2. Deep Tube-well ..	..	16,831	4,000	256	1,228	320	1,804	45.10
3. Deep set Pump ..	..	8,891	50,000	50	1,748	1,402	3,200	6.40
4. Replacement of choked-up tube-well ..	No.	50,727	50,000	8,776	11,645	10,363	30,784	61.57
5. Production of water-sealed Latrine ..	No.	3,40,000	5,00,000	20,055	64,335	61,070	1,45,400	29.08
<b>Urban Water Supply :</b>								
1. Dhaka City ..	IMGD	100	19	0.85	3.40	3.75	8.00	42.11
2. Chittagong City ..	IMGD	15.83	17.50	1.42	4.17	11.91	17.50	100.00

TABLE 16

## Health Care Delivery and Health Manpower Development

Sl. No.	Health Indicator	Unit	1984-85 (Actual)	Third Plan (Target) 1989-90	1985-86 (Actual)	1986-87 (Actual)	1987-88 (Actual)
1	2	3	4	5	6	7	8
<b>A. Health Care Delivery :</b>							
1.	Hospital beds	..	27637	40734	31681	32113	32988
2.	Population per hospital bed	..	3589	2712	3156	3188	3092
3.	Upazila Health Complex	..	341	397	344	347	351
		..					
4.	Union Health and Family Welfare Centres (UHFWC)	..	2329	4500		2615	2865
<b>B. Health Manpower :</b>							
1.	Graduate Doctor	..	16000	22500	17341	18102	19340
2.	Post-graduate Doctor	..	1050	2100	1162	1316	1450
3.	Dentist	..	510	750	566	651	685
4.	Basic Nurse	..	6500	10200	6773	7789	8200
5.	Medical Assistant	..	3600	4600	3776	4022	4328
6.	Laboratory Technician	..	1350	2000	1376	1611	1642
7.	Radiographer	..	350	700	361	459	472
8.	Pharmacist (Diploma)	..	5800	8500	5820	6067	6163
9.	Health Sanitary Inspector	..	1265	1500	1400	1400	1400
10.	Assistant Health Inspector	..	1870	4500	4200	4200	4020
11.	Health Assistant	..	15000	23000	21000	21000	21000



TABLE 17  
Enrolment Target and Achievement

Sl. No.	Level of Education	Third Plan (Target) 1989-90						Percentage achieved (Col. 7 as of Col. 4).
		1984/85	3	4	5	6	7	
1.	Primary Education (Lakh students)	89.20	89.20	116.20	98.00	108.00	112.00	96.38
2.	Secondary Education ( Do. )	24.83	24.83	27.50	24.69	26.18	28.61	104.04
3.	College Education ( Do. )	4.28	4.28	4.40	6.47	7.12	7.84	178.18
4.	University Education (000 students)	34.98	34.98	38.00	38.25	39.80	42.87	111.06
	A. General :	31.89	31.89	34.90	34.90	36.25	39.11	112.66
	(a) Science .. .. .	8.50	8.50	10.70	9.67	10.51	10.79	100.84
	(b) Arts and Others .. .. .	23.39	23.39	24.20	25.13	25.74	28.32	117.02
	B. Engineering .. .. .	3.08	3.08	3.70	3.35	3.55	3.76	101.62
5.	Technical Education (000 students)	20.36	20.36	22.03	17.70	18.39	20.13	91.38
	(a) Engineering .. .. .	3.12	3.12	3.44	1.72	2.00	2.64	76.74
	(b) Technician .. .. .	12.75	12.75	13.26	11.80	12.20	12.09	91.18
	(c) Vocational .. .. .	4.49	4.49	5.33	4.18	4.19	5.40	101.31
6.	Commercial Education .. .. .	3.30	3.30	3.58	2.78	2.88	2.64	73.74

TABLE 18

## Programme of Transport and Communication Sector

Item	Unit	1984-85	Third Target 1989-90	Achievement			Total 1985-88	Percentage achievement Col. 8 as of Col. 4.
				1985-86	1986-87	1987-88		
1	2	3	4	5	6	7	8	9
<b>A. Transport:</b>								
1. Paved Roads (including Upazila and CBT)	Km	6,217	4,504			6,808	6,808	151.15
2. Bridges and Culverts	Meter	988	15,244	870	4,438	2,888	8,196	53.76
3. Bridges and Culverts (Upazila)	Meter	1,566	9,146	1,454	2,555	1,586	5,605	61.28
4. Railway : Passenger—KM	(Million)	6,031		6,005	5,994	4,884	16,883	
5. Railway : Ton—Km	Do.	813		612	492	737	1,841	
6. Buses in operation	Nos.	465	362			266	266	73.48
<b>B. Communication</b>								
1. New Post Office	Nos.	7,628	135	7	10	10	27	20.00
2. Telephone	Thousand Units	182	242	188	202	203	593	245.04

সংখ্যা: ১৫-৪৫৫৫/৪৮-৪৮-১,০০০-১৭-০-১৯৮৫।

পরিচালন বিভাগ এলাহাবাদ  
সংখ্যা ১২৬৪২  
C-2