

1. Significance of Japan's Assistance to Bangladesh

The People's Republic of Bangladesh is a moderate democratic Muslim country situated in between South Asia and Southeast Asia, and has played an important role in stability and economic development in South Asian region.

In recent years, the country has sustained an annual economic growth rate of 5 – 6%, and has attracted attention as a potential production base, following China or Vietnam, and as a new market with a population of 160 million. For that, the number of Japanese companies extending their business in the country is beginning to increase. However, the country is a LDC where approximately 50 million people, which accounts for a third of the population, are still living below the poverty line, and has been facing such challenges as the necessity of enhancing governance, inadequate basic infrastructure, such as electricity or transport, and vulnerability to natural disasters such as cyclone or flood. Any one of these challenges is a factor to impede the country's socio-economic development.

For Japan, extending assistance to Bangladesh has important meaning in view of strengthening a mutual cooperative relation in the international arena and contributing to the expansion of the bilateral economic relations including trade and investment in the future through the enhancement of the friendly bilateral relations based on Bangladeshi's strong affinity toward Japan since its independence, as well as contributing to a stable development of the South Asia region by supporting the country's achievement toward Millennium Development Goals (MDGs).

2. Basic Principles of the Assistance (Major Objective)

Accelerating sustainable economic growth with equity and bringing people out of poverty towards becoming a middle-income country.

The Bangladesh Government, in the 6th Five-Year Plan (2011-2015), set a goal of "Acceleration of economic growth and poverty reduction" in order for all citizens of the country to enjoy the living standards of middle-income country by 2021, and puts the emphasis on employment creation, industrial development, enhancing governance and the promotion of social services across the country.

Japan will support the vitalization of economic activities of the country and measures to overcome social vulnerability with a view to backing the country's efforts to achieve economic growth and to bring people out of poverty through sustainable growth with equity

3. Priority Areas (Medium Objectives)

(1) Accelerating inclusive economic growth

Japan will support the acceleration of sustainable economic growth towards the realization of “becoming a middle-income country by 2021” that the Bangladesh Government set as a policy goal, while taking the poor into consideration.

Paying attention to the diversification of means of transportation, Japan will develop communication-transportation infrastructures, promote efficient transportation of people and goods and contribute to the mitigation of regional disparities. To resolve the serious power shortage, which is the greatest impediment for the country’s economic development, Japan will make efforts to increase electricity supply through the development of power plants and transmission and distribution grids.

In addition, Japan will promote activities of the private sector which will work as a driving force of high economic growth, and support improving the investment climate to attract and increase more private investment.

(2) Overcoming social vulnerability

Japan will contribute to Bangladesh’s efforts to realize MDGs in such areas as poverty reduction, primary education, maternal and child health, and supply of safe water.

Regarding education, particularly in the area of primary education, Japan will contribute to increasing primary education completion rate by improving the quality of primary education. With respect to health, putting the emphasis on assistance to maternal and child health, Japan will contribute to establishing the system, in which both administration and citizens can support maternal and child health, and contribute to a decline in the infant mortality rate and the maternal mortality ratio, and the promotion of safe delivery. Japan will also support the government’s policy aiming to extend supply of safe water to every citizen.

In addition, Japan will support Bangladesh in the area of disaster management and climate change focusing on disaster warning, earthquake countermeasures, and river management. Also, Japan will provide assistance that will lead to the improvement of living condition in rural areas.

4. Other considerations

(1) As donor coordination among concerned donor countries and organizations has been vigorously conducted in Bangladesh, Japan will make an effort to improve effectiveness of bilateral assistance in close coordination with other donor countries and organizations. Japan, particularly in the area of education and health, will continue to play a leading role.

(2) Japan will actively adopt such innovative approaches as partnership with a new type of business that aims for both achieving economic growth and addressing social issues such as environment or poverty, and also give consideration to project design in which Japan's technology can be utilized.

(3) For enhancing governance, which has been a challenge to date, Japan will make sure that its assistance in any sector will contribute to strengthening government functions and improving administrative services. Particularly, Japan will secure transparency and accountability by thoroughly implementing measures to prevent injustice and corruption such as appropriate procedures of procurement, control of expenditure, audit, and its report, for effective and efficient implementation of development assistance.

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