**Bangladesh Overview** (Extract from the World Bank Report)

Bangladesh has an impressive track record of growth and development. It has been among the fastest growing economies in the world over the past decade, supported by a demographic dividend, strong ready-made garment (RMG) exports, remittances, and stable macroeconomic conditions. The country made a strong economic recovery from the COVID-19 pandemic.

Bangladesh tells the world a remarkable story of poverty reduction and development. From being one of the poorest nations at birth in 1971, Bangladesh reached lower-middle income status in 2015. It is on track to graduate from the UN’s Least Developed Countries (LDC) list in 2026. Poverty declined from 43.5 percent in 1991 to 14.3 percent in 2016, based on the international poverty line of $1.90 a day (using 2011 Purchasing Power Parity exchange rate). Moreover, human development outcomes improved along many dimensions.

**Challenges**

Bangladesh, like other countries, has been significantly affected by the COVID-19 pandemic, which has constrained economic activities and reversed some of the gains achieved in the last decade. Real GDP growth accelerated to 6.9 percent in FY21 as pandemic-related restrictions were eased, led by a rebound of manufacturing and service sector activities. On the demand side, exports and private consumption-led growth. So far, more than 75 percent of the population have been inoculated with the first dose of the vaccine in total. However, its growth faces new headwinds following increasing global commodity prices amid the uncertainty created by the Russia-Ukraine war.

To achieve its vision of attaining upper middle-income status by 2031, Bangladesh needs to create jobs and employment opportunities through a competitive business environment, increased human capital and skilled labor force, efficient infrastructure, and a policy environment that attracts private investments.

Other development priorities include diversifying exports beyond the RMG sector; deepening the financial sector; making urbanization more sustainable and strengthening public institutions. Addressing infrastructure gaps would accelerate growth and reduce spatial disparities in opportunities across regions and within cities. Addressing vulnerability to climate change and natural disasters will help Bangladesh to continue to build resilience to future shocks. Pivoting towards green growth would support the sustainability of development outcomes for the next generation.

*World Bank, Last Updated: Apr 11, 2022*

**World Bank Strategy**

Since the country’s independence, the World Bank has been a longstanding partner of Bangladesh. Since then, the World Bank through its concessional lending arm—the [International Development Association (IDA)](https://ida.worldbank.org/)—has committed more than $35 billion in grants, interest-free and concessional financing credits to Bangladesh. Currently, Bangladesh is the largest IDA recipient country. The World Bank has also been the largest external funder of Bangladesh, providing over a quarter of all foreign aid to the country.

Through a robust program of technical, analytical, and financial support, the World Bank Group is supporting Bangladesh towards its vision of becoming an upper-middle income country by 2031. This includes supporting the government’s efforts in economic development and growth, power, infrastructure, disaster management, climate change, human and social development, and poverty reduction.

The World Bank Group’s [Country Partnership Framework (CPF) for 2016-2020](https://documents.worldbank.org/curated/en/362231468185032193/Bangladesh-Country-partnership-framework-for-the-period-FY16-20) which is extended by the Performance Learning and Review (PLR) to FY21 outlines the plan for supporting the country to ensure green, resilient and inclusive development. The three focus areas are: (1) growth and competitiveness; (2) social inclusion; and (3) climate and environment management. It adjusted the strategy to respond to the challenges created by the influx of the displaced Rohingya population, and recommended greater attention to human capital, climate resilience, and digital transformation.

The World Bank Group’s technical and financial assistance focuses on (i) accelerating growth by helping to remove bottlenecks to growth and shift more financing to increase electricity supply and improve transport connectivity; (ii) foster social inclusion by building on Bangladesh’s impressive gains in human and social development; and (iii) strengthening climate and environmental management with the aim to enhance Bangladesh’s resilience to natural disasters, improving water and natural resource management and modernizing agriculture.

Through extensive consultations with its stakeholders—government, civil society, and the private sector—the World Bank Group is embarking upon the preparation of the next Country Partnership Framework for Bangladesh for 2023-2027, which will support the Government of Bangladesh’s Eighth Five-Year Plan.

The World Bank's support for Bangladesh for FY21–22 is aligned with the World Bank Group’s Approach Paper on “Green Resilient and Inclusive Development (GRID).” The total current IDA commitment stands at 15.3 billion for 56 ongoing projects.

*World Bank: Last Updated: Apr 11, 2022*

**World Bank Results (Excerpt)**

Health, Nutrition and Population

Since the mid-70s, the World Bank supported the country’s health sector. The statistics speak for itself: Assisted deliveries by skilled birth attendants increased from 13% in 2001 to 32% in 2011. This has helped reduce maternal mortality rates from 574/100000 live births in 1990 to 194/100000 live births in 2010. The under-five mortality rate reduced from 146/1000 live births in 1990 to 47/1000 live births in 2011. Today, nearly 80% of Bangladeshi children receive vitamin A supplements and over 85% are fully vaccinated, setting Bangladesh on the pathway to achieving some targets of Sustainable Development Goal 3 - reducing maternal and under-5 mortality. In fact, a Bangladeshi born today is more likely to live a quarter of a century more than a child born in 1972.

Despite the enviable progress made, there remains a significant unfinished agenda with regards to essential maternal, child health, and nutritional services. At the same time, as Bangladesh transitions to an upper-middle income economy, the country needs to address the rapid increase in Non-Communicable Diseases and be prepared for emerging infectious diseases such as the ongoing COVID-19 pandemic. For tackling these challenges, the country’s health system needs to be strengthened for both quality and equity of health services through an increase in public spending on health, improvement in governance and stewardship, as well as enhancement in human resource. The World Bank is aligning financial and technical support to Bangladesh to meet these challenges. The Bank supports the government’s fourth Health Nutrition Population sector program.

Energy

The access to electricity in Bangladesh has reached to 99.5% (grid and off-grid) and the current installed generation capacity is 25,235 MW including captive power and renewables. IDA support has so far added 2,652 MW of electricity to the national grid, and 147 MW through renewable energy sources, including solar home systems, solar irrigation pumps, solar mini-grids, and grid-tied rooftop solar. Currently, the World Bank has an ongoing commitment of $524 million in renewable energy to help Bangladesh scale up the use of renewable energy, including 310 MW of grid-tied renewable energy capacity.

The World Bank supports promoting power sector policies and institutional capacity building within the Government, power and gas utilities, and Bangladesh Energy Regulatory Commission (BERC) to improve the financial health, investment, and service quality.

The World Bank has $1.765 billion of ongoing support in the energy sector to enhance capacity, generate clean energy, improve efficiency in generation and transmission & system operation, reduce technical losses, improve transmission and rural distribution network as well as increase access to both grid and renewable electricity.

Agriculture

Despite high population density, decreasing arable land, and frequent natural disasters, Bangladesh has made remarkable progress in achieving food security and reducing poverty. Almost half of the population are employed in the agriculture sector. Annual growth in agriculture has increased from less than 2% during the 1970s-1990s to 3.5% in the last two decades. Similarly, the agriculture sector has been a powerful driver of poverty reduction: Between 2005 and 2010, the agriculture sector contributed 69% of total poverty reduction in Bangladesh.

The World Bank supports the government towards climate-resilient diversification, safer, and more efficient food systems. The World Bank is helping [over 1.8 million rural households modernize farm practices](https://www.worldbank.org/en/news/feature/2016/05/17/bangladeshs-agriculture-a-poverty-reducer-in-need-of-modernization) and use new climate smart technologies. It also supports 2 million household farmers, small and medium-scale agro-entrepreneurs to improve livestock production sustainably, with higher productivity and better market access. Simultaneously, the World Bank supported 500,000 households to increase grain reserves to meet their post-disaster needs and is helping the country improve the quality and efficiency of grain storage management.

The World Bank is helping Bangladesh address food insecurity in challenging times, by increasing the storage capacity of Bangladesh’s national strategic grain reserves by 535,500 tons for 4.5 million households and helped business continuity for 600,000 among the most vulnerable households in the livestock sector during the COVID crisis.

Climate Change

Bangladesh’s geographical position makes it vulnerable to the [adverse impacts of climate change](https://blogs.worldbank.org/endpovertyinsouthasia/local-communities-combat-climate-change-bangladesh). The Global Climate Risk Index ranks Bangladesh as the world’s seventh most affected country over the period 2000-2019 (Germanwatch 2021).

The World Bank continues to help Bangladesh address climate change impacts and disaster risk management. The country has built stronger disaster-coping mechanisms which helped to reduce cyclone related deaths by 100-fold since 1970.

IDA has an ongoing portfolio of $1.3 billion supporting Bangladesh to [build resilience against natural disasters](https://www.worldbank.org/en/results/2016/10/07/bangladesh-building-resilience-to-climate-change) and climate change impacts. Key interventions so far include - 1,347 repaired or newly constructed multi-purpose disaster shelters that operate as primary schools during normal weather; 393 km of all-weather climate-resilient roads built for last-mile connectivity; rehabilitation of 762 km of embankments; restoration or construction of 472 hydraulic structures for sustainable water management; and 473 ha in 10 coastal polders afforested with 1,184,500 seedlings, following a social afforestation approach. All of these are benefiting 5.82 million people in climate-vulnerable coastal Bangladesh. Furthermore, cropping intensity increased from 140 percent to 178.2 percent with the improved water resource management and reduction of saline water intrusion from storm and tidal surges in the selected project polders.

Environment

The World Bank has been contributing to protecting and fostering the environment in Bangladesh since 1980. In addition to its project portfolio, the Bank is supporting the Government of Bangladesh to implement its green growth strategy through afforestation, regeneration and deforestation prevention.

World Bank projects have improved 255,000 hectares of forest land in Bangladesh. Around 2.4 million beneficiaries from 46,000 forest-dependent households from 815 forest villages, including ethnic communities, have received alternative livelihood support, to reduce their dependency on this valuable natural resource. The Sustainable Coastal and Marine Fisheries Project is supporting 54,000 poor climate vulnerable coastal fisher families in 450 fisher villages to seek alternative livelihoods from catch fishing, through savings groups and training programs. The Bank is providing training and competitive conditional grants to 7,500 farmers under 300 shrimp farming clusters for further business development and growth. During the COVID-19 pandemic, it mobilized funding for cash transfers to 77,826 coastal fish and shrimp farmers.

The Bank is also supporting 40,000 micronenterprises to adopt sustainable and eco-friendly products. As a result 80 percent of the microenterprises have improved their environmental and occupational practices.

Water & Sanitation

IDA support has helped build piped and non-piped water sources that provided safe and arsenic-free water to nearly 1.5 million beneficiaries. In Chattogram, the second largest city in Bangladesh, almost 780,000 people now have access to water supply, including those in the urban slums.

A total of 20,475 deep tube wells, rain-water harvesting structures, pond sand filter and ring wells were constructed. In addition, 247,500 people received improved sanitation access from 55,000 new latrines.

Governance

With IDA support, Bangladesh introduced an electronic government procurement (e-GP) system in 2012 that transformed the public procurement process into one that is more efficient, transparent, and accountable. Bangladesh spends about $25 billion on public procurement annually—equivalent to roughly 40% of its annual budget—the country’s e-GP system has contributed to average annual savings of $1.1 billion, enough money to build over 10,000 km of rural roads or 8,000 primary schools.

About 1,300+ public organizations/agencies, such as transport, energy, local government, and health sector agencies, are using it for their day-to-day procurement processes. In addition, citizen engagement in contract implementation monitoring is taking place in 48 sub-districts with positive feedback.

Since 2006, IDA has been [supporting a nationwide program](https://www.worldbank.org/en/news/press-release/2017/01/31/bangladesh-financing-strengthen-local-governments-115-million-people) that augments the government’s block grants provided to all 4,561 Union Parishads (the lowest tier of elected local government). The block grant enables Union Parishads to decide and spend on local priorities. Since 2006, the discretionary funds that a Union Parishad receives annually have grown by more than ten-fold and have benefited 130 million people.

Hundreds of community schemes generating employment for the poor have been implemented, including construction or rehabilitation of rural roads, culverts, drainage and embankment systems; water and sanitation facilities; and schools and clinics. Thirty percent of the schemes are women-preferred schemes. Under the current project, the third of the three consecutive projects, IDA is assisting to institutionalize the block grants with the government’s own resources and supporting a pilot for an urban fiscal transfer system in 16 municipalities, to be scaled up across all Urban Local Bodies through future World Bank operations.

Social Protection and Jobs

The Bank has been a long-time partner, providing financing and technical support to help Bangladesh strengthen and modernize social protection programs.

Investing in early childhood development to improve nutrition and cognitive development leads to healthy, productive adults, and can help prevent the intergenerational transmission of poverty. The Income Support Program for the Poorest (ISPP) Project, known as Jawtno Program, reaches over 600,000 of the country’s poorest mothers and pregnant women with a conditional cash transfer program in exchange for their participation in activities to improve their children's nutrition and cognitive development. Over 90% of participating families benefited from regular services and cash transfers to support their children’s needs.

Through the Jobs Development Policy Credits (DPC), the Bank has supported reforms to modernize the investment environment, protect workers, and promote access to jobs for vulnerable population groups. The Recovery and Advancement of Informal Sector Employment (RAISE) Project supports enhancements to the earning opportunities of urban youth and returning migrants with an aim to boost the economic inclusion of over 350,000 people.

The Bank supports the establishment and adoption of common digital platforms to enhance service delivery of social assistance programs with a combination of investment and results-based financing via the Safety Net Systems for the Poorest Project (SNSP) and the Cash Transfer Modernization (CTM) Project. These projects support information systems and data digitization to better manage programs which address over 20 million poor individuals. The SNSP Project finances the development of the country’s first social registry – the National Household Database – to enhance targeting outcomes across different social programs. The CTM Project has supported the full-scale adoption of digital payments for over 10 million poor and vulnerable elderly, widows, and persons-with-disabilities. This was made possible with the collaboration of local-level public-private “union digital centres,” agent banking services, and Bangladesh’s vast network of mobile money agents.

A total of 116,350 women and girls utilized gender-based violence (GBV) response services from various health facilities in Cox’s Bazar district through World Bank supported facilities. Furthermore, 11,263 women and adolescent girls received psychosocial support from the 45 Women Friendly spaces (WFS) and some health facilities.

More than 1,300 learning centers provided learning to 150,000 Rohingya children and psychosocial support to 350,000 children and adolescents. During COVID-19 movement restrictions, thousands of children, half of whom were girls, received home-based caregiver supported learning within the Rohingya camps. Youth in the host communities received vocational training through mobile training centers.

Furthermore, solar powered mini piped water schemes throughout the camps are helping more than 216,000 displaced Rohingya people get safe water through 1763 tap stands across 102 km of pipe network and 400 deep tube wells. Furthermore, over 53,000 Rohingya have access to improved sanitation with around 3,000 household toilets, 500 bio-fil toilets, and 30 community latrines (with composting biogas plants) constructed. Improvement of 17 kilometers climate resilient roads has been completed. Out of 17 km climate resilient access roads constructed, about 10 km of roads are in host community, which also serve as access roads to the DRP camps. Installation of 107 Lightning Protection Systems has been completed, which has protected around 133,000 DRP. The DRP has also benefited with the installation of 1,265 solar streetlights. Firefighting and search & rescue equipment valued at $10.8 million was delivered to the Fire Service and Civil Defense (FSCD)’ Cox’s Bazar, Ukhiya, and Teknaf fire stations and satellite fire stations in the camps and was put to use in recent fire events in the DRP camps. This equipment is also being used outside the camps for host communities in Ukhiya, and Teknaf. Gender-Based Violence (GBV) prevention and response program has supported 10,500 women and girls who are using GBV services through seven Women Friendly Spaces (WFS). Out of these seven WFSs, three are outside DRP camps serving 4,500 women and girls from the host community.

The national safety net program is providing livelihoods and income support to 40,000 poor and vulnerable households in host communities, while scaling up social protection coverage for 85,000 Rohingya households.

Through these projects, the World Bank is supporting Bangladesh to develop stronger program capacities to build resilience and respond to future shocks.

*World Bank: Last Updated: Apr 11, 2022*