

*CPD- EU Dialogue on*  
**Bangladesh-EU Relationship: Scenarios for the Next Decades**

*Date: 12 May 2012*  
*Venue: Lakeshore Hotel*

**PROCEEDINGS**

Prepared by



**CENTRE FOR POLICY DIALOGUE (CPD)**

**B A N G L A D E S H**

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**i) The Dialogue**

The Centre for Policy Dialogue (CPD) organised a dialogue titled Bangladesh-EU Relationship: Scenarios for the Next Decades on 12 May, 2012 at Lake Shore Hotel. CPD Executive Director *Professor Mustafizur Rahman* presented the keynote paper and CPD Distinguished Fellow Dr Debapriya Bhattacharya chaired the session. *His Excellency William Hanna*, Ambassador and Head of Delegation of the European Union Delegation to Bangladesh provided a short background of Bangladesh-EU relationship. *Ambassador Ashfaqur Rahman*, Chair of Centre for Foreign Affairs Studies and *Mr Md Saiful Islam*, Chairman of Western Marine Group and Managing Director of Picard Bangladesh Ltd attended as designated discussants.

This report provides highlights from *Professor Mustafizur Rahman*'s keynote presentation and documents the issues raised during the floor discussion.

**ii) Opening remarks by the Chairperson**

*Dr Debapriya Bhattacharya* initiated the proceedings of the day by expressing his appreciation to all those in attendance for joining the dialogue at the invitation of the CPD and the EU delegation in Dhaka. He informed the audience that the discussion was organised in view of the forty years of partnership which Bangladesh and the EU were celebrating this year. The idea was to have a constructive discussion on the content of this partnership and the way forward in the coming years. He emphasised that the focus of the deliberation at this session should be more on how the partnership could be further deepened in the future rather than what has been the case in the past. *Dr Bhattacharya* pointed out that the world around us was changing and the Bangladesh-EU relationship will need to evolve in tune with the demands of the changing times.

**iii) Introductory remarks by His Excellency William Hanna**

Taking the floor, *His Excellency Ambassador Hanna* thanked the CPD for joining hands with the EU Delegation in organising the programme at a time when Bangladesh and the EU were celebrating the milestone of forty years of partnership and friendship. He noted that both Bangladesh and the EU had come a long way over these past four decades and noted that Europe, like Bangladesh had come a long way in terms of dynamism in the last 40 years.

He mentioned Germany's capital Berlin, as an example to showcase the changes experienced by Europe in the last few decades. It was remarkable that a city once physically divided for so long is now united under one country.

*Ambassador Hanna* observed that at present the EU was facing difficult times ahead due to the economic crisis. He felt that this was the time to address fundamental questions in order to strengthen the foundations of EU's economic and monetary union and recover from the financial crisis. The European Commission was very keen to boost collective efforts to promote growth and sustainable public investment in order to generate more jobs in its partner countries.

With regard to Bangladesh, *Ambassador Hanna* recalled the four pillars of cooperation which informed the partnership between Bangladesh and the EU over the past years.

- The first one related to the fact that the EU was one of Bangladesh's largest trading partners. The EU provides duty-free market access to all exports from Bangladesh under its everything but arms (EBA) initiative. On the other hand, Bangladesh specialized in the export of Ready Made Garment (RMG). In this context he recalled that even in last year's crisis, Bangladesh's export posted a high growth-rate of 28 per cent. He underscored the need for further diversification of exports and offered EU's assistance in overcoming the constraints experienced by Bangladesh's export oriented industries.
- The second pillar was development and cooperation. *Ambassador Hanna* thought that this pillar must gradually become less important. This did not, however, mean that the European Commission would not provide assistance to Bangladesh but that EU hoped and believed that Bangladesh will gradually become economically strong and that in 10-15 years would be at a stage of development when development assistance was no longer necessary.
- The third pillar involved support to democracy, rule of law and human rights. Though the EU had supported the 2008 election in Bangladesh, *Ambassador Hanna* believed that democracy was not just about the elections but also what happens in between them.
- The fourth and final pillar was the growing cooperation between Bangladesh and the EU regarding climate change in international forums. In this context *Ambassador Hanna* reiterated EU's resolve to help Bangladesh in the areas of climate change related adjustment, adaptation and mitigation.

#### **iv) Presentation by Professor Mustafizur Rahman, Executive Director of CPD**

*Professor Mustafizur Rahman's* keynote presentation was split into three components. The following sections highlight the major issues flagged in the presentation.

#### **Section I: Bangladesh-EU Multifaceted partnership: Some Stylized Facts**

*Professor Rahman* initiated his discussion by highlighting the milestones in the history of Bangladesh-EU relationship starting from the time when diplomatic relations with EU was established in 1973. Since that time four country strategy papers were prepared – in 1993, 1999, 2002 and 2007 – which articulated EU's major policy directions, focus areas and implementation modalities to be pursued by the EU.

Whilst speaking about the importance of the EU to Bangladesh, *Professor Rahman* noted that EU was a major player in the global economy – it accounted for one-fourth of global GDP, more than one-fifth of global trade and roughly two-thirds of the aid that comes from the OECD countries. He also noted that, as a group, EU was a key player in the global economy and in terms of trade, remittance, investment and aid. For Bangladesh EU remained a significant trading partner, source of remittance and a source of investment.

Citing relevant data, *Professor Rahman* informed the audience EU as a group was the most important export destination for Bangladesh, particularly for apparels and for knit and woven RMG and frozen food EU was the most important market for Bangladesh.

Bangladesh's export to the EU in 2011 was the highest ever recorded (about 11.0 billion US dollars).

Bangladesh was the third largest institutional aid recipient of the EU in the Asia and together. EU members and institutions were the largest aid provider for Bangladesh.

*Professor Rahman* noted that Bangladesh was able to take advantage of the enhanced market access under the EBA initiative of the EU. Indeed, exports to EU increased from 2.9 billion US\$ in FY2002 to 11.9 billion US\$ in FY2011, a four-fold rise in nine years. Recent change in RoO for RMG (effective from January 2011) has helped Bangladesh to enhance utilisation of the EBA.

Moving on to the Bangladesh's import structure, *Professor Rahman* observed that most imports from the EU such as machinery, equipment, chemicals and transport good, help service the needs of her productive sectors and maintain competitiveness of her industries both in domestic and global markets. He also noted that the trade surplus of nearly US\$ 9.6 billion earned by Bangladesh from the EU helps Bangladesh service its growing deficit with India and China and maintain healthy foreign exchange reserves.

*Professor Rahman*, however, pointed out that investment flow into Bangladesh from the EU had declined in recent years. He suggested that participants should dwell on attracting more FDI from EU member countries in addition to the FDI that was coming from the United Kingdom and the Netherlands, two most important sources.

Concerning remittance from the EU, *Professor Rahman* pointed out that more than half a million Bangladeshi people lived in the UK, about 70, 000 in Italy and about 10,000 in Greece but only 10 per cent of Bangladesh's annual remittance came from the EU countries.

Aid from the EU made up about 40 per cent of Bangladesh's total aid. A significant proportion of the aid came in the form of grants targeted to such areas as human resource development, poverty alleviation governance, gender equality and environmental sustainability. Professor Rahman also added that a significant part of EU aid was provided in the form of Technical Assistance (TA) covering a broad range of sectors and activities.

## **Section II: EU Strategies for Aid and Partnership in the New Context: What it Means for the Future of Bangladesh-EU Relationship**

In drawing the attention of the audience to the strategies of partnership with Bangladesh pursued by the EU *Professor Rahman* referred to three key documents which were published in recent years. These were:

- Country Strategy Paper for Bangladesh 2007-2013

- Communications from the Commission to the European Parliament: Increasing the impact of EU Development Policy: an Agenda for Change (2011)
- Trade, Growth and Development (2012)

He shared information from the Country Strategy Paper for Bangladesh 2007-2013 which identified the major objectives of Bangladesh-EU co-operation: fighting poverty, fostering sustainable economic and social development and helping Bangladesh integrate into the global economy from a position of strength. The document also identified human and social development, good governance, human rights and economic and trade development as priority sectors. The document provides the partners with a guide for the future that ensures that aid is spent effectively and that best possible results are delivered so that further financing for development could be leveraged.

Citing various evidence *Professor Rahman* made the observation that better results were observed when the European Commission operated directly with non-governmental organizations. *Professor Rahman* put emphasis on the need for the EC to give more prominence to governance and human rights issues in the future. He also underscored the need for the EU to assist Bangladesh government in tackling the problems of low absorption capacity of government institutions. There was a need to overcome the lack of political will for reforms, *Professor Rahman* observed.

*Professor Rahman* then went on to discuss about EU's budget support eligibility criteria, and the EU's criteria regarding future direction of aid and underscored the need for Bangladesh to take cognisance of this. For budget support, the EU expects the recipients of its support to implement fiscal policies that promote macroeconomic stability, gear respective national policies and reforms to focus on sustainable growth and poverty reduction and ensure that institutional, legislative and regulatory bodies are sound and these work in a transparent manner. EU's aid was based on the financing needs of the recipient countries; EU was keen to see that the recipient country was willing to strengthen accountability in all its developmental work and was also keen to promote mutual accountability in its bilateral relationships.

*Professor Rahman* emphasised the need for making trade an integral part of EU-Bangladesh partnership and in this connection he felt that EU should focus more on raising trade-related supply-side capacity building in Bangladesh. He highlighted the advantages of enhancing the use of EU instruments. Such as relevant provisions in free trade agreements to enhance legal certainty of market access and combining of EU grants with loans. He particularly put emphasis on the need to promote FDI flow from EU countries to Bangladesh and in this regard sought EU's support to meet international labour standards and labour related compliance. *Professor Rahman* noted that in the current global context Bangladesh had enormous opportunities to enhance her exports and EU could play a key role in enabling Bangladesh to access the potential opportunities by extending support in supply-side capacity building and by promoting export-oriented FDI flows to Bangladesh.

### **Section III: The Way Forward: Scenarios of EU-Bangladesh Partnership in the Coming Decade**

*Professor Rahman* believed that, on the demand side, aid will remain pertinent and important for Bangladesh for many years to come. Although the share of aid in Bangladesh's GDP has come down from 8.8 per cent in the early 1990s to 2.3 per cent in recent years, aid is expected to play a key role in several sectors in Bangladesh. He drew attention to the fact that about 40 per cent of the Annual Development Programme was serviced by aid and aid could leverage generation and use of Bangladesh's own investible resources. Concerning the aid flow in future, Professor Rahman expressed the apprehension that because of the ongoing state of affairs in many EU member countries, future aid from EU would likely be more focused on what results were actually delivered and whether aid was actually being able to bring concrete and real changes in developing countries.

*Professor Rahman* hoped that EU aid in future will be able to help Bangladesh focus on such promising areas as agro-exports, moving upmarket in the RMG exports particularly in the fashion and design segments, shipbuilding, ICT and pharmaceuticals. Support of EU in productivity enhancement, skills upgradation and technology transfer could contribute to export diversification and market diversification of Bangladesh.

*Professor Rahman* highlighted Bangladesh's need to pursue a policy of active regionalism. He noted that till now EU's involvement in regional projects in South Asia has not been significant. There was a need for more EU involvement here. *Professor Rahman* pointed out that improved connectivity, trade facilitation and infrastructure development in the South Asia region will benefit all the regional countries and at the same time this will create business opportunities for EU investors, particularly in terms of taking advantage of the growing regional market access.

*Professor Rahman* drew attention of the audience to the need for energetic steps to support Bangladesh in areas of climate related adjustments mitigation and adaptation and in this connection noted that EU could further strengthen its role in a number of related areas. Some areas of possible support by the EU according to him could be infrastructure, human and institutional capacity building to adapt to natural disasters, technological support for sustainable agriculture and weather resistant cropping practice, technological support for greening of the export sectors and support for capacity building to produce and trade in environmental goods and services.

In his concluding remarks, *Professor Rahman* said that it was conceivable that in the coming decade Bangladesh-EU relations will become more diversified and will move away from the present aid-centred development cooperation to a more comprehensive form of economic partnership. He noted that investment promotion, technology transfer and cooperation in the areas of tackling global commons may become key elements in this evolving partnership.

#### **Highlights of the Floor Discussion**

The two designated discussants *Ambassador Ashfaqur Rahman* and *Mr. Md Saiful Islam* and distinguished participants highlighted a number of issues that were felt to be key to deepening Bangladesh-EU relationship in various areas.

### ***Attracting FDI and Country Image***

A number of participants underscored the need for attracting more FDI to Bangladesh and focused on how EU could assist Bangladesh in this connection.

Taking part in the discussion *Ambassador Ashfaqur Rahman*, Chairman of Centre for Foreign Affairs studies noted that investment by EU member countries in Bangladesh has not been very encouraging. Bangladesh's image in the international community was a major reason for this, he felt.

Sharing his views, *Dr Wajedul Islam*, General Secretary of Bangladesh Trade Union Kendra, was of the opinion that Bangladesh's image could be improved if the working conditions and living standards of workers in the RMG and other sectors of the economy could be improved. He thought that the EU could play an important role in influencing the wages of RMG workers of Bangladesh because factory owners were more likely to comply with demands coming from international buyers than they were likely when local authorities tried to enforce the rules that were there on paper. He stressed that social security of workers needed to be ensured through raising real wage of the workers. When *Dr Bhattacharya* enquired whether he thought that it will be appropriate if there was outside interference in Bangladesh's domestic industries, *Dr Islam* argued that according to the ILO convention steps ought to be taken to introduce internationally recognised standards and democratic laws in Bangladesh, anyone can hold Bangladesh responsible if she didn't comply with what was stipulated under the conventions. Otherwise country's image would suffer.

*His Excellency Mr Svend Olling*, Ambassador of Denmark, was straight forward in saying that the EU was enthusiastic about channeling FDI to Bangladesh but was unable to do so due to reasons such as the confrontational nature of politics, frequent strikes and corruption. He also noted that various hurdles such as unavailability of land, lack of energy and power and underdevelopment of infrastructure.

### ***Development of Port Facilities and Ship Building***

Bangladesh was at the epicenter of a dynamic Asia; at the same time the Indian Ocean was emerging once again as a major trade route. According to *Ambassador Ashfaqur Rahman*, provided Bangladesh a unique opportunity to develop into an important regional hub Bangladesh will be able to take full advantage of these and also be able to attract FDI if her port facilities and infrastructure are adequately developed. *Mr Mohammed Saiful Islam*, Chairman of Western Marine Group and Managing Director of Picard Bangladesh Ltd. informed the audience about the developments taking place in the shipbuilding sector. In this connection he shared the good news that Bangladesh was at present building a ferry for Denmark. Denmark has never previously outsourced the construction of its ferries and there was huge potential for Bangladesh in this sector.

### ***Regional Connectivity***

Good connectivity within the South Asian region was perceived by many participants to be vital for the future of Bangladeshi exports. Underscoring the importance of *Dr Meghna Guhathakurta*, Executive Director of Research Initiative Bangladesh (RIB) mentioned that good relations with neighbouring countries will enable Bangladesh to share common resources in a manner that will

generate win-win outcomes. The synergies that will be generated will encourage FDI flow to the region and to Bangladesh, she noted. She also drew the attention of the participants to the fact that Bangladesh was at a great advantage because she shared a border with Myanmar. She suggested that the CPD should organise a dialogue on how relations with neighbours in the east could be further strengthened to improve trade prospects among countries of the region.

*Mr Ludvig Bontell*, Second Secretary, Embassy of Sweden felt that further pursuit of the Chittagong Hill Tracts peace accord will eventually lead to better connectivity within the region and will help in attracting more FDI to Bangladesh.

### ***Assistance for Trade Related Support Services***

Several speakers proposed that the EU should dedicate a part of its funds to developing the trade-related infrastructure and support services to promote Bangladesh's export sectors and to enhance her competitiveness in the international market. *Mr Mohammed Saiful Islam* observed that Bangladesh lacked innovation and research and development facilities which were key to raising competitiveness of her export sectors. He believed that the EU should undertake a comprehensive programme for skills upgradation and training of workers under Trade Related Technical Assistance (TRTA) programme which would contribute to raising capital and labour productivity in the export-oriented sectors of Bangladesh in attracting more FDI.

## **2. Trade Diversification**

*Professor Mustafizur Rahman* noted in his keynote paper that, the majority of Bangladesh's export earnings come from the RMG sector. Referring to this, speakers at the dialogue urged the policymakers to make good use of Bangladesh-EU partnership towards enhanced market and product diversification of Bangladesh's exports.

*Ambassador Ashfaqur Rahman* believed that it would be of benefit to Bangladesh if EU helped her to exploit maritime resources such as oil, gas and minerals it had at its disposal. *Mr Mohammed Saiful Islam* noted that shipbuilding and pharmaceuticals had significant export potentials. *Dr Wajedul Islam* believed that Bangladesh's jute industry had enormous potential but was in need of modernisation. *Mr A S M Shafiqur Rahman*, Communications Specialist at Water Aid and ERASMUS Alumni, informed that several new ICT products, Iphone applications and a 3D model of Denmark's land map were being developed by Bangladesh for foreign markets and could prove to be a profitable economic activity for the country. All these distinguished participants were of the opinion that EU's targeted support could help Bangladesh realise its potential opportunities in the sectors that they mentioned.

Whilst the majority of speakers agreed there wasn't enough trade diversification in Bangladesh's export sector, *Mr Suhel Ahmed Choudhury*, Former Commerce Secretary and Former Chairman of Janata Bank, pointed out that the RMG sector accounted for only about 75-77 per cent of exports. If there was no diversification, the RMG sector's share would be closer to 90-95 per cent. The challenge was to focus on the rest 25-30 per cent export and increase export earnings from this sector.

*Ambassador Ashfaqur Rahman* pointed out that Bangladesh's export sector will prosper if there was enough appreciation of the distinctive nature of specific markets. It was important to know

which market exporters were producing for: the EU market or the sub-regional market of South Asia. Policy support should be calibrated accordingly, the participants felt.

### **3. Everything But Arms (EBA) Initiative**

The EBA Initiative of the EU turned out to be a debated issue at the dialogue. The EBA initiative allowed LDCs such as Bangladesh to export to the EU under duty-free – quota-free conditions. *Mr Suhel Ahmed Choudhury* observed that the EBA helped boost exports but went on to say that the EU had taken an inordinately long time to relax the rules of origin. EBA initiative was put in place in 2001, but the related rules of origin came to be implemented only in January 2011. This delay gave rise to apprehensions about how sensitive the EU actually will turn out to be in future should there be need for change of EU's existing rules to benefit LDCs such as Bangladesh.

*Mr Md. Fazlul Haque*, President of the Bangladesh Employers' Federation argued that the EBA may not benefit Bangladesh in the long run. The EU's Free Trade Agreements (FTA), along with the many other agreements it is signing with other countries, will come into full effect in the coming years. When this happens, Bangladesh will have to compete with India and other countries which receive preferential market access. So the actual preferential margin will be significantly eroded. This will not only affect trade promotion, he maintained, but will have adverse implications for Bangladesh's industrialization as well.

In clarifying any misconceptions about the EBA initiative *Mr Zillul Hye Razi*, Trade Advisor of the Delegation of the European Commission, pointed out that the EBA was an initiative that extended the Generalised System of Preference (GSP) facility to the LDCs for additional items over an indefinite period. The EU has been giving Bangladesh market access for duty free and quota free goods since 2001, but the nature of Bangladesh's exports are such that they would enjoy duty free and quota free goods regardless of the EBA initiative. Therefore, Bangladesh should not suffer when the EU's FTA and other agreements come into effect subsequently.

#### ***Creating More Opportunities for Remittance***

Some of the speakers elaborated on *Professor Mustafizur Rahman's* view about remittance and expressed disappointment at the low flow of remittance coming to Bangladesh from the EU in spite of the large population of Bangladeshis in these countries. *Professor Selina Mohsin*, Former Bangladesh High Commissioner to the Maldives, maintained that the majority of the EU members were not positive towards Bangladeshi migrant workers, other than the UK. This was also probably because most of the workers lacked skills. The underscored the need for higher literacy and training programmes for the migrant workers.

*Dr Muhammad Ibrahim*, Chairman of Centre for Mass Education in Science and Chairman, Federation of NGOs Bangladesh, felt that more opportunities for educational interchanges should be made available to Bangladeshi students so that they could receive necessary technical and vocational training which will enable them to compete for jobs in the EU member countries. *Ambassador Ashfaqur Rahman* stressed the need to have a migration policy in place in the EU so that capable and qualified Bangladeshis could go to the EU countries, perform well in their jobs and send back remittance to Bangladesh.

### ***Paving the Path to the Future Bilateral Relationship***

*His Excellency Mr William Hanna* believed that the EU's relationship with Bangladesh had, "already moved away from a relationship based on charity approach to one of mutual interest." As to how best to make full use of this partnership, *Ambassador Ashfaqur Rahman* felt that it was important to spot opportunities early on through identification of trends. Systematic scanning of the media could serve a useful purpose in this context. Extrapolation of data could help to find out what steps to take next. *Dr Bhattacharya*, however, was not entirely convinced with this argument interjecting with the comments that non-linear growth often cannot be projected through extrapolation since many new variables come into play over time and surprises are rather common.

*Ambassador Ashfaqur* stressed the importance of having a stream of intellectual exchanges and dialogues on both political and economic issues and encouraged cultural connectivity as effective ways to deepen Bangladesh-EU partnership in future.

The current financial crisis in the EU made it difficult to project how strong Bangladesh-EU relations will remain in coming years. France's approach to combat the crisis by promoting economic growth through greater spending and Germany's approach by imposing austerity measures posed two distinctly different scenarios that were likely to have two very different outcomes. This also had implications for Bangladesh's relationship in trade and other areas with the EU. *Professor Selina Mohsin* observed that whilst the EU was in a financial mess, Bangladesh herself was going through a political impasse and any speculation projection with regard to how the Bangladesh-EU relationship could evolve in future should be made with on a hypothetical basis with some caution.

### ***Trade Politics***

"Bangladesh is on the crux of a paradox of growth," said *Mr Syed Nasim Manzur*, President of Leathergoods & Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB) and Managing Director Apex Footwear and Pharmaceuticals Ltd. "The EU's FTAs with other countries have indeed led to a dilution of the advantage that helped Bangladesh reach where it is now. If Bangladesh grows and achieves MDG targets, she stands to lose her advantage."

*Mr Manzur* stressed the importance of job creation through betterment of access to infrastructure and land. He suggested that the EU should help set up Special Economic Zones (SEZ) like the ones that are there in India and China. In many SEZs producers have the opportunity to make use of unused land that previous owners are still shareholders of *Mr Zakir Kibria Zakir*, Policy Analyst at the Uttarban Justice Development Agency felt that khas land be distributed to the landless. *Professor Rehman Sobhan*, Chairman of CPD, responded to this by noting that though it would be ideal to put unused land to use, khas lands are government owned properties in many instances had been occupied illegally by vested quarters. Carrying out *Mr Zakir's* proposal would require the involvement of political parties and local governments, he noted.

*His Excellency Mr. Svend Olling* was hopeful that the Bangladeshi market for goods from the EU would broaden in the future. *Mr Manzur* mentioned that Holland and Denmark were two small countries like Bangladesh that were also two of the world's most important exporters. He was

optimistic that they would share their methods and technology with Bangladesh. In this context he urged the EU to take initiative to facilitate transfer of knowledge and technical know-how.

### ***Female Empowerment through Skill Development***

*Ambassador Nasim Firdaus*, Executive Director of Bangladesh Alliance for Women Leadership (BDAWL) noted that the EU had a fantastic track record in assisting the empowerment of women in other countries. Those countries, according to her, were highly successful in terms of development since women are key developmental agents.

*Ambassador Salma Khan*, President of Women for Women, brought up the issue of disparity in wage rate between men and women in Bangladesh. According to her, records show men in Bangladesh earning one dollar when women were earning only 12 cents for the same work. This gap needed to be narrowed. Women also have less access to skill development programmes that could offer them proper technical and vocational training. She requested the EU's assistance in addressing this problem and in bridging this gap.

### ***Transfer of Green Technology for Climate Adaptation***

*His Excellency Mr Olling* commended Bangladesh's efforts regarding climate change, saying that there was a great deal of respect for the Bangladeshi negotiators when they go to the UN to discuss climate change.

*Dr A Atiq Rahman*, Executive Director of Bangladesh Centre for Advanced Studies (BCAS) urged Bangladesh to comply with international climate adaptation policies by using green technology. *Dr Fahmida Khatun*, Head of Research CPD, questioned whether existing green technology was suitable for Bangladesh's climate-weather conditions and underscored the need to explore if there was further scope for innovation.

Climate adaptation was essential to reduce poverty as it could have important implications for human security, food security, and social security. *Dr A Atiq Rahman* felt that the EU should assist in undertaking a meticulous study with regard to which particular projects to allocate its funding to and also should closely monitor whether funds were being used effectively.

*Mr. Zakir Kibria Zakir* urged in favour of the use of traditional knowledge in climate change adaptation initiatives. He cited the example of the south east coastal region of Bangladesh. It was apprehended that this area was going to be submerged under the sea. However, it was preserved by local communities who raised the land at two locations covering an area of 31 square kilometers where land was raised 2 meters using traditional knowledge in water and river management.

### ***Security Essential to Successful Trade***

*Lieutenant General A T M Zahirul Alam*, Director of Global Education Research Awareness Motivation for Enriching Rural Architecture, flagged an important point regarding the EU's involvement in developing Bangladesh's security sector. He believed that security was an essential element for successful trade between countries and requested cooperation between Bangladesh and the EU about the training of security officials in non-combatant areas. He was

hopeful that this will help the Bangladesh security sector in a positive manner by uncalculating the ideas of human rights and the rule of law.

### **Concluding Remarks from the Chair**

*Dr Debapriya Bhattacharya* wrapped up the discussion by briefly summarizing the key points deliberated up on in the course of the dialogue. *Dr Bhattacharya* underscored the point that the EU has played an important role in the development of Bangladesh over the past decades and hoped that this partnership will remain strong in future. He was convinced that the EU's contribution to Bangladesh's growth and development will expand and gain once the eurozone countries fully recovers from the financial crisis that it was experiencing at present.

*Dr Bhattacharya* observed that the partnership between the EU and Bangladesh could not be treated in isolation from the rest of the world; rather the Bangladesh-EU relationship had to be integrated into the global broader picture to achieve its full potential. Sharing peaceful borders with Myanmar and resolving the conflict in the Chittagong Hill Tracts could make all the difference to Bangladesh as it strives to develop its economy EU's contribution to peace keeping through development gave its involvement a unique feature.

*Dr Bhattacharya* hoped that speakers including *His Excellency Mr Hanna* were right in predicting that the Bangladesh-EU relationship was moving away from an aid-driven partnership to one that was trade-driven. The next challenge will thus be in enabling the partnership to work for trade-related supply-side capacity building in Bangladesh. Promoting the cause of investment flow to Bangladesh targeting the eurozone market was the key in this regard, *Dr Bhattacharya* stressed. In this connection he flagged the opportunities of bilateral cooperation to develop new export-oriented sectors with potentials such as ship-building, pharmaceuticals and cut flowers.

With regard to EU's concerns about human development, *Dr Bhattacharya* recalled that this was one of the four pillars of support in the EU's policy towards Bangladesh. He felt that such programmes could only be successful if their outreach went beyond the capital and brought within its fold the greater Bangladesh, with all its geographical diversity, in an inclusive manner.

In concluding *Dr Bhattacharya* thanked all those who attended the dialogue and hoped that the recommendations emerging from the dialogue will encourage the respective officials and stakeholders to do their "domestic homework," so that the EU could help catapult Bangladesh into the next decade, and be a partner of Bangladesh in the attainment of her ambition middle-income country.

## List of participants

(Arranged in alphabetical order)

<i>Mr Andrew Barnard</i>	First Secretary and Head Political, Economic, Press and Information Section European Union Delegation to Bangladesh
<i>Ambassador Ashfaqur Rahman</i>	Chairman Centre for Foreign Affairs Studies
<i>Mr Abul Hasan Chowdhury</i>	Managing Director KMS Consultants and Former State Minister Ministry of Foreign Affairs
<i>Dr A Atiq Rahman</i>	Executive Director Bangladesh Centre for Advanced Studies
<i>Lieutenant General A T M Zahirul Alam, rcds, psc</i>	Director, Global Education Research Awareness Motivation for Enriching Rural Architecture
<i>Mr ASM Shafiqur Rahman</i>	Communications Specialist Water Aid
<i>Dr Debapriya Bhattacharya</i>	Distinguished Fellow Centre for Policy Dialogue
<i>Mr Fabrizio Senesi</i>	Attaché, Programme Manager Governance and HR European Union Delegation to Bangladesh
<i>Ms Libuse Soukupova</i>	Second Secretary and Head of Section Human and Social Development Section European Union Delegation to Bangladesh
<i>Mr Ludvig Bontell</i>	Second Secretary Politics, Trade and Culture Embassy of Sweden
<i>Mr Li Nan</i>	Attache Embassy of China
<i>Professor Mustafizur Rahman</i>	Executive Director Centre for Policy Dialogue
<i>Mr Md Abdul Karim</i>	President of Bangladesh Scouts and Former Principal Secretary to Hon'ble Prime Minister's Office Government of Bangladesh

<i>Mr Md Fazlul Hoque</i>	President, Bangladesh Employers' Federation Former President, BKMEA and
<i>Mr Md Saiful Islam</i>	Chairman, Western Marine Group Managing Director, Picard Bangladesh Ltd
<i>H E Mr Michel Trinquier</i>	Ambassador Embassy of France
<i>Mr Milko van Gool</i>	Counsellor and Head of Cooperation European Union Delegation to Bangladesh
<i>Dr Manoj Kumar Mohapatra</i>	First Secretary (Political) Indian High Commission
<i>Dr Muhammad Ibrahim</i>	Chairman Centre for Mass Education in Science and Chairman, Federation of NGOs Bangladesh
<i>Dr Meghna Guhathakurta</i>	Executive Director Research Initiative Bangladesh (RIB)
<i>Mr Md Sazzad Hossain</i>	Country Representative Erasmus Mundus Alumni Association
<i>Mr M Syeduzzaman</i>	Member, CPD Board of Trustees and Former Finance Minister
<i>Mr Md Omar Faruq</i>	Programme Manager Bangladesh Occupational Safety, Health and Environment Foundation
<i>Ms Nasrin Akhter</i>	Chief Executive Officer Centre for Awareness Raising
<i>Ambassador Nasim Firdaus</i>	Executive Director Bangladesh Alliance for Women Leadership
<i>H E Ms Ragne Birte Lund</i>	Ambassador Royal Norwegian Embassy
<i>Mr Suhel Ahmed Choudhury</i>	Former Secretary and Former Chairman Janata Bank
<i>Syed Nasim Manzur</i>	Managing Director Apex Footwear Ltd Apex Pharmaceutical Ltd

<i>Ms Selima Ahmad</i>	President Bangladesh Women Chamber of Commerce and Industry
<i>H E Mr Svend Olling</i>	Ambassador Royal Danish Embassy
<i>Dr Shamim Islam</i>	Director Manusher Jonno Foundation
<i>Ambassador Salma Khan</i>	President Women for Women
<i>Professor Selina Mohsin</i>	Head of Education and Human Resource Development Initiative, Commonwealth Secretariat, London, UK and Former Bangladesh High Commissioner to the Maldives
<i>Mr Sazzad Ahammad Chowdhury</i>	Pro-soil Consultant
<i>Ms Taleya Rehman</i>	Founder Executive Director Democracywatch
<i>H E Mr William Hanna</i>	Ambassador and Head of Delegation, European Union Delegation to Bangladesh
<i>Dr Wajedul Islam Khan</i>	General Secretary Bangladesh Trade Union Kendra
<i>Mr Zillul Hye Razi</i>	Trade Advisor Delegation of the European Commission
<i>Mr Zakir Kibria Zakir</i>	Policy Analyst UTTARAN

## ***Journalists***

<i>Mr Dip Azad</i>	Assistant Chief Reporter Boishakhi Tv
<i>Mr Hasibul Aman</i>	Staff Correspondent The Daily Sun
<i>Mr Humayun Kabir Bhuiyan</i>	Special Correspondent The Independent
<i>Mr Ismail Ali</i>	Staff Reporter Banik Barta
<i>Mr Imran Alam</i>	Senior Correspondent The Daily Naya Diganta
<i>Mr Jahangir Shah</i>	Senior Reporter The Prothom Alo
<i>Mr Masud Karim</i>	Special Correspondent The Daily Samakal
<i>Mr Md Shafiullah Sumon</i>	Reporter Bangladesh Television (BTV)
<i>Mr Mazharul Anwar Khan</i>	Senior Reporter Bangladesh Sangbad Sangstha (BSS)
<i>Mr M M Masud</i>	Reporter Manab Jamin
<i>Mr Md Anisuzzaman</i>	Photo Journalist The Financial Mirror
<i>Mr Pantho Rahman</i>	Senior Staff Correspondent Channel i
<i>Mr Rabiul Haque</i>	Diplomatic Correspondent The Daily Jugantor
<i>Mr Sohel Parvez</i>	Senior Reporter The Daily Star
<i>Mr Shibli Reza Ahmed</i>	Staff Reporter ATN News Ltd
<i>Mr Shahidul Islam Chowdhury</i>	Special Correspondent The New Age
<i>Mr Sk Shafayat</i>	Reporter Kaler Kantho