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Annex C/SI-26

ASIAN DEVELOPMENT BANK

Trust fund established? p. 21
Support team established? p. 33

Support For The
CHITGONG HILL TRACTS
Peace Accord

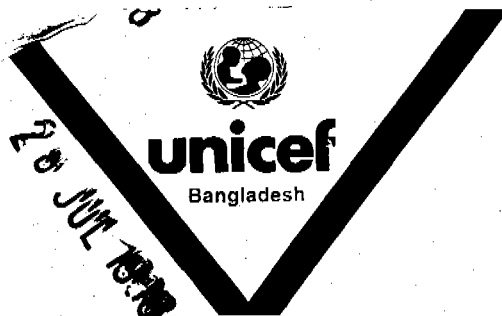
LBSCG - to be established? p. 19
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Findings and Recommendations
of a
UNDP Sponsored Mission

para 2 - DPH/UNICEF/17/23
proposal

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Support to the Implementation of the Chittagong Hill Tracts Peace Accord

Recommendations of the Mission

1. Background

1.1. CHT Accord. On 2 December 1997 a Peace Accord was signed between the Government of Bangladesh (GoB) and the Parbattya Chattagram Jana Sanghati Samiti (PCJSS) ending more than two decades of conflict in the Chittagong Hill Tracts (CHT). The Accord has been concluded "to upholding the political, social, cultural, educational and economic rights of all the citizens of the Chittagong Hill Tracts and expediting their socio-economic development process and preserving and developing the rights of all the citizens of Bangladesh".

1.2. Relevant provisions of the Accord. The CHT Accord comprises the following provisions aimed at facilitating the return and resettlement of members of the Parbattya Chattagram Jana Sanghati Samiti:

- *A one time cash grant of Tk. 50,000 for each returning family.*
- *GoB is committed to provide additional funds on a priority basis for the implementation of increased number of projects towards development in the CHT. The Government shall implement new projects on priority basis for the construction of required infrastructure for the development of the region and shall allocate necessary finance to this end.*

1.3. Implementation so far. After the signing of the Peace Accord more than 10,000 returned tribal families received at the border a relief package with rice for three month (50 kg of rice per month is to be distributed for one year), cash Tk. 3000 for purchase of a cow, Tk.3000 for wood for house construction, some building material and a resettlement grant of Tk. 15,000.

1.4. **GoB - Donor consultation.** Following the signature of the Accord, GOB soonest initiated consultations with development partners to Bangladesh on how to meet immediate support requirements that are to underpin the implementation of the Accord. For this purpose, the Special Affairs division (SAD) in consultation with the Economic Relations Division (ERD) compiled an initial portfolio of project interventions that was shared with a number of donors on 22 February 1998. At this meeting, it was decided to establish a joint GOB-donor working group that was to agree on parameters and process requirements for identifying and elaborating immediate and medium support measures in respect of the CHT. UNDP was requested to facilitate coordination among donors and to fund a needs assessment mission. The mission was fielded on 5 April 1998 and completed its work on 15 May 1998. The terms of reference of the mission, its staffing, a listing of the stakeholders consulted by the mission and the Government's CHT development portfolio is attached (annex A-D).

2. Response to post-conflict situations

Post-conflict situations require a more comprehensive approach than mainstream development, often involving ad hoc processes and mechanisms to ensure planning and implementation of a coordinated response in a timely manner. The following general dimensions can be distinguished:

2.1. Phasing of the response:

Depending on the type and nature of a post-conflict situation, assistance requirements would generally be sequenced as follows:

- short term confidence-building and quick-response measures to address immediate humanitarian, rehabilitation and livelihood needs of the people most affected by the conflict and its resolution.
- Short to medium term community-based reconstruction and development activities, benefiting all people resident in the area concerned.
- Structural and longer-term requirements, dovetailing with regular development processes.

Although these phases are in their implementation largely sequential, the actual planning and - where possible - implementation are best undertaken in parallel to one another.

2.2. Organizational requirements:

- In many instances regular administrative and governance *structures* ~~require~~ are either disrupted or may require substantial adjustment. Therefore, there is often need to establish ad hoc structures for (i) planning (including needs assessment), (ii) implementation (including monitoring) and (iii) financing. Such structures would, eventually-and ideally "blend" with regular administrative and governance structures.
- In terms of *actors*, all necessary efforts need to be made to ensure consultation among and participation by the erstwhile conflicting parties, and between these and the national authorities and development agencies (including, in particular, NGOs).
- As regards *processes and mechanisms*, initial priorities would include: establishment of communication channels, public awareness and information on the resolution of the conflict, rapid needs assessments and appraisals, the setting-up of mechanisms for ensuring a coordinated response, measures to enhance effective absorption of aid at the grassroots level (as much as possible by applying participatory approaches to planning and implementation of the immediate response given), and co-ordination mechanisms at local and higher-administrative levels (as much as possible aimed at enhancing decentralized decision-making and oversight).

2.3. Financing mechanisms and implementation modalities:

- Often ad hoc mechanisms are required to ensure timely programming, financing and implementation of emergency-relief or reconstruction support. When donor support is called for, in particular in case an international appeal is warranted, use is often made of special financing mechanisms to ensure timely mobilization and utilization of external support (e.g. a dedicated Trust Fund or co-financing of international agencies or NGOs).
- It often proves most expeditious to first expand existing operations/programmes that are

already active in the area concerned, and subsequently complement or add-on to these existing initiatives.

- In the same vein, implementation of immediate relief or response programmes proves generally to be most expeditious and effective when NGOs are being involved.

3. Mission findings and recommendations

The mission found the overall situation in the CHT to be peaceful - notwithstanding apparent dispute at the national level and sporadic incidents in the CHT area. Furthermore, it became clear to the mission that expectations among the population at large are growing. Thus not only is the prevailing situation in the CHT region conducive to providing support, there is also a need to keep the momentum generated by the Accord by ensuring earliest possible support. One of the very first priorities to be clarified is the organizational structures and funding mechanisms that are envisaged for the determining priorities and the planning and implementation of short to longer term reconstruction and development activities. This is the subject of chapter 5 and 6. As regards short to medium/longer term requirements and priorities, the mission's findings and recommendations are summarized as follows:

Immediate and short term action

3.1. Public awareness and Confidence building measures

The CTH Peace Accord has been concluded at the top level of both GoB and PCJSS. The mission observed during its field visits that people at the community level generally lack information about the content of the Accord. Furthermore, they appear to be much interested to know how and when support will be forthcoming to the reconstruction and socio-economic development of the CHT region. It must, indeed, be realized that long term peace building can not "decreed" without it being induced and nurtured at the community level. Without requisite trust and confidence at the grassroots level any peace building activity is bound to be ineffective.

The mission, therefore, recommends a number of peace and confidence building measures which have proven to be effective in similar situations in other countries. A number of such measures are summarized in box 1 and 2.

Peace Building as a condition sine qua non for stability and lasting peace

In our discussions with the union parishad chairmen, headmen, circle chief, other formal and informal leaders it became clear that various groups are already involved in peace building. The conflict has affected the traditional life style of many tribal people. Now people want to return to their own land and may want to take up again their old-style community life. We observed that Kiangs are coming up, mosques and temples are being built and other religious institutions are active in the region.

Early implementation of the livelihood and basic services programmes will be of paramount importance for the continuation of the peace process. Once launched they should not be interrupted, otherwise it may destabilise the whole integration process and backfire on the providers.

The mission observed that expectations in the region are high. Progress in peace building will be highly dependent on the impression of the people in the region regarding the pace and balance of the social and economic development in their communities. So, time is the critical factor.

Priority should also be given to NGO and donor sponsored peace-building initiatives in the field of culture and education. We propose that a series of sponsored seminars be organised on the education needs (including indigenous languages) for tribal and other destitute children as well as inter-group seminars on tribal and non-tribal culture.

The mission observed that people are not fully informed about the implementation of the peace agreement and the social and economic reconstruction of the Chittagong Hill Tracts. Information dissemination is of paramount importance for building trust and confidence among communities in the region. This can be achieved among others through a series of (sponsored) workshops.

Under the peace agreement it is foreseen that the army will return to its peacetime locations and that the police will be responsible for law and order in the CHT.

In light of the special situation prevailing in the CHT with its 14 different population groups there is a need to familiarise police officers with the particularities of the region.

Training should be given in the cultural backgrounds of the tribal and non-tribal people, the provisions of the peace agreement, the role of the traditional leaders in resolving disputes on tribal matters and democratic vested procedures leading to a code of conduct for police/civilian relations. A series of sponsored seminars/workshops could be organised for police officers, judicial and public service officials including a seminar on police/civilian relations.

Radio/TV could play an important role in the dissemination of information in remote Hill Tract areas. In particular, radio programmes in indigenous languages on socio-economic developments, culture, education, health and family planning can be easily received by cheap battery or solar cell radios.

Also information on agricultural weather and soil conditions and new agricultural techniques could be transmitted on a daily basis.

In particular, radio station could play an important role in improving the quality of life in the remote communities. Therefore, in each district a radio station may be established. Donors could be asked to support financially and/or in kind.

Advice could be sought from international organisations with expertise and experience in setting up such stations in post conflict areas.

Religious leaders could play an important role in creating a culture of peace in the region. To eliminate sentiments of mutual animosity and distrust inter community activities and projects are needed.

Local religious leaders could trigger of such activities.

The organisation of inter group activities could play an important role in creating a culture of peace.

Special scholarships should be raised to avail education for tribal and non-tribal children at all levels of education.

Students living in remote areas cannot attend higher education because they cannot travel every day to and from school while their parents lack the means for paying board and lodging. So, these children are deprived of higher education. NGO's/donors may invest in boarding schools and hostels for tribal and non-tribal students from remote areas.

The Peace Agreement has been realised at the top level of both government and PCJSS. It must be realised that long-term peace building cannot be dictated from above but needs to grow at the village level and nurtured from there. Without a minimum of trust and confidence at these levels, every peace building activity is bound to fail.

Box - 2

The mission wishes to highlight the potential peace and confidence building effect of the following measures:

- Public awareness about the Accord and its beneficial implications should, as much as possible, be made an integral element of any public events that may hold in the region, in particular of participatory needs assessment or planning exercises that may be undertaken.
- Training of the police in order to familiarize individual police officers and cadre with the

particular characteristics of the region as it is populated by 14 different ethnic or cultural/linguistic groups

- The role radio and TV services can play in breaking isolation and in improving the quality of life in remote communities by transmitting up to date information about socio-economic developments, culture, education, health and family planning.
- Furthermore, consideration should be given to the role religious leaders can play in creating a culture of peace in the region.

3.2. Immediate Relief Programmes for ex-combatants, returnees and internal displaced persons

Based on its consultations, the mission concludes that GOB has been able to meet the immediate provisions (cash and in-kind grants) as stipulated in the Accord with respect to registered returnees. It is not clear to the mission whether GoB is in a position to meet the subsequent provisions agreed for the remainder of the first year of re-settlement.

Three specific groups, however, require further attention. There appear to have been spontaneous border crossings by refugees who received only ad-hoc support from the government. Furthermore, there are a number of internally displaced persons, both tribal and non tribal. This includes a number of - by now mainly non-tribal - people still living in cluster villages. The mission recommends that these categories of persons, if not otherwise already provided for, be included in the Government's relief programme for refugees, the Red Cross Appeal or other relevant programmes such as those supported by WFP.

In this respect, the \$ 2 million International Appeal launched by the IFRCC¹ is appropriate, as it will cater for, inter alia, supplementary food assistance to approximately 55,000 beneficiaries combined with disaster preparedness, and health and sanitation support. The mission finds this

¹ Red Cross Appeal for Returnees, 24 March 1998, appeal no:09/98

initiative appropriate to the conditions of the Accord for immediate needs and recommends that national Red Cross organizations of interested donor countries be asked to contribute financially or in kind to this programme.

3.3 Quick reaction livelihood and basic services programmes

Notwithstanding the need for – and potentially beneficial effect of – above referred measures, ultimately the peace process will need to be sustained by improved livelihoods, provision of basic services and assets, and development of the local economy. Moreover, successful peace building is highly dependent on the ability – and perception – of the communities in the region to participate in the reconstruction and development of their area. Expectations are growing, and a timely response is, therefore, of the essence.

The earliest possible implementation of livelihood and basic services support programmes will be of paramount importance for the continuation of the peace process and peace building. Once launched, these programmes should not be interrupted, since this could easily destabilize the peace process and negatively impact on the credibility of the providers of such support programmes.

Quick reaction programmes are meant to bridge the period between the end of armed conflict and the commencement of reconstruction and longer-term development. Such programmes should have an income generating effect and be relatively simple to implement, without requiring significantly enhanced skills and training. Moreover, such quick response programmes should preferably be adapted to existing technology and the prevailing social and cultural practices in the localities concerned.

In the opinion of the mission, the following would be appropriate elements of such quick reaction livelihood and basic services programme for the CTH area.

3.3.1 Basic Livelihood support

The mission has noted that a number of national NGO's are already active in the CHT such as: BRAC, Proshika, Integrated Development Foundation (IDF), Green Hill, CARITAS, World Vision. BRAC has already formulated an integrated quick reaction programme for CHT², with an intended duration of five years and a proposed budget of \$ 30 million. This programme includes health, education, environment, savings, credit, and micro-enterprise development, etc. and may be expected to be of quick impact on livelihoods and local development. IDF is embarking on a similar programme³.

The following trades can relatively easily be introduced or current practices improved: poultry raising, goat raising, duck raising, provision of draught animals and simple farm equipment. Likewise, there is need for the provision of rice, corn and vegetables seeds and planting material. In order to upgrade marine-based livelihoods, the provision of fishing gear and small boats would have an immediate impact

Based on international experience, and in view of the generally high standard of NGO operations in Bangladesh, the mission strongly recommends that these quick reaction livelihood programmes best be implemented by NGOs. However, in order to avoid duplication, fragmentation and gaps, there would appear to be a need to coordinate NGO activities in respect of, in particular: geographical coverage, service package to be provided, quality standards of the services and assets to be provided, and funding requirements to be met by, foremost, bi-lateral and multi-lateral donors. That will ultimately be the responsibility of the Regional Council but in the meantime an interim arrangement is essential.

3.3.2 Rural infrastructure

² Proposal for Chittagong Hill Tracts Integrated Development Project, July 1998-June 2003, BRAC, 22 March 1998

³ Integrated Development Foundation, 5-year Proposed Programme for Chittagong Hill Tracts 1998-2002.

The mission observed that the physical infrastructure in all three CHT districts is very poor indeed. A first priority that can relatively easily be met is maintenance and repair of existing roads. The mission was presented with a road project proposal by the Local Government Engineering Department (LGED) and recommends this proposal for further assessment by interested donors. In addition, the mission recommends that repair and maintenance of small village roads and feeder roads be undertaken as part of short term programmes (including FFW) under the responsibility of LGED and District Councils.

(Annex - C/SI-1, 2,9,17,35,36,45)

3.3.3 Health care

The health care services in the CHT region is in a deplorable condition. Most of the Union Health Centres need immediate repair. Moreover, GoB may consider assigning priority to extending its construction programme of Union Health Centres to the CHT. However, this would prove to be futile if no measures would be taken to ensure immediate assignment of doctors and other health personnel, in view of the many vacancies that currently exist. If candidates are not available, the government could seriously consider to oblige young aspirant doctors to work 6 months immediately prior to completion of their studies, in areas lacking basic medical facilities.

One measure aimed at bridging the gap between the present situation and the assignment of an adequate number of health staff, could be the setting-up of mobile medical teams, initially, say one per district. Donors could be approached to provide any shortfall in national financing of the personnel and equipment needed for such mobile medical teams for a period of one to two years. Furthermore, a great shortage has been reported in medicine and blood test facilities for malaria and diarrhoea as well as with respect to the distribution of mosquito nets for tribal people. This should, obviously, be assessed by competent national and specialized donor agencies, such that budgetary requirements can be determined for a period of one to possibly three years, resources be allocated or mobilized, and channels for procurement and distribution be determined.

3.3.4 Education

Special consideration will need to be given to education, in view of the linguistic and cultural diversity of the region. It may therefore be considered to establish a special advisory or working group, with participation of all ethnic and linguistic groups present in the region.

In real terms, a large number of school buildings, both primary and secondary schools, are in a dilapidated conditions or too small to accommodate the actual number of pupils and students. The CHTDB and the three Districts Councils have made proposals to GoB for the repairs and renovation of schools (annex c\SI-3,10,18,25); the mission recommends that these proposals be given urgent attention and follow-up, drawing on donor funding as may be required and available. The mission was informed that GoB had earlier established hostels for tribal students, with free food and boarding being provided. This programme has been discontinued to the obvious disappointment of the tribal people. However, there is a trade-off in view of the relative cost of such programme, which would amount to \$ 20 per student per year. The mission was informed that primary education is needed for an estimated 150.000 children (age 6-10 years) The BRAC/GSS "para" type school would, therefore, be advisable.

In order to redress the dramatic shortage of primary school teachers the mission recommends that GOB considers to appoint temporarily, part-time (especially female) teachers selected among educated people in the CHT districts, until sufficient qualified teachers have been trained/assigned.

In addition, the mission recommends the need for vocational-technical training, especially among for landless youngsters in all three districts, concentrated on such trades as weaving, carpentry, masonry, computer training, radio/TV repair, etc. supported by food for training programme.

3.3.5. Drinking water and sanitation

Potable water and sanitation facilities are scarce throughout the CHT region, whilst being an obvious priority, as repeatedly indicated to the mission. The CHTDB has prepared a project for water and sanitation, which should be reviewed and pursued as soon as possible, preferably involving interested donors and NGOs early on during the identification and design stages (Annex – C/SI-26)



3.3.6 Food for Work (FFW)

We recommend that the three year LGED programme proposal for rural road development (RMP) that aims to benefit some 1110 destitute women be taken up as soon as possible. (Annex - C/SI-34) Likewise, the rainy-season FFW- programme can offer immediate employment opportunity to a large number of rural women. (Annex – C/SI-8,16,23) The same applies for ongoing projects in infrastructure and forestry where Food for Work could bridge the gap towards more income generating activities.

3.3.7. Irrigation/ Agriculture

For full utilization of paddy lands, the irrigation network needs major improvements. To this effect, LGED has programmed the construction of forty small water reservoirs (Annex – C/SI-38) The mission recommends that these projects, after consultation with local farmers and the Agricultural Department, be pursued as soon as possible, including support by Food for Work programme. The mission observed a great demand for additional irrigation projects such as small water reservoirs, small dams and drains and suggests that the feasibility for these projects be soonest assessed.

Other priority actions needed to facilitate quick impact on agriculture in the CHT area would include: assignment of staff in view of a 50% vacancy rate among Block Supervisors; repair of offices and residences for agricultural extension and horticulture centers.

3.3.8. Environment.

Given the fragile ecological conditions of the CHT, there is a considerable risk that increased levels of economic and development activity may lead to serious degradation of the natural environment in the CHT. The mission, therefore, recommends, that a comprehensive environment management assessment be conducted in the CHT, along the lines of the national NEMAP that was carried out nation-wide in 1990/1996. We recommend that at short notice a series of workshops in the CHT be organized in order to identify and prioritize options for the management of the natural environment and natural resource base of the CHT under the aegis of GOB, and in close cooperation with UNDP, interested NGO's and donors.

Medium /longer term actions

3.4. Medium term actions and support requirements

A number of actions and priority support requirements have been identified or brought to the attention of the mission that - in the opinion of the mission - would be of medium to longer term relevance to the CHT region. The following activities would, in the opinion of the mission, warrant early consideration, such that immediate and short-term support will - in time - be complemented and sustained. However, in order for most of these medium term activities to be viable, the CHT communities would need to be consulted on the relative priority of these activities, their nature, scale, financing, maintenance, etc. In case the adjustment to the administrative and governance systems in the CHT would require more time, then it may be considered to organise stakeholder workshops at the level of each districts or even thana in order to ensure proper and timely consultations. Furthermore, since most of these medium-term

measures and projects will likely require donor support, it is also recommended that interested donors be involved as soon as possible in the further elaboration and assessment of projects, as may be needed.

- As envisaged in the Peace Accord the Regional Council will be constituted soon. Therefore, offices residential quarters and procurement of office equipment should be soonest made available. (Annex – C/SI-24)
- Rubber Plantations and Rubber Processing Plants have been established by the Chittagong Hill Tracts Development Board, with assistance of the Asian Development Bank. This programme appears to have been successful and to be generally appreciated by the people benefiting from this scheme. Additional suitable land seems to be available. First and second phase plantations by now in operation covering some 12000 acres of land. As proposed by CHTDB, additional fruit-cum-rubber plantations for 6000 landless and Jhumia families should be taken up with ADB finance. (Annex – C/SI-30)
- The Forestry Department has proposed projects for afforestation and orchard-cultivation on a profit-sharing basis. To this effect, those without land rights (the Jhumias) are to be allocated land rights to tracts of Unclassified State Forest lands, whilst also those holding land rights could also be provided for under this scheme. The mission recommends that priority be given to this proposal on both economic and ecological grounds. (Annex – C/SI-47)
- The mission suggests that the Agricultural Extension Department take up fruit plantations, could benefit several hundred of families, making use of the latest hill-side plantation techniques as have been developed by the Agricultural Research Institute at Khagrachari.
- The mission observed a great demand for Small and Cottage Industries. *Bangladesh Small and Cottage Industries Corporation* should be strengthened. BRDB has submitted proposals for loan for cottage industries. (Annex – C/SI-33)

We propose that two organisations co-ordinate their efforts in order to get better results

- People consistently expressed their disappointment with the relatively low prices they receive for pineapple, banana, lemon, guava etc. grown in their gardens. The mission, therefore, recommend that the feasibility be assessed for developing food processing factories at different locations in the region as well as for developing a cooperative marketing system.
- The Ministry of Fisheries and Livestock submitted a project prepared by Fisheries Cooperation for fish culture, catching and distribution adopting improved methods in Kaptai Lake area through participation of local people. The mission recommends early implementation of this project. (Annex -C/SI-48)

3.5 Longer-term projects and actions

With the same qualifications as given to above recommended medium-term actions, the mission recommends early consideration of the following longer-term activities, which in most cases will need a relatively long lead time to materialize.

- Development of the CHT region will require **careful** planning of infrastructure requirements, taking into account social and ecological factors, among others. Various ideas and proposals were presented to the mission that would require further study, such as growth centre development, jetty- and bus terminal construction, tourism development, low-cost housing and bio-gas plant projects. In this connection, LGED has developed a number of proposals that could be considered, and that may be found of interest to particularly development banks.
- The Government's programme for construction of a new model Union Council Complex in the country may be given priority for CHT. (Annex - C/SI-44)

- Although the Kaptai Dam has been constructed for the generation of electricity in the country, many people in the vicinity of the dam are still without electricity in their homes. The mission strongly suggest to redress this situation as soon as possible.
- Existing roads under Roads & Highways Department should be improved and Thana headquarters like Thanci, Belaichari, Jurachari, Barkal, Longudu and Nanyyarchar should be linked with R & H Department's road network..
- At present there are no tertiary education institutions in the CHT region; therefore, in time, it may be considered to establish a University at Rangamati. Further, a Agriculture Training Institute may be set up at Khagrachari.

With respect to the above project recommendations, the mission wishes to indicate that - given its short duration and mandate - it was able to obtain a general impression only. Therefore, its recommendations regarding, especially, medium to longer-term priorities and projects will need further consideration. Moreover, most of the project activities being recommended would need further detailed and technical assessments as well as consultation with the stakeholders concerned, in particular intended beneficiaries, interested donors and NGOs. Furthermore, in terms of relative priority and resource allocation, any support package for the CHT area will need to be "balanced" within the totality of GoB and donors development programmes for the country as a whole, after having met the stipulated agreements reached under the Accord.

4: Capability Development of administrative and governance structures in the CHT region

The mission observed that capability development is needed at all levels of the public administration and with respect to socio-economic development at grassroots level. The latter

should, therefore, be addressed as integral part of any of the recommended short to medium/longer-term reconstruction and development programmes.

With regards to the members of the Regional and District Councils as well as Local Government personnel, it should be considered to soonest organize and conduct a crash exposure cum training programme, similar to the one being catered for under the UNDP-supported training programme by the Local Government Division with respect to the members of the elected union councils. Such training programme could be coordinated by Bangladesh Public Administration Training Centre (BPATC), whilst involving NGOs in the actual training. Priority objectives of such training programme would be to ensure that all civil servants and office bearers are fully familiar with the content and requirements of the CHT Peace Accord and that they be fully conversant with the concepts and management practices for handling post-conflict situations; methodologies and techniques required for planning and implementation of local reconstruction and development, including social mobilization and group formation.

In view of the recommended organizational structure for planning and implementing the CHT reconstruction and development programmes, the mission recommends that also union and Thana (and, if possible, even ward) representatives and officials be included in this training programme. Such ad hoc training programme for the CHT area could, after one to two years, be subsumed as part of the regular public administration training programmes.

5. Recommended organizational structures

The mission has observed that various types of short to longer term proposals or projects for the CHT area have been prepared or are being considered by various Government departments, NGOs and donors, without there being an agreed programmatic framework in place. Although commendable, this has moreover, occurred without much co-ordination having taking place. This

may to a large extent be explained by the special nature of the response required, in respect of which the mission is to outline parameters and processes - preceding a more detailed needs assessment.

The mission assumes that overall coordination of external assistance for the CHT will continue to be the responsibility of the Economic Relations Division of the Ministry of Finance, as for all other aid programmes in Bangladesh. This responsibility will be greatly facilitated when the proposed new Ministry of "Hill Tracts Affairs" is established, and the mission hopes that the Ministry will be able to take on a broader coordinating responsibility for both domestic and externally funded projects as soon as possible.

Having indicated the special nature of the response required, as well as having recommended certain support interventions, the next issue to be addressed is the organizational structure needed for programming and implementation of the various short-to-longer term reconstruction and development support activities in the CHT area. The mission is conscious that any ad hoc or interim arrangements that could be helpful in ensuring a smooth and expeditious response, will need to fit within the provisions of the Accord as well as be in compliance with the existing and evolving administrative and governance structures.

There are two major factors that will lead to adjustments in the actual mandates and functioning of the local administrative and governance systems, particularly so in the CHT area. Firstly, the Peace Accord assigns major responsibilities to the District Councils for the planning and coordination of reconstruction and development activities in the district, with overall development coordination provided by the Regional Council. Legislation to this effect is currently being processed. Secondly, the ongoing Local Government reform process is as yet to be completed.

Given the exigencies of, particularly the short term measures recommended for the CHT area, definition of the respective roles and functions of GoB's central agencies and those to be performed

by the lower-level administrative and governance bodies is essential. Likewise, coordination with donors and the roles to be assigned to NGOs will need to be further clarified at the various levels of administration. Most important of all- certainly from the perspective of peace and confidence building- ~~interim mechanisms~~ need to be established to ensure that communities (at village and ward level) can actively participate in all phases of programming and implementation.

In view of the above, and given the capacity constraints that are manifest at all levels of the public administration, the mission recommends that:

- A bottom-up management structure be considered, that would allow for direct involvement of the communities such as to best possible guarantee the relevance of the support being provided and as a means for furthering peace and confidence building. To this effect – pending elections – there is a need for the establishment of (what may be called) special **Livelihood & Basic Services Groups (LBSG)** at the Ward level, which, informally, can nominate a qualified chair person, whilst active membership of women should be ensured.
- The LBSG's recommendations would be assessed and amalgamated by the Union Council, which would- preferably- be mandated to authorize community-level projects for immediate implementation by the LBSG. Projects of effect on the Union level would need be to reviewed and decided upon at Thana level, with participation by Union Council representatives. Thana and District-level matters would be dealt with by the District Council, whilst reconstruction or development activities above these levels would be coordinated by the Regional Council and central government, as stipulated under the Peace Accord. The mission notes that budgetary and financial responsibilities will need to be further determined.
- Most of the short term rehabilitation and reconstruction activities, especially the quick response livelihood programmes would be implemented by NGOs, in collaboration with the LBSGs and, where necessary- due to scale or other considerations- the Union Councils. In this case, a clear understanding will need to be reached between, Central Government, the Regional Council and District Councils, and interested NGOs about the spatial distribution of NGO

activities, the composition of the support programmes to be delivered by the NGOs and the methods and standards of the delivery of basic services (especially health and education) and assets.

- Implementing agencies for the provision of other short to medium term services and infrastructural support should likewise be clearly identified, not least in order to allow for the earliest possible involvement of donors in needs assessment and/or programming, should their support be required.
- Given the need for comprehensive capacity development support, the mission suggest to create a small support body to assist in the early formation of the above mentioned groups, the design of the training programme referred to in chapter 4, as well as the subsequent monitoring of the quick reaction programmes (See below: next steps).

6. Optional mechanisms for funding quick reaction livelihood-and basic services

In Bangladesh elaborate systems and processes are in place for planning and budgeting public expenditure and for ensuring integration of external development contributions in support of national programme priorities. Such elaborate systems/processes inherently cause delay in the actual implementation, which in the current case of ensuring quick responses may, therefore, not be adequate.

In line with the above recommendations on organizational structures and institutional roles and responsibilities, as well as taking into account international experience in managing similar situations, consideration may, therefore, be given to alternative financing mechanisms – at least with respect the short term responses that may be decided.

The mission wishes to highlight the following options:

International Appeal

Other than the Appeal already launched by the IFRCC, the mission- based on its findings and the consultations held with donors- would see no further reason nor opportunity for launching a general international appeal in support of the implementation of the CHT Accord.

Dedicated Trust Fund

The mission does recommend that the establishment of a Trust Fund be considered, dedicated to the provision of (certain types) of short term reconstruction and livelihood support. The main purpose for the establishment of such a temporary fund is to avoid otherwise complex bureaucratic procedures, minimize dispersion of funds earmarked to meet particular needs, and to speed up the implementation of priority projects and programmes. Such a fund could very well be considered to finance a number of the above identified and recommended short term activities, especially the *quick livelihood- and basic services support programme*, once agreement will have been reached on the various organizational responsibilities involving this and other short term responses.

The Trust Fund would be open to any contributions from external (donor) sources, and could also be used to dedicate a block grant under the national budget. In principal, it could, also be used for pooling resources available to NGOs and as a means to attract donations from other sources, such as from the private sector or charity agencies. Contributions from whichever source can be made up-front or in different tranches.

If this option would be considered, it would need to be decided who would be responsible for the management of the fund. This could either be a central agency at the central government level or, preferably, a decentralized body, such as the Regional Council, whilst the Fund operations would

be overseen by a Board of Trustees, answerable to both the national or local authorities and donors (or representative donor agency) concerned. Should current procedures delay or prohibit the establishment of such dedicated fund, then it may be considered to request an international agency to establish such Trust fund. Under all circumstances, it would be advisable to request an international agency to provide administrative management support and to undertake financial control of all transactions through the fund.

The obvious advantage of such fund is that it would allow for quick disbursements, against agreed criteria, directly to the administrative level for which allocations have been approved. Thus, in case a decentralised structure for programme planning and implementation - as recommended above - would be decided, the use of such Trust Fund would allow for expeditious processing of financial flows to District or lower levels, whilst administrative "red tape" is being kept to a minimum. Furthermore, participation in the trust fund by donors can - as experienced in other peace operations - enhance the momentum of the peace building process.

The exact modalities for making contributions, allocations and administration of a Trust Funds can be worked out in a relatively short time.

Co-funding

Alternatively, or in conjunction with a Trust Fund, certain donors may be interested to co-finance agencies with active or intended programmes. Usually this is being considered for programmes or projects undertaken or intended by multi-lateral institutions or NGOs. These co-funding arrangements can be agreed between the implementing agency, interested donors and ERD. This would in particular apply to UN agency programmes (in particular: UNICEF, WFP and UNDP). However, it would need to be clarified how, procedurally, co-financing of NGO programmes could be achieved without too much delay.

7. Recommended next steps.

7.1. GoB is to consider mission's recommendations, and to reach agreement with leading donors/NGOs on proposed immediate responses (especially, targeted and community-based livelihood support and confidence-building measures) and required organizational/funding mechanisms, as well as on ways and means for participatory programming of medium-to long term support.

- Depending on (7.1.), GoB/donors may wish to form a *Support Team* in order to assist the Regional/District Councils in implementing the mission recommendations. Such team would include an economist/planner, with experience in managing (responses to) post-conflict situations, an agronomist/agricultural expert, a social sector practitioner, an engineer and a person (woman) experienced with social mobilization. This team would assist in:
 - Conducting detailed, technical review of all existing proposals for immediate or development assistance to the CHT.
 - The setting-up of proposed organizational mechanisms, the organization of training and advise to the Livelihood and Basic Services Groups.
 - Design of funding mechanisms, especially in case the establishment of a Trust Fund would be agreed.
 - Undertake additional project formulation and/or facilitation of project formulation missions by any individual donors.
 - Overall monitoring of immediate support to the implementation of the Chittagong Hill Tracts Accord, and regular reporting to the GoB-donor work group.
 - Assist GoB and the lead-support donor agency in donor consultation and resource mobilization.

Annexes

- A. Terms of reference of the mission
- B. Members of the mission
- C. Matrix government portfolio
- D. Consultations

Annex – A

Terms of reference for The identification of short to medium-term requirements in Support of the Chittagong Hill Tracts Peace Accord

Introduction

Following more than two decades conflict, a Peace Accord on the Chittagong Hill Tracts was concluded on 2 December 1997.

Subsequently, GoB initiated discussion with its development partners on the need to undertake immediate support measures and to initiate the design of development programmes in respect of the Hill Tracts.

To this effect, the Special Affairs Division (SAD), in consultation with the Economic Relations Division (ERD), compiled an initial portfolio of project interventions that was shared with a selected number of donors on 22 February 1998. Since there appeared to be need for further consultation between GoB and donors on the purpose and modalities for assistance, it was decided to establish a joint GoB-donor working group. The group was to articulate the principal parameters, and process requirements, for elaborating immediate and medium-term support measures in respect of the Hill Tracts. Meanwhile, UNDP had been requested to facilitate coordination among donors interested in supporting the implementation of the Peace Accord.

The GoB-donors working group, chaired by ERD, during its first meeting on 12 March 1998, reached agreement on the following, principal parameters and next steps to be undertaken:

Parameters

- (i) The overarching goal of support interventions in the area is to underpin the Peace Accord in promoting peace and development of the Chittagong Hill Tracts area.
- (ii) This would require a phased approach, involving due consultation with, and participation by the various population groups present in the region; the local, regional and national authorities; and interested donors agencies.
 - In the short term, immediate support measures need to be determined – and quick responses to be provided. Such support is to meet the obligations of the Peace Accord, whilst catering for immediate needs of both the returnees and the communities into which the returnees are to be (re-) integrated.
 - In parallel, mechanisms need to be developed for programming longer-term development programmes that will meet both the aspirations of the various groups present in the region and the national/regional development agenda.
 - The actual planning and delivery of both short and longer-term support would best be undertaken in such a manner that it will contribute to consolidating the resolution of conflict and to reconciliation amongst the erstwhile conflicting parties.

- (iii) It would thus be necessary to take stock of (a) all immediate to medium-term needs as identified by all stakeholders present in the area, as well as of (b) short to longer-term requirements for physical, administrative and social infrastructure in the region.
- (iv) Furthermore, the response to these needs and requirements would have to be prioritized, phased in time, take into account the absorptive capacity, and be in line with the resources that are available (at local and national level) and that can be expected from external sources.
- (v) For such approach to be effective, the direct/local stakeholders would need to be fully involved in needs assessment and prioritization, programming and actual implementation of the programme support. Such holistic and consultative approach would also benefit from having relevant governmental, NGO and donor agencies involved at all crucial stages of the programming exercise and, subsequently, in the monitoring of the support programme.
- (vi) This approach would imply that the management of the overall support effort be, as much as possible, decentralized and participatory in nature, with appropriate coordination mechanisms designed. Enhancement of technical and managerial skills would, therefore, have to be part and parcel of any donor support package.

Next steps

Based on the above parameters, the working group concluded that a mission be fielded, as soon as possible, to advise the group according to the Terms of Reference indicated below.

Following a review and final agreement on the recommendations by the mission, the group expects that it will be in position to conclude on how donors could package their support and on how to disburse (or have managed) its contributions to the programme.

Terms of Reference for the mission

1. Identify all relevant stakeholders present in the Hill Tracts area, especially those being directly involved with and affected by the Peace Accord, and consult with their representatives on (a) the immediate needs to be met, and on (b) how an immediate response can best be delivered. The immediate response may include, but need not be confined to: supply of food/ drinking water; supply of housing/construction materials; repair of roads and other physical infrastructures; immediate health care particularly for women and children; education for children; malaria prevention and other immediate health and sanitation requirements; repair or construction of places of worship, inter-communities confidence building activities, etc.
2. Consult with the local stakeholders on modalities for undertaking a more systematic and comprehensive assessment of longer-term development (such as rapid appraisals, stakeholder workshops, technical assessments, etc). This would likely include the setting up of mechanisms and outlining of processes for decentralized and participatory

It is of note, as was pointed out by several donors, that in case additional (special purpose) funds are being solicited, this would require considerable lead-time. This factor should, therefore, be taken into account when determining how best the programme or constituent support requirements be packaged and presented for inclusion in the Annual Development Plan and for the purpose of mobilizing external contributions.

planning and project implementation at community and sub-regional levels. In this respect, the mission is also to make an initial assessment of technical skills and management support requirements that will be needed to ensure effectiveness of such decentralized planning and implementation mechanisms.

3. As part of its consultations, the mission is also to review, and validate, with the local stakeholders the project portfolio as has been compiled by SAD/ERD/Planning Commission.
4. The mission is to summarize its findings and recommendations in a short report, and based on the comments by the working group, to design requisite documents for providing an immediate response and for setting up the modalities needed for decentralized and participatory planning and sourcing of medium to longer term development requirements.

Mission composition

The working group agreed that the mission best be comprised as follows:

1. A senior (former) civil servant who is familiar with the Chittagong Hill Tracts and known to the various local stakeholders, who is experienced with the national planning and budgeting processes as well as donor cooperation, and who will serve as a Team Leader.
2. A professional who originates from one of the indigenous peoples.
3. A professional who originates from one of the indigenous peoples, but from a different indigenous group than the professional selected under 2 here above.
4. A professional to be deputed from UNICEF staff with experience of the CHT.
5. An international consultant who has extensive experience in designing a response to post-conflict situations.

Timing and duration of the mission

The mission is to be fielded as soon as suitable and available mission members will have been selected.

The mission will start with a preparatory phase of about two weeks, to gather all relevant documents and information from concerned stakeholders. It will be followed by three weeks field work, at the end of which a report shall be submitted to the working group. The mission shall finalize the above-specified outputs within a week after submission of the first report to the working group.

Funding of the mission

UNDP had earlier indicated its readiness to support and fund a support mission to facilitate earliest possible programming and donor mobilization in support of the Chittagong Hill Tracts Accord.

Annex – B

Mission Members:

1. Mr. Ali Haider Khan (Retired Senior Civil Servant with long experience in CHT)
2. Mr. Kushal Dewan (Chakma origin, Retired Director, Food Crops Wing, DAE, M/O Agric.)
3. Mr. U. K. Zan (Marma origin, Addl. Chief Metropolitan Magistrate, Dhaka)
4. Mr. Shafiqul Islam, Chief, Chittagong Cluster, UNICEF) ✓
5. Mr. Henny J. Van der Graaf (Netherlands), UN Consultant on confidence and peace building.

Sl.No.	Short Title of Project	Sector	Implementing Agency	Implementation Period	Estimated Cost (In Lac)
1.	Construction, reconstruction & repair of road.	Communication	District Council: Bandarban	1997-2002 (5 Years)	1915.00
2.	Construction, reconstruction & repair of bridges and culverts.	Communication	Do.	Do.	285.00
3.	Construction, reconstruction and repair of primary schools.	Education	Do.	Do.	200.00
4.	Health care and EPI.	Health	Do.	Do.	600.00
5.	Malaria prevention programme.	Health	Do.	Do.	60.00
6.	Repair & reconstruction of Health & Family Welfare Centres (HFWC).	Health	Do.	Do.	40.00
7.	Development of religious institutions.	Social Welfare	Do.	Do.	150.00
8.	Food for Works Programme:				
	i) Dry season	Relief	Do.	Do.	7000 M/T
	ii) Rainy season	Relief	Do.	Do.	6000 M/T
9.	Construction and reconstruction of roads, bridges and culverts.	Communication.	District Council: Rangamati	Do.	2,300.00
10.	Development of primary schools.	Education.	Do.	Do.	250.00
11.	Health care & EPI.	Health.	Do.	Do.	600.00
12.	Malaria control.	Health.	Do.	Do.	40.00
13.	Maintenance & repair of FWC/THC.	Health.	Do.	Do.	60.00
14.	Development of religious institutions.	Social Welfare	Do.	Do.	150.00
16.	Food for Works Programme:				
	i) Dry season	Relief	Do.	Do.	8000 M/T
	ii) Rainy season	Relief	Do.	Do.	6000 M/T

ANNEX -- C (Matrix Government Portfolio)

17.	Development of roads.	Communication	District Council: Khagrachari	1997-2002 (5 Years)	3,000.00
18.	Development of primary schools.	Education	Do.	Do.	300.00
19.	Primary health care and EPI	Health	Do.	Do.	800.00
20.	Control & prevention of Malaria	Health	Do.	Do.	100.00
21.	Repair and development of Family Welfare Centre (FWC) and Union Health Centre (UHC).	Health	Do.	Do.	100.00
22.	Development of religious institutions.	Social Welfare	Do.	Do.	200.00
23.	<i>Food for Works Programme:</i>				
	i) Dry season	Relief	Do.	Do.	10,000 M/T
	ii) Rainy season	Relief	Do.	Do.	8,000 M/T
24.	Construction of office and residential buildings of Regional Council.	Infrastructure	Ctg. Hill Tracts Dev. Board	1997-2000 (3 Years)	2,500.00
25.	Repair, reconstruction and development of secondary schools, colleges and madrasahs	Education	Do.	1997-1998 (1 Year)	1,250.00
26.	Supply of drinking water & sanitation.	Health	Do.	1997-1998 (1 Year)	2,000.00
27.	Construction of 955 KM Pucca road including bridges & culverts.	Communication	Do.	1997-2007 (10 Years)	60,000.00
28.	Strengthening of Chittagong Hill Tracts Development Board: Phase - II.	Infrastructure	Do.	---	1,000.00
29.	Rehabilitation & socio-economic development of 1,500 poor & distressed women.	Social Welfare	Do.	1997-1999 (2 Years)	2,982.80
30.	Rehabilitation of landless farmers through rubber plantation.	Agriculture	Do.	1998-1999 (1 Year)	10,891.30
31.	Rubber plantation in private owned upland.	Agriculture	Do.	1998-1999 (1 Year)	6,550.00

How does this
relate to
DPHB - PCP

ANNEX -- C (Matrix Government Portfolio)

32.	Immediate activities for implementation of Peace Agreement.	—	Special Affairs Div.	1997-1999 (2 Years)	10,187.00
33.	Production and employment project in CHT.	—	Bangladesh Rural Development Board	Three Years	2,500.00
34.	Rural road maintenance through destitute women.	Communication	Local Govt. Engg. Department	1998-2001 (3 Years)	1,528.84
35.	Development of feeder roads (including bridges & culverts).	Communication	Do.	1997-2002 (5 Years)	18,120.00
36.	Development of rural roads including bridges & culverts.	Communication	Do.	Do.	22,535.00
37.	Development of growth centres.	---	Do.	Do.	30.00
38.	Construction of 40 water reservoirs. <i>irrigation</i>	---	Do.	Do.	35.00
39.	Construction of Jetty.	---	Do.	Do.	100.00
40.	Construction of Bus Terminals.	Communication	Do.	Do.	750.00
41.	Development of infrastructure for Tourism.	---	Do.	Do.	1,000.00
42.	Low-cost housing.	---	Do.	Do.	1,500.00
43.	Bio-gas plant.	---	Do.	Do.	23.40
44.	Union Parishad Complex.	---	Do.	Do.	2,900.00
45.	Accelerated development of rural roads.	Communication	Do.	1997-2000 (3 Years)	1,000.00
46.	Accelerated Development of Growth Centre/Market.	---	Do.	Do.	3,000.00
47.	Participatory afforestation in 74,210.53 Hectares of unclassified forest and rehabilitation of 2,600 Jhumia families in 5,263.16 Hectares of land.	Forestry	Min. of Env. & Forest/Forest Dte.	1998-99 to 2004*05 (7 Years)	46,092.25
48.	Fish culture, catching and distribution adopting improved method in Kaptai Lake through participation of local people.	Fisheries	Fisheries Dev. Board	1998-99 to 2000-2001 (3 Years)	950.00

Annex - D

Consultations

1. The mission consulted concerned Government, NGOs, donors in Dhaka and obtained their viewpoints/ideas/suggestions with regards to the TOR of the mission.
2. The mission also consulted the stakeholders at district, thana and community levels in order to get their opinions with regards to the 'peace building and quick reaction livelihood programs'.
Focus Group Discussions were organized to get feed back from them on their needs.
3. The mission undertook extensive visits from 18 April to 29 April to the different parts of the 3 Hill Districts in order to see for themselves the real situation of the people of the 3 Hill Districts and interact with them.
4. The mission carefully studied the project proposals submitted by different executing agencies/NGOs and came to an agreement how these could be phased out for implementation in view of the immediate, short term and long term programs in the CHT region.
5. The mission undertook individual interviews of UP women members, BRDB women members, headmen, karbaris, UP Chairmen, Chairman of the L.G.C., Pourashava and tribal Chief and elites of the town in order to get their view points.
6. The mission met the two brigade commanders of the two Hill districts as they have been involved in the development of the area in order to get their opinions about the immediate, short term and long term needs of the four categories of people affected during the insurgency.
7. The mission met the Chairman, Parbattya Chattagram Jana Sanghati Samity (PCJSS), Jyotirindra Bodhipriyo Larma (Santu Larma) and the Refugee leader, Upendra Lal Chakma and exchanged views with them and obtained opinions of the two leaders.
8. The mission visited three districts and eight thanas of the CHT region and met sectoral heads and exchanged views with them with regards to the assessment of needs of the CHT region as well as staffing positions of the respective department against the sanction posts.

= Group exercise.

= Base case ^{by} Sister Angela

300
= 1000
= 1000

= Problem tree / situation analysis

= GOB policy

- Actor analysis.