

# A Strategic Framework for Sustainable Development in the Chittagong Hill Tracts of Bangladesh



Ministry of Chittagong Hill Tracts Affairs  
Government of the People's Republic  
of Bangladesh



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# A Strategic Framework for Sustainable Development in the Chittagong Hill Tracts of Bangladesh \*

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and

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# Executive Summary

The Chittagong Hill Tracts (CHT) is an ethnically, culturally, and topographically diverse region of Bangladesh with a population of approximately 1.6 million, including 12 small ethnic communities with distinct tribal cultures and traditions. It covers 9% of the country's land area, has 40% of the forest cover, and is home to 1% of the population.

With a poverty incidence of more than 50%, the CHT is one of the economically least advanced regions in Bangladesh. The majority of the population relies on subsistence farming, and especially jhum farming practices. With increased environmental degradation and a low capacity to adapt to the impacts of climate change, the current agricultural practices can no longer sustain the population of the region. The region also lacks good healthcare, sanitation, education, banking, finance, and transport facilities. In the past, socio-political tensions and an insurgency affected the development process, and the CHT remained alienated from mainstream development for close to two decades.

Despite the challenges, the CHT has a huge potential for development, especially in high-value horticulture, off-season vegetables, tourism, and trade. With its majestic beauty, the region can attract millions of tourists from around the world, and the CHT could be promoted as a world-class tourism site. The terrain is suitable for the production of a number of high-value agricultural products, including various fruits, off-season vegetables, and seeds. With proper development of a market infrastructure, farmers could earn better prices for their produce. Agribusiness is a sector which the region can usefully prioritize; farmers can be trained in agro-processing techniques to promote agribusiness. Skill enhancement programmes for the rural youth of CHT would help those seeking foreign employment and make good use of the ample workforce, while benefitting the region's rural economy through the resultant remittances. More specifically, the region can be developed as a trade transit area between the mainland economy and the countries to the east, especially Myanmar, Thailand, and China. All these approaches will eventually help to improve the local economy.

The Government of Bangladesh aims to reduce poverty and achieve middle income country status by 2021. After signing the Peace Accord in 1997, improved prospects have emerged for the socioeconomic development of the people of the CHT. To achieve this, the developmental needs of the CHT must be duly reflected in the coming 7th Five Year Plan now being prepared by the Planning Commission. An explicit strategy is needed in the Plan for development of the region. This paper assesses the development challenges and opportunities in the CHT and proposes some integrated strategies for the development of the farm and non-farm sectors within a supportive environment that provides peace, stability, and good governance, together with appropriate policies and institutional mechanisms. The approach implies a shift in focus from agriculture to the development of the secondary and service sectors and will bring dynamism into the rural economy. Promoting non-farm activities and supporting labour mobility, both farm to non-farm and internal and external migration, could be key elements in a rural development and poverty reduction strategy for the region and could help to address the growing population pressure.

The suggested measures for ensuring peace, stability, and good governance include implementing the outstanding elements of the Peace Accord, expediting the process for resolving land disputes, reducing conflict over land resources by increasing alternative sources of livelihoods, strengthening decentralization and devolution of authority to the CHT institutions, and strengthening coordination of development activities. The strategies for strengthening policy and institutional support include preparing a perspective plan, allocating adequate resources for building infrastructure and for human resource development, developing incentive mechanisms to attract investment in the CHT to create employment, and increasing opportunities for youth employment and economic engagement.

The suggested strategies to strengthen the traditional farming sector include initiatives to a) strengthen agriculture through integrated watershed management that supports increased productivity while maintaining ecosystem services; b) transform jhum practice, where appropriate, to agroforestry, horticulture, animal husbandry, and other more productive systems through the provision of support packages to facilitate market access by investing in farm roads, and increasing productivity by modernizing agriculture; c) strengthen post-harvest management, value chain development, processing, packaging, certification, and branding; d) strengthen local institutions by facilitating

community mobilization in terms of farmers groups, associations, and cooperatives; e) facilitate access to credit and information through promotion of rural credit schemes and formation of community-based savings and credit organizations, and empowering with timely market information; and f) facilitate access to resources, in particular, effectively ensuring security to ethnic communities as an urgent priority.

Strategies to promote the non-farm sector include a) the creation of productive employment opportunities through the provision of skills development and vocational training for promoting non-farm economic activities; b) encouraging labour mobility and internal and external migration through greater exposure of ethnic communities to mainstream society to acquire skills, provision of knowledge and information as preparation for national and external job markets, and provision of financial and other advisory services to enhance the capacity to seize job opportunities; c) the development of community based ecotourism to generate rural employment and income; and d) creating an enabling environment and providing targeted incentives for private investment in the region.



# Message from the Secretary, Ministry of Chittagong Hill Tracts Affairs, Government of the People's Republic of the Bangladesh

The Chittagong Hill Tracts (CHT) is a geographically and culturally diverse region covering 13,295 square kilometres located in the southeastern part of Bangladesh, and home to 1.6 million people including 11 ethnic communities. The CHT is not only culturally diverse, it is also rich in natural resources. About 40% of Bangladesh's forest land is in the CHT; the forest plays an important role in conserving biodiversity, preventing erosion, maintaining water quality and flow, reducing the severity of floods, and regulating the local and regional climate. The region is also an important source of vital ecosystem services that are significant for economic development, environmental protection, ecological sustainability, and human wellbeing, both for the population of CHT and downstream. The diverse flora and faunal species contribute to the scenic beauty of the landscape, which offers some of the finest views in Bangladesh.

Despite the rich biological, cultural, and environmental resources, the CHT has remained one of the most disadvantaged and backward regions in the country. Socioeconomic development in the CHT has been seriously affected by three decades of conflict and insurgency. The region lags behind in almost all development indicators such as poverty, income, food security, health, and education, and in access to roads, infrastructure, electricity, and credit facilities. The incidence of poverty in the CHT is about 50 per cent; considerably higher than the national average of 31%. The Planning Commission lists Bandarban as one of the three poorest districts in Bangladesh. Even after the huge development efforts that followed the signing of the Peace Accord in 1997, much of the CHT remains physically and socioeconomically backward. Favourable policy and institutional support is required for achieving equitable growth and reducing poverty in the CHT.

Development interventions in the CHT started after the signing of the Peace Accord in 1997. Fifteen years of systematic development efforts have brought improvement, but much remains to be done. The Government of Bangladesh is now preparing the 7th Five Year Plan (2015/16 to 2019/20). The Government is committed to creating a more inclusive and equitable society through the inclusion of ethnic, religious, and cultural minorities into the national and social development agenda. The Peace Accord signed in 1997 notes that *"The Government shall allocate additional finance on a priority basis for the implementation of an increased number of projects towards development in the Chittagong Hill Tracts. The Government shall implement new projects on a priority basis for the construction of the required infrastructure for the development of the region and shall allocate necessary finance to this end."*

Comprehensive strategies are required to promote faster and inclusive development of the CHT. The International Centre for Integrated Mountain Development (ICIMOD), a regional intergovernmental organization focusing on mountain issues in the eight countries of the Hindu Kush Himalayan region (Afghanistan, Bangladesh, Bhutan, China, India, Myanmar, Nepal, and Pakistan), has been working with the Ministry of Chittagong Hill Tracts Affairs to support the visioning and development of a framework for sustainable development in the Chittagong Hill Tracts to improve the lives and livelihoods of the local people. The Ministry of Chittagong Hill Tracts Affairs is organizing jointly with the Planning Commission and ICIMOD a consultation meeting on "Seventh Five Year Plan and Development Vision for Chittagong Hill Tracts, Bangladesh" on 11 May 2015 to identify challenges and opportunities and suggest approaches and strategies for accelerating socioeconomic development in the CHT. I believe this paper will help stimulate discussion on the challenges to socioeconomic development of the CHT and find solutions, and will contribute to strengthening the mountain and hill perspective in the 7th Five Year Plan. I extend my sincere thanks to ICIMOD and the Planning Commission for their support for the people of the CHT and their socioeconomic development.

**Naba Bikram Kishore Tripura, ndc**  
Secretary  
Ministry of Chittagong Hill Tracts Affairs  
Government of the People's Republic Bangladesh

# Message from the Member of the Planning Commission, the People's Republic of the Bangladesh

Bangladesh is making significant progress in economic and social development. The per capita gross domestic product (GDP) is growing at a rate of 6%, which is projected to increase to 7–8% in the coming years. Bangladesh has also achieved a remarkable growth in export earnings; the share of the export portfolio in GDP increased to 22% in 2011. Bangladesh is the 43rd largest economy in the world in PPP terms and progressing towards becoming a middle income country. It may soon be among the emerging economies of the 21st Century, after Brazil, Russia, India, and China. The overall proportion of the population living below the poverty line has been reduced by 44% over the last two decades.

While there has been overall improvement in the socio economy of the country, some regions of Bangladesh, including the Chittagong Hill Tracts (CHT), still lag behind. The Government of Bangladesh is committed to the socioeconomic development of the people of the CHT. Faster and more inclusive development will be critical for building confidence and promoting a peaceful situation, and increasing economic benefits can help to ameliorate ethnic tensions. Livelihood security, economic growth, and equity are prerequisites for peace and stability in the CHT.

The Government of Bangladesh is currently in the process of developing its 7th Five Year Plan. Deeper understanding of the socio-cultural and geographical characteristics of the CHT is crucial for developing an effective plan. This is an opportune moment for the key stakeholders to brainstorm and contribute to developing a strategic plan for the CHT under the 7th Five Year Plan that will truly stimulate inclusive and pro-poor growth in the region.

I congratulate the Ministry of the Chittagong Hill Tracts and the International Centre for Integrated Mountain Development for organizing this timely consultation meeting, and I hope that this paper will stimulate wider discussion and contribute to strengthening the CHT perspective in the 7th Five Year Plan.

**Professor Shamsul Alam**

Member (Senior Secretary)

General Economics Division

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Government of the People's Republic Bangladesh

# Foreword

Bangladesh has had an impressive economic growth rate over recent years. With this rapid pace of development, the government aims to reduce poverty and inequality and achieve middle income country status by 2021. The government is also committed to creating a more inclusive and equitable society with inclusion of disadvantaged ethnic and tribal communities into the mainstream society and economy.

Like other mountain regions in the Hindu Kush Himalayas, the Chittagong Hill Tracts (CHT) faces greater development challenges than the adjacent plains areas due to its rugged terrain, remoteness, and limited off-farm employment opportunities, now compounded by the impacts of climate change. In spite of considerable development efforts, the CHT remains one of the economically least advanced regions of Bangladesh. Poverty is still widespread, human development is low, and food insecurity and vulnerability are high. The majority of the population relies on subsistence farming to meet its daily needs. Increased environmental degradation, decreased land per capita, and low socioeconomic development have left people struggling to adapt to climatic and socioeconomic change and to improve their lives and livelihoods.

At the same time, the CHT has an immense potential for sustainable development. The region is rich in forest, water, biodiversity, and other natural resources. With its scenic beauty and cultural diversity, the CHT could attract millions of tourists from around the world. With the appropriate infrastructure in place, the region could be promoted as a world-class tourism site. The region is also suitable for production of a number of high-value fruits, off-season vegetables, and seeds, among other niche products. The potential for these niche products could be harnessed through proper development of value chains and market infrastructure and the promotion of agribusiness. In recent years, the framework for rural development has changed significantly due to globalization, increased connectivity, labour mobility, progress in transportation and communication, and advances in mobile and internet technologies. In the CHT, the introduction of mobile and internet technologies and construction of new roads has substantially increased the development potential.

The Planning Commission of the Government of Bangladesh is currently in the process of formulating the country's 7th Five Year Plan (2015/16-2019/20). The Plan is critically important for the CHT, which needs supportive policies and strategies. The CHT has specific needs, requirements, and capabilities, and thus requires differentiated measures and approaches and delivery mechanisms that are appropriate to the local cultural and social context. It is important for the development of the CHT to have an explicit strategy in the Plan appropriate to the local cultural and social context.

It is heartening to see that the Ministry of Chittagong Hill Tracts Affairs and the Planning Commission of Bangladesh is intent on understanding the development issues facing the CHT and finding solutions for accelerating socioeconomic development. ICIMOD is honoured to be a part of this process, supporting increased understanding and helping identify appropriate solutions for the long term. The paper presented here has been prepared as a contribution to the consultation meeting on 'Seventh Five Year Plan and Development Vision for Chittagong Hill Tracts, Bangladesh' organized by the Ministry of Chittagong Hill Tracts Affairs jointly with the Planning Commission and ICIMOD on 11 May 2015 in Dhaka. I hope that the paper will bring some insights that will help in identifying development solutions in the CHT and contribute to shaping the development perspective on the CHT in the 7th Five Year Plan

**David Molden, PhD**  
Director General  
ICIMOD

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This paper was presented at a Consultation Meeting on the 7th Five Year Plan and Development Vision for the Chittagong Hill Tracts, Bangladesh, held on 11 May 2015 in Dhaka, jointly organized by the Ministry of Chittagong Hill Tracts Affairs, the Planning Commission, and ICIMOD. The author is grateful to the session chair Prof. Shamsul Alam, Member of the Planning Commission, as well as panellists Dr Qazi Kholiuzzaman Ahmad, Chairman of the Palli Karma Sahayak Foundation (PKSF); Prof. Mezbah Kamal, Dhaka University; and Dr Avijit Poddar, Director of the Human Development Research Centre for their valuable and constructive comments. The comments and feedback received during the discussion were very useful in improving the paper. Special thanks also go to Mr Md Samsuzzaman, Additional Secretary; Mr Basudeb Acharya, Joint Secretary; Mr Priya Jyoti Khisa, Joint Secretary; Mr ASM Shahen Reza, Deputy Secretary; and Ms Tania Khan, Senior Assistant Chief, for their efforts in organizing the consultation meeting; to Mr ABM Nasirul Alam and Sudatta Chakma for serving as rapporteurs; and to Mr Mohammad Rafiqul Islam, Joint Chief of the Planning Commission, for his support.

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# Acronyms and Abbreviations

ADB	Asian Development Bank
BDT	Bangladesh Taka
CHT	Chittagong Hill Tracts
CHTDF	Chittagong Hill Tracts Development Facility
CHTRC	Chittagong Hill Tracts Regional Council
FAO	Food and Agriculture Organization
GDP	Gross Domestic Product
HDC	Hill District Council
ICIMOD	International Center for Integrated Mountain Development
MOCHTA	Ministry of Chittagong Hill Tracts Affairs
MOHAFW	Ministry of Health and Family Welfare
PPP	Purchasing Power Parity
RF	Reserved Forest
UNDP	United Nations Development Program
UNICEF	United Nations International Children Emergency Fund
USF	Unclassed State Forest
VCF	Village Common Forest
WFP	World Food Program

## 1. Introduction: The Development Context of the CHT

The Chittagong Hill Tracts (CHT) is an ethnically, culturally, and topographically diverse region extending over 13,295 square kilometres, or 10% of Bangladesh's land area. The population of more than a million includes 12 ethnic communities with unique cultures and traditions. The region has rich natural and environmental resources with hills, forests, rivers, and lakes, a diverse flora and fauna, and areas of outstanding scenic beauty. The CHT provides important ecosystem services that play a significant role in economic development, environmental protection, ecological sustainability, and human wellbeing, both in CHT itself and downstream. About 40% of Bangladesh's forest land is in the CHT with 319,614 ha of reserved forest (RF), close to a quarter of the CHT land area, and more forest areas in the form of protected forest, sanctuaries, unclassified state forest (USF), and village common forest (VCF). The forests play an important role in conserving biodiversity, protecting the regional environment, preventing erosion, maintaining water quality, regulating water flow, reducing the severity of floods, and regulating local and regional climate.

Even though the CHT has immense biological, cultural, and environmental resources, it remains one of the most disadvantaged and vulnerable regions in the country. The CHT lags behind in almost all development indicators, such as poverty, income, food security, health, and education, and in access to roads, infrastructure, electricity, and credit facilities (Zohir 2011; Sen 2014). According to a survey conducted by Barakat et al. in 2009, the incidence of poverty in the CHT is about 60%, much higher than the national average of 31%, and some of Bangladesh's 'hardcore poor' are found in this region. The Planning Commission lists Bandarban in the CHT as one of the three poorest districts in Bangladesh. Even after the huge development efforts that followed the signing of the peace accord in 1997, much of the CHT remains physically and socioeconomically backward. There are several reasons for this, including the rugged and inaccessible terrain. Although recent developments have brought considerable improvement, much remains to be done.



Bangladesh is now growing fast and aiming to accelerate economic growth, reduce poverty and inequality, and become a middle income country by 2021, as well as to create a more inclusive and equitable society through the inclusion of ethnic, religious, and cultural minorities into a national and social force. To accelerate economic growth and promote social harmony, special attention needs to be given to the CHT to support social inclusion and faster and peaceful development.

Bangladesh is now preparing its 7th Five Year Plan (2015/16 to 2019/20). The Plan sets development goals, identifies priority areas, and develops strategies and instruments to guide and influence the country's development. The Planning Commission has commissioned 25 background studies (<http://www.plancomm.gov.bd/7th-five-year-plan/>) to generate relevant data and information to feed into the Plan, but so far no background paper has been commissioned on the CHT. As a result of its specific geographical, cultural, and social setting, the CHT faces specific challenges and has specific needs. Poor understanding of this specificity may lead to inadequate attention in formulation and implementation of the Plan. Livelihood security, economic growth, and equity are prerequisites for peace and stability in the CHT, and a failure to address the specific needs of the area creates potential risk of social and political instability. As mentioned in the Sixth Year Plan (page 159), there is a "lack of comprehensive understanding of the problems of ethnic communities" and "lack of specific objectives concerning the needs and concerns of ethnic people in the mainstream policies of respective ministries/divisions". The CHT deserves special attention in order to address the development challenges it faces and to redress past grievances and marginalization. This will also contribute to meeting the government's aim of creating a more inclusive and equitable society, and the vision of ensuring that ethnic, religious, and cultural minorities have access to education, healthcare, food and nutrition, and employment, as well as protection of rights to land and other resources, so that they become a part of the national force.

In view of the preparations for the 7th Five Year Plan, it is important to assess the current situation, development issues, challenges, and opportunities in the CHT, and articulate a clear goal and future course of action. This paper aims to briefly assess the development challenges and opportunities and suggest some broad strategies and approaches for socioeconomic development in the CHT. It is broadly divided into six sections: this introduction; an overview of growth in Bangladesh; a brief description of the sociocultural and geographic characteristics of the CHT; a summary of development issues and challenges; a summary of development potential and opportunities; and finally an outline for a strategic framework for sustainable development.

## **2. Growth Trajectory in Bangladesh: A Structural Transformation**

Bangladesh has made significant progress in economic and social development since independence. The per capita gross domestic product (GDP) increased from around USD 200 in the 1970s to USD 1,900 in 2011 in purchasing power parity (PPP) terms. The GDP growth rate has risen from 2–3% in the 1970s, to around 3.5% in the 1980s, 4.5% in the 1990s, and 6% in the present decade. Bangladesh has also achieved a remarkable growth in export earnings; the export share in GDP increased from 5% in 1972 to 22% in 2011. National savings and investment have increased significantly and dependence on foreign aid has declined. The current account balance has been improving and macro-economic indicators are quite stable. The Bangladesh economy has also become increasingly integrated with the global economy in recent years through trade, inflow of remittances, inflow of foreign direct investment (FDI), and portfolio investments. Bangladesh is now the 43rd largest economy in the world in PPP terms and progressing towards a growth rate of 7–8% per annum; it will soon become a middle income country. According to Goldman Sachs, Bangladesh will be among the 11 emerging economies of the 21st Century, after Brazil, Russia, India, and China.

Bangladesh has not only shown impressive achievements in economic growth, its economic structure has also changed. Historically, the Bangladesh economy was dominated by agriculture, and the majority of rural people depended on agriculture for their livelihoods. During the last two decades, there has been a structural transformation in the economy with a shift from a predominantly agriculture-led economy towards an industry and service economy (Alam 2015a). The contribution of the agricultural sector to GDP declined from 38% in the early 70s to 20% in 2012/13, while the contribution of the industrial sector increased from 15 to 30% and the

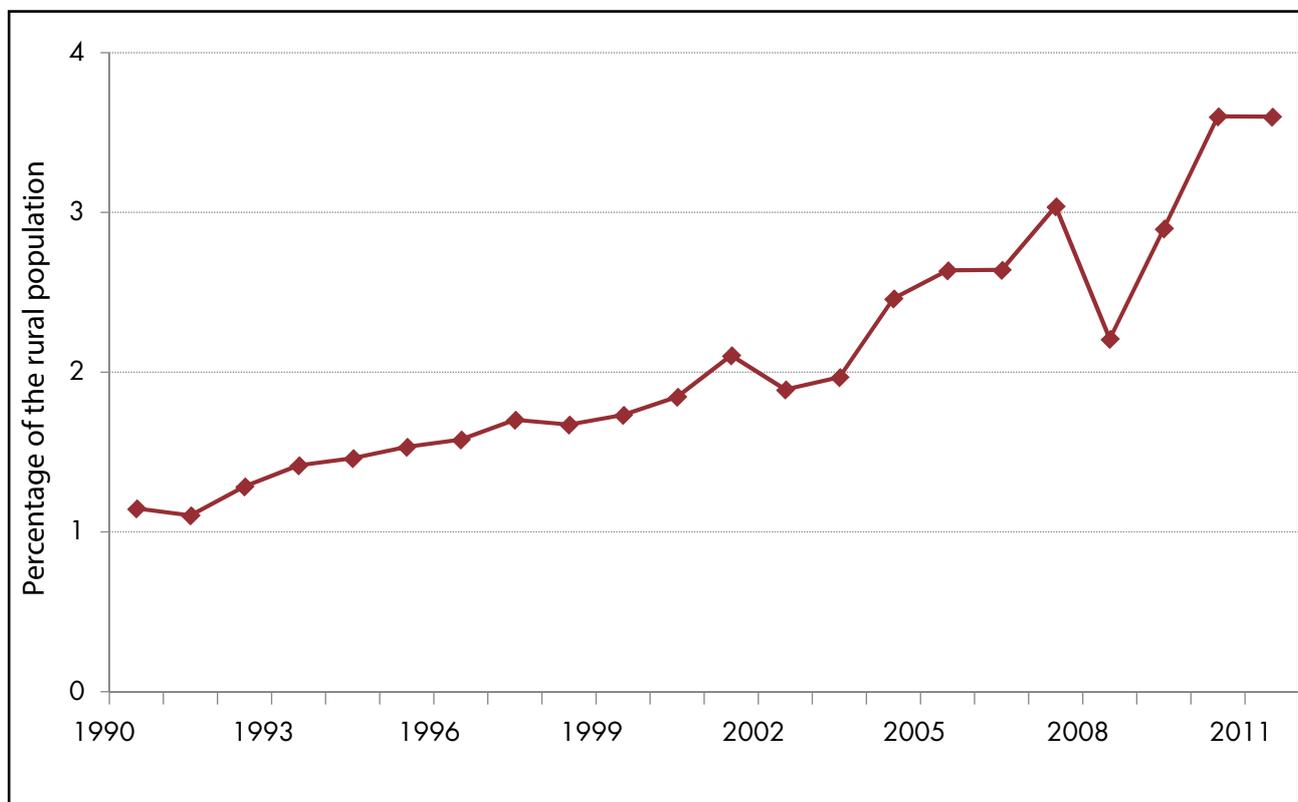
service sector from 42 to 50% over the same period. Similarly, while about 80% of the labour force used to work in agriculture in the 1970s this went down to less than 50% in 2010. Employment in the service sector increased from 20 to 35%, and in the industrial sector from 10 to 18%. The per capita availability of land dropped from around 0.17 ha in 1961 to 0.05 in 2009 (Helal and Hossain 2013), further underlining the need to focus on the non-agricultural sector for employment growth. As the economy grows, an increasing proportion of the labour force will move from agriculture to the industrial and service sectors (Osmani et al. 2006).

Bangladesh has also made significant progress in social development and reducing poverty. The proportion of the population living below the poverty line went down by 44% between 1991 and 2010. Absolute poverty has also declined significantly in recent years (Alam 2015a; Alam 2015b;). The success in poverty reduction is partly due to the growth of the non-farm sector. While both the agricultural and non-agricultural sectors have grown over time, the non-agricultural sector has grown more rapidly, particularly the garments sector. The rural non-farm sector now plays an important role as a source of both income and employment. The share of non-farm income in total rural income increased from 26% in 1991/92 to 43% in 1999/2000, while the share of farm income fell from 53% to 33% over the same period (Osmani et al. 2006).

Another important factor that has helped reduce poverty is the increase in migration and resultant remittances. Although Bangladesh is land scarce, it has a large labour force. Bangladesh has emerged as one of the world’s leading exporters of manpower. More than 8 million Bangladeshis work abroad, out of a population of around 160 million; in rural areas, migrants represent close to 4% of the total population and 15% of the workforce (Figure 1).

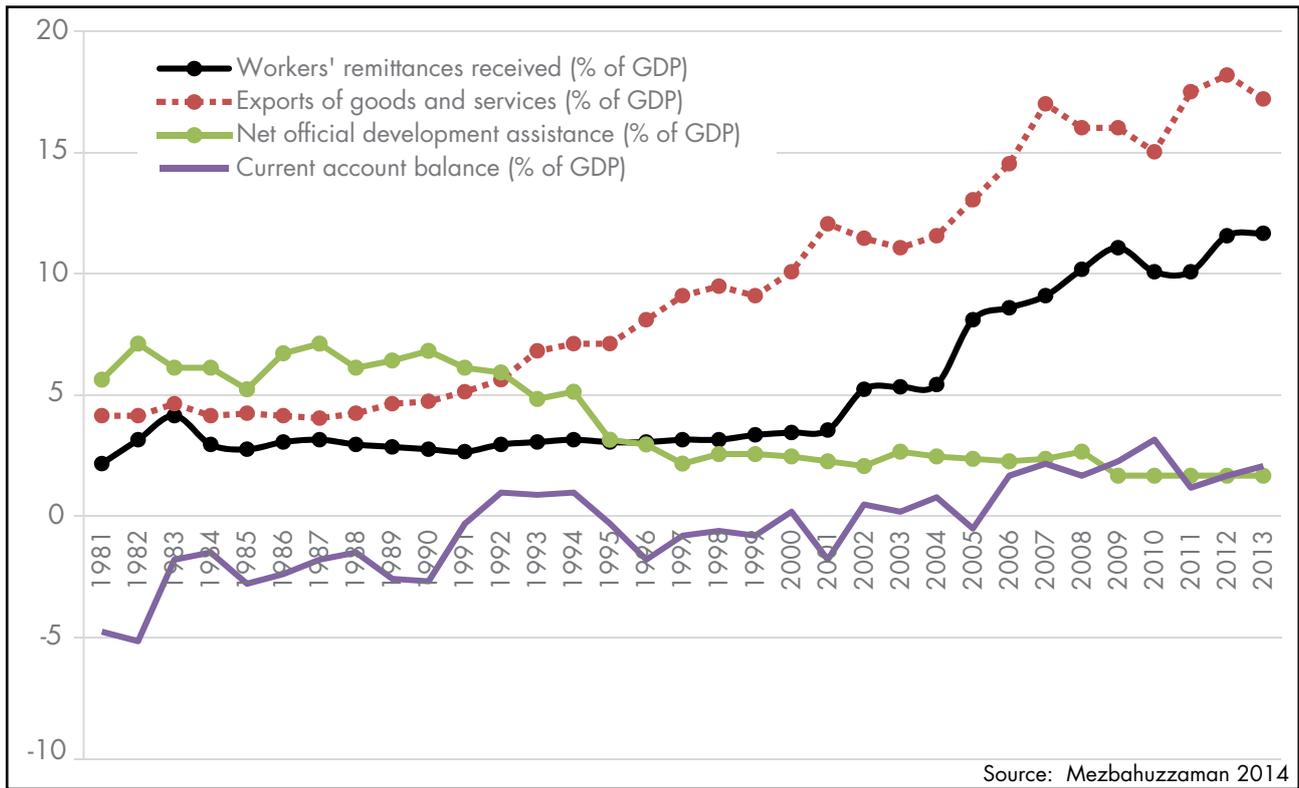
Remittances are now a key source of foreign exchange. The proportion of GDP provided by remittances has increased markedly, while official development assistance has decreased (Figure 2). Remittance income increased from USD 23.7 million in 1976 to USD 13.8 billion in 2013, when it contributed more than 11% of GDP. The growth in remittances has also helped to reduce rural poverty and improve living standards (World Bank 2010).

Figure 1: **Proportion of the rural population that has migrated**



Source: Bangladesh economic survey 2014

Figure 2: Development assistance and remittance income in Bangladesh as a percentage of GDP from 1981 to 2013



### 3. Key Geographic and Socio-cultural Characteristics of the CHT

The CHT is an area with a diverse ethnic culture that has its own traditions, social norms and values, knowledge systems, and agricultural practices. Each of the 12 ethnic groups (Chakma, Marma, Tripura, Mro, Bawm, Tanchangya, Kheyang, Pankhu, Chak, Lushai, Khumi, and Rakhain) has its own language, dress, and customs, which influence the way of life, economic activity, and livelihood strategies. The largest groups are the Chakma, Marma, Tripura, Mro, Tanchangya, and Bawm, which together account for more than 95% of the total tribal population. The groups have a rich traditional knowledge of the ecosystem, and have developed their own agricultural practices and resource management systems. Tribal people have customary property rights on land and forest inherited in an age-old traditional system, but many do not have any land title to use the hill slopes for the local agricultural system of 'jhum'. There are three kinds of land ownership in the CHT, state ownership, private ownership, and collective ownership. Collective ownership ensures the right to land and natural resources for subsistence livelihoods.

The CHT is predominantly rural, settlements are scattered and more than two-thirds of the population live in rural areas far from roads and markets. Landholdings are small and fragmented, with no or limited land titles. Agriculture is the main source of livelihood for most people, but the hilly topography and steep slopes mean that 95% of the land is not suitable for the type of intensive agriculture practised in the plains. Remoteness, isolation, poor accessibility, and hilly terrain make commercialization of agriculture difficult, and in places inappropriate, while industrialization is also difficult due to the poor infrastructure.

Significant progress has been made in socioeconomic development in the CHT since the signing of the CHT Peace Accord in 1997. The CHT Accord was a milestone in the history of the region. It recognizes the rights and identity of ethnic communities and paves the way for peace and development, and the representation of the region's people.

The Peace Accord introduced a special governance system for the CHT with a CHT Regional Council (CHTRC) as the apex body of three Hill District Councils (HDCs) under a Special Ministry for Chittagong Hill Tracts Affairs (MOCHTA). Two-thirds of the seats in the CHTRC and HDCs, including the positions of chairs, are reserved for indigenous people and one-third for permanent Bengali residents. Almost all development agencies (so far 29 transferable subjects) have now been transferred to the HDCs in line with the provision of the CHT Peace Accord.

The traditional institutions are also an important feature of the CHT. The CHT is divided into three circles headed by a Circle Chief known as the raja. The rajas are traditional leaders; they help the government to collect revenue, particularly from swidden land, and settle small civil and criminal disputes. Each circle is divided into several mouza (a geographic and revenue unit) each headed by a headman, who is a key person in land administration.

#### Development activities

Development in the CHT started after the signing of the Peace Accord in 1997. Fifteen years of systematic development efforts have brought improvement, but much remains to be done. A number of steps were taken by the present government immediately after it entered into power in 2009 as a demonstration of political will in support of the CHT. Among these were the establishment of the National Committee for Implementation of the CHT Peace Accord and the Task Force on Rehabilitation of the Returnee Refugees and Internal Displaced People. In order to resolve land disputes, the Ministry of CHT Affairs, having consulted with the CHTRC, finalized a 13-point amendment proposal of the Land Dispute Resolution Commission Act of 2001; the draft amended Act was recently approved by the Cabinet, paving the way for the formation of a five-member Chittagong Hill Tracts Land Dispute Resolution Commission for resolving land disputes in the three hill districts. A number of temporary army camps were also removed. The establishment of these bodies together with the new governance system mean that the institutional arrangements for carrying out development activities are now in place and functional. This has created opportunities for furthering efforts in the Chittagong Hill Tracts to improve lives.

The present government has taken a number of positive steps to accelerate socioeconomic development in the CHT to improve the lives of the people of the Chittagong Hill Tracts, especially the ethnic minorities, and reduce the gap between the CHT and other regions. The CHTRC, HDCs, and MOCHTA were all established to address the

special needs of the people in the CHT, and to a great extent authority has now been devolved to local government. The HDCs now implement the major development activities in the Chittagong Hill Tracts and have authority over the government development agencies. Overall, the development allocation per capita is much higher in the CHT districts than the average for the rest of Bangladesh and several development programmes have been undertaken.

A UNDP multi-donor project, the Chittagong Hill Tracts Development Facility (CHTDF), is being implemented to build confidence and improve livelihoods (CHTDF, UNDP 2014). Under this project, income generating activities such as mushroom cultivation, beekeeping, growing medicinal plants, and others have been developed, prompted through a partnership between ICIMOD and the project. Income generating activities and small infrastructure are being built under a quick impact fund. Chittagong Hill Tracts Rural Development project, funded by ADB, is building rural infrastructure; participant households have installed solar energy, and raised cows and goats to generate income. All these initiatives have helped supplement household income. However, shortage of water is a major problem in increasing food production, with some paras facing food shortages and lakes almost disappearing in the dry season.

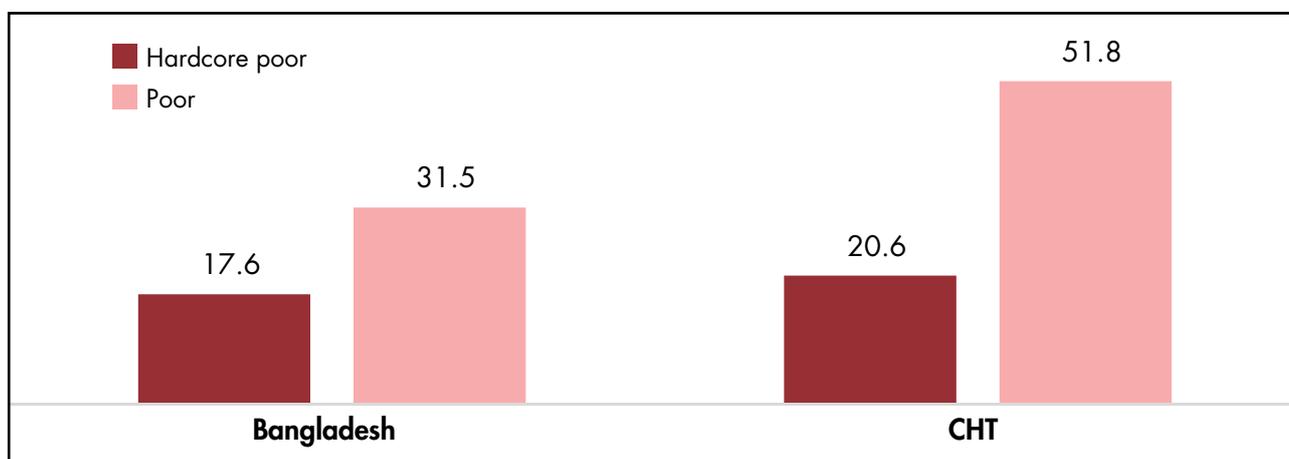
## 4. Development Challenges

Although the whole of Bangladesh faces challenges of widespread poverty, the development challenges faced by the CHT are different to those in other parts of the country because of its special socio-cultural and geographic situation. The livelihoods of people in the CHT are more susceptible to environmental and economic changes than those in the lowlands. Sustainable development in the CHT is hugely challenged by the remoteness and poor accessibility, poor infrastructure and social and economic services, rapid socioeconomic change, and growing stress from climate change with inadequate measures to support adaptation. Although progress has been made in certain areas, success stories remain limited and the expected benefits in terms of socioeconomic development and environmental protection have yet to emerge. Some of the clearly visible issues and development challenges are described below.

**High poverty and low human development:** Despite recent progress in economic and social development, the CHT remains a disadvantaged region. CHT is one of Bangladesh’s pockets of poverty. National studies show that around 52% of the CHT population is below the poverty line, and 21% are hardcore poor, compared to 32% and 18%, respectively, in Bangladesh as a whole (Figure 3). A socioeconomic survey by Barakat et al. (2009) in the CHT showed around 62% of households in the region, irrespective of ethnicity, to be below the absolute poverty line in terms of daily calorie intake per capita (below 2,122 kcal), and 36% to be hardcore poor (below 1,805 kcal). The annual household income in CHT is around BDT 66,000 (approximately USD 850), considerably lower than the national average for rural areas of BDT 84,000 (approx. USD 1,080) (CHTDF, UNDP 2014; FAO 2013).

Non-income poverty is also higher in the CHT than in other parts of Bangladesh. Fifteen of the 64 districts in

Figure 3: **Poverty in CHT and Bangladesh** (% of total population in terms of income)



Source: CHTDF, UNDP 2014; FAO 2013

Bangladesh have been identified as the least developed and most deprived in terms of roads, electricity, credit, education, health, water supply, and overseas employment; they include all three of the districts in the CHT, and the highest levels of poverty in Bangladesh are found in the CHT district of Bandarban. The Ali Kadam, Thanchi, Rowangchhari, Ruma, and Naikongchhari upazilas in Bandarban are the most deprived upazilas in the country (Khondker and Mahzab 2015). Most of the rural people in the CHT are food insecure, especially from June to August. The rural population in the CHT has a daily average energy intake of only 1,798 kcal per person per day, less than the average level among the hardcore poor; the values are lowest among the Bawm (1,440 kcal) and the Lushai, Chak, and Khyang (1,600 kcal) (Barakat et al. 2015).

The human development indices also remain very disappointing in the CHT region, although Bangladesh overall has made considerable progress. Providing access to safe drinking water has been difficult in the CHT due to the topography of the area. Only 65% of people have access to safe drinking water in the CHT, compared to 75% of rural people in Bangladesh as a whole. Providing access to safe drinking water is costly and often beyond the capacity of the local people. Furthermore, open defecation is still normal practice in many of the paras in the CHT, which causes health and nutritional problems (MOHAFW 2011; UNICEF 2012; World Bank 2014). The Bandarban and Khagrachhari districts rank near the bottom in almost all health and nutrition indicators, as shown clearly in the indicators for child health (Table 1). Many local people are deprived of basic health services and pure drinking water due to geographical constraints and lack of human resources and medical facilities. The prevalence of stunting, underweight, and wasting among children under five is 42, 34, and 7% respectively. The poor water and sanitation conditions compound the vulnerability of children to morbidity and mortality from diarrhoea and other preventable diseases.

**Table 1: Child health indicators**

District	Indicator									
	<5 mortality		Infant mortality		Birth attended by skilled personnel		Access to improved sanitation		Timely initiation of breastfeeding	
	Deaths per 1,000 live births	Rank#	Deaths per 1,000 live births	Rank	%	Rank#	%	Rank#	%	Rank#
Bandarban	85	59	63	59	7.6	64	30.6	56	44.0	48
Khagrachhari	63	37	49	35	9.1	62	19.6	63	36.6	61
Rangamati	45	2	36	1	11.5	57	34.9	53	49.2	38
National	64		49		24.4		51.5		50.2	

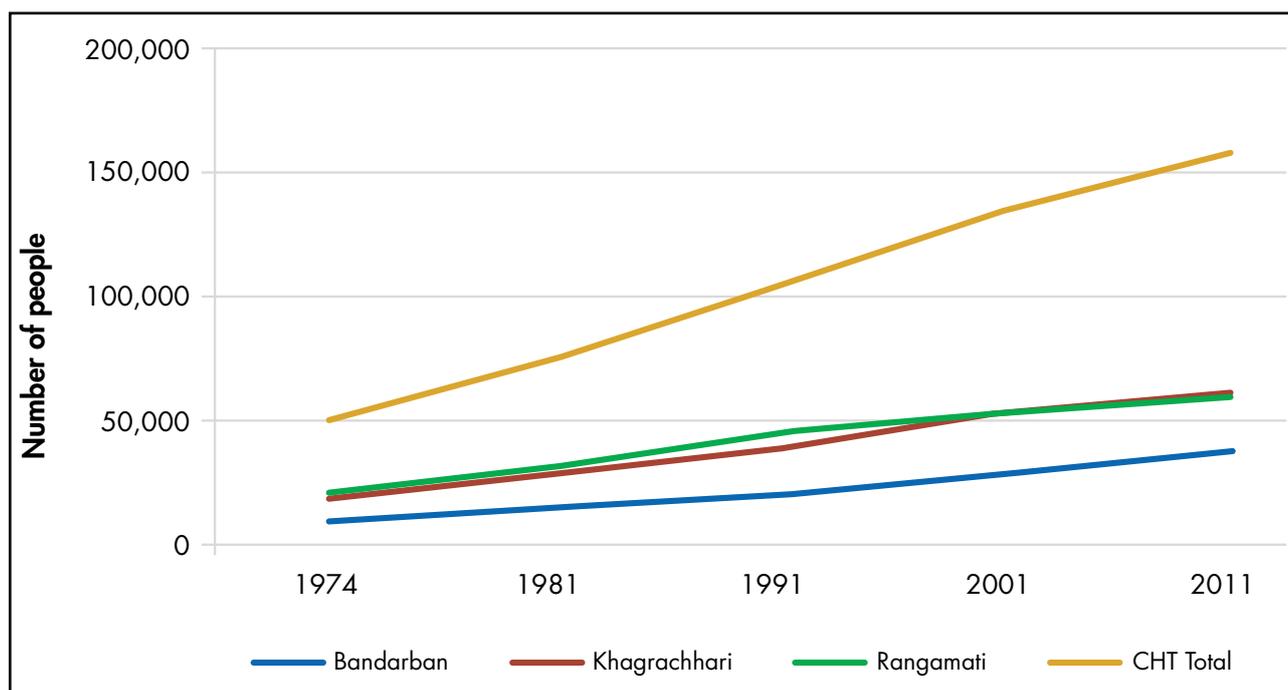
#Ranking among 64 districts from worst (64) to best (1)  
Source: FAO 2013

**Rapid population growth:** Over the past few decades, the CHT has experienced massive population growth. The population in the CHT increased by 227% between 1974 and 2011, compared to 96% in Bangladesh overall (Figure 4). In 1901, the CHT population was 124,762 (0.43% of the Bangladesh population), which increased to 508,199 (0.67% of the Bangladesh population) in 1974 and 1,663,274 (1.11% of the Bangladesh population) in 2011 (Establishment Division 1971; BBS 2007, 2012). While the population growth rate has been declining in the plains districts, it is still increasing in the CHT; the CHT population is expected to rise to about two million by the end of the 7th Five Year Plan period. The increase in population is putting serious pressure on the natural resource base in the region.

**Political and social instability:** The peace agreement signed in 1997 ended two decades of insurgency, but has failed to ensure the social harmony that is critical for social and economic development. The Peace Accord has yet to be fully implemented and grievances still persist between different ethnic communities, especially Bengalis and Paharis, which has created social instability and is affecting the environment for development work.

**Poor market access:** The remoteness and poor accessibility of most of the CHT make marketing of agricultural products, and moving from subsistence to cash crops, a challenge. Most paras are more than half-a-day's walk from an all-weather road. Poor road conditions and high transportation costs further constrain the marketing of agricultural products. There is little value addition and post-harvest losses are high, for many agricultural products as high as 33% due to the weak market infrastructure, lack of storage and processing facilities, and high

Figure 4: Population growth in the CHT



Source: FAO 2013; BBS 2012

transportation costs.

**Low diversification and high dependency on agriculture:** Agriculture remains a key source of livelihood for the majority of rural people in the CHT. More than 70% of the rural population depends on agriculture, forestry, fisheries, and horticulture for their livelihood. The vast majority of the land in the region consists of steep and undulating hill slopes. According to the FAO (2003), only about 5% of land in the CHT is suitable for intensive agriculture. Agriculture has a very limited capacity to provide gainful employment to the growing workforce. About a quarter of households depend on wage labour for their livelihoods. But the demand for wage labour is low due to the limited non-farm wage opportunities and the unemployment rate is very high. Unemployment and economic hardship, along with limited economic opportunities, have triggered social conflicts and ethnic tensions in the region.

**Limited off-farm employment opportunities:** Low levels of entrepreneurship, and limited private investment in industry, services, and commercial enterprise, have resulted in limited employment and livelihood opportunities in the non-farming sector in the CHT. The farm and non-farm sectors are unable to absorb the growing labour force productively and a significant portion of the youth remained un- or underemployed. Moreover, it is difficult for people from the CHT to take up job opportunities outside the region because of the generally low level of education, poor vocational skills, inadequate information, and poor networks. So far, only a few thousand youth

have found work in Dhaka and Chittagong in the garment and other industries. Although a huge number of people from the plains are working abroad and sending back remittances, very few people from the CHT and almost none from the tribal communities, are able to take advantage of the international labour market. The challenge is how to prepare people to seize the opportunities offered by the national and global labour market and business.



**Dwindling common property resources**

**and increasing landlessness:** The area of common property land used for jhum cultivation is shrinking due to population pressure, submergence of a vast area under water due to the Kaptai dam, and commercial plantations. Land disputes, unclear property rights, inadequate recognition of common property rights, and land grabbing, have all discouraged investment and sustainable use and management of the common property land resources. Ethnic communities are becoming increasingly landless due to land-grabbing; with landlessness now 36%. As a result, the jhum cycle



has been reduced to three to four years, which is not enough to regenerate soil fertility. The land available for jhum or other expansion of agriculture has become increasingly scarce and productivity has gone down. Jhum is no longer able to ensure food security and improve the living conditions of the tribal people. Settling land disputes, improving productivity, and transforming jhum into more productive systems, remain major challenges in the CHT.

**Climate change is an additional threat:** The impacts include rising temperatures, increased rainfall variability with more intensive rainfall events, and increased runoff. The already vulnerable agriculture-based livelihood systems face immediate risk of increased crop failure and new patterns of pests and diseases (BCAS 2007).

**Shortage of water:** The majority of households use stream and lake water for domestic purposes including drinking. Increasingly, natural water bodies are drying up and perennial water bodies are becoming seasonal; shortage of water for agricultural and domestic use has become a major problem. One of the causes could be watershed degradation, others include increased evaporation due to temperature rise, and a generally growing demand for water for multiple uses.

**Degradation of natural resources:** Deforestation combined with unsustainable agricultural practices, including mono-cropping of ginger, and root and other crops, has increased runoff, soil erosion, and loss of nutrients and biodiversity. Rapid expansion of tobacco cultivation is also causing environmental problems.

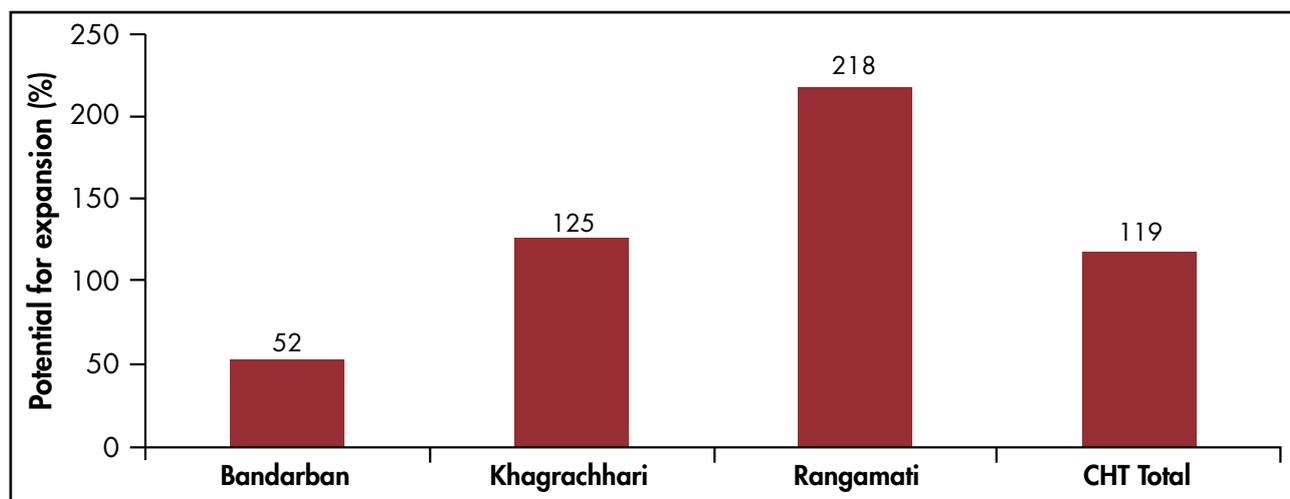
## 5. Opportunities

### Untapped potential

Despite the challenges, there is a huge potential in the CHT, which could be harnessed to improve the lives of the local people and the environment. Over the past few decades, the framework conditions for rural development have changed significantly due to globalization, increased connectivity, labour mobility, progress in transportation and communication, and advances in mobile and internet technologies. Remote villages are now connected to national, regional, and global markets. Cash crops are replacing subsistence agriculture. There is an increased move towards livelihood diversification and reduced dependency on agriculture, with value addition and improving value chains for rural products, promotion of agribusiness, and developing the non-farm sector. In both urban and rural areas, the potential for development in the CHT has improved substantially with the introduction of mobile and internet technologies and the building of new roads. Facilitating labour movement from the farm to the non-farm sector, and from the rural sector to urban services, transport, and production (manufacturing) would be more rewarding than movement within the rural context.

**Horticulture and high-value products:** At present, most farmers in the CHT region rely on subsistence farming, but the CHT has tremendous potential for growing high-value products such as fruit and vegetables and medicinal and aromatic plants, as well as for agroforestry. The hill slopes of the CHT are suitable for growing a number of high-value fruits such as banana, pineapple, papaya, jackfruit, guava, and lemons. Large scale commercial plantation of banana, papaya, lemons, and some other fruits is already being practised in the region, but with limited technical knowledge. Farmers rarely use proper plantation methods or correct application of fertilizers and pesticides. With proper plantation and integrated pest management, the productivity of high-value fruits could be greatly enhanced.

Figure 5: Expansion potential for fruit orchards



Source: FAO 2013

There is great potential for expanding fruit orchards (Figure 5) (FAO 2013).

The majority of farmers grow vegetables for household consumption, but there is immense potential for growing higher value produce such as off-season vegetables. The fallow upland areas could be used for cultivation of off-season vegetables during the summer months, and this should to be highlighted to promote commercial farming.

A number of factors limit the ability of farmers to exploit the potential for growing high value products, especially issues related to access to input and output markets and access to information, credit, and other institutional services. Farmers do not have easy access to quality seed, modern agricultural tools, fertilizers, or pesticides, which are essential to increase productivity. Furthermore, they are unaware of seed quality and are potentially exposed to the production of adulterated seeds (FAO 2013). Farmers also face problems related to grain storage, collection mechanisms, grading and packaging, and transportation among others. Value chain development with better processing and marketing would help make the most of the opportunities.

**Agro-based micro-enterprises:** Given the growing trend towards increased production of fruit and vegetables, there is a huge potential for agri-business and agro-based industries if a conducive environment is created for private investment, and appropriate mechanisms developed for benefit-sharing from genetic resources. In fact, agro-based microenterprises can be promoted as an alternative livelihood in the region. Farmers have been producing many perishable fruits, but only a fraction of households are engaged in fruit processing activities such as making achar (pickles) and chutney (sauce). Interested individuals or groups of farmers could be trained in agro-processing. This would not only limit post harvest losses, but would also help to enhance rural livelihoods.

More importantly, the region lacks agro-processing centres. If the region had agro-processing facilities, farmers could achieve much better prices for their produce. As the very limited processing facilities that do exist are located

in major urban centres, the majority of farmers have to sell their produce as unprocessed raw material. The large agro-processing companies that operate in other parts of the country do not have any processing or collection points in the CHT (FAO 2013). The CHT has considerable potential for the development of agri-business which could be supported via provision of the necessary support services, including technology, finance, and marketing (FAO 2013).

**Tourism development:** The CHT presents a contrasting topography of high hills, vast lakes, and



scenic valleys, while rich ethnic and cultural diversity offers an attractive contrast to the more homogenous plains areas. With its varied cultures, wide open spaces, and nature-friendly trekking opportunities, the CHT could be an ideal place for developing tourism as an industry. However, although there are some signs of growth in tourism, the huge potential has remained largely unutilized. However, much first needs to be done in terms of infrastructure development, especially connecting the remote and mystic parts of the region with the main areas of the country.



For example, Bandarban, ‘the roof of Bangladesh’, has been referred to as a hidden paradise by the National Tourism Organization of Bangladesh (ICIMOD 2013). The Bandarban sub-district of Ruma, in particular, holds immense potential for tourism with popular natural scenic areas like the Boga lake, Rijuk waterfall, Darjiling para, Passim para, Double Fall and Tajing Dong hill, among others. But the basic amenities necessary for tourism are lacking. The hotels in Ruma bazaar are very small and have limited facilities (observation during ICIMOD field visit, January 2015). If the region is to be promoted for world class tourism, then the present accommodation facilities will be far too limited and will not meet the high quality standards.

The CHT currently faces a number of challenges mainly in service supply, with problems related to the supply of water and electricity, a poor transportation system, and limited accommodation facilities, among others. If these problems are addressed, then tourism can flourish thereby contributing to the local economy.

**Kaptai lake:** Kaptai lake covers an area of approximately 1,036 square kilometres and is the largest man-made lake in East Asia. Although the lake has submerged a vast area of productive agricultural land and displaced a huge population, it has also created vast resources. Properly harnessed, its full potential in terms of tourism, freshwater fish, and navigation could transform the economy of the CHT. Integrated management of the lake and its surrounding lands, forests, and settlements is required to ensure sustainable use, raise environmental awareness, improve the environmental quality of the lake, and make the most of the opportunities it offers.

**Migration:** Because of poor social networks, low human skills, and limited access to finance, people from the CHT have been reluctant to migrate for better livelihood opportunities (Table 2). In recent years, however, a small number of people from the CHT have migrated for labour, both within Bangladesh and abroad. Overall, Chittagong accounted for 10% of the total migration flow from Bangladesh between 2005 and 2014, but hardly any migration took place from the CHT districts during this time. The younger generation is keen to work in the industrial and service sectors, and with proper support there is huge potential to increase labour mobility from the CHT. If they are provided with the skills needed for foreign employment and access to finance, then the youth of the region can acquire better earning opportunities abroad, which will in turn help raise the rural economy via remittances.

**Table 2: Number employed overseas by district (2005 to 2014)**

District	No. employed overseas	% overseas employment
Bandarban	1,880	0.04
Rangamati	2,805	0.05
Khagrachari	4,500	0.09

Source: BMET database 2015

**CHT is a gateway to the East:** The CHT is located in the southeast of Bangladesh and has borders with India and Myanmar. Bangladesh has been focusing on increasing economic and trade engagement with countries to the east, particularly Myanmar, Thailand, and China, and developing an economic corridor with Kunming and the CHT can be a gateway for this. The Chittagong Hill Tracts can be promoted as a trade transit between Bangladesh and the countries in the east, mainly Myanmar, China, and Thailand, in the future if regional cooperation flourishes and a favourable environment is established for the promotion of the CHT as a trade transit.

## 6. A Strategic Framework for Sustainable Development in the CHT

Given the special geographic and cultural specificity, the CHT has specific needs, requirements, and capabilities, and thus requires differentiated measures and approaches, and delivery mechanisms that are appropriate to the local cultural and social context. This needs to be fully recognized when preparing national development plans, and the 7th Five Year Plan should include an explicit strategy for the development of the CHT.

Faster and more inclusive development will be critical for confidence building and to promote a peaceful situation in the CHT. Development plans should recognize and address the ongoing ethnic and social tensions, particularly the divide between the hills and the plains. Appropriate strategies are required to integrate the people of the CHT into the mainstream of socioeconomic development, while enabling them to retain their specific ethnic and cultural identity. Although the whole of Bangladesh faces the challenge of widespread poverty, the development challenges faced by the CHT are different to those in other parts of the country. The special socio-cultural and geographic situation leads to both unique problems and unique opportunities. The CHT is undergoing an economic transformation, and mobile access, internet connection, and new roads are changing the aspirations of the rural population and broadening the opportunities. Increasing the economic benefits in the region can help to ameliorate the ethnic tensions that remain; local businesses can become powerful advocates for peace and help bring stability to the troubled region through economic development.

The Bangladesh government is committed to ensuring peace, progress, and prosperity in the CHT through faster and more inclusive growth and social equity, as well as by integrating ethnic communities into mainstream development without undermining their specific ethnic and cultural identities. Both the farm and non-farm sectors require integrated strategies for development within a supportive environment that provides peace, stability, and good governance, together with appropriate policies and institutional mechanisms.

We propose an integrated multi-pronged strategy for sustainable development in the CHT that brings peace and stability, creates an enabling environment for investment and development, allocates adequate resources for physical and human capital development, promotes and diversifies economic opportunities in both the farm and non-farm sectors, and provides policy and institutional support for market linkages, technological innovation, and private sector engagement (Figure 6). The key elements of the framework are presented below.

### Ensuring peace, stability, and good governance

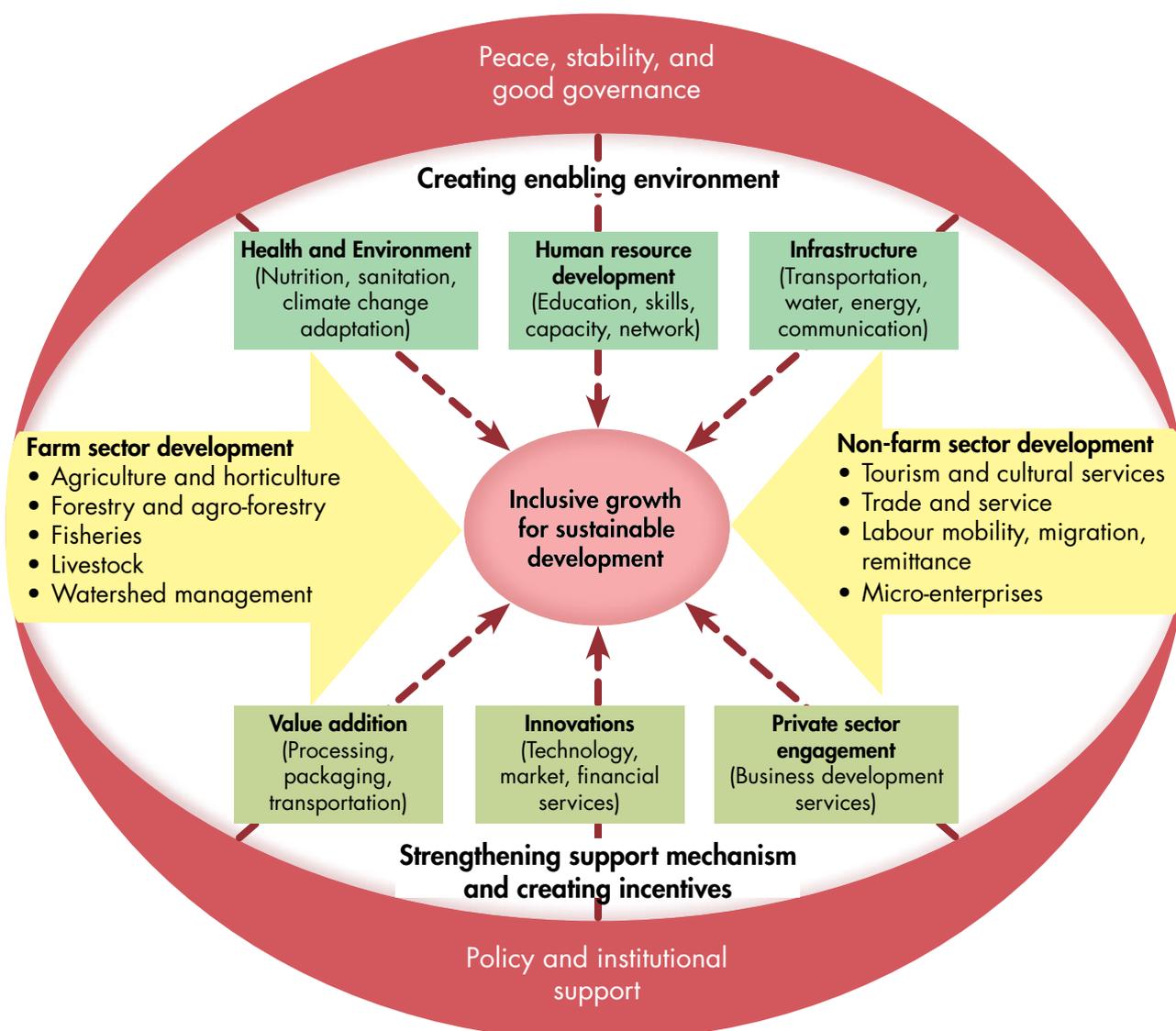
Peace and stability are a precondition for the development of any region. It will never be possible to achieve the vision of development in the CHT unless the profound challenges of peace and stability in the region can be solved. The following measures will be essential for ensuring long-lasting peace.

**Implementation of outstanding elements of the Peace Accord:** The peace agreement signed in 1997 created hope for sustained peace and a conducive environment for economic development. Implementation of the outstanding elements of the CHT Peace Accord is critical for mitigating the continuing tensions between the Paharis and Bengalis and establishing long-lasting peace and harmony (Chowdhury 2012). The government should ensure full implementation of the CHT Peace Accord as soon as possible.

**Settlement of land disputes:** Land is the primary source of livelihood for the majority of people in the CHT. Disputes about land are the root cause of conflict (Adnan and Dastidar 2011); they have not only triggered social conflict but have also hampered investment in land thus leading to low productivity in agriculture. The resolution of land issues, particularly recognition of tribal people's customary land rights and restitution of their occupied lands, is critical for establishing peace and stability. The government should expedite the process for resolving land disputes in the region.

**Reducing conflict over land resources:** Extreme poverty in the CHT leads to fierce competition over land between Paharis and Bengalis. This is primarily because of the lack of alternative sources of livelihoods. Over the past two decades, the government has focused its efforts more on land-based activities and less on developing non-farm based alternative sources for livelihoods and building human capital and business and entrepreneurship skills to

Figure 6: Framework for sustainable development of CHT



increase employability and enhance and diversify livelihood opportunities. Experience from other countries suggests that people in hill and mountain areas are increasingly engaging in the non-farm sector. For example, a large part of income in rural mountain areas in Nepal, western India, and Pakistan comes from remittances. In Nepal more than half of all households and in Himachal Pradesh and Uttarakhand in India close to a quarter of households receive remittances.

**Full decentralization and devolution for ensuring good governance:** The CHT Peace Accord envisioned a decentralized governance system in the CHT through the establishment of the Ministry of Chittagong Hill Tracts (MOCHTA), Regional Councils (RC), and Hill District Councils (HDCs). It is important to strengthen the decentralization and devolution of authority and build the capacity of these CHT institutions for planning, managing, and delivering services for socioeconomic development and establishing peace and harmony.

**Strengthening coordination of development activities:** The Ministry of Chittagong Hill Tracts Affairs (MOCHTA) is responsible for planning, implementation, and monitoring of development programmes and projects in the CHT. However, the sectoral approach of line ministries and the fragmented work of different non-governmental organizations often leads to overlap and fails to produce the desired development outcome. To ensure that development activities can be made more effective and sustainable, and to avoid duplication, MOCHTA should be entrusted with the full responsibility for coordinating development work in the CHT. MOCHTA's capacity for planning and coordinating this work should also be developed.

## Strengthening policy and institutional support

For nearly two decades, the CHT was isolated from mainstream development, and socioeconomic and industrial development lagged behind. Special policy and institutional support will be required to accelerate the pace of development in the CHT. The following strategies could be adopted.

**Preparing a perspective plan for the CHT:** A long-term perspective plan is required for the CHT to prepare a road map and pathways for development and to identify policies that can accelerate the pace of socioeconomic development. This plan should promote sustainable development and ensure that the CHT can grow at the same pace as the rest of the country.

**Allocate adequate resources for building infrastructure and for human resource development:** The people of the CHT are disadvantaged in terms of both physical and human capital, and special policy support is needed to build the physical and social infrastructure (e.g. roads, transportation, schools, health centres, market facilities, and communication and ICT services) and enhance human capital (education, vocational, and social skills). Pahari people need to be better equipped to take advantage of the opportunities arising in national and global labour markets, and to adapt to climatic and other socioeconomic changes.

**Incentive mechanisms need to be developed to attract investment in the CHT to create employment:** Policy and institutional support should be tailored to create new economic opportunities that can transform the subsistence agricultural economy into a thriving rural economy. The need for economic survival often drives or exacerbates conflict, thus special efforts should be made to create new livelihood opportunities and to develop alternative sources of income. If people are able to meet their basic needs, they are less likely to engage in violent activities to access economic resources.

**Youth employment and economic engagement:** Poverty, widespread unemployment, and a lack of opportunities for progress can lead to frustration among the youth and push them towards socially undesirable activities and violence. It is important to provide the necessary skills and opportunities for young people to find employment in the CHT or elsewhere and generate income.

## Strategies to strengthen the farm sector

Although the non-farm sector is gaining in importance, agriculture remains the major source of livelihood for the people of the CHT. It is important to ensure that agricultural opportunities are recognized and their development supported in a sustainable way whilst maintaining the integrity of the land resources. The following strategies will be useful.

**Strengthening agriculture through integrated watershed management:** Integrated management of land, water, forest, and ecosystems is needed to support increased productivity of land, forest, livestock, and fisheries, while ensuring sustainability and long-term maintenance of ecosystem services, as well as food and nutritional security.

**Transform jhum to agroforestry, horticulture, animal husbandry, and other more productive systems:** Given the subsistence nature of the farming systems in the CHT with limited landholdings, difficult topographic conditions, and poor soil, there is a need to promote innovative options to increase farming efficiency. Strategic actions are required to focus on potential products, including packaged support for access to markets through better farm road connectivity, irrigation facilities, water harvesting technologies, and modernizing of agriculture. It is crucial to provide high-yielding inputs together with capacity-building initiatives for improved management. In areas where forest cover is required for ecological sustainability (to prevent erosion and soil degradation), jhum should either be transformed to agroforestry, or the conditions facilitated to practice jhum with a long forest fallow.

**Strengthen post-harvest management, value chain development, processing, packaging, and market access:** In the CHT, scattered production units and low volume of production make it difficult to optimize the gain from production. Often, even the small amount produced fails to reach the market due to lack of post-harvest facilities. It is essential to promote commodity-specific value chains with an emphasis on processing, packaging, branding, and certification. Clear market linkages need to be established by engaging the private sector and other market players.



**Strengthen local institutions:** Collective efforts are required in order to attain scale of production, achieve efficiency in delivery of inputs, and channel product outputs. Facilitating community mobilization in terms of forming farmer groups, associations, and co-operatives is a key to sustainable rural development.

**Facilitate access to credit and information:** One of the biggest challenges to promoting the farm sector in the CHT is the lack of access to credit and to market information. As a result of the remoteness and high risk potential of the area, farmers are often at the mercy of a small number of local moneylenders and middlemen and can become trapped in a cycle of debt, which limits overall economic growth. Promotion of rural credit schemes and formation of community-based savings and credit organizations can help address issues around access to finance for microenterprise development at the community level. Furthermore, producers need to be empowered with timely market information so that they can avoid the problems of middlemen taking advantage of their lack of knowledge.

**Facilitate access to resources for CHT farmers:** CHT farmers remain discontented with the increasing pressure on the limited land resources resulting from competition with communities from elsewhere. Appropriate policies to address land rights that promote access to land for local CHT farmers would be fundamental for achieving inclusive sustainable development in the CHT.

### Strategies to strengthen the non-farm sector

The opportunities for development of intensive agriculture are limited in the CHT by the lack of suitable land. It is important to look beyond agriculture to foster development, giving equal emphasis to the farm and non-farm sectors. This implies a shift in focus from agriculture to the development of the secondary and service sectors, and the development of area-specific approaches based on agro-ecological potential and access to markets and services. Promoting non-farm activities and supporting labour mobility, both farm to non-farm and internal and external migration, could be key elements in a rural development and poverty reduction strategy for the region.

Development of the non-farm sector will be key to the economic development of the CHT and improving livelihood opportunities. The following paragraphs describe some of the most promising strategies.

**Creation of non-farm employment opportunities:** Nearly 70% of the rural population in the CHT depends on agriculture as a primary or secondary source of livelihood. There is a need to generate rural jobs in the non-farm sector so that livelihoods can be diversified and the dependence on agriculture reduced. Priority needs include provision of skills development and vocational training to promote non-farm economic activities.

**Encourage labour mobility and internal and external migration:** Ethnic communities in some countries are observed to be highly mobile even though they have a strong attachment to their traditional homelands (Abella 2013). The ethnic communities in the CHT currently have limited access to knowledge and awareness of job opportunities elsewhere, strong cultural barriers that discourage mobility, and a lack of the financial capacity that is crucial for mobility for work. The following initiatives could help the ethnic communities achieve greater mobility and obtain the economic benefits from higher wages and remittances:

- Greater exposure of the ethnic communities to mainstream society so that they can acquire skills and competencies;
- Provide knowledge and information to prepare for national and external job markets;
- Provide financial and other advisory services to enhance the capacity to seize opportunities in national and international job markets.

**Development of community-based ecotourism:** Tourism can generate local employment through forward and backward linkages in different sub-sectors including accommodation, food, transportation, and cultural and landscape services. A comprehensive tourism master plan including development of new destinations and trails, as well as product and service development is required to help tap the potential of tourism in the CHT, including in the Kaptai lake area. Specific measures are required to engage local people in planning and developing tourism in order to create ownership and ensure that the benefits of tourism are accrued locally. A special effort should be made to encourage the private sector to invest in the development of infrastructure and facilities to support tourism. A master plan for tourism development in CHT should be prepared.

**Strengthening private sector engagement:** Policy support is required to attract private investment in agroprocessing industries and microenterprise development, including tourism infrastructure.

**Creating an enabling environment and social harmony to harness economic opportunities and social development:** Effective measures are required to transform social tension to social harmony through building trust and confidence, and engaging local people in the overall development of the region.



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Consultation Meeting on  
**7<sup>th</sup> Five Year Plan and Development Vision for Chittagong Hill Tracts**  
May 11, 2015  
Pan Pacific Sanganigan Hotel, Dhaka

Chief Guest - Dr. Mithsur Rahman  
Minister, Ministry of Chittagong Hill Tracts Affairs

Special Guest -  
Mr. R.A.M. Obaidul Muktadir Chowdhury MP  
Member of Parliament, Ministry of Chittagong Hill Tracts Affairs

Shamsul Alam  
Secretary, General Economic Division

Dr. David Molden  
ICRAC

Welcome Speech - Mr. Naba Bikram Kishore Tripura, IAS  
Secretary, Ministry of Chittagong Hill Tracts Affairs

Chair - Mr. Bir Bahadur Ushwe Sing MP  
Member of Parliament, Ministry of Chittagong Hill Tracts Affairs

পার্বত্য চট্টগ্রাম বিয়য়ক মন্ত্রণালয়  
Ministry of Chittagong Hill Tracts Affairs







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