



Anti-graft body, crime situation to top agenda

Donors may ask for disclosure of assets of public functionaries at BDF meet

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The upcoming Bangladesh Development Forum (BDF) meeting will be dominated by discussion on non-economic issues like formation of the much-talked-about anti-corruption commission, government-NGO relationship, law and

order and good governance.

Donors may also raise the issue of disclosure of assets of public functionaries.

The three-day meeting that begins on May 8 at Dhaka will also discuss at length the proper use of foreign aid, which is often blocked due to inefficiency and failure to

fulfil donor conditions.

During the 2003-04 fiscal year, only \$1.5 billion of foreign aid has been disbursed out of \$6.2 billion in the pipeline and another \$3.6 billion of donor commitment.

According to an estimate of the Economic Relations Division (ERD),

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\$8.34 billion of foreign aid could be available in the next fiscal year.

At the BDF, the World Bank and the Asian Development Bank will present separate reports on Bangladesh along with the country's economic updates.

Both the donors believe Bangladesh has made good economic progress but is unable to tap its potentials due to factors like corruption, confrontational politics and slide in law and order.

A source at the ERD said the government is unsure about presenting a report titled 'Memorandum for Bangladesh Development Forum 2004-2005' prepared for the BDF meet.

"The memorandum has been made based on information that are months old. Besides, six ministers will be present at the meet to directly answer questions from the donors. Under the circumstances, the government is looking to see if there is any justification for presenting the memorandum," said the source.

On the eve of the BDF, the Centre for Policy Dialogue (CPD) is organising a dialogue today to project the civil society perspectives on the Forum. The objective of this dialogue is to discuss the emerging trends in Bangladesh economy including foreign aid flow, and the challenges facing the country in the current context.

CPD Executive Director Dr Debapriya Bhattacharya said: "There is a wider scope for accountability as the BDF is being held close to the grassroots in Dhaka, and not in Paris. But the ownership of the process would have increased further, if the papers for the meeting were prepared through a consultation process. The government would have only benefited from a detailed discussion in the Cabinet as well as with parliamentarians, leading politicians, private sector

representatives and development practitioners."

On the issue of donor-driven reforms, Dr Bhattacharya noted, both efficacy and acceptance of reforms enhance significantly when reforms are implemented through a domestically driven process, for example, as fulfillment of election pledges, and not merely as donor conditionalities. "It is expected that the government should autonomously put up a reform agenda that reflects the people's interest and contextual realities of Bangladesh, and that this be prepared through a participatory process. Otherwise objectives of even desirable reforms may be defeated", he observed.

"From the donor's perspective as well, this seems to be a more pragmatic way to deal with recipient concerns as it appears from their enthusiasm for the PRSP (Poverty Reduction Strategy Paper) process."

Dr Bhattacharya observed that the role of foreign aid is quite often overplayed in comparison to national sources of resource mobilisation. "For example, in comparison to foreign aid flow to Bangladesh, contribution of export earnings is four times more, remittance is more than double and the contribution of the tax payers is almost four times bigger."

"This does not mean that we don't need foreign aid to meet our investment demands. The CPD has prepared a sectoral aid intensity index. As per this index, aid dependence of sectors such as health, education, transport and energy ranges between 74 percent and 32 percent of the total development allocation for these sectors. Besides the NGOs (non-governmental organisations) brought in \$250 million of foreign grants annually and the private sector project also receives equity, loan and risk underwriting support," remarked Dr Bhattacharya.