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Slow anti-graft drive worries donors

They ask govt to increase gas, power prices; hail govt for regional trade initiatives; Observe 2 major parties' excessive competition hurting democracy

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The development partners at Bangladesh Development Forum (BDF) meeting in the capital yesterday expressed concern over the slowdown of anti-corruption drive and implementation of development projects, and low investment.

They also urged the government to increase the price of gas and power; strengthen local government, reform the civil service and form an energy and power fund for financing projects in the sector.

The donors welcomed regional cooperation in different fields including energy sector but urged the government to handle the issue carefully. Due to its geographical location, Bangladesh might become a regional trading hub if the cooperation succeeds, they noted.

The two-day BDF meeting started yesterday at Bangabandhu International Conference Centre.

Three business sessions on the day discussed development strategies, governance and human development; energy and power; and agriculture, food security and water resources.

Representatives of 48 donor countries and agencies including the World Bank and Asian Development Bank are participating in the BDF meet.

Representatives of the civil society also attended yesterday's sessions.

UN Resident Coordinator Renata Dessallien at the meeting observed that democracy of Bangladesh has been hampered by 'excessive competition' between the two major political parties.

Meeting sources said some of the representatives raised questions as to whether the anti-corruption drive slowed down under the present government. They also wondered if the anti-corruption act would be weaker if the government amends it.

Later, Finance Minister AMA Muhith told journalists that the issue of corruption was discussed at the meeting. The donors wanted to know whether the anti-corruption act was being made softer by amending it.

"We admit that progress in anti-corruption drive has slowed a little," Muhith said. "We have also said many cases are becoming weaker due to procedural weakness. A number of committees are examining the issues if there are legal loopholes."

The donors expressed concern over the weaknesses in implementation of annual development programme (ADP), and different projects including those in infrastructure and power sectors.

In the first session, WB Country Director Ellen Goldstein said peace and stability are the sine qua non of development. "If I may summarise, the main message from our development partners today are two-fold. First, in order to achieve poverty reduction objectives and achieve middle income status by 2021, Bangladesh needs to accelerate growth to around 8 percent per annum. Second, in order to grow faster, Bangladesh needs both more investment and more effective investment," she said.

The WB official also said better and timely implementation of the ADP and strong local government are needed for increasing investment.

Renata Dessallien said if the regional integration could be achieved, Bangladesh's GDP growth would increase by an estimated two percent annually which could help create jobs and reduce regional

disparities.

"By capitalising on the country's enviable geographical location--close to two emerging giants, straddling two regional blocks, and at the centre of the Bay of Bengal, Bangladesh seems predestined to become an important trading hub. But the weight of history and popular misperceptions have held her back."

She said, "We hope the government's recent decisive move toward regional integration herald the beginning of a much needed sea change. But for this to happen, careful and detailed strategising and management are vital."

Renata said that they were heartened by the recent Supreme Court rulings, particularly the judgment on the Fifth Amendment, and formation of the Judicial Reform Committee.

She pointed out that democracy of Bangladesh has been affected by excessive competition between the two major political parties--a competition that has sometimes exceeded normal democratic parameters. The political parties should work constructively, she added.

She said giving chairmanship of two parliamentary committees to the opposition party was a welcome initiative by the majority party. "But we suggest these measures may not be enough to qualitatively change the tenor of inter-party relations."

The meeting sources said they welcomed the government initiative to prepare a civil service act for reforming the public service. They also recommended appointment of some persons from private sector in some government posts through outsourcing .

Replying to the donors' queries, the government presented its plans for action.

Prime Minister's Economic Affairs Adviser Mashiur Rahman said they would set up an information centre replete with computers and internet connection in every union. Various programmes of the government would be available in the information centre where people could lodge their complaints.

In the session on power and energy, the government in its plan said that it has a target of generating 7,000-megawatt power with an investment of US \$9.5 billion by 2013.

The donors recommended increasing the price of power and energy.

The development partners assured the government of providing assistance to the power and energy sector.

The WB, ADB, Islamic Development Bank and Japan have assured the government of providing fund in public-private partnership power projects.

The donors recommended making a detailed energy audit to reduce wastage of energy and power in Bangladesh.

Prime Minister's Adviser Towfiq-e-Elahi Chowdhury told journalists, "We will gradually increase price of power, energy and gas. However, the price would not be a flat rate for all--there will be different rates for consumers in rural and urban areas."