

Tower Collapse in the Power Sector

The tower has collapsed, but that is not the end of the world. To get over our chronic inability to catch up with the global bus we have to have a fresh outlook, a changed world view and a new and refreshing thought process. Our anxiety and alacrity should centre on how to replace the tarnished image with a more credible one.

by Nuruddin Mahmud Kamal

THE Daily Star's front page news item of eighth June regarding 132KV tower collapse near Ishwardi instantaneously reminded me of a similar but more acute incident during my tenure in the Power Development Board, the memory of which frightens me even today. It was mid March 1997, when two 230 KV towers of the East-West Interconnector collapsed at Maligacha in the Pabna district (near Ishwardi) and the entire western zone of the country across the river Jamuna was faced with the grid-failure. However, if my memory does not fail me, during the 1990s as many as 11 such full or partial grid-failures and power cuts were experienced. And the civic life of an insignificant percentage of citizens of the total population of this poor country, who enjoy the privilege of electricity, were disrupted for about seventy-two hours. Power supply was restored quickly.

However, on the current incident, on further enquiry, it has been learnt that this was not a case of tower collapse rather the top of the tower for some strange reason burnt out and the power supply was disrupted for a brief period. The incident of 1997 was very serious. Some nuts and bolts were removed earlier by unknown miscreants and the towers collapsed. In a sense, when people are in perpetual anxiety for their own security in a state of near lawlessness, the situation gets aggravated more in the towns and cities if electricity goes out without any notice, particularly in the night. The traders, businessmen, bureaucrats, politicians, even ordinary city dwellers feel unsafe with the extortionists stalking in their midst and the law breakers making a hay out of the darkness.

The unpredictable load-shedding by the power system remains a constant irritant to the public, and the spectre of a

total power system collapse haunts both the government and the consumers of electricity, whose number is about 4.35 million out of an estimated population of 128 million in 1999 in Bangladesh. In the late 1990s, there was a ray of hope at the end of the semi-dark tunnel about improvement of the system through systematic implementation of reforms and unprecedented response from the foreign private investments, but the forward movement was halted by the abnormal delays and slippage in implementation of generation and transmission projects, and the opening up of the uncalculated debate within the management of the power system on the specifics of the reform process during mid 1999 to mid 2000. Furthermore, the process of corporatisation, which began under the Companies Law 1994, faced road blocks and the entities such as the Power Grid Company of Bangladesh (PGCB) and Dhaka Electric Supply Company (DESCO) were constrained by their respective parent organizations, BPDB and DESA, from functioning as self-contained companies. The government had introduced a commercially-oriented pay structure keeping corporatised entities outside the government pay structure (e.g. PGCB and DESCO).

On the other hand, the Rural Electrification Board (REB)/Palli Bidyut Samities (PBSs) had introduced completely commercially-oriented service conditions but with no trade union rights for employees, which contributed to the

successful operation of the PBSs. In the BPDB, some strange things were happening. On the one hand a dual control on the operation of the transmission sector was prevailing, almost denying the PGCB to undertake any new development projects including the very critical National Load Despatch Centre project being funded by a major multilateral donor. The work on the Kabirpur-Tangail transmission project in connection with the second interconnector was stalled and the conversion of Baghabari 71 MW gas turbine plant was unnecessarily delayed. On the other hand some informal corporatisation effort was allowed to proceed in the recent months. A number of companies are reported to have been floated without due regard to the Companies Law, 1994. These experiments may serve short term expediencies and private gains for some but in the long run might create more problems than they solve.

Problems in the power system are legion. Already high system loss, low plant efficiency, erratic power supply, shortage of funds for maintenance of power infrastructures, unwillingness of the customers to pay utility bills, illegal connections, faulty meters, the unholy alliance between employees and customers, and above all serious management deficiencies of the sector entities have crippled the sector. Each one of the problem can be considered analogous to fallen towers. In the recent past management (of BPDB) continued to

ignore the deteriorating power sector activity, while the pressure of increasing demand for infrastructure and related services and the government's financial capacity to meet this has been, correspondingly, weakened. Whilst the donors justified their contraction in aid flows to the Power Development Board in particular on account of very slow pace of reforms, there is some evidence of an ideological shift in donor policy to push Bangladesh to seeking Direct Foreign Investments (DFIs) rather than continue to depend on soft loan. The fact of the matter is that the government did not have a second choice.

Ideally, through an effective distribution network for electric power, its generation can be located at the centre of the load, thereby reducing the investment for long high voltage transmission lines as well as line losses. This concept was pursued (under the new model designed) under the Private Power Policy enunciated in October 1996. As a part of the dispersed planning, three plants (100 MW each) were located at Haripur, Baghabari and Khulna respectively under the first stage of the IPP project. The need for low cost distributed power to improve the quality of life is urgent, in part, to assure balanced economic developments as well as to help stem the tide of migration from the villages into the emerging and increasingly unmanageable towns and cities.

Indeed the idea of installing small power units (10 MW each in each PBS) came round the

same thought process of 100 MW Barge Mounted Power Plants installed and commissioned earlier through the Independent Power Producers (IPPs) as a part of the reform process. It would be very interesting to note that because of competitive and transparent bidding process, pre-selection of sites and fuels and lands etc., the per unit tariff was only 5.1 cents per kilowatt hour compared to then prevailing tariffs in Philippines, Pakistan and India (between 6.5 and 7.2 cent/kilowatt hour) in case of EMPP. In the second and third stage, the tariff has been much more competitive, between 2.79 cents and 2.73 cents/kwh, a record lowest tariff in the private power market in the world. Through this process a mutual trust was built in a win-win situation, which should not have been disturbed by the BPDB management in late 1999.

Unfortunately, the top management of BPDB came out with some disagreements over power sector policy, which almost created mistrust between the concerned parties on agreed (earlier) restructuring plans. Despite desperate efforts by the government to mobilise funds from all conceivable sources through positive indications on reform actions, these initiatives were being flouted by the top management of BPDB which made the sector more vulnerable. The confidence of the private sector investors, which peaked in 1998, was also pushed aside by the same authorities. Those who know the power sector say that had the

300 MW power-boats not been commissioned, the country would have suffered at least 500 MW load-shedding now.

Thus having witnessed what has been happening in the recent months one might observe that the long suffering power sector reached a stage of desperation of another kind, when near despotism in a sector unit was about to take the power system to a desultory path. The authorities in the government were watchful. They took quick action and the atmosphere of near despondency has been calmed. The post-analysis of the drama, which ended quickly, was that the period would perhaps be identified for gross violation of the rules of business of the government and an utter defiance of the reform measures adopted by consensus in the 1990s. The media reported serious indiscipline in procurement of goods and services, which had threatened the fabric of management. The print media splashed the news and views on the subject, particularly after the 'cow was sacrificed'. The media perhaps smell rat, but they waited for an opportune moment to take the cat out of their bag. Now a plethora of arguments and counter arguments are being initiated perhaps to turn the case into a 'martyr'. The tower has collapsed, but that is not the end of the world. To get over our chronic inability to catch up with the global bus we have to have a fresh outlook, a changed world view and a new and refreshing thought process.

Our anxiety and alacrity should centre on how to replace the tarnished image with a more credible one. Need be, we should inspect on the issues and initiate an intense debate on how to achieve the right kind of leadership.

The author is former Chairman of PDB.

Cutting and Razing of Hills Continue in spite of Ban

by Syed Abu Royhan



UNPLANNED cutting or razing of hills adversely affects the environment of the surrounding areas. Hill cutting is associated with landslide. A number of negative effects are created if the structure of hills are disturbed in any way. For example, the hilly roads become rough for vehicular traffic after a little rain increasing the possibility of accident; there may even be casualties among the people living at the foot of such hills as chances of landslide increase manifold; the normal flow of natural springs and rivers are disrupted as loose soil goes to the bottom of these water bodies causing silt. It is also evident that landslide in one portion of a steep hill is followed by a series of subsequent slides from the same hill.

'Jhum' cultivation and felling of trees are among other reasons that causes landslides. Every year, at the outset of Jhum cultivation, the tribals set fire to the herbs, plants and trees creeping up or standing on the hills. This is a traditional but cruel practice as a part of preparation for jhum cultivation causing a menacing looseness of soil of the hill's surface. This, coupled with downpour, causes siltations in springs and rivers.

Chittagong Hill Tracts area blessed with scenic beauty and rich in natural resources has contributed greatly to the geographical variety of Bangladesh. Its originality and serenity are something of an asset. Government has undertaken extensive plans to make this area more and more attractive.

With a view to preventing hill cutting and razing, the Ministry of Lands in its Memo No 155/90/743(516), dated 9-9-90 drew attention of all concerned regarding The Building Construction (Amended) Act, 1990 (Act 35 of 1990) and informed that Government has proclaimed ban on hill cutting for building construction and such activities of hill cutting and razing is a cognizable offence which is punishable. Any violation of such law and any negligence or delay in applying such law shall be treated as reprehensible conduct. The memo also ordered all concerned for enforcing this law in all possible fields.

The law is just and suitable one. This law also empowers the authority to file a case against anybody who cuts or razes hills illegally without any prior approval of the Government. For this purpose a seven member committee has been formed with Deputy Commissioner as the chairman. The Additional Deputy Commissioner (Revenue), the Thana Nirbahi Officer concerned, Executive Engineer of Public Works Department, one representative of the Directorate of Environment, the Executive Officer of the concerned Municipality are the members and the Revenue Deputy Collector concerned is the member secretary of that committee.

As a district level committee, the above mentioned committee is quite authoritative and powerful as has been mentioned in section 3 C(1) of the Building Construction Act. This committee shall have to take prior approval of the government as per Proviso No 1 of Section 3 C(1) of the Act for giving approval to any hill cutting or razing. This law also states that this committee shall not approve any hill cutting or

razing before the government approval is obtained.

Of course, in some cases, as per satisfaction of the government, there exist some provisions for giving approval by the government regarding hill-cutting or razing. They are:

- a) the cutting or razing of the hill shall not cause any serious damage to any hill, building, structure or land adjacent to or in the vicinity of the hill, or
- b) the cutting or razing of the hill shall not cause any silting of or obstruction to any drain, stream or river, or
- c) the cutting or razing of the hill is necessary in order to prevent the loss of life or property, or
- d) the cutting of the hill is such as is normally necessary for construction of dwelling house without causing any major damage to the hill, or
- e) the cutting or razing of the hill is necessary in the public interest.

The implementation of the above rules, in the light of the existing law, is not at all complicated. In comparison to the hill oriented districts like greater Sylhet, Comilla, Cox's Bazar, Mymensingh, Tangail, Jamalpur and Netrokona, the districts of Bandarban, Khagrachhari, Rangamati and part of Chittagong are more heavily hill oriented and hence the importance of enforcement of law in these districts needs special attention.

The importance of application of this law has increased with the signing of peace agreement on December 2, 1997. These four districts have a greater prospect for promoting tourism and hence the need for preservation the small ranges of mountains demand special attention.

Unfortunately, the tendency of hill cutting and razing in these areas has multiplied. For establishment of markets on commercial basis, shops, godowns, brick fields, new institutions, construction of new roads and buildings, setting up of horticulture gardens and for many other reasons, hill cutting or razing often become necessary. In spite of that, hill cutting or razing must not be allowed to go on rampantly. The self-seeking persons or quarters have been indiscriminately cutting hills in various ways. They employ labours and get the work done illegally at the dead of night dodging the local administration. In some cases, these self-seekers are sheltered by the political demagogues.

Only enforcement of law is not enough to control or to diminish the extent of indiscriminate and illegal hill cutting or razing. Social motivation can also help achieve a good result. Often law cannot play its due role in this regard for various reasons. With a view to motivating the people, seminars, discussion meetings or workshops may be arranged by the Ministry of Forest and Environment. Chairmen of the Union Parishads, the chairman of the municipality concerned and its commissioners, businessmen, social workers, officers from district and thana levels may participate in such seminars or workshops. Even frequent inspection or visit by the officials of the authority concerned will have a positive effect. For the purpose of putting an end to hill cutting or razing, the authority should be more dynamic in respect of enforcing the existing law and social motivation.

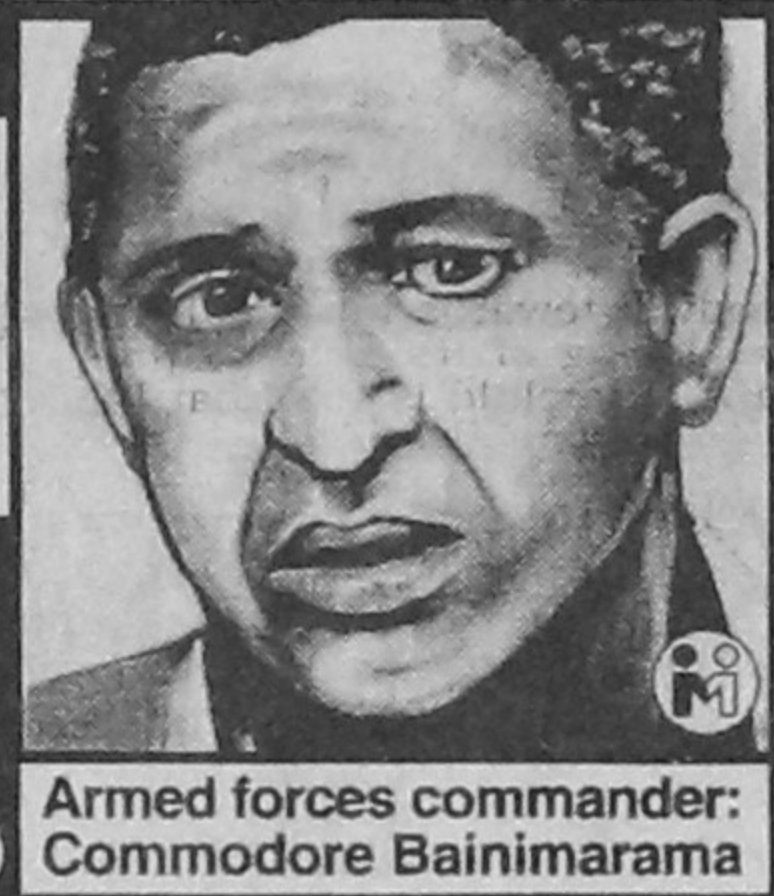
Timber's Role in the Fiji Insurrection

David Robie writes from Suva

Fiji Islands

Economy is largely agricultural:

- Annual value:
- Sugarcane: \$81m ● Other crops: \$40m
 - Livestock products: \$20m ● Fishing: \$26m
 - Forestry: \$21m ● Subsistence: \$299m
- Pop: 827,000 ● GNP per head: \$2,110
- Life expectancy: 73 ● Adult literacy: 92%
- Main cash crop and export: sugar
- Area: 18,000 sq km (spread over 3m sq km)



Armed forces commander: Commodore Bainimarama

the fifth most important export commodity, mainly in the form of pine chips and sawn timber.

The Trade and Investment Bureau says that the forestry sector is about to enter a period of rapid growth. The focus is on processing, marketing and exporting, as opposed to the planting and forest development operations of the early 1980s.

One of the most important developments in the sector has been the planting of mahogany, which the Trade and Investment Bureau believes could become "the flagship of Fiji's forest industry".

There are 45,000 hectares of mahogany, and the plan is to plant 4,500 ha a year. The target is 85,000 ha, at

which point it could provide a major source of export dollars that would eclipse pine as the timber industry's top product. (There are around 40,000 ha of pine plantations.)

Before his attempted coup, Speight had been under scrutiny as a result of a mahogany industry controversy. (He had also appeared in court a week before the coup on unrelated exchange control and export charges, which he denied.) Speight had to issue a statement to the *Fiji Sun* denying that he had been "on the take" over a deal that involved plans to harvest part of the maturing mahogany forests, claimed to be the largest in the world and worth billions of dollars. Opposition groups claimed

the government was selling a lucrative resource at an undervalued price.

The Chaudhry government said it would allow 100,000 cubic metres of the timber to be processed in the first 10 years and a further 178,000 cubic metres over the next 20 years.

It set out to find a partner for harvesting and processing. Intensive international bidding by seven international companies followed. After protracted negotiations the bidders were reduced to two.

The government subsequently claimed there were "fundamental shortcomings" in the proposal by one of the two short-listed groups — Timber Resource Management

(TRM), a United States consortium — that made it unacceptable "to any right-thinking government".

A full-page government advertisement headlined "The Real Facts About the Mahogany Deal" claimed TRM planned to set up a shell company in the Cayman Islands.

This allegedly would be used to raise funding from bonds which were to be issued abroad and the company was said to be unwilling to put any money upfront.

"Fiji's mahogany forest was to be secured to this company so that in the event of default of repayment of the bonds, they take over the forest and do what they want with it without the Fiji government or the landowners having any say at all," claimed the state advertisement.

TRM has filed a \$25 million defamation lawsuit against the Chaudhry government and the *Fiji Sun* over the advertisement.

The government's decision left the field to the British government-owned Commonwealth Development Corporation (CDC).

But the deal is on hold, pending a solution to the political crisis sparked by Speight. A CDC representative was scheduled to visit Fiji on 22 May, but was unable to do so because of the coup.

"I think it will depend on when things settle down in Fiji," said CDC timber section specialist Peter Massey. "It will be difficult to take any commercial decisions right now. We'll have to wait and see."

Courtesy: The Hindu of India.

A controversy over lucrative mahogany timber lurks behind the Fiji Islands hostage crisis.

Rebel leader George Speight, the failed pyramid businessman who led renegade military gunmen to seize parliament and hold the Fiji Labour Party-led coalition government prisoner, claimed his insurrection was designed to abrogate the multiracial 1997 constitution which had hoped to blur the country's racial divide, and to restore indigenous Fijian paramilitary.

About 48 per cent of the country's 800,000 population is indigenous Fijian and 44 per cent Indo-Fijian. However, Speight himself is a mixed-race Fijian with a European name, the fourth generation descendant of a white colonist.

The 45-year-old shaven-headed entrepreneur had a personal grudge against captured Prime Minister Mahendra Chaudhry, the country's first Indo-Fijian head of government. Speight had been ousted as chief executive of Fiji Hardwood Corporation and as chairman of the state-owned Fiji Pine board.

That is why Speight's insurrection provoked another leading businessman, Jim Ah Koy, an opposition MP and a former finance minister, to pay for a full-page advertisement in the daily newspapers and go on television to deny any involvement in the coup.

He was Speight's mentor and it had been widely reported that he had given Speight the timber post and directorships on Fiji Pine and other concerns.

As the political crisis in Fiji twisted and turned on an almost daily basis following the seizure of the Prime Minister and a group of other hostages, a pre-coup controversy over millions of dollars' worth of mahogany was forgotten. A Gemini News Service correspondent looks at a timber dispute that is not yet over.

Admitting that he had close family ties stretching back over 30 years, Ah Koy said: "What the dissident group did was unconstitutional and therefore illegal. But I can understand fully their frustrations and anger against the Chaudhry government and the person of the Prime Minister for not listening to the sensitivities of the indigenous Fijians."

While Speight was at the helm of Fiji Hardwood Corporation he was seen as the most influential man in the country's timber industry.

Forestry contributes about 1.5 per cent of gross domestic product, and forest products are

JUST WHEN India was grappling with the Sri Lankan crisis, the Fiji catastrophe posed another major challenge — bringing out, on the one hand, the severity of constraints under which New Delhi has to operate and, on the other, the urgency of effective remedial steps. There is a case for massive diplomatic initiatives to mount pressure on the delinquent men on the tiny Pacific island to heed the voice of sanity and restore the sanctity of democratic norms. The immediate task is to secure the release of the Prime Minister, Mr. Mahendra Pal Chaudhry, and undo the damage done to the representative institutions.

India's options may be limited but are not non-existent. Close coordination with Australia and New Zealand has to be the starting point of its strategy. Appropriate moves, by these two countries, especially in trade matters, could yield immediate results. There are other instruments of pressure. Fiji's economy is dependent on tourism, export of sugar and the garment trade. The prevailing uncertainty has already hit the main importer of sugar, European Union, could mean a crushing blow. Whosoever is at the helm on the island would want to avoid it. An Indian approach to Brussels, thus, acquires urgency. All sections of Fijian politicians, the "locals" not excluded, value links with the Commonwealth, which could be persuaded to play an effective role.

How far can New Delhi go in espousing the cause or safeguarding the interests of people of Indian origin settled abroad? In some cases, they are in large

enough numbers to play a major role in the politics and economy of the country of adoption — even to capture political power — and this leads to confrontation between them and the "indigenous" population. A pro-active policy by India could expose them to the charge of extra-territorial loyalties and, thus, provide an additional excuse to their opponents for embarking upon campaigns of terror. In the final analysis, the Indians abroad have to manage their affairs themselves, in co-operation with others or dealing with them suitably in difficult and abnormal situations. They need to make a judicious use of their clout as economic and political players, and make conscious efforts to win over the "locals" and develop partnerships with them. If that is done, the relative prosperity of the Indian-origin sections will not rattle with the others or cause provocation of any kind. The tendency to exclusivity in social, political or economic areas may seem fine but it has the potential for serious trouble at the hands of the unscrupulous and the desperate among the non-Indian fellow citizens.

To say this is not to suggest that New Delhi can afford to be a passive spectator when the Indian-origin sections are victimised, sought to be driven out of the positions they have occupied by dint of hard work and spirit of enterprise, are deprived of their rights and privileges and, thus, denied equality of treatment and opportunities. There are several reasons why it cannot remain disinterested. One, the overseas Indians, even if they are two or three generations removed, have family ties

or other equally strong links and any harm to the cousins abroad will cause unease and concern here. The worried local relations will put pressure on the Government which is not easy to ignore on humanitarian grounds, if not for other considerations.

Two, the danger of the influx of refugees is very real. Three, New Delhi is justified in taking up cases of violation of human rights and democratic principles anywhere, more so when the victims happen to be people of Indian origin.

New Delhi, thus, has a legitimate interest in the affairs of the Indian-origin community in Fiji, now that it has been subjected to all manner of tyrannies. The Prime Minister, along with some Cabinet colleagues, has been held hostage simply because of his Indian origin.

Imagine the legitimate head of Government being held in captivity as rampaging hoodlums were incited to take to violence and looting. The loss suffered by the Indian-origin community, mostly engaged in trade and business, was estimated at about \$15 million. The Constitution was abrogated — simply because it could not ensure against the rise to power of a group of Indian-origin politicians (of course, along with "local" Fijian colleagues). The army, which took over power in pursuit of another coup, is unable to tame the leader of the civilian coup who continues to call the shots, threatening to kill the hapless hostages. The international reaction has been far from adequate — confined to the step of a

Commonwealth group towards the suspension of Fiji, apart from critical statements from some chancelleries. The easiest — and most painless — way of bringing the Fijian adventurers to their knees is to impose trade sanctions. Such a step by Australia could be the most effective.

So far, things have not moved in that direction.

New Delhi did well despatching a special envoy — Mr. S. T. Devare, Secretary (East) in the foreign office to the island. It was a peculiar mission which evoked some uncharitable comments in advance. Who would Mr. Devare see on the island? What would he do? Some among the diplomats here wondered why New Delhi had been in a hurry to send an envoy to Fiji when it had not taken such a step in relation to Sri Lanka? Those raising such queries do not realise that the two situations are not comparable, that, in Sri Lanka, the legitimate Government, though under heavy pressure in one part of its territory, continues to perform its functions, that it has been in close contact with New Delhi, so much so the island's Foreign Minister was in India when pressure from Tamil secessionists was very acute. And the missions of the two countries function normally.

Mr. Devare's presence, even though brief, helped impart a sense of assurance to the Indian-origin sections. He got an opportunity for an on-the-spot assessment of the situation, was able to have detailed discussions with the Governments of Australia and New Zealand — which, hopefully, could be a prelude to effective concrete

steps for an immediate and medium-term solution to the problem, created by the hoodlum-mounted attack on democracy. Imagine a businessman, upset by his failure to win a contract, holding the democratic set-up to ransom!

The developments in Fiji are cause for concern to Australia —

TOM & JERRY



James Bond

BY IAN FLEMING

DRAWING BY MORAX



James Bond

BY IAN FLEMING

DRAWING BY MORAX



James Bond

BY IAN FLEMING

DRAWING BY MORAX



By Hanna-Barbera