

## Foreign aid disbursement

Where is the snag?

IT is a thought-provoking scenario. Also a confusing one, lost as it is in a maze of semantics. The donors say declining foreign assistance to Bangladesh has been the outcome of the country's poor utilisation capacity. Bangladesh officials maintain that disbursement of foreign aid slowed down because of cluttered allocation procedures.

The debate has returned in full fury revolving around the tumble taken by foreign aid disbursement. It has dipped by 24 per cent during July-February of this fiscal to \$547 million compared with \$680 million for the same period last year. The traditional sequence of pledge-commitment-allocation/disbursement has practically broken down seemingly under the weight of a pipeline bulge at around \$5.5 billion. The latest drop in disbursement would only add to the so-called bulge. The decline in the foreign aid flow has been the sharpest in recent times -- from \$1.575 billion in the first year to \$1.369 billion in FY01 to 1.25 billion in FY02.

There are arguments and counter-arguments as to why all this is happening. The government blames it out on donor cross-conditionalities and red tape. Particularly at the just-concluded Bangladesh Development Forum (BDF) meeting we articulated a position like this: 'time consuming and complicated procedures governing aid allocation, procurement, disbursement and reporting and monitoring requirements are leading to slow disbursement of aid.' The development partners' position was reflected through their latest public expenditure review which ascribed the declining assistance to 'Bangladesh's weak and deteriorating absorption capacity.'

The truth lies in the middle. Project aid has been traditionally hemmed in by formalities in contrast to the commodity aid. And, with the aid climate coming to a crunch in a post-détente recession-ridden period it is all the more cluttered today. On the other hand, projects taken up with political considerations from time to time did not receive sustained attention from the donor community. In addition, poor project management and flawed implementation mechanisms led to poor aid utilisation. The lengthy government procedures like preparation of separate project concept paper (PCP) and project proforma tend to delay disbursement.

That the solution rests on hitting a middle-ground is recognised by both sides. Otherwise, they wouldn't form the three working groups they have to modify government-donor policies with the object of improving efficiency, accountability and transparency of development assistance.

## Rohingya repatriation

We welcome the move

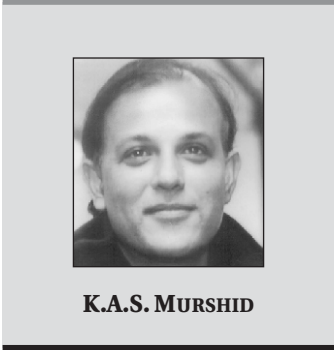
WE are heartened by the news that the stalled Rohingya refugee repatriation process resumed on Monday. More than 250,000 refugees from Myanmar had trekked into Bangladesh in October, 1991. Nearly 90 per cent of them went back to their homeland, but the thorny issue is still alive with the presence of a sizeable number of Rohingyas on our soil.

The repatriation process came to a halt in 1997 and resumption of talks between the two countries in January 2000 again raised the hope of a complete and quick repatriation of the refugees. But since then more than three years have been lost without any real progress made on sending the refugees back. Meantime, the refugee problem has become complicated with the birth rate at the camps being pretty high.

The point that must be considered here is that the refugees remained an obligation for a developing country like Bangladesh, apart from being a stumbling block on the way to maintaining normal relations with Myanmar. Bangladesh had to give shelter to the refugees with assistance from the UNHCR because it was a humanitarian crisis of great magnitude and the refugees had to be kept alive alongside initiating a dialogue with the country of their origin. But it has not been a simple case of providing food and shelter to the people in distress. Some refugees have melted with the local population and some others were reportedly engaged in activities inconsistent with their status. A certain vulnerability to fundamentalism was also reported.

It is good news that in the border talks between the two countries held in Dhaka some areas have been identified where the two countries can closely interact. They have agreed in principle to ease the procedures for obtaining visa and also to prevent illegal border-crossing. With the repatriation process of Rohingyas beginning after more than three years and the border talks taking place in a cordial atmosphere, Myanmar and Bangladesh can look forward to an era of understanding and cooperation.

# The circus was in town



K.A.S. MURSHID

THIS was a perfectly predictable meeting. Actually, some of my friends referred to it as a circus -- complete with acrobats, high-flyers, midjets, clowns and impresarios. Just as well that it was held in Dhaka, a city well known for its antics, especially amongst the Great and the Good. Most readers will have guessed by now that I am talking about the recently concluded meeting of the Bangladesh Development Forum.

This annual ritual has increasingly come to be viewed with scepticism, nervousness and anticipation. Bangladesh unfortunately, DOES need foreign aid in order to be able to continue with current development initiatives, and therefore (and despite the bravado that sometimes emanates from official representatives of the Government) has little choice but to bear with fortitude all those lectures on morality and good governance that our kind partners are in the habit of providing. For a few days we switch gear completely, uttering the correct words and making the right noises, knowing full well that the moment that these people are gone it is going to be business as usual once again in Sonar Bangla. It is like a set piece game that one plays -- with both questions and responses well known and well rehearsed.

Hopefully, everyone got something out of BDF 2003, although mainly I suspect that

would be in the form of promises. Thus: 'We promise to give you more money if you carry out the reforms'; and the response: 'we promise to carry out the reforms but please give us more money!' And that is precisely where we seem to have got stuck.

Realistically speaking, what in fact are the chances that this government will take the reform agenda more seriously? The chances, I fear, do not appear very bright. A major demand of civil

of that august body? I can see that this game with the appointment of judges will go on and on unless we change the provision in the constitution that insists on a judge being the automatic head of the Caretaker Government. Perhaps we ought to widen the net to include teachers, BIDS researchers, NGO barons etc.?

And why do we always have to compare ourselves with India, Mr. Law Minister? Is India our role model, by any chance? We should

As entirely expected, the BDF went on and on about the usual concerns: corruption, law and order, governance, port congestion -- but significantly, not touching upon gas exports (too sensitive an issue?). The suggestion is that FDI and domestic investment would overflow the banks of the Jamuna and Brahmaputra once these problems were overcome. The good thing about prescriptions of this sort is you can never go wrong. These

scams that have erased the likes of Arthur Anderson and Enron from the face of the map. Thus, whenever a country like Bangladesh under performs, all you have to do is point your worthy finger at corruption and poor governance in order to locate the 'root causes' of the malaise. These days, you don't need economists -- a righteous mob will do just as well, perhaps even better.

As an aside, allow me to bring in a rather well worn phrase much in

between the anti-corruption, pro-poverty rhetoric and the reality of abysmal performance on the ground.

To start with, the central question related to the link between poor pay and poor performance in the public sector continues to be blatantly ignored. I admit that scholars and university teachers have no use for such shoddy stuff as money or base metals but to expect civil servants with normal, middle class aspirations (two cars, children studying in the U.S., large house in Gulshan), to survive on Tk.10,000 or so per month, and indeed even to deliver a world-class service, is perhaps somewhat unrealistic if not downright insane. Let's start paying these worthy people a real wage before waxing eloquently on inefficiency and corruption in the public sector. The stick will also need to be wielded but that must NOT be a political stick; it must be an impartial, administrative stick that does not distinguish between 'mine and thine'.

Let me conclude by pointing to the most obvious of omissions in the recently concluded BDF: the central role of party politics in undermining all our major institutions. The reference to the political-criminal-police axis is apt but inadequate. To state that this government is pro-reform will only serve to sweep under the carpet the political propensity to make everything -- good sense, morals and political foresight -- subservient to ONE over-riding objective (and guess what THAT might be). WE have just witnessed the latest example of THEIR commitment to reforms -- the rehabilitation of a convicted murderer in a government job -- not just any murderer, mind you but the man convicted by the highest court of the land for slaying none other than the Bangabandhu.

Good luck Bangladesh.

Dr KAS Murshid is an economist and Research Director, BIDS

society in Bangladesh (but not so much of the political parties) has been to separate the judiciary from the executive in order to make it truly independent and impartial. The matter inevitably, was raised at the BDF with a beleaguered Law Minister pleading for time. He thought it would take six years to carry out this task, pointing to the Indian experience in support of his contention. I am sure as a legal expert he knows what he is talking about although I doubt if he has been able to convince anybody else outside his immediate zone of influence. The matter, unfortunately, has NOTHING to do with time and everything to do with intention and design. Anyone who has bothered to take even a superficial interest in the manner in which the government interfered in the process of selection of judges, would HAVE to question the motive of the government. Are these actions indicative of a process of separation of the judiciary or just another nail on the potential coffin

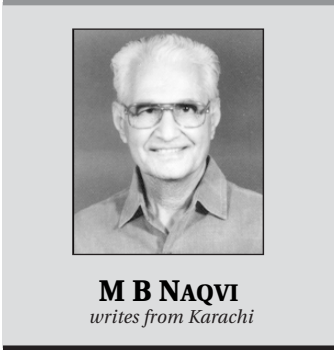
not forget that India is many times larger, much more complex and somewhat better managed than Bangladesh. Let's look elsewhere for a more suitable comparison. Actually, I have the names of a few countries just at the tip of my tongue -- but on second thought, I shall restrain myself!

well- meaning objectives are relative rather than absolute, and thus (and not withstanding what Transparency International tells you) are extremely difficult to measure. These are even more difficult to eradicate, even from the Greatest Democracy in the World, judging by the earth-shattering

use these days: 'a road map'. The BDF ought to have been able to generate a road map over all the years that it has been debating issues of governance and corruption, considering how central these are to our welfare. Yes, I know there IS the IPRSP which some would consider to be THE road map of choice. Unfortunately, there are limitations to what even a PRSP can do. While it can set objectives and provide eloquent paragraphs on priorities and needs and can even reflect the wishes of the masses, it cannot and does not tell you HOW to get there. And that is something that the government/partners need to work on, to determine the nuts and bolts of the system, so to speak that will deliver us from inefficiency, waste and sheer plunder. We need to identify mechanisms, incentives and structures e.g. in government administration, procurement methods and policies, that will drastically reduce corruption and improve efficiency. These nuts and bolts however have today become the missing link



# Dealing with India



M B NAQVI  
writes from Karachi

AS soon as the Indian PM offered an olive branch to Pakistan, the climate of opinion in both countries began changing rapidly. Does it really matter where Mr. Atal Behari Vajpayee got his inspiration from. The immediate and positive reaction of this country was a hopeful sign. It meshes in with Indian action. The two seem to be anxious to normalise relations and certainly to reduce tensions. But non-official reactions in both countries are varied. While Mr. Vajpayee's own Sangh Parivar remains skeptical and is wont to suspicions about relations with Pakistan. Several Indian opposition parties' view however is more positive; they too emphasise the people-to-people contact as the means of corrective action and basis for further progress.

The same sort of situation obtains in Pakistan. While liberals praise the government's positive response and do not worry about the inspiration having come from the US. But a clearly identifiable lobby of ultra-patriotic Pakistanis has begun reacting in a manner that is reminiscent of Feb 1999 protests during Vajpayee's Lahore visit sans the protests. That mindset had inspired the Kargil operation so as to sabotage the efforts of the two Prime Ministers. That lobby has got into almost the top gear and one can only hope that this time round it will not be allowed to run riot.

One question needs being sorted out. What do we do with our geography, with India, given its size, population and resources, sitting cheek by jowl with us? We simply cannot ignore India; if we do not have good relations with it we shall have ruinous tensions. Thanks to the thousand and one

commonalities with it, there is no third way. It is up to us to decide whether we want a future of tensions, bad relations and conflict; or we evolve a vision of mutual accommodation and friendly cooperation. This choice is unavoidable. The case of the ultra-patriotic lobby in this country boils down to Hindus, India's majority community, being quintessentially bad, untrustworthy and fundamentally inimical, Pakistan cannot have good relations with it. Why? because the Indian government, being largely Hindu, would cheat and do Pakistan down.

This is nonsense. Hindus, like Muslims in Pakistan, are all sorts:

history. But the third and perhaps the biggest hurdle is the nuclearisation of the two countries. All three are important and have to be removed.

Insofar as that mindset is concerned, it can be taken care of by emphasising two basic considerations: the first problem facing Pakistan is their poverty, underdevelopment and absence of effective freedoms. The ultimate purpose of public policy in Pakistan should be to serve these interests of Pakistanis; their material and economic interests come first, followed quickly by social, cultural and political freedoms. Instead of dissipating resources on

prochement in an ever intensifying SAARC, which then moves outward, befriending others in Asia -- perhaps creating an Asian architecture of peace, stability, human rights and economic cooperation along the way.

A howl may arise here: what about Kashmir? Well, the Kashmir problem has been pursued with a militaristic approach. As a result Pakistan has fought four fruitless wars. This approach has hindered Pakistan's economic progress. It has not allowed democracy to strike roots. And the Kashmir problem remains as intractable as ever. It has boiled down to a territorial dispute over the Valley

a platter 10-20 or 30 years later is unrealistic. The direction to look for is that Kashmir should become a bridge between India and Pakistan without anyone trying to be clever by half. That perhaps may never happen.

The issue however is not between Pakistan and India, as it concerns even more the Kashmiris. If Kashmir is only a dispute between India and Pakistan, it is insoluble. It is far more between the Indians and Kashmiris. They should be left alone to sort out, while all others should create conditions a regional milieu in which mutual regard becomes the norm and friendly cooperation

gentlemanly agreement of mutual restraint can work. The whole purpose of each side's effort is to get the better of the other. Both states are sure to remain engaged in it so long as they want to retain their nuclear weapons. An arms race is built into two competitive deterrents, no matter how many times the 'minimum' word is repeated. The kind of confidence that was available to Soviets and the Americans during their cold war is not available to India and Pakistan; they are geographically too close to each other and far too passionate on a number of matters to exercise restraint.

However idealistic and distant it may seem, the only basis for hope is total denuclearisation of India and Pakistan. Superficially everybody dislikes the nukes. Pakistanis beat their breasts and say they will denuclearise tomorrow if the Indians do; the Indians say that they would denuclearise if the Chinese do the same; the Chinese say that they would do it immediately if the Americans were to destroy their weapons and delivery vehicles. This is a vicious cycle. These arguments actually hide the love of nukes as the currency of power that confers material benefits to the hawks and their publicists.

The Indians are using a morally valid argument for a basically immoral purpose of remaining a fair-sized nuclear power when they talk of universal denuclearisation. The Chinese are a convenient excuse. Everyone knows that there is no real likelihood of China invading India and getting the better of it. India does not need nukes either to cope with China or Pakistan. One's assessment is that there is real agreement among the social and political elites of both countries to preserve bad relations; these create opportunities for continuous expansion in the military budgets that benefit elite groups in both countries. So long as interests of these groups prevail, the future of the people of India and Pakistan is sealed. Progress for South Asia is crucially dependent on voluntary and separate denuclearisation of South Asia by India and Pakistan.

MB Naqvi is a leading columnist in Pakistan.

PLAIN WORDS

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good, bad and indifferent. Among them are noble souls and have bad eggs in plenty. But fundamentally, like Muslims in Pakistan, their main interest lies in their livelihood, improvement in incomes and the desire to exercise freedoms. There is no law of nature written on gigantic rocks that Indians and Hindus will always remain inimical to Muslims. Given half a chance, the myriad commonalities of culture, language, religion, race and economic interests will push the two to friendship and mutual cooperation. Since Pakistanis are not able to remain uninvolved, they might as well opt for a longer-term policy of making friends with India -- such India as there is, with its many beauties and uglinesses. Don't we Pakistanis have wars?

One hastens to add that huge roadblocks have been created during the last 55 years on the road to peace, friendship and cooperation. There are main ones: the first is the mindset one has described as ultra-patriotic claiming to be an ideology. The second is the Kashmir dispute with its painful

ill thought out and quixotic military schemes, the country should go flat out to ensure prosperity of Pakistanis amidst ever increasing freedoms (human rights). Let's be sure of the aim. It requires Pakistanis to live in peace and honour with all neighbours without exception and not trying to take advantage of any other. We should work for true people-to-people reconciliation with India first because it is the closest and most important neighbour.

This policy cannot be limited to India alone. It has to be extended to all neighbours: Iran, Afghanistan, Russia, China and other members of SAARC. The vision is of friendly cooperation among all the neighbours of Pakistan with the objective of promoting economic development and prosperity for people at grassroots -- and not limited to their social elites. Given the pitiless facts of emerging America-dominated world order, all are willy nilly forced to adopt regional integration, a la EU, as the medium-term objective. It means anchoring India-Pakistan rap-

between Pakistan and India. India holds it in its iron grip and Pakistan wants to wrest it. The plain fact of the matter is that militarily, there is no solution of Kashmir; only more Kashmiris will go on dying, if militaristic mind is not changed.

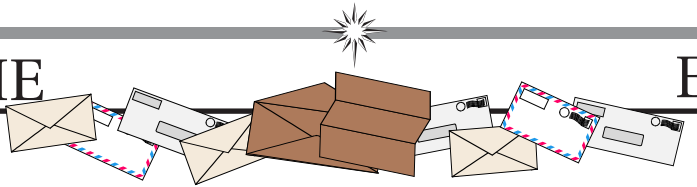
There is no way that Kashmir issue can be solved on present assumptions and by current methods. If there has to be a change in the basic status of the Valley, it will have to be by sustained political means over a period. The politics of the Subcontinent will need to be transformed. Whatever change in Kashmir has to come has to be with India's consent. And Indians are not fools or simpletons. They would want to get something valuable in return for Kashmir concessions expected from them. Which is why a longer-term hope can be entertained that a true grassroots level rapprochement between Pakistan and India, with institutional arrangements for intensive mutual cooperation can, over time, create a new political and social ambience. India will hand over the Valley to Pakistan on

reigns. Only then can the Indians and Kashmiris both increase their respective freedoms.

The third roadblock is the nuclear-tipped missiles in Pakistan aimed at India and in India aimed at Pakistan. So long as these missiles take about three minutes to reach their targets, there can be no trust between these two countries because atomic weapons cause unacceptable destruction and there is no defence against them. The irresistibly growing mistrust generated by the two nukes aimed at each other can belie all hopes. No Pakistani government can fully trust a nuclear-armed India. Similarly no Indian government, of no matter which party, will trust Pakistan so long as it can fire its nuclear weapons.

A modus operandi was sought by Vajpayee in an MOU in Feb 1999. It was the same détente that had been nearly agreed upon between Indian and Pakistani hawks under the American aegis in Shanghai. Well, given the level of mistrust -- and let no one forget it is growing -- no

## TO THE EDITOR TO THE EDITOR TO THE



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Letters will only be considered if they carry the writer's full name, address and telephone number (if any). The identity of the writers will be protected. Letters must be limited to 300 words. All letters will be subject to editing.

### "Exam hazards"

Ms. Siddiqi's letter published on 19th May has shed lights on some of the facts but not all. Considering our hartal prone country, the British Council in their instruction to the candidates has elaborately worked out contingency plan and I must confess it worked very well. Traffic jam, parent's insensitivity and lack of etiquette are not an issue to be addressed by the British Council.

However selecting exam centres is the primary responsibility of British Council and that too when they realise an hefty amount as exam fees from the candidates. I shall disagree with Ms. Siddiqi

about HURDCO International School, this was one of the best exam centres during the current "O" & "A" Level examination. Unfortunately I do not have the same impression about the other centres at the private universities. The authorities there were insensitive and discourteous. Candidates were made to climb stairs up to 6th or 7th floor even though they had lifts in their building, drinking water was not made available to the candidates in one of these universities. Were these university centres doing a favour to the candidates, certainly not, each one of the candidates had paid for it.

It is time the British Council made an independent enquiry of

these incidents and addressed these problems in order to provide the service they are selling, should they fail to do so the Government should do it, after all a hefty sum is repatriated for the sake of this service.

M.K.Zaman  
Banani, Dhaka

### On the waterfront

I read in The Daily Star issue of May 20, with a certain amount of glee, that 'SSA loses legal battle over private port'.

I remembered that I had heard of the Stevedoring Services of America (SSA) recently; vague reports in the news media about a

bitter dispute between the port operators, (eventually, George Bush with them) and California's longshoremen in the US west coast port lockout saga. Then, after the other, somewhat better reported, dispute between George Bush and Iraq, there was the little affair of Umm Qasr. Where SSA won a controversial \$4.8m contract to rebuild Umm Qasr's port, for humanitarian reasons... of course!

Well, SSA seem to be hell bent on world domination, (at least in terms of owning port facilities), but their relentless march to all conquering status has been dealt with a little bit of a setback by humble, (yet judicially proud), Bangladesh.

However, rather ominously,

your report that Mary Ann Peters, the US Ambassador to Bangladesh, has said quite clearly that future US investment in Bangladesh would depend on these private port terminals.

It's interesting to note that the chief US representative of that most powerful of democracies is acting against the interests of the people of one of the most poorest.

Joseph Jabbar  
Birmingham, UK

### Help Sri Lanka

Bangladesh should immediately send help to Sri Lanka, which is facing one of the worst floods in its history. We have the necessary

expertise and knowledge to organise flood relief operations, repatriate flood victims, and tackle the outbreak of after-flood medical emergencies. As of today, Sri Lanka is in immediate need of boats and other materials for displaced people and flooded areas. We should send, as per our capabilities, boats, medicine, tents, and if possible, BAF helicopters or cargo planes to help out our trusted and friendly neighbour.

Shafqat  
USA

### An irresponsible traffic policy

The very large majority of denizens

of Dhaka do not own cars. Nor can they afford CNG autorickshaws or taxis. Thus we have the trusty non-polluting rickshaw. It now appears that our city corporation authorities are bent on making the lives of these people as miserable as possible. First, they illegally, by moral law and by considering the rights of all citizens, have stopped rickshaws from plying over a significant length of Mirpur Road. Now they appear to be getting ready to ban rickshaws through the entire Mirpur Road all together. Then they are making these bizarre construction pieces called road dividers which are getting taller and wider by the day. Then they are also making pedestrian bridges

that are so unsafe that to get on them is to risk your life. Worse, the police are very happily harassing a good number of bus and truck drivers whenever and wherever possible.

We don't want rickshaws to be banned. We need the western side of Panthapath to be opened to rickshaws and the whole of the old road 32 to be opened to public, considering the fact that it leads to many schools in the Dhanmondi area. If such measures are not taken, I call upon all my fellow citizens to submit a petition to this regard.

Ahsan  
Dhaka