

Looking into 2004

## Hopes and concerns in the energy sector

NURUDDIN MAHMUD KAMAL

ONE would be horrified to hear that the energy sector in Bangladesh has become rudderless. Reportedly, it is now operating on borrowed impulses, at times misdirected by verbosity. The usual allegation is that the authorities responsible for managing the energy domain has so far failed to prepare a doable road-map to guide the nation in the present tortuous energy path, let alone express their clear views in terms of hopes and concerns. The Ministry of Energy and Mineral Resources (MEMR), in particular, may call such an allegation untrue. It may even send a strong letter of protest for such an acquisition. But, would be Ministry be able to deny that it has only conceived some hypothesis for energy development and has failed to produce even a megawatt of electricity or a MCF of natural gas on its own accord over the past twenty-six months? In fact, the authorities have fallen far behind of what was expected of them. Allah alone knows that it would do in 2004 or in 2005 or even in 2006 to help bring discipline in the electricity and gas sub-sectors for the benefit of the citizens!

Over the last five years considerable debate has taken place about the future supply of indigenous fossil fuel (natural gas in particular). On one side are those who believe we are rapidly depleting reserves and that the resulting shortage will have a profound impact on our citizens' lives. On the other side are those who see no impending crisis because long-term trends indicate the possibility of finding alternative sources of energy. This riddle is yet to be resolved. However, scientific endeavors worldwide indicate that natural gas will remain a preferred form of cheap fuel for at least another four decades, if not more. Consequently, the country's natural gas will remain a valued source of energy.

Nevertheless, the concepts of resources and reserves have created considerable misunderstanding in the minds of many non-geologists. The National Gas Reserve Committee deliberately aggravated the situation by not providing the Proven Gas Reserve figure in their report submitted on 27 August, 2002. Scientific predictions of energy production also assume that there is a finite supply of energy that is measurable; however, estimates of resources (hypothetical and speculative) and reserves (known) are inventories of the amounts of a fossil fuel perceived to be available over some future period of time. As the reserves are depleted over time, additional amounts of fossil fuels are inventoried through proper exploration and development of geological structures. In Bangladesh, the authorities in the gas sector unfortunately prefer to well on extraneous factors rather than depend on internal scientific basis. This has led to wide disbelief about the country's policy planners and decision

maker's attitudes and intentions. In short, energy system in Bangladesh can be widely criticised for poor targets and goal setting by the government. The general allegation is that it has not been pursued in the recent years in its correct tracks. At the same time impacts of our cheap gas-based electricity generation have not been adequately evaluated, rather electricity and gas prices have been enhanced inconsistently at the behest of the World Bank and the Asian Development Bank. Consequently, the questions that were asked in the late 1990s are the questions that are asked again in the public debate about our energy future and energy security. Concerned citizens also ask how did the question of energy mix become the captive of narrow and single minded mania that saw the energy future in terms of more gas-based power plants? Many others like to ask, "don't we have other options for generation of electricity in the country?" Yes, we do. But they are relatively more expensive (not affordable by common citizens) and not as cost competitive as indigenous natural gas-based one.

Then why bother what the ambassador of the United States Mr Harry K Thomas keeps on saying? We are amazed that Mr. Thoma's comments on gas-export have not been condemned as yet. Mr Thomas is doing all this since his arrival in Bangladesh, and it's not a coincidence, rather deliberate because he has a stake. As a representative of the US government he should have thought twice before he said, 'We would like to see a certain amount of natural gas to be exported?' Does he know how much proven gas reserve Bangladesh posses now (in 2003) and what would happen to the country after 2015 when the present reserve will get exhausted? Indeed, we are almost ninety percent dependent on gas for generation of electricity. And our wise government apparently has not worked out any alternative for generation of electricity beyond the next decade. Isn't that good enough a reason to comment that the authorities in the energy sector are operating without a rudder?

Theoretically, our aim for the coming years should be to make an effort for energy self-sufficiency. The paths of self-sufficiency involve an arduous, disciplined effort. And we are perhaps far from it. Those who know say, any possibility of getting here beginning 2004 is a dream. The past two years (2002 and 2003) should have taught us some lessons, but it didn't. Assuming that we are beginning to settle down and see what the problems are, our definition of self-sufficiency may be

suitably amended to give a meaningful expression of our thought process. The rigid definition of the term, as it is understood now, implies zero (0) energy imports. But the reality is different. The country imports about 3.5 million tons of oil for which the exchequer spends about US\$ 600 million (equivalent to Tk 3,500 crore) annually. On the other hand, through energy substitution (by natural gas use) the treasury saves about US\$ 2 billion (two billion) by not importing around 10 million tons of oil equivalent annually. One can easily imagine what would have happened to our balance of payment situation if a total of 13.5 million tons of oil equivalent at a cost of Tk 15,000 crore annually was needed for energy import alone. Incidentally, the gas export proposal by Unocal stipulates an earning of only Tk 20,000 crore in 20 years against export of about 3.65 trillion cubic feet of gas during the life of the proposed project.

The next five to ten years will be our greatest period of stress, before our drive toward self-sufficiency begins to reduce our energy import requirements. It will also be our greatest testing period as to whether we are going to continue to live in hardship from one summer to another because of shortage in electricity supply and one winter to another winter due to gas crisis. In working towards a balance of energy supply and demand, our domestic supply (of gas) must be increased in the next few years. One should however be mindful that there is an element called lead-time of three to four years after the discovery (of gas) is made, or for erecting a major power plant. Therefore, plans and programmes must be made in a conscientious and pragmatic manner.

A commonsense approach will be to tighten our belts, conserve energy and initiate energy efficiency procedures and at the same time encourage the public sector energy industry, which has the know-how, technological capabilities and the experience to do the jobs needed for the country. Hopefully, gas and coal will dominate the mid-term scenario up to 2010, the ground work must be consolidated and expanded. New energy supplies should also be explored and developed. The point is that energy supply must be tackled on many fronts. The cost estimates for such options must be carefully worked out and prioritised. The next question is where the entire money is going to come from? It is for the government to make a pick and choose from amongst the private and public sector. Energy investments so far has not been commensurate with the demand. In fact, it was never

tagged to our GDP and to meet the new requirements, the need will be much higher than it is today. The energy sector's share of total business capital expenditure is to be projected to rise for obvious reasons.

Though the country's money supply is limited (perhaps due to poor management) and the energy industry has to compete successfully with other users of capital to get their jobs done, the key to financing our energy future will be determined by the political decisions we make starting 2004.

Therefore, in working toward a balance of energy supply and demand, our domestic supply (of electricity and gas) must be increased in the next few years. As our gas network expansion in the western zone (across the river Jamuna) enhances, hopefully, beginning 2004, the need for domestic use of gas will continue to increase. However, the awesome magnitude of our energy problems must be addressed in its proper perspective and dramatic improvements made without any further delay.

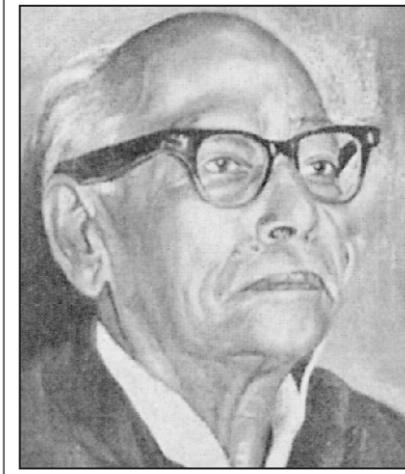
NURUDDIN MAHMUD KAMAL is a former government official and now a column writer in the print media.

Lest we forget

## Comrade Moni Singh

A peasant leader turned people's leader

K.G. MUSTAFA



Late Comrade Moni Singh

In July 1952, I was instructed by the party's leadership to call a meeting of the journalist cell which would be attended by the party's General Secretary, Comrade Moni Singh and Comrade Sudhin Roy. The meeting would decide who would join the party's open team. At the meeting, Comrade Moni Singh named Tasadduq Ahmed and K.G. Mustafa to join the cell as whole-time workers. He also said that we would have to resign from the newspapers where we worked. For preparation, we would be given six months time. I agreed, but Tasadduq Ahmed refused to join the open team as he would permanently settle in the United Kingdom.

Comrade Moni Singh and Comrade Sudhin Roy tried to convince the members of the cell that in the greater interest of the party and the country we should agree to accept their proposal. Tasadduq Ahmed did not agree even after persistent argument of the party's leadership. Comrade Moni Singh finally said, "comrades, this is your country; if you agree to make Bolshevik revolution here you better change your mind and join the open team. Otherwise tell us not to bother you."

I stared at Comrade Moni Singh for some moments and said to myself, I would be lucky to work with this great man. As advised by the leadership, I resigned from Sangbad at the end of 1952 and joined the open team led by Mirza Abdus Samad, a member of the provincial committee.

Nineteen fifty three was the year of election. The KSP led by A.K. Fazlul Huq and the Awami League led by Hossain Shahid Suhrawardy and Maulana Abdul Hamid Khan Bhashani held series of meetings for forging a united front to face the Muslim League. The Communist Party was campaigning for forging unity of all anti-Muslim League parties, groups and individuals. In party meetings, Comrade Moni Singh emphasised on the point that we must not take the Muslim League lightly. If all our comrades remembered this point, their battle for defeating the ruling party would be much easier. The party had to go through substantial political as well as organisational problems during this period. A number of leading members of the party thought that the party should fight the election on its own programme of action and would not play second fiddle to the bourgeois parties in the united front.

But the party leadership decided to field candidates of the party in limited number of seats and support the United Front in other

I had an opportunity to know these extraordinary people who, under the leadership of Comrade Moni Singh, ran the party affairs from the 6th of March, 1948, until their death. The party did not have any wealth and did not get any handsome donations either. It depended on its members and sympathisers.

I once asked Comrade Moni Singh why he agreed with the thesis of 1948. He asked me in turn if I had ever met Comrade Bhabani Sen. I replied in the negative. He then explained that Comrade Sen could convince his audience on any issue. 'We were convinced when he explained the thesis to us,' said Comrade Moni Singh. He was a democrat within the limitation of the Leninist principle of democratic centralism.

On the occasion of his 13th anniversary of death we express our sorrow and remember his contribution to the building of Bangladesh.

## In memoriam

## Dr Mazharul Islam

From a daughter's perspective

CHHANDA ISLAM



Late Dr Mazharul Islam

Q UITE a few weeks have passed since I received the initial request to prepare a remembrance for my father's life story. My family's wish is that I commemorate my father's life by writing about some of the significant events that have served as a memoir for his extraordinary life. My father Dr Mazharul Islam passed away on November 14.

My father's words and philosophy are appreciated and honoured. His vision and insights offer inspiration and guidance to many Bangladeshi. He was an advocate of Bengali culture and social construction. He influenced Bangladeshi in untold measure. There are many Bangladeshi for whom his dedication and life's lessons are valuable blueprint for personal and moral development. He was a brilliant educator with exceptional abilities and integrity of character. His plan of action, his viewpoint and his perspective were always poignantly clear.

My father was deeply involved and inspired by Bengali nationalism that encourages self-reliance and upholds a

sense. This election line was drawn up by the party's general secretary Comrade Moni Singh, Sudhin Roy and Barin Datta, the members of the secretariat, and supported by the party organisations all over the province. This was a correct political line of the time and four out of ten party candidates won the election. The Muslim League had been defeated convincingly. 'This is an occasion to rejoice', announced the party's leadership after the election results were out. A three member committee comprising Satyen Sen, Ranesh Das Gupta and K.G. Mustafa conducted the election activities of the party under the leadership of POC (Provincial Organising Committee). The POC was subsequently renamed Central Committee of the Communist Party. Comrade Moni Singh, a legend of the Tonko' and 'Tebhaga' movements, Hajong and other peasants' movements of Mymensingh and Nachole of Rajshahi emerged as a leader of the masses.

Election results also vindicated the line of the party leadership in that as many as 18 candidates of the Awami League and Ganotantri Dal belonged to the open sector of the Communist Party. With the four members of the open sector, the party's total strength in the provincial assembly stood at twenty-two. The party also won a seat at the second Constituent assembly in 1955.

Comrade Moni Singh was elected General Secretary of the party in 1951 when the party abandoned the lines of comrades B. T. Ronadeva and Rajeshwar Rao. In the then East Pakistan, Comrade Moni Singh was held in high esteem by all sections of people, although he hardly came out of the underground party shelter. To the party rank and file he was the 'Big Brother', 'Baro Bhai'. To the peasants of Mymensingh area, he was known as Moni Raja, the king of the downtrodden. The Muslim League government of the post partition period fostered communal disturbances in Hajong areas of Mymensingh. As a result, almost the entire peasantry of the region was thrown out and refugees coming from Assam were encouraged by the Muslim Leaguers to settle in the area.

Comrade Moni Singh has proved in his lifestyle that revolutionary can be honest, sincere and friendly to the masses of the people. He and his team of leaders set an example before the entire people of Bangladesh that a political party can be run by honest people who do not plunder other's wealth.

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## 2004 objectives

DR. M. S. HAQ writes from New York

In a rapidly changing, increasingly uncertain, mostly unknown and developmentally uneven world, the establishment of realisable plans and programmes in the pursuit of creating initial conditions for meeting the needs and expectations of Bangladeshis and those of world people is a formidable challenge. Further, the difficulties associated with the harnessing of existing or new opportunities or both for the achievement of planned objectives at local, national and global levels are taking a toll on weak institutions, limited capacities and fragile resource bases of many developing countries including Bangladesh. Interesting though, the challenges and the opportunities mentioned complement and supplement each other in shaping, among other things, the development objectives of policy-outcome processes.

**The following may be a few objectives for the year 2004.** Bangladesh should strive hard to minimise further the wastage of its resources. It should enhance its productive time and advance its development agenda through, inter alia: i) eliminating delays in decision-making; ii) improving further the quality of decisions; iii) identifying and implementing local, national and global priorities for 2004 -- designing, in that respect, implementation strategies and processes having potentials for facilitating in pertinent areas an optimal result and outcome (for example: in terms of number of rural beneficiaries), cross cutting benefit, cost effectiveness, and accountability plus ownership, to mention a few; and iv) using expediters in critical work areas for ensuring outcomes just in time. In the government offices, the senior officers like, deputy secretaries and others may be assigned as expediters with appropriate authority and accountability including time bound reporting obligations.

More focused and frequent use of PCBSD as a criterion in the formulation and implementation of development programmes could be helpful: improve people-centred orientations in decisions concerning the allocation of development resources; promote the use of people-centred balance sheets in development accounting and auditing; enhance the quality of programme monitoring; and make the transactions in development more transparent. Further, the balance sheet information could assist world people in deciding as to whether or not to call for a public enquiry into pertinent areas, as applicable.

The Human Development Reports may use PCBSD as a criterion inter alia for ranking relevant countries on the basis of per capita allocation and spending of development assistance resources with respect to the benefici-

aries, and the resultant losses and gains, (say, in monetary terms) in a given period.

Bangladesh should be more proactive, willing and innovative in dealing with the issues leading to hartals. Hartal in Bangladesh is generally far from being peaceful and its continuing use as a power tool in politics has been constraining the development of a knowledge based political culture in the country. The country should not take a laid back or ignoring attitude when it comes to situations leading to a hartal, per se. The ramifications of promoting such attitude over a period of time can be manifold and devastating for the country. It can a) create a perception among Bangladeshis and others about a sitting government's inability to deal with the issues leading to the hartal and that could affect the ruling party's support bases, marginalising their prospects of winning at least in the next election; b) discourage the political parties, trade unions and others to pursue aggressively peaceful means for conflict resolution; c) hit the confidence of the investors in the country's ability to promote and sustain enabling environments for investment; and d) hurt the country's development as well as frameworks.

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The review of the UN charter and the current mandates based on the lessons learned, globalisation and the UN's competitiveness, the dynamics of needs, wants, peace, economics, geopolitics and environment, the future of world in the foreseeable period, the technology-human development interface and the emerging human rights context -- in order to determine

their effectiveness in the light of a 21st century UN;

The examination of the structure and the voting plus the veto system of the Security Council (SC) and the voting system at the General Assembly (GA) with a view to strengthening the crucial balance that holds the acceptability and integrity of the UN as a dependable and reliable world institution both at the time of crisis as well as peace;

The determination of measures for enhancing collaboration, cooperation and synergy between and among the UN, civil society, world regions and regional organisations in pertinent areas. One of such measures could be the regionalisation of the headquarters based development support and service units (like the regional bureaus) of UN organisations and agencies by relocating them in respective regions;

The establishment of modalities for helping the UN lean, more productive, less bureaucratic and more resourceful. Some of the options in that respect could be: the merger of relevant UN organisations and agencies in the pursuit of a few but more productive UN entities; a planned privatisation of the UN development activities -- facilitating the taking over of those activities by civil society, the idea is to create successors of the UN development entities; a more mutually reinforcing and beneficial relationship between the UN and the WB, as well as other financial institutions; a drastic reduction in the number of assistant secretaries general especially, in UN organisations and agencies; the overhauling of human resource management units of the UN for professional excellence and attitudinal changes (promotion of friends not master attitude in cases); the optimisation of ICT use in the UN operations; and significant improvements in peacekeeping operations plus intra- and inter-agencies coordination, to mention a few.

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It is our hope that in future we will be able to provide better facilities and more opportunities to train Nurjehan Mazhar teachers to develop teaching skills and strategies. If possible, faculty will utilise group network environments such as desktop video conferencing and blackboard online communications to recruit more students from the districts.

We, the family, will forever be nurtured by his legacy.

Dr. Chhanda Islam is Professor, Murray State University, Murray, Kentucky, USA.