Earlier in 2004, because of LIPPS resistance to allow German donor agency KfW to conduct an audit into the books of RPCL, the government lost 20 million Euro untied grant ear-marked for this project, and another 40 million Euro for another power project.

Skid-mount and barge-mount projects

The perfect example of undermining of professionalism, and emphasizing nepotism, is the alliance government's signing of six skid-mount or barge-mount power projects totaling 160 mw power generation capacity. All of these contracts went to inexperienced sons and relatives of powerful policy-makers, at rental terms favouring them at the cost of the nation.

These deals were signed in recent months following more than one year of controversy. Initially in 2005, the government wanted to award 45 such deals to parliamentarians, ministers, and their sons and nephews. But that bid was foiled following warnings from the World Bank. This shows that though the power scenario was grim and the government had to do something sincerely to overcome the situation, the policy-makers were all hell-bent on making deals for personal benefits.

Accordingly all of the six deals went to friends and relatives of the BNP leaders.

PDB had opposed signing of any of these deals, saying that the 15-year costly rental terms would force it to incur hundreds of crores loss each year. According to one calculation, PDB will incur a loss of more than Tk 3,000 crore over a 15 year period by purchasing rental power at a higher rate and selling the same at a lower rate.

This analysis was based on hundreds of reports that this correspondent filed in *The Daily Star* from 1992. Defenders of corrupt people often strongly argue that fair practices cannot always be achieved because of hindrances posed by opposing bidders.

But the truth is that when there is fair play opposing bidders do not create any hindrance. This has been proved in executing the private power schemes during the Awami League regime. It also proves that honesty is not weak as a policy, it is the most effective policy that we have ever had.

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Power Generation Bids
An efficiency indicator of two governments

4-Party Alliance: Total successful initiative: 957 mw (80 mw implemented)
Awami League: Total successful initiative: 1,920 mw (fully implemented)

Private sector power

BNP led Alliance (2001-2006)		Awami League (1996-2001)	
Meghnaghat-2: 490 mw	due 2008	Meghnaghat-1: 450 mw	launched 2003
RPCL-3: 70 mw	delayed	Haripur: 360 mw	launched 2002
Summit exp: 67 mw	due 2007	KPCL: 110 mw	launched 1998
Bogra GBB: 20 mw	due 2007	Westmont: 90 mw	launched 2000
Fenchuganj Ornate: 50 mw	due 2007	NEPC: 110 mw	launched 2000
Barabkundu Hosaf: 20 mw	due 2007	RPCL I and II: 140 mw	launched 2000/2003
Feni Hosaf: 20 mw	due 2007	Summit small: 30 mw	launched 2001
Noapara Hosaf: 50 mw	due 2008		

Public sector power

BNP led Alliance (2001-2006)		Awami League (1996-2001)	
Tongi: 80 mw	launched 2005*	Ghorashal-6: 210 mw	launched 2001
Fenchuganj: 90 mw	due 2008	Baghabari: 100 mw	launched 2000
		Shahjibazar: 70 mw	launched 2001
		Barapukuria: 250 mw	launched 2006*

*under-performing/unreliable

Cancelled/unfinished projects under 4-party alliance government

Haripur 100 mw
Khulna 210 mw
Bhola 20 mw
Savar 450 mw
Sirajganj 450 mw (presently being re-tendered)
Meghnaghat-3 450 mw (unsolicited & problematic)

Power Sector Supply/Demand Chart (approximate figures)

Year	Generation	Demand	Surplus/Deficit
1971	550 mw	183 mw	Surplus 367 mw
1980	822 mw	462 mw	Surplus 360 mw
1989	1,141 mw	887 mw	Surplus 254 mw
1990	2,100 mw	1,509 mw	Surplus 300 mw
1996	1,900 mw	2,200 mw	Deficit 300 mw
1999	2,200 mw	2,500 mw	Deficit 300 mw
2002	3,100 mw	3,100 mw	--
2006	3,300 mw	5,200 mw	Deficit 1,900 mw

Note: Per capita power consumption in the nineties between 65 to 85 kilowatts a year (one of the lowest of the world).

Note: PDB losses due to system-loss: $70 million year (equivalent to a 70 mw power unit).