

Special Supplement

A YEAR OF REFORMS

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Introduction: Power sector in Bangladesh witnessed a turnaround in 2007. Highest ever peak generation of 4130 MW was achieved on September 17, 2007. Average peak generation in 2007 was 3310 MW compared to 3165 MW in 2006. Average load shedding was 548 MW compared to 607 MW in 2006. Notably, average peak generation was 408 MW higher and average load shedding was 295 MW lower for the last six months compared to the same period in 2006. Compared to 2006, 181 ckt. Km more transmission lines and 243 additional substation capacity were added in 2007.

Power Sector in 2007 A Report Card

M. Fouzul Kabir Khan

Commercial and financial performance of power sector entities improved significantly. Distribution system losses and outstanding in equivalent month were lower by 2.09% and 1.22% respectively compared to 2006. Losses made by BPDB were also lower by Tk. 1364 million compared to FY 2005-2006. Power transmission and distribution infrastructure severely affected by cyclone 'Sidr' was largely restored within a record period of one month.

Addition to generation capacity in 2007 was 469 MW compared to 288 MW in 2006. Although two projects of 550 MW of additional generation capacity was contracted in 2006, both the projects did not materialize due to non-fulfillment of obligations by the sponsor/contractor. In 2007, 24 projects with total generation capacity of 1030 MW have been approved. In addition, another 2320 MW of power generation capacity are at different stages of implementation.

The two exceptions to the all round superior performance, noted above, are: (a) National Grid failures following cyclone Sidr on November 16, and on December 15, (b) lower distribution line construction and acquisition of customers compared to 2006, due to imposition of embargo on these activities by an earlier government.

A summary of power sector key performance indicators compared to year 2006 is given in Table 1.

Table 1: Power Sector, Key Performance Indicators

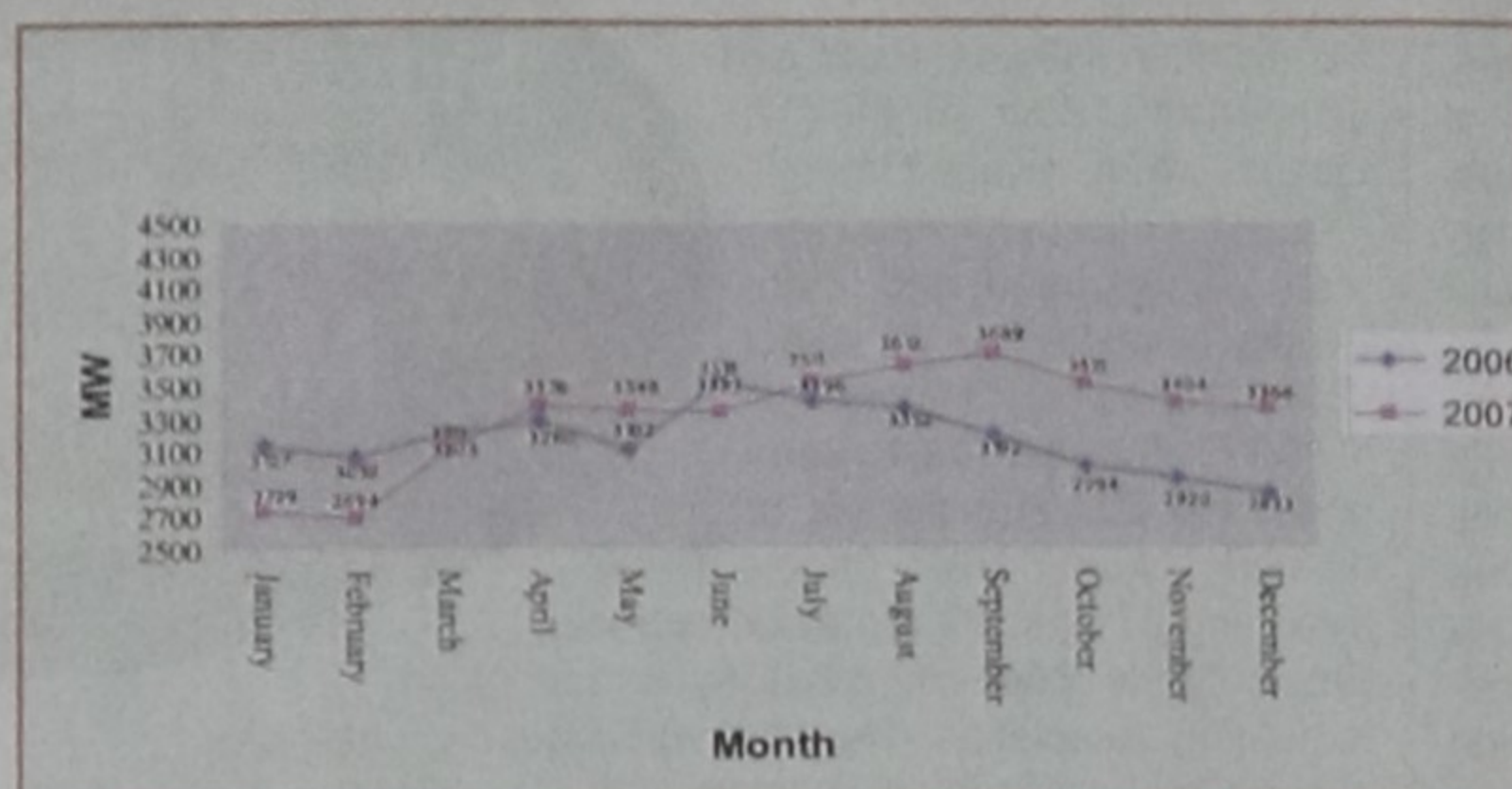
Indicator	Year 2006	Year 2007	Increase/Decrease
A-Generation			
Av. Daily Peak Generation (MW)	3165	3310	145
Av. Daily Peak Generation (July-Dec.)	3114	3522	408
Av. Daily Load Shedding (MW)	607	548	-59
Av. Daily Load Shedding (July-Dec.)	678	383	-295
Highest Peak Generation (MW)	3315	4130	815
B-Transmission			
Addition of Transmission Lines (ckt km)	242	423	181
Addition of End S/S Capacity (MVA)	1122	1365	243
C-Distribution			
Addition of New Lines (km)	12,861	13,447	586
Addition of Consumers (grid and non grid)	847,001	728,747	-118,254
D-Renewable energy			
Solar Home System (SHS) installed (No.)	37,109	68,375	31,266
Biomass (kW)	0	250	250
E-Commercial performance			
Amount Billed (in M Tk)	65,332	68,754	3,422
Amount Collected (in M Tk)	65,075	74,361	9,286
Distribution System Loss (%)	16.09	14.00	-2.09
Outstanding in Equivalent Month	3.95	2.73	-1.22
F-Financial performance (FY)			
BPDB (Profit/Loss in M Tk)	-9381	-8017	1364
PGCB	1037	1760	723
DESA	49	1040	991
WZPDCL	74	1261	1187
REB	88	174	86
Total	-825	-909	-84
	-8158	-4691	3467

Indicator Year 2006 Year 2007 Increase/Decrease

Power Generation

The average load shedding was 59 MW less than the previous year in spite of increased in demand compared to last year. Also average generation was increased during second half of the year significantly compared with previous year (Figure 1).

Figure 1: Comparison of Power Generation of Year 2006 & 2007



New generation capacity addition was 112 MW and capacity recovered by rehabilitation was 357 MW in this year. For the first time, contract was made for 8 MW power supply to the grid from captive generators under the Captive Power Policy approved by the government in February 2007. Generation addition together with demand side management measures contributed in combating anticipated huge load shedding.

The significant achievement in this year is successful completion of tendering process of many generation projects. Among these projects, contracts already have been awarded to 10 small IPPs of total capacity about 220 MW, 4 rental power projects (15 years contract) of total capacity about 160 MW, 8 rental power projects (3 years contract) of total capacity about 260 MW and Siddhirganj 240 MW peaking power plant (now under construction). LOI has been issued to Sikabaha 150 MW peaking project. Altogether 1030 MW generation is expected to be commissioned within next 18 months.

In addition, a number of generation projects are in various stages of tendering process. Among these, 310 MW (Syhet 100 MW and Khulna 210 MW) is in the final stage of approval. Pre-Qualification of two large IPP projects, Bibiana 450 and Sirajganj 450, has been completed and financing of about 1110 MW power projects to be implemented in public sector has been ensured from multilateral agencies.

Transmission

In 2007, 423 ckt km transmission lines (both 230 kV and 132 kV) were added in the network compared to 242 ckt km in 2006. The significant achievement in transmission sub-sector in this year is the completion of 286 ckt km 230 kV 2nd East-West Inter-connector from Ashuganj in eastern nodal point to Sirajganj in western nodal point, which will increase power (gas based and cheaper) flow from east to the west and also improve voltage profile and stability of the whole grid network.

Distribution

Distribution network expansion was modest compared to previous year, as a result number of new consumer connections dropped from previous year. In the year 2006, 12,861 km distribution line was expanded whereas in 2007 this figure is only 13,447 km. Again in 2006, around 847 thousand consumers were connected to the system whereas this year 729 thousand consumers were connected. This was primarily due to the embargo on distribution network expansion imposed by the previous government in the face of inadequate generation. Government has recently withdrawn this embargo on line construction and allowed new connections for economic activities. With the expected improvement in power generation, new connection drive will be renewed.

Commercial Performance

The commercial performance of the sector improved in 2007. Collection increased by 869 crore taka compared to the previous year. It is not due to only increased import and increased sales of electricity or increased tariff but also due to loss reduction. The distribution loss reduced 2.09 % from the previous year. This has significant impact on revenue collection. Reduction of outstanding was from 3.95 to 2.73 equivalent months.

Financial Performance

The financial performance of the power sector also improved in FY 2007 though BPDB and REB are incurring loss. The total aggregate loss came down to about 469 crore taka from 816 crore taka in the previous year. The loss of BPDB has decreased but still the loss is very high, mainly due to inadequate bulk tariff. The other entities DESA, DESCO, WZPDCL, and PGCB have earned more profit in FY 2007 compared to FY 2006. The financial performance of DESA (once considered as highly inefficient and loss making organization) also improved. In FY 2007 DESA has earned net profit 104 crore taka compared to only 5 crore in FY 2006.

Institutional Reform and Restructuring

Government has formed a high powered national advisory committee to guide overall improvement and development of the power sector.

For institutional reform, Government has approved a 3-year Road Map (2007-2009) including the time-bound action plan in May 2007 in line with PRSP for realization of the vision of reaching electricity to all by 2020.

The process of unbundling and corporatization of sector entities is going

operating 100 selling centres in Dhaka and 75 in other parts of the country to keep essential commodities within the purchasing capacity of the common people. Apart from these centres BDR has arranged operation of four wholesale markets in Dhaka city. Effective steps are there to reverse the tyranny of extortionists.

In order to mitigate sufferings and delays in obtaining passports Immigration and Passport Directorate undertook innovative programmes that are now being implemented. A 'one stop service centre' has been established in Agargaon Passport Office and provisions were created to issues and deliver passports from Deputy Commissioner's offices in 17 districts and passports are now being issued with a validity of 10 years from the date of issuance instead of the earlier practice of 5 years. In case of emergent need passports are also being issued keeping police verification pending. Trust Bank, a bank in the private sector, has been given the responsibility of processing passports while seven post offices of the city made arrangement to receive passports forms for onward processing. These steps, once inconceivable now brought about ease in the difficult task of getting a passport. In order to escape passport forgery a programme is on way to implementation towards introduction of machine readable passport. The existing visa process has been simplified and mandatory registration of foreigners has been waived under a new visa policy except for those from India and Pakistan.

Under Police Reform Project apart from establishing and reconstructing model police stations, victim support centers and crime prevention centers have been set up as a part of modernization plan. Service delivery officers got posted in different police stations while community policing and newly initiated 'open hour day' have started yielding results. New polices have been formulated to address gender issues and trial of juvenile delinquents. Rapid Action Battalion earned laudable success in crushing militants, recovering arms and nabbing terrorists.

Aiming to stop trafficking of women and children BDR, other law enforcing agencies, Coastguards are kept alert in surveillance. Print and electronic media were made to capture the issues of trafficking with all seriousness while steps were taken to involve non-government organizations to work jointly with the government for effective intervention to put a halt on trafficking. In 2007, 484 cases of trafficking of women and children were registered. Courts have awarded death penalty to 8 and life sentences to 136 offenders. Children employed as camel jockey in UAE were given financial support while a memorandum of understanding was signed between the two countries for providing further support for children in this risky profession who have suffered both mental and physical trauma. In Trafficking in Person (TIP), a globally circulated US publication, has shown Bangladesh much above the country's previous ranking.

In 2006-07 the Ministry of Home Affairs received as ADP allocation of Tk.157.78 crore. In the revised ADP the allocation was raised by 30% to Tk.213 crore. In 2006-07 the Ministry implemented 27 projects. In 2007-08 the ADP allocation saw a phenomenal rise by 131% to reach Tk. 366 crore. There is a general satisfaction in the progress of implementation of

Success of the Present Government at a Glance

(continued from previous page)

- Milk Vita becomes a profitable concern from last March after a long time.
- Coordinated System for Appointment of Fertilizer Dealers-2007 has been prepared keeping provision for appointing dealers at the union level for making the fertilizer distribution system perfect. Subsidy of Taka 26 per kg is being given for imported urea fertilizer.
- 4,462 hectares of forest land have been recovered in the country.
- Revenue earnings have been increased by 23.72 percent and income tax by 46 percent. Record remittances worth about 657 crore US dollars came. Foreign currency reserve reaches 547 crore US dollars which is 188 crore US dollars more than the same period of the last year.
- Four kitchen markets have been set up in Dhaka city to develop market management. 220 markets have also been constructed across the country.
- 22.80 crore US dollars have been invested in export processing zones in the country, which is double than the previous year. Export earnings become 212 crore US dollars, which is seven percent more than the previous year.

on. In 2007, comprehensive study for the creation of BPDB holding company, SZPDC and CZPDC has been completed and registration of these companies is expected by next June.

For overall efficiency improvement of the sector entities, the Government has issued directives to reconstitute the board of directors of the existing companies in November 2007. Present practice of appointing Secretary Power division as Chairman of the Board of Directors of all companies in this sector will be discontinued to avoid conflict of interests and for keeping companies at arms length distance from the Government. Board of Directors will be selected from the experts and professionals from various disciplines. There will be Board Committees (Audit, Recruitment and Promotion, and Procurement). The audit committee will be headed by an independent director for transparency and accountability.

National Grid Failures

National grid failed on 16 November following cyclone Sidr, and 15 December respectively. The grid failure on 16 November was restored in 16 hours, as the grid failed again during the recovery period. The grid failure on 15 December was restored in 7 hours. A committee comprising experts and professors was formed to investigate both the failures. The report in respect of the grid failure following cyclone Sidr has been received and short term recommendations of the committee are under implementation.

Damage and Restoration of Power Transmission and Distribution Infrastructure in Cyclone SIDR affected areas

Cyclone SIDR severely damaged electricity transmission and distribution infrastructure. A total of 8,224 electric poles, 63,781 ckt km lines, 201 towers, 55855 energy meters, 156 substations and 1178 telecom towers were damaged and 36,268 poles were tilted in all over the Bangladesh; out of which 75% poles, 73% lines, 100% towers, 62% meters, 100% substations and 96% telecom towers have been reinstalled. 47% of total tilted poles have been repaired.

Electricity was restored to pre-cyclone condition on the following day in DESCO area; by 18 November in PGCB locations; 24 November in DESA area; 26 November in BPDB area; and 27 November in WZPDCL area. REB was worst hit by cyclone. Electricity was restored by REB in all 31 cyclone affected Upazillas by 15 December, 2007.

—Secretary, Power Division

projects. The First Women's Prison in Bangladesh, Central Drug Addiction Curing Centre, Police Computerization Centre are notable among the implemented projects.

During last one year a number of new ordinances and rules were framed and modified. Notable ones are issuance of Emergency Power Rules 2007, Passport Agent (Licensing) Rules 2007, updating of visa policy, issuance of Private Security Service Rules 2007 and amendment of Drug Control Act 1990. On amending Police Act 1861, the draft of 'Police Ordinance 2007' has been prepared. Issuance of Bangladesh Citizenship Ordinance 2007 is on way. Under police reforms programme draft amendment of Evidence Act 1872 and Police Regulation of Bangladesh (PRB) is being prepared.

As a part of administrative and financial power decentralization tasks of Ministry officials and officials of subordinate directorates have been clearly spelt out. Home Secretary's power and extent of decision making has been widened. The Ministry of Home Affairs and its subordinate directorates are now available on their websites with their mission, vision, citizen charter. The ministry responds quickly when there are allegations against its service providing offices or officials.

Citizen Charter of the Ministry of Home Affairs

While rendering the mandated public services different directorates under the Ministry of Home Affairs deposited a huge amount of money to the state coffer, within 1st 10 months of 2007 Immigration and Passport

Directorate transmitted more than Tk.507 crore realized on issuance and renewal of passport and visa. The realization during the corresponding period in 2006 was Tk.451 crore.

BDR and Coastguard earned significant success in resisting fertilizer and diesel from being smuggled out of Bangladesh. Police, RAB, BDR and Directorate of Narcotic Control conducted anti-drug campaign all over the country. Anti-drug committees were formed in different schools. The newly formed Crisis Management

Cell has started tackling the issues of law and order generated out of disputes in readymade garment industries. Members of police and Rapid Action Battalion have undergone updated trainings including those on human rights.

The basic responsibilities of the Ministry of Home Affairs include providing security of life and assets, maintaining law and order, conducting rescue operations during disasters, controlling crime, criminals and militants, ensuring appropriate human behavior to prisoners and protecting the sovereign at the frontiers and coasts. It further includes arresting smuggling, formulating policy on immigration and its implementation and resisting both trafficking of women and children and smuggling of drugs. The Ministry of Home Affairs work with all sincerity to strengthen law enforcing agency, ensure transparency, efficiency and accountability in order to maintain overall peace and ensure security throughout the country. The Ministry of Home Affairs pledges that the untiring best efforts will be rendered to ensure sustained peace and order.

—Secretary, Ministry of Home Affairs

One year of Law and Order under Caretaker Government: An Analysis

Md. Abdul Karim

In the process of social evolution, excellence in technology and modern communication system has contributed to the expansion of areas of criminal activities adding more to the existing complexities and developed a widened interstate network of criminals. The law enforcing agencies of the state are detailed primarily for maintaining internal law and order and ensuring overall security of the citizen. Mismanagement over years coupled with absence of good governance and other flaws generating injustice created among the masses a perception that, a particular class of influential people in the society, in many cases are above the reaches of law and bringing them to justice for corruption is next to impossible. Accepting the prevailing perception and practices the masses became almost oblivious of the truth that all are equal in the eyes of the law and none is above it's reaches. In the face of intolerable infightings, terrorists' activities and blood shedding conflicts armed forces were detailed to assist civil administration on 09 December 2006 to combat the deteriorating law and order situation throughout the country. While it appeared that the internal chaos and disorder might jeopardize the security of the state of Bangladesh and the economic life of the people, the President, being fully convinced declared on 11 January 2006 the state of emergency in the country with immediate effect. On 12 January 2007 Dr. Fakhruddin Ahmed took oath as the Chief Adviser of the Caretaker Government.

After the declaration of state of emergency the Emergency Power Ordinance 2007 was promulgated following Article 93(1) of the Constitution for restoration of the law and order and maintaining normalcy in the society. Thereafter Emergency Power Rules-2007 was issued. After taking over the office, the present caretaker government put efforts for sustainable development of law and order situation, curbing corruption, recovery of public property and bring terrorists and corrupt elements within the its priority fold. The task of restoration of discipline and chain of command continued along with internal cleansing drive.

Under the coverage of Emergency Power Rules and other prevailing laws of the land the combined forces, police, RAB and other law enforcing agencies conducted special drives all over Bangladesh. Such drive witnessed the arrest of infamous listed top terrorists, corrupts and criminals, godfather and armed goons. The special drive contributed to the significant reduction of criminal activities including murderers and robberies. The drive still continues generating hopes and assurances among the people. Statistics reveal that the special drive between 12 January 2007 to 06 December 2007 put 778 listed terrorists behind the bar. A huge number of 3398 weapons of different kinds 76,700 bullets and 2047 explosives, also of various kinds were recovered. After terrorists, corrupt people, godfathers and others were arrested and brought under trial it was re-implemented in people's mind that none can make good

escape after commission of a crime. Once allowed to work independently away from the illegal influence, the police administration grabbed the opportunity to restore a large slice of their lost glory. With the active and allow presence of combined forces, successful drives and intensive monitoring the overall law and order situation of the country remains satisfactory compared with any time of the past. Making the change sustainable remains a significant and challenging task. The government aims at mitigating the sufferings of the people by promoting the quality of services of police and other service delivery agencies. With this end in view, the Ministry of Home Affairs took appropriate steps to bring about dynamism, transparency and accountability of its subordinate agencies (Directorate of Passport, Directorate of Drug Control, Immigration, Special Branch of Police, etc).

Land grabbed illegally by influential godfathers in different areas of the country including the posh areas of Gulshan and Banani were recovered evicting illegal constructions. The outcome is recovery and restoration of the huge areas of invaluable public property. Apart from this, grabbed roads or part of roads through illegal constructions were recovered on

eviction in different areas including district and divisional headquarters and Dhaka city. This long felt eviction contributed significantly to the widening of roads that restored order and eased in the movement of people and traffic. This drive benefited the citizen immensely drawing plaudits from the masses.

Agencies responsible for law and order ensured strict security during observance of its of Baishak, Eid-ul-Fitr, Eid-ul-Azha, Biswa Istima congregation, Durga Puja, Christmas and

English New Years' Day. Their relentless effort let people celebrate in full security programmes of the festive days.

With the cooperation of police, RAB and other law enforcing agencies, HUJI and JMB plotters and participants in series bomb blast were arrested and put under trial. Six top militants who were awarded sentences earlier got executed in different jails of the country and their militant network was largely destroyed. Through monitoring committee on sensational and significant cases the investigation of cases generated out of grenade attack on 21 August and nationwide series bomb blast on 17 September are being regularly monitored. As a part of quick disposal of sensational cases the trial of grenade attack on British High Commissioner Anwar Chowdhury has already started. The progress on the investigation of grenade attack on 21 August and killing of former Finance Minister A S M Kibria appears satisfactory.

Under 'Operation Dalbhat' programme members of Bangladesh Rifles are

