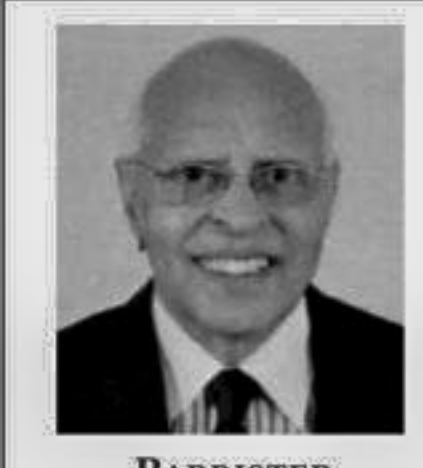


BOTTOM LINE

PM'S VISIT TO RUSSIA:

Building a stronger bilateral architecture



BARRISTER HARUN UR RASHID

PRIME Minister Sheikh Hasina's visit from January 14 to 16 to Russia was important by any measure. Her first visit to Russia had taken place in November 2010 in connection with the First Tiger Summit which was held at St. Petersburg. There she had met with the then Prime Minister Vladimir Putin.

On the sidelines of the summit, the Bangladesh prime minister reportedly discussed energy, agriculture and military cooperation with Putin, who was later elected as the president for the third time in May 2012.

Bangladesh's relations with the former Soviet Union (presently Russian Federation) was excellent because during difficult times, the leaders of the former Soviet Union supported the cause of the Liberation War of Bangladesh people in 1971.

The people of Bangladesh will always remember with gratitude the supportive role played by the Soviet Union at the time, particularly at the UN Security Council.

After liberation, a Soviet Naval team of 200 personnel under the Russian Admiral Zuenko had cleared the mines of the Chittagong port quickly and efficiently; making it operational in 1972 when the Indian Navy could not do the job because of heavy mines planted underwater by Pakistan.

On March 27, 2012, the late Admiral Zuenko was awarded a medal by the government in recognition to his contribution to Bangladesh at such a demanding timeframe.

Soon after the independence of Bangladesh, Prime Minister Bangabandhu Sheikh Mujib had visited Moscow in March 1972, which was his first formal overseas trip, to express deep appreciation for the role the Soviet Union played in 1971. During the visit, Sheikh Mujib delivered a speech to the students of the Moscow State University. At the time one squadron of MiGs was offered by the Soviet Union to Bangladesh. Bangladesh had also sent its Ambassador first to Moscow.

All these events demonstrate Bangladesh's close and friendly relations with Moscow from the very beginning.

After the tragic assassination of Sheikh Mujib in August 1975, there was a period of low-key relations with Moscow, and by 1991 the Soviet Union disappeared and the Russian Federation came in its place.

Under the changed situation, both Bangladesh and Russia renewed their engagement to strengthen their partnership in various sectors.

During 2010-11, it was reported that Bangladesh's exports to Russia were \$90.7 million where imports from Russia stood at \$150.3 million. These goods included jute yarn, and twine, woven garments, knitwear, raw jute, shrimps, tea in bulk, leather, ceramic tableware and other manufactured goods. Although there is potential for increased trade, business enterprises of both countries need to come forward to know each other's market and products further.

Russia came large in assisting Bangladesh in the energy sector and it is reported that 30% of Bangladesh's power grid has been built by Russia. In April 2012, three subsidiary companies of the state-owned Petrobangla signed a \$193.5-million agreement with Russia's Gazprom Company for drilling 10 gas wells in Bangladesh.

Under the deal, Gazprom will construct the drilling pad and warehouse, rig shifting and commissioning, procure drilling materials and engage with third party service providers, among other things. Addressing the signing ceremony, Finance Minister A.M.A. Muhith said it would have taken \$30 to \$32 million to drill each of the wells, but the cost came down below \$20 million each because the deal had been made with Gazprom.

Russia has now offered its assistance to help build Bangladesh's nuclear reactor. As per the MOU, the two countries acknowledged that the use of nuclear energy for peaceful purposes and assurance of nuclear and radiation-safety are important in ensuring social and economic development of Bangladesh.

On February 24, 2011, Bangladesh's Secretary of the Ministry of Science and Deputy Director General of Russian Atomic Energy Corporation signed a primary deal with Russia for installing a 2,000 MW third-generation nuclear power plant at Rooppur (Pabna).

During the prime minister's visit, Bangladesh is expected to seek duty-free access for its key export items to Russia and, since Russia has a customs union with Belarus and Kazakhstan, Bangladeshi goods may also find markets in the other two countries. It is reported that two agreements would be signed -- one on credit deals with Moscow on Rooppur nuclear power plant and another on gas exploration in Bangladesh. An agreement on cultural cooperation is also expected to be signed.

During the visit, Bangladesh may request Russia to assist the country by:

- Investing in Bangladesh's priority sectors of development, especially in infrastructure projects;
- Establishing Bangladesh-Russian Business Forum for

opportunities in setting up joint ventures in private sectors;

- Building partnership in tying up with Russian industry in various fields including establishing outlets in Bangladesh for manufacturing parts of Russian industries; and
- Transferring technology and funds to exploit Bangladesh renewable energies, such as solar, tidal waves and winds.

Against this background, the Bangladesh PM's visit will be a milestone in bilateral architecture in diverse fields. Furthermore, both countries may cooperate in addressing regional and global challenges confronting them with pragmatism and imagination. It is clear that both countries can and should do more together.

As for international issues, the coincidence of the approaches of both countries to many major global issues has created a framework for bilateral cooperation within the UN and other international agencies. Bangladesh supported Russia as an observer to the Jeddah-based OIC, which consists of 57 Muslim majority countries, and Russia appreciated Bangladesh's non-recognition of Kosovo, a breakaway province of Serbia.

The relations between Bangladesh and Russia are friendly and cooperative, and embrace new horizons of mutual interest. Both sides are keen to further strengthen and broaden bilateral relations and the visit made by the Bangladesh prime minister will contribute to crafting stronger cooperative relations between the two countries.

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M.S. SIDDIQUI

BANGLADESH needs effective auditing for transparency and accountability of the government. A weak government audit means that systemic problems in the collection and spending of public funds, and the use of public assets, may go unnoticed, while strong government audit can be a catalyst to continual improvement in proper financial management. It can strengthen government performance and service delivery, as well as reduce opportunities for corruption.

In Bangladesh, rampant public sector corruption and inefficiency provides ground for the public to see the performance of the Office of Controller and Auditor General (CAG) negatively. However, one should keep in mind that financial accountability of the public sector does not solely depend on the performance of the CAG. The behaviour of the parliament, politicians, auditable entities and the public at large considerably affects the accountability mechanism.

There was a recent newspaper report that development partners have been giving more and more importance to third party audit of all government-funded and aided projects in transportation and communications sectors amid rising graft-related incidents in the sectors.

The office of CAG is placed as an attached department of the Ministry of Finance (MoF), which controls the audit and accounts cadre and the budget of the CAG. The Ministry of Establishment (MoE), on the other

hand, has control over the recruitment, reorganisation and other personnel issues of the CAG. Conflict of interests might arise when the CAG takes MoF and MoE to audit as it has to depend on them. Though the CAG prepares its own budget, it needs to get

the budget approved by the Finance Division.

The CAG is the appointing authority of non-cadre class I, class II, III and IV officials, but this requires clearance from MoF and Ministry of Public Administration, which is an excessively time consuming process. Class I cadre officers are recruited through the BCS exam, which is again lengthy and cumbersome.

The CAG officers and staff are under the administrative control of the Finance Division of the Ministry of Finance, which controls the appointment, promotion, and disciplinary action for the CAG employees. Independence of the CAG as upheld in the Constitution has been jeopardised by this practice.

The CAG should be separated from the executive branch of the government and be attached with the Parliament. He should be vested with more financial powers. Also, in practice the annual budget of the audit department needs to be placed and approved by the MoF, like other ministries. The more preferable arrangement is for budget approval to involve a Parliamentary Committee to consider the CAG budget and audit plans prior to approval by the Parliament.

The CAG enjoys "full power" to conduct audits and prepare reports. However, available capacity is such that the office mainly conducts regularity and compliance audits. In this type of audit, vouchers and records of the financial transactions of public officials or organisations are verified one by one.

Independence and accountability of the CAG influence those technical functions by imposing

constraint, which subsequently determines how the office is serving its mandate. Independence influences efficiency by restraining input flow necessary for better performance and affects effectiveness by influencing audit scope and strategies. Accountability, on the other hand, primarily affects effectiveness through standardising audit contents.

The audit report is never discussed with the media, unlike the practice in other countries. The legislature's Public Accounts Committee (PAC) discusses the report but the press or media are not invited. Some public sector rules have been cited as restricting civil servants from making comments to the press. The model legislation of democratic countries allows CAG or his authorised staff to provide comments and interviews to the press or other media on the subject of any published audit reports.

The CAG is appointed by the president from audit cadre officers for a term of five years or until the appointee attains the age of sixty-five, whichever is earlier. Canada and the United States provide for 10-year terms to professionally qualified persons. In Bangladesh, the current practice of CAG tenure of five years does not provide a long enough term to initiate and implement reforms.

In Bangladesh Warrant of Precedence, the CAG is ranked sixteenth, which is below the rank of cabinet secretary. In many countries, including Canada, this position is of an equivalent rank to that of a minister or a federal justice. Model legislation for an audit office prepared in the United Kingdom recommends

the same status as chief justice.

The CAG needs mandate from the nation through the legislature having core principles of legislative and administrative framework, security of tenure, and legal immunity in the normal discharge of his

duties. It must give sufficiently broad mandate and full discretion for its functions and the freedom to decide on the content and timing of reports and to publish and disseminate them, and to recommend policy and follow-up mechanisms. The act also must ensure institutional framework for the supreme audit institution; a process for setting auditing standards; use of code of ethics or conduct, arrangements to ensure accountability in the institution; independence; arrangements to ensure adequate skills and qualifications for the auditors; providing training to ensure a desired level of competence for the auditors and quality assurance.

The CAG must have authority of audit planning, audit supervision, reviewing internal controls, reviewing compliance with laws, ensuring adequate audit evidence is collected, analysing whether the financial statements accord with accounting standards, and preparing audit opinions. The office should report on fraud; compliance; audit evidence; documentation; audit materiality; fraud; audit errors; and control environment assessments, and also supervise the work of audit staff.

Bangladesh cannot ignore request from donors for 3rd party independent audit of donor funded projects unless it passes an effective audit act to develop independent, reliable and transparent audit system of our own. The choice is ours, independent audit by CAG or third party audit.

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Independent or Third Party audit?

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Nutrition directly linked to food security

FAHMIDA HASHEM

WHEN all people at all times have access to sufficient, safe, nutritious food to maintain a healthy and active life it is called food security. Malnutrition caused due to inadequacy of food, in terms of physical and economic access to healthy food that is, has become a prevailing issue worldwide. Food security is based on a system that takes into account some important factors such as environmental health, economic vitality, human health, social equity, food availability and access, etc. So we should formulate a national policy and system for food and nutrition security.

Lack of proper diet and nutrition causes death, illness and disabilities. The government must substantially reduce food insecurity and improve nutrition, so that the nation as a whole and every household achieves food security and gets proper nutrition.

Although the strategy encompasses the food security and nutritional needs of all the people, it prioritises the needs of food insecure and nutritionally vulnerable groups in society, including the elderly who have little support, female-headed households, orphans, and HIV-affected households. Two demographic groups are targeted -- infants and children under 5 years of age and pregnant and lactating women.

Our health sector identifies some public goods and services that need to be provided in a harmonised manner in order to establish the conditions under which all Bangladeshis can attain food security and be properly nourished. In implementing the strategy, the government must emphasise consultation with, joint action by, and accountability to communities across the country. It is time for the government agencies, working with local and international partners, both in civil society and in the private sector, to play an essential role at the national, regional, and international levels. While the agricultural sector is critical to assuring the availability of food in the country, the participation of several other sectors and agencies is also necessary.

In order to draw insights for policy and action to address food insecurity and under-nutrition, four separate dimensions of food security can be described. Food availability, access to food, and utilisation of food are three dimensions which reflect the physical flow of food from production to its use by the body for metabolic processes. The fourth dimension of

vulnerability provides a future-oriented perspective on food security. It is necessary that these four dimensions contribute to the nutritional status of an individual.

Moreover, the "food sector" -- agriculture sector, food marketers and importers, and other institutions that make certain food is available -- alone cannot ensure food security and improved nutritional status. We should take up an agriculture and food-focused

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strategy. If food security is to contribute to the improved well-being of all our people, the scope of this strategy will necessarily extend beyond food alone to nutrition and consideration of how food might be better utilised so that everyone can enjoy healthy and active lives.

Industrial fortification of foods with micronutrients, when feasible, should be supported. Moreover, the government should promote the consumption of iodised salt and develop regulations restricting the use of non-iodised salt. Presently, the global governance on food and nutritional security is in transition and does not provide clear guidance for national governments on how to overcome hunger and malnutrition.

Public institutions, civil society, international NGOs and bi-lateral and multi-lateral agencies that have a stake in food security have been established. The Stakeholders' Forum has consultative purposes only and meets once a year to assess progress of the national Food Security and Nutrition Coordination Council.

Public pressure is a powerful tool for holding governments and intergovernmental bodies accountable for their policies and programmes. To be effective, public pressure needs to be evidence based, hence the importance of instruments. We need a platform for human rights experts, civil society activists, social movements, the media, and scholars to exchange experiences on how best to work -- including lobbying and advocacy -- for the right to food.

At the current pace, it will be impossible to achieve the first of the Millennium Development Goals, to halve the percentage of undernourished people in the world by 2015, without a profound change in national and global policies and governance.

However, all hope is not lost. Bangladesh has slowly been approaching self-sufficiency in producing food.

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