

No breakthrough on Teesta

Disappointing for Bangladesh

WE have already editorially welcomed Prime Minister Modi and will comment again after the visit is over. Today we are focusing on the hope about Teesta that the Paschim Banga Chief Minister's coming along with the Indian PM generated.

Mamata Banerjee's assurance in February this year, during her last visit, that we should have faith in her on Teesta water sharing deal was a very positive signal for us that a seemingly intractable problem was going to be resolved at last. We are disappointed that we heard nothing from her in this regard till going to press. The resolution seems not likely soon, primarily because of Paschim Banga's politics.

As it is, Paschim Banga can only utilise twenty five percent of the water due to lack of irrigational infrastructure. And it should take up on the center's offer of help to develop the state's capacity for enhanced utilisation of Teesta water. The deleterious effect of the increased reduction of flow during the peak of lean time is telling on northern Bangladesh which in turn impacts the overall development of the country.

We did not expect the deal to come through on this visit but had certainly hoped for some definite progress in this regard. While the Indian PM's confidence about a fair solution on Teesta is heartening it is predicated on the support of Paschim Banga. Thus, our call to Paschim Banga Chief Minister -- rise above petty party politics for the sake of good neighbourliness. That is the least Bangladesh can expect from a neighbour towards which it has tremendous goodwill to move towards greater cooperation.

Reservations remain on budget

Allocations must be efficient and transparent

THE budget has been overwhelmingly welcomed by most quarters. The business community and the various chambers of commerce have hailed the proposed budget for 2015-16 as a business-friendly one. However concerns continue to be voiced by various quarters about how well budgetary allocations made to various sectors will be utilised. Given the general trend of underutilisation of the annual development plan (ADP), as last year's ADP saw a utilisation of 51 per cent in the first 10 months, it remains our concern whether a mere enhancing the size of the budget will bring about desired results. Economists have raised the issue of whether this year's budget has a monitor-able transparent plan for its proper implementation.

With GDP growth rate targeted to reach 7 per cent, the question is whether clear guidelines have been made to improve the efficacy of spending. The absence of such mechanism will inevitably lead to wastage of funds in different sectors. The other primary concern for us is whether the NBR will be able to raise Tk1.76 trillion in revenue target, which is 30 per cent higher than that of the last fiscal. And we are yet to hear anything from the finance minister on good governance and addressing the issues of corruption which are vital to ensuring that resources are spent where they are most needed. At the end of the day, pouring in more money without strict oversight will neither be productive nor conducive to achieving the targeted level of growth rate.

COMMENTS

"Let us respect our children"

(June 4, 2015)



Muntaha Chowdhury

This man is an inspiration for us.



Mahedi Hasan

It's his sheer novelty that rewarded him the world's most prestigious prize. He won the Nobel and in the meantime won the hearts of millions.



"BNP to go for protest if no Teesta deal"

(June 2, 2015)



Aqib Md Fuad

At least BNP found an issue after so long!



Tuhin Sk

There are thousands of issues which can be used against Awami League now.



Alamgir Mahmud

Nothing beneficial will be signed except some MoU or some other fraud assurance. We all know this. Nothing will change.



Syed Najmul Hussain

Ridiculous, how they shamelessly demand anything from India while they themselves remained in total oblivion to secure any nominal rights of Bangladesh during their 10 years in state power. On the contrary, their political philosophy was 'hate India' campaign all through.



Hossain Bulbul

We always accept every demand of India, in return we get nothing.



Shahedul Islam

BNP to protest! That's a funny joke.

TEESTA AGREEMENT

Facts, disputes, and Bangladesh's game plan

MD. ARFANUZZAMAN

AFTER passing the Land Boundary Agreement in the Indian parliament, many had seen hope for the most awaited Teesta water sharing agreement during Prime Minister Narendra Modi's visit to Bangladesh. However, these expectations seem to have been crushed after Sushma Swaraj declared that the deal will not be signed during the Indian PM's stay in Bangladesh.

The Teesta agreement is required to sustain the relationship between India and Bangladesh and to ensure larger regional gains from this common river. It is important to evaluate the water discharge scenario of Teesta River and to provide a clear outline of Bangladesh's economic gains from different water sharing agreements. In Bangladesh the Teesta River is considered a solitary supplier of water resources in larger North-west region specifically, Rangpur, Lalmonirhat, Nilphamari, Dinajpur, and Kurigram districts and also branded as a prominent water supplier of Jamuna River.

Since there are not such big rivers in the North-Western region of the country, people from these districts are dependent on this river -- the fourth largest trans-boundary river for irrigation and fishing activities. Specially, 1,11,406 hectares of agricultural land under the Teesta Barrage Project (TBP) is extremely reliant on the water of the Teesta river

for surface water based irrigation. When water flow is reduced in Teesta by India, the livelihood and socio-economic circumstances and ecosystem of the entire region will be terribly affected.

Besides, the major food production of the country comes from the northern part which is at larger risk due to scarcity of water (Arfanuzzaman and Ahmad, "Assessing the Regional Food Insecurity in Bangladesh Due to Irrigation Water Shortage in the Teesta Catchment Area" Water Policy, Vol. 17). There is an abundant water flow available in the Teesta River, which can easily meet the irrigation demands in both countries but in the dry season, water flow appears to be very squeezed from India, which lowers water availability in the entire Teesta river floodplain, thus agriculture is put in a particularly vulnerable state.

Since India has a barrage in the upstream, it can withdraw the dry season flow to meet its own demands. Thus, the volume of water received by Bangladesh, after water demands are met in Indian regions, is insufficient as this barely fulfills half of the irrigation demands of our country. It should also be mentioned that India uses Teesta's water for agriculture and to generate hydropower. However, Bangladesh uses the water only for agriculture purposes.

In 1996 water flow of Teesta was recorded at just about 6,500 cusecs in the Bangladesh region during the dry season, which

was severely trimmed down to 1,380 cusecs in 2007 and further went down to 794 cusecs in 2014. This led to massive economic loss in Northwest Bangladesh in the form of irrigation failure, production loss, crop damage and socio-economic downturn in river-dependent areas.

and A.E.M. Saleh, "Evaluation of some deep and shallow tube well irrigated schemes in Bangladesh using performance indicators", Agricultural Water Management).

Many of us believe that the Teesta agreement will wipe out water scarcity but actually the Teesta water sharing agreement

the virgin flow.

In future at the negotiation table, Bangladesh should raise the estimated cost of loss and damage of the post-Indian barrage period and claim the compensation. Bangladesh should continue meetings with the higher-ups in India and re-open the negotiation until India agrees for an optimum water sharing agreement. An equitable agreement is hundred times better than the unequal and environmentally unsustainable water sharing agreement.

Modi's visit was a grand opportunity for Bangladesh to represent the cost of water scarcity as well as convey the concern of regular people. Bangladesh also needs to emphasise people-to-people communication as well as state-to-state relationship and try to build a good liaison with the Indian bureaucracy. This will accelerate the pace at which the equitable water sharing agreement is met. Finally, Bangladesh needs to go ahead with four core agendas such as: compensation for reduced water flow after constructing Gazaldoba barrage, equitable water sharing, sufficient environmental flow during critical climate moments (extreme dry season) and joint river basin management to ensure maximum economic and environmental gains.

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ESTIMATED BENEFIT OF BANGLADESH IN CASE OF DIFFERENT WATER SHARING AGREEMENT

Dependable Flow (in Cusec)	Dry Season	Lean Season
Estimated benefit in case of 50% of the dependable flow	60270	131082
Estimated benefit in case of 45% of the dependable flow	54243	117957
Estimated benefit in case of 40% of the dependable flow	48216	104853
Estimated benefit in case of 35% of the dependable flow	42189	91749
Estimated benefit in case of 30% of the dependable flow	36162	78645
Estimated benefit in case of 25% of the dependable flow	30135	65541

SOURCE: AUTHOR'S ESTIMATION

NOTE: FIGURES OF THE BENEFIT IN DRY AND LEAN SEASON INDICATE THE CULTIVATION AREA IN HECTARE UNDER TBP, AND DEPENDABLE FLOW SHOWS THE PRE-PROJECT PERIOD DISCHARGE OF TEESTA RIVER, WHICH PREVAILS MOST OF THE TIME IN THE RIVER BASIN.

Simultaneously, there is an ecological disturbance also in the Teesta basin area, the costs of which are unaccounted for.

Apart from people who get the benefit of direct irrigation from the Teesta River, the drastic fall of ground water levels also affects a large number of people from other areas adjacent to the Teesta basin. Groundwater levels are falling by 1.2m per year in many parts of the river basin area due to excessive withdrawal by tube-wells along with low recharge, poor management and land use change (M.S. Mondal

(TWSA) can only diminish crop damage and protect the investment of subsistence for farmers and help to set irrigation targets effectively in the TBP area. In order to provide irrigation facility in the entire irrigable area of TBP, India and Bangladesh require 43,905 and 25,714 cusecs water respectively. The virgin or pre-project (1973-1985) flow, however, was recorded at only 6,984 cusecs in Teesta river during dry seasons. Thus, the total demand of water in the Bangladeshi barrage area cannot be met in dry seasons if we receive the entire volume of

BUDGET 2015-16

Of crawling growth and an underfed economy?

MAHFUZ KABIR

OF late, the Finance Minister formally admitted that the growth targets over the past years were unattainable. In fact, by this year the growth rate was supposed to be 8 per cent as per the Sixth Five-Year Plan. However, the highest growth rate of 6.7 percent was achieved three years back. At the outset of the outgoing fiscal year, the growth rate was set over 7 percent, which was downsized to 6.51 percent mainly due to unprecedented political violence in the third quarter of the outgoing fiscal year. We lagged behind all through in terms of achieving growth targets since the outset of the Sixth Five-Year Plan. Growth has progressed at a rather 'crawling' rate!

Where should the desired growth come from unless there is significant boost in private investment? Private investment is estimated to be 22.07 percent of GDP in the outgoing fiscal year. It has been quite stagnant for the last five years; investment growth is led mainly by the one from the public sector. Nevertheless, the positive difference between savings and investment was a big headache among policymakers and experts for quite some time. While data reveal that all savings have been invested this year, there is hardly any scope for complacency. National savings - GDP ratio of 29.01 in 2014-15 - is the lowest since 2011-12, which implies that the national propensity to save has been diminishing gradually. It is truly a matter of grave concern because by this year, total investment was projected to be much higher than the current 28.97 percent. We have perhaps ended up with a low level equilibrium trap of savings and investment.

Is there any financing devise for achieving higher growth in the budget? The proposed budget grew at 18 percent compared to that of the outgoing fiscal

Since 35 percent growth in ADP in the outgoing fiscal year contributed to only 6.51 percent growth, there is a question whether a 29 percent growth would really contribute to 7 percent 'moderate dream' growth that the Finance Minister envisioned quite confidently.

year, which is more of a traditional growth. In relation to the revised budget, the growth is a bit higher, about 24 percent. Achieving higher growth critically hinges on the size of the Annual Development Programme (ADP) and its rate of implementation. This year the rate of ADP implementation is estimated to be 93 percent. Since the third quarter was the period of political ravage, the quality of implementation is expected to be compromised to a large extent. The last quarter is witnessing about 61 percent implementation as it was 43 percent in the first three quarters. The size of the

proposed ADP is Tk. 97,000 crore, which is 29 percent higher than the revised ADP of the outgoing fiscal year. Since 35 percent growth in ADP in the outgoing fiscal year contributed to only 6.51 percent growth, there is a question whether a 29 percent growth would really contribute to 7 percent 'moderate dream' growth that the Finance Minister envisioned quite confidently.

This year the budget is tremendously stressed with revenue deficit. It resulted in a significant compulsion of reducing the outgoing budget by 4.3 percent in the revised budget. Failure in achieving revenue target by Tk. 19,583 has compelled the Finance Minister in taking resort to the banking and non-banking sectors. The revised target of depending on domestic borrowing increased from Tk. 43,277 to 54,714 crore without increasing the level of targeted borrowing from the banking sector. The additional money would be borrowed from non-banking sector like selling savings certificates. In addition, the budget deficit has reached an unprecedented level, as high as 32 percent of the revised budget of the current fiscal year, while it was proposed at 27 percent. In the last fiscal year the deficit was 25 percent. The proposed budget has a targeted deficit of a little higher than 29 percent. The targeted borrowing from banking sector has increased from Tk. 31,714 to 38,523, which would be increased significantly as the target of foreign aid is unlikely to be achieved. Thus, such a gigantic targeted deficit of Tk. 86,657 in the budget 2015-16 has given rise to a big question as to the capacity to finance the ADP through our own revenue generated over the next fiscal year. In fact, about 89 percent of the ADP based on domestic borrowing and foreign aid would create a formidable burden on the future generation since

they will have to repay the loan. Still, the economy will run significantly underfed in terms of the size of the ADP, and starvation is likely to turn the envisioned growth into a mirage.

Will the proposed structure of the ADP help address the 'twin deficiency' viz. infrastructure and energy which is posing the most formidable challenge to attain higher growth? Most of the increment of the ADP is dedicated to increasing power generation and additional cost of making Padma Bridge 'a reality'. The proposed ADP of the Power Division in FY2015-16 has doubled from the revised ADP of Tk. 8,276 crore, and the ADP of the Bridges Division grew significantly from Tk. 5,299 to 8,921 crore. The ADP on this critical area has increased only by 29 percent. Thus, an absence of significant growth of the ADP in roads and highways is unlikely to address the acute deficiency of infrastructure, which is mostly located to road transportation. It is also going to hinder the movement of vehicles through increased congestion and traffic on the roads.

The proposed budget is unlikely to address the major hurdles that have been hindering the envisioned growth spelt in the Sixth Five-Year Plan. There is neither any new plan to simulate private investment through addressing infrastructural, energy and institutional deficiencies, nor any exposure of the Seventh Five-Year Plan which makes a difference in the proposed budget. Perhaps a supplementary initiative is required to raise the appetite for growth in line with 'Vision 2021'.

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LETTERS TO THE EDITOR

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BANGLAR CHOKH

Solar power for irrigation

Recently I came across a news report of your daily, "Solar solution for Jhenidah farmers," which I consider an eye-opener for rural farm irrigation. In contrast to the usual diesel-fueled engine driven pumps, this pump uses solar power. This should gradually replace the water pumps driven by diesel engine that is fueled by imported diesel. We should carry out a programme that promotes using free sunlight as a power source for voltaic panels supplying power to irrigation pumps. The government must take steps regarding this issue urgently so that it helps rural farmers who are the real backbone of the nation.

Engr. SA Mansoor, Dhaka

April 28 as Bangladeshi April Fools' Day!

We urge the Awami League not to say that the January 5 general election and the recently held mayoral election were free and fair. Our voting rights have been robbed; it seems like they're rubbing salt on fresh wounds.

Though it was not 1st of April, the Election Commission played the April Fools' joke on April 28. People were duped about the deployment of armed forces during the voting process and cadres of AL and members of law enforcing agencies ensured that candidates of the AL came out victorious.

The wounds inflicted on the people will not heal; it will fester unless and until an acceptable election is held.

Nur Jahan
Chittagong