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Meet the first Bangladeshi to get into AFI



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Taiwan holds military drill after China repeats threats



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'Walkman Syndrome' afflicts the AL and our govt



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Rivers and our future

"Inflicting hurt on any child during the course of conflict is deeply disturbing... Such attacks must stop."

UN rights chief **Michelle Bachelet** on the killing of Palestinian children in latest escalation



FAMILY CARD PROGRAMME A good initiative tainted by graft

TIB survey paints a grim picture

STAFF CORRESPONDENT

Corruption and partisanship have tainted the government's family card programme, depriving those who need it the most and benefiting ineligible ones.

This is according to TIB study findings unveiled yesterday.

The government was supposed to give these cards to one crore families, including 38.5 lakh ultra-poor ones enrolled in its "Tk 2,500 cash assistance" programme.

A survey carried out on a representative sample showed that about 40 percent of the cash-transfer beneficiaries did not get the family cards, mainly due to irregularities and corruption.

Under the family card programme, each household received a subsidy of around Tk 550 twice for essential goods during the last Ramadan when prices of these items soared.

Of those who were left out, 80.4 percent said they were excluded because of irregularities and corruption while 14.1 percent said they did not know the reason for exclusion, said the study report.

About half of the beneficiaries said they believed ineligible and politically influential people got enrolled for the family cards, it said.

The government through the cash assistance scheme provided Tk 2,500 each to families facing economic hardship amid the Covid pandemic.

The report mentioned that 4 percent of those who got the family cards said they faced irregularities and corruption during enrolment and distribution of the cards. The recipients were forced to pay Tk 50-200 as bribe or make irregular payments to get those.

Moreover, 13.7 percent beneficiaries faced irregularities and corruption while purchasing goods from the Trading Corporation of Bangladesh (TCB) trucks or dealers. In 33.3 percent cases, low-quality products were sold to them.

In some cases, the packets containing TCB goods were torn and the beneficiaries were given less (100-200 grams) than what they were supposed to get, the study pointed out.

Also, cardholders had to wait for 1.2 hour on average to get the desired goods under the programme, while the maximum waiting time was 10 hours. This disrupted the daily earnings of the poor beneficiaries, it added.

The TIB disclosed the findings of the report "Governance Challenges in TCB's Family Card Programme" at a virtual press conference yesterday.

Data for the study was collected in April-June this year whereas a survey was carried out from April 18 to 26 in 35 districts.

Addressing the press meet, TIB Executive Director Iftekharuzzaman said the government initiative was "timely, important, and praiseworthy" which targeted 25-30 percent of the country's population considered to be underprivileged and poverty-ridden.

However, in reality, the targeted population in many cases didn't get the maximum benefit of the programme due to insufficient capacity, and a lack of transparency, accountability, preparedness and guidelines for related institutions, he said.

Due to irregularities, corruption and political influence, a significant number of real beneficiaries could not be included in the family card programme or didn't get the cards, he noted.

Enrolment of beneficiaries and distribution of cards

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- Recipients had to pay Tk 50-200 as bribe to get cards
- 7.5% beneficiaries couldn't afford the TCB goods
- TCB lacks capacity to sell essentials to 1cr families



The 690-metre Kalna Bridge over the Madhumati river in Narail is expected to be inaugurated next month, according to its project director. Once the bridge opens to public, people of Satkhira, Jashore and Narail, who now cross the river on ferries, will be able to travel to Dhaka much faster. This photo of the first six-lane bridge in the country was taken this week.

PHOTO: HABIBUR RAHMAN

External debt situation more comfortable now

Says finance ministry's latest bulletin

REJAUL KARIM BYRON

Bangladesh gravitated towards external borrowing to finance its budget deficit in fiscal 2021-22, leveraging the country's capacity to absorb more of the relatively economical foreign loans.

In the first nine months of last fiscal year, the proportion of external borrowing was 49.38 percent, up from 33 percent in the previous year and 37 percent in fiscal 2019-20, according to the finance ministry's latest quarterly debt bulletin, which was unveiled yesterday.

The finance ministry began the practice of publishing the bulletin on the International Monetary Fund's prescription from April last year to inform on the country's debt situation every quarter. However, after two editions, the finance ministry put the publication on hold. The latest bulletin comes after a gap of three quarters.

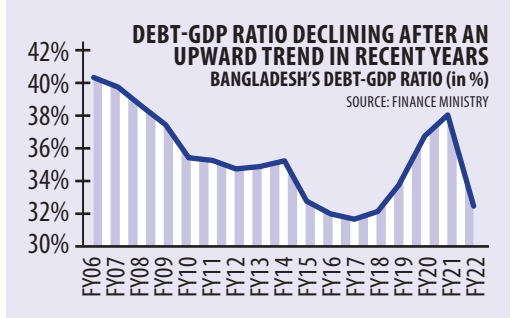
The country received about Tk 46,530 crore from external sources between July last year and March this year, which is more than fiscal 2020-21's full-year receipts of Tk 45,523 crore.

And yet, Bangladesh's external debt to GDP ratio, a metric that reliably indicates a country's ability to pay back what it owes, improved last fiscal year. The higher the debt to GDP ratio, the higher are the risks of default. Bangladesh's ratio though declined by 2.6 percentage points year-on-year to 11 percent last fiscal year.

"This leaves a lot of room for manoeuvrability

as the threshold for the external debt-to-GDP ratio is 40 percent," the finance ministry said in the bulletin.

The disclosure will go some way towards quelling fears of debt distress stemming from



the government's recent bid to secure financial assistance from development partners in budget and balance of payment support.

The external borrowing in the first nine months of last fiscal year came from concessional sources of financing, 53.8 percent of which came from bilateral lenders.

In fiscal 2020-21 too, external financing from bilateral sources was much higher than multilateral sources, accounting for 64 percent of the funds.

Bilateral loans tend to be costlier than those

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Rough time to last two more years

Says Debapriya

STAFF CORRESPONDENT

The country's economy will face turbulence at least until the end of the fiscal year 2023-24, said Debapriya Bhattacharya, a distinguished fellow of Centre for Policy Dialogue.

Amid the national and global uncertainties, there should be a policy package with a short-term outlook for stabilisation and consolidation of the economy, he said.

The global economic crisis is not solely responsible for the current high inflation, devaluation of the taka against the dollar, erosion of reserves, and low private investment, he said, adding that weak fiscal management and lack of reform were worsening the problems.

He made the comments while delivering a speech titled Overcoming the Current Economic Challenges: Towards a Transitional Policy Understanding at a virtual event.

Due to the weak fiscal management, revenue share in GDP does not cross 10 percent even as the economy grows, he said.

Since the tax revenue is earned mainly through indirect tax, the low-income people bear the same tax burden as the high-income people.

It seems Bangladesh is a high-growth country with a poor government, which is struggling to find fiscal resources to deal with the present situation, Debapriya said.

The government should discuss the situation in the cabinet and parliament, he said, adding that the way ministers spoke made it seem like such talks are rare.

The government also should talk with professionals and political parties.

The target should be to stabilise macroeconomy, continue production

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16 children get first Covid shots on trial

STAFF CORRESPONDENT

Sixteen schoolchildren, aged between five and 11, received their first dose of coronavirus vaccines at a programme in the capital yesterday.

The vaccine shots, specially made for children by Pfizer, were administered on a "trial basis" yesterday before a campaign is scheduled to begin for inoculating children on August 25.

Nidhi Nandini Das, a grade-III student of Abul Bashar Government Primary School in the capital's Sher-E-Bangla Nagar area, is the first child to receive the vaccine in Bangladesh at the event at Bangabandhu International Conference Center.

"Today [yesterday] we are vaccinating children on a trial basis. We will vaccinate schoolchildren in the city corporation areas from August 25 and then the campaign will be expanded countrywide," Health

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Buses trying to get passengers clog the ramp of Mayor Mohammad Hanif Flyover near the Bangabhaban, creating a long tailback (below the flyover). The photo was captured around 2:00pm yesterday.

PHOTO: ANISUR RAHMAN

Bad loans at record high

AKM ZAMIR UDDIN

Defaulted loans hit an all time high by the end of June this year. It reached Tk 125,257 crore, a 26.3 percent rise from a year ago, according to Bangladesh Bank.

Experts said the sharp rise was worrying for banks and that it indicated major weakness in the sector.

The central bank should immediately improve governance, they said, adding that this would help prevent any further rise in bad loans.

The outstanding loans in banks stood at Tk 13,98,592 crore as of June and bad loans accounted for 8.96 percent of it.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, told The Daily Star that the rise in bad loans was a result of the current business slowdown.

Many borrowers struggled to repay their loans during the coronavirus pandemic, he added.

When the economy started to rebound, fallouts from the Russia-Ukraine war were felt and borrowers found it difficult to repay.

He feared that defaulted loans might increase further. Former BB governor Salehuddin Ahmed said the central bank has frequently been relaxing the policies for loan classification and rescheduling, letting loan takers enjoy borrower-friendly policies.

He urged the BB to allow only small and medium businesses to enjoy such policies.

Besides, some unscrupulous bankers, who collude with delinquent borrowers, are reluctant to recover defaulted loans, he said.

"It is time for the central bank to revisit the policies related to bad loans as the existing ones have failed...," Salehuddin said.

Ahsan H Mansur, executive director at the Policy Research Institute of Bangladesh, said the BB's relaxed policies have increased bad loans.

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