



ADANI POWER PURCHASE AGAINST 'PUBLIC POLICY'

How could such a deal be signed?

ASIFUR RAHMAN

In 2015, with a flurry of power deals in the bag and overcapacity in existing production capacity, did Bangladesh need to sign another landmark deal? Statistics suggest no.

Perhaps, the raw exuberance surrounding the Bangladesh growth story then could justify the deal struck with Adani Power under the 2011 Indo-Bangla Framework Agreement for Cooperation on August 11, 2015 -- about two months after Indian Prime Minister Narendra Modi's maiden visit to Bangladesh.

But nothing explains the government's rationale for signing the power purchase agreement for the deal two years later: three

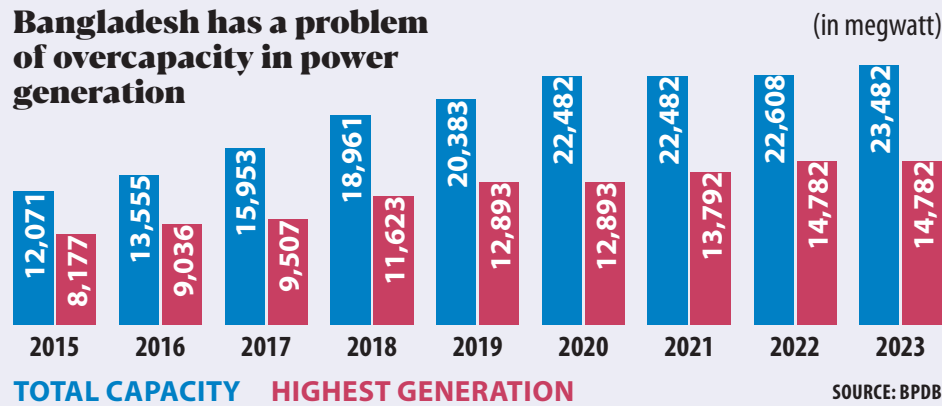


legal and energy experts at home and abroad who reviewed the contract at The Daily Star's request found it to be exceptionally expensive, overtly favouring Adani Power and ironclad.

"The way I would put it is heads Adani wins, tails you lose. The contract is so biased against the interests of Bangladesh to the point that one has to wonder why any sensible person would sign it on behalf of the Bangladeshi government," said Tim Buckley, an energy economist and founder of Sydney-based Climate Energy Finance Australasia.

The Daily Star contacted Mina Masud Uzzaman, who signed the deal in his capacity as the secretary of the Bangladesh Power Development Board then, on November 5, 2017 to learn of the government process in the lead-up to agreeing to the deal.

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How Adani PPA measures against others

	PAYRA	RAMPAL	GODDA
Minimum offtake	✗	✗	✓
Dependable capacity test retake	✗	✗	✓
BPDB to pay for repairs in case of damage	✗	✗	✓
Political event a force majeure	✓	✓	✗
Damages for BPDB delay	✗	✗	✓
Performance security deposit to BPDB	✗	✗	✓

"It is a punishable offence to sign such a contract -- we believe that our agencies have the ability to identify the corruption in this deal."

M Shamsul Alam
vice chairman
Consumers Association
of Bangladesh

What Adani Group has to say

STAFF CORRESPONDENT

The Daily Star contacted Adani Group for clarifications on certain aspects of the PPA and we are publishing the emailed comment from the Adani Group headquarters in Ahmedabad in India ad verbatim.

Would Adani Power be charging BPDB for 6,000 kcal/kg coal but bringing in an inferior grade of 4,600 kcal/kg coal?

This question arises on account of misinformation spread by vested interests or a serious gap in understanding how energy cost is calculated.

Please note that energy cost would be billed only for the cost of actual kcal/kg coal proportionately adjusted with the global index that is published for 6,332 kcal coal. Thus, coal having a 4,600-kcal calorific value (as required

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EC may get power to scrap polls after results



STAFF CORRESPONDENT

The law ministry has agreed to the Election Commission's request to have the power to cancel an election even after the issuance of a gazette notification on results.

The commission had proposed that the EC be able to cancel an election, provided complaints made against the polls were proved to be true through probes.

"The RPO [Representation of the People Order] does not give the power to do what is required once the gazette has been issued. We made the proposal so that the EC has the power to do something even after the announcement of the official results," Election Commissioner Rashida Sultana said yesterday.

She said that the law ministry representative argued that section 91 of the RPO gave the commission the power to cancel elections. "But we made our arguments and they agreed on that issue."

The amendment proposal will not be discarded during the law ministry vetting, said Rashida.

It will be sent to the Cabinet Division before

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Health, edn to get chop in ADP

REJAUL KARIM BYRON

Health and education are set to get the biggest chop in the revised development budget for this fiscal year, when the International Monetary Fund has stipulated more spending in the two sectors as part of its \$4.7 billion loan programme.

In the revised budget for fiscal 2022-23, which is scheduled to be approved tomorrow at the meeting of the National Economic Council, the allocation for the health service division is likely to be slashed by 38 percent to Tk 9,780.96 crore.

The budget for the ministry of primary and mass education would be brought down by 32.6 percent to Tk 7,784.68 crore and for the secondary and higher education division by as much as 48 percent to Tk 7,218.33 crore, according to the draft proposal prepared for the meeting.

Overall, the annual development programme would be trimmed by 7.5 percent to Tk 227,566.09 crore, with the foreign-funded projects shouldering the entire chop.

The allocation for foreign-funded projects would be reduced by Tk 18,500 crore or 19.89 percent.

The government has decided to go for an expansionary fiscal policy and hence the government's own funded projects were left untouched in the

The sectors getting the chop in the budget are health and education -- the two areas where the International Monetary Fund has stipulated higher spending as part of its \$4.7 billion loan.

revision, according to finance ministry officials.

This would revive economic activities and generate employment.

The reason the budgets for the health service division, ministry of primary and mass education and secondary and higher education division are being reduced is their implementation is low, said a finance ministry official requesting anonymity as he is not authorised to speak with media.

In the first seven months of the fiscal year, the health service division has managed to use 11.7 percent of its allocation, the ministry of primary and mass education 15.86 percent and the secondary and higher education

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A group of people removing a boat from a dried-up waterbody after its lessee extracted all the water to catch the last remaining amounts of fish at the Pukaria beel in Sylhet Sadar's Baishtila area yesterday morning. Almost all the leaseholders of various waterbodies in the area have been doing this at the end of their leases, which is affecting the fish population and ultimately destroying the biodiversity. Environmental activists and citizens have placed blame on the authorities concerned for a lack of supervision.

PHOTO: SHEIKH NASIR

CPA rejoinder, our reply

Chittagong Port Authority (CPA) has sent a rejoinder to a report headlined "Ctg port's anomalies cost govt Tk 258 crore: CAG finds 26 counts of irregularities by CPA in three years" published in The Daily Star on January 3.

It denies the finding of the Comptroller and

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BUSINESS

BB's dollar investment plunges

Bangladesh Bank's forex reserves invested in US dollars fell 34 percent to \$23.63b in February for the country's over-reliance on greenback for import payments.

STORY ON BI

আপনার দেখানো পথে ছুটে চলেছি
অবিচল লক্ষ্যের পানে।
এই পথচলায় আপনি আছেন
আমাদের মাঝে
দৃঢ়সংকল্প, অনুপ্রেরণা ও শক্তি হয়ে।

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