The Daily Star
FOUNDER EDITOR: **LATE S. M. ALI**

Keep politics out of fertiliser dealerships

Fertiliser supply must not be held hostage by bribery and favouritism

According to an investigation by this newspaper, ruling party leaders, their relatives, and connected individuals who neither have experience in the fertiliser business nor possess the required credentials have managed to become dealers, leaving many established traders in the lurch. We saw this same trend of vested groups hogging dealerships through political patronage during the previous Awami League regime. The new report is therefore all too familiar, only the hands have changed.

There are allegations of political favourotism or nepotism in several districts, including Kushtia, Rangpur, Brahmanbaria, Jhenaidah, Rajshahi, and Thakurgaon. In Gangachara upazila Rangpur division, the wives of upazila BNP president and general secretary received dealerships in their respective unions. In Pirgachha too, wives of upazila BNP members received fertiliser dealerships. In Kushtia, at least 50 to 70 dealerships went to BNP-linked individuals or their relatives. In Brahmanbaria a BNP lawmaker's son and other relatives secured dealerships. When asked how his son, who has no prior experience in this trade, was eligible, the MP said that BNP activists had been "deprived" under the previous government. This acutely symbolises the sense of entitlement that political parties adopt after coming to power.

The BNP must leave behind such feelings of obligation to 'reward' party loyalists through appointments and contracts. As an economist quoted in the report has pointed out, dealerships being acquired through political patronage and money usually results in corruption and inefficiency, while keeping qualified traders out of the business.

This is disappointing, to say the least. The BNP must leave behind such feelings of obligation to "reward" party loyalists through appointments and contracts. As an economist quoted in the report has pointed out, dealerships being acquired through political patronage and money usually results in corruption and inefficiency, while keeping qualified traders out of the business.

In August, the scarcity of fertiliser during the peak planting season was attributed to government-appointed dealers who allegedly withheld stocks or overcharged farmers through retail agents. Some dealers obtain multiple licences under different company names or through influential relatives to manipulate the supply and prices of fertiliser. Allowing inexperienced dealers to operate will inevitably lead to more fertiliser shortages, which in turn will threaten our food security.

Policy requires dealers to be permanent residents of the area and to have ownership or lease of a warehouse with a minimum capacity of 50 tonnes of fertiliser. How many of those awarded dealerships are compliant with the requirements? This deserves urgent scrutiny by relevant authorities.

The government must reassess all dealership appointments and make them public. Officials involved in taking bribes to facilitate dealerships must be identified and punished according to law. Warehouses must be inspected and their eligibility verified. Those which do not meet the policy requirements or are found to have bribed officials must have their licences cancelled. At a time when the government is grappling with major energy shortages due to the war in the Middle East, a fertiliser crisis resulting from partisanship and corruption will be felt keenly by already struggling farmers.

Tourism taking a toll on Chera Dwip

Weak enforcement is putting Saint Martin's fragile biodiversity at risk

We are alarmed by the unabated and environmentally harmful tourist activity in Chera Dwip on Saint Martin's Island. The government's 12-point guidelines include several restrictions to protect the island's environment and biodiversity, including lighting fires or using lights on the beach at night, making excessive noise, organising barbecue parties, and entering Chera Dwip. However, with the decision to keep the island open to tourists from November 1 this year to March 15 next year, Department of Environment (DoE) staff and volunteers are struggling to enforce these restrictions. A reported average of 2,000 tourists travel to and from the island daily on three vessels, with more than 230 hotels, resorts, and cottages to accommodate them despite not having environmental clearance. Tourists are using easy bikes (or "tomtoms") and rented motorcycles and bicycles to travel within the island, often crushing protected species such as red crabs, snails, mussels, and other living beings under the vehicles' wheels.

This outcome, however, is hardly shocking. Last month, we asked in this column whether any evidence of ecological recovery or any credible assessment justified increasing the daily visitor limit by 75 percent and extending the tourism season. With the season now ongoing, it is clear that authorities are unprepared to protect the island's biodiversity. Even with restrictions in place and Chera Dwip being cordoned off by rope barriers and red flags, tourists continue to visit the area every day. The DoE has very few volunteers to enforce restrictions, compared to the hordes of tourists being allowed to stay on the island. Many resort owners reportedly dump waste directly into the sea instead of disposing of it properly, while attempts to stop easy bikes from operating have faced resistance.

All this points to the government's two-fold failure in conserving the island's biodiverse species and in enforcing its own guidelines to that end. It is unacceptable that the profits of businesses, which are operating without necessary clearance, are being prioritised over the protection of an island designated by the government itself as an Ecologically Critical Area (ECA).

We urge the government to consider reducing the tourism window for Saint Martin's Island as well as revising the number of tourists allowed in daily. Environmentalists have claimed that previous tourism bans had shown positive changes in the island's environment. Hotel and resort owners must also be held to account for not abiding by waste disposal rules. No amount of tourism revenue can make up for losses in the island's biodiversity.

Who guards the depositors? The other side of bad loans



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■ **M NIAZ ASADULLAH**

Bangladesh's debate over its banking crisis may finally be asking a question it has long neglected. Speaking at a Bangladesh Institute of Bank Management (BIBM) conference in late October, Professor Wahiduddin Mahmud, former adviser for planning to the interim government, argued that laws and regulations alone cannot restore discipline to the financial sector. He reminded us that a minimum level of ethics is also required among those who participate in banking and business. An editorial published in *The Daily Star* on October 30, 2026, reflecting on the same discussion, rightly called for stronger safeguards against financial irregularities and renewed action against wilful defaulters.

With non-performing loans (NPLs) now exceeding Tk 6 lakh crore and accounting for roughly one-third of outstanding credit, Bangladesh needs stronger recovery, better regulation, and greater political resolve. And where politically connected borrowers deliberately avoid repayment despite having the capacity to pay, accountability is indispensable.

But the latest scrutiny is incomplete. Our banking crisis continues to be viewed overwhelmingly from the borrower's side of the transaction. We ask who borrowed irresponsibly, who became a wilful defaulter, who benefited from political connections, and who moved money abroad. These are necessary questions. But they obscure another one: who approved the loans in the first place?

Ethics cannot remain an appeal to individual morality. It must be translated into the institutional architecture of accountability. For years, the standard policy response to banking distress has centred on stronger laws, tighter regulations, loan recovery and, increasingly, political will. But regulation principally tells bankers what they may or may not do. Fiduciary leadership brings up the question of what a professional entrusted with other people's money should refuse to do, even when political pressure is intense or regulatory rules leave room for discretion.

Every large loan passes through multiple layers of professional judgement before the money moves. Credit officers assess repayment capacity, risk managers examine exposures, committees scrutinise proposals, managing directors and chief executives exercise executive authority, and boards carry out oversight responsibilities. Political influence can create enormous pressure on this process. But a borrower, however powerful, cannot single-handedly create a bank loan.

This supply side of bad banking remains remarkably underdeveloped in our public conversation.

Unlike most ordinary businesses, banks do not primarily lend out their own money. They allocate resources entrusted to them by lakhs of depositors—school teachers, factory workers, pensioners, family members of overseas migrant workers, small entrepreneurs, and households saving for their children's futures. Banks' responsibility therefore extends beyond profitability or satisfying shareholders. They are custodians of other people's money, especially that of the working middle class.

The leadership obligation arising from this relationship can be described as fiduciary leadership. A fiduciary leader is not merely a successful corporate manager. He or she is a steward, someone expected to exercise independent judgement, protect institutional integrity, and safeguard the interests of those whose resources have been entrusted to the institution. For a bank's chief executive, that responsibility includes something easily overlooked during periods of rapid credit expansion: the professional capacity to say "no".

Not every bad loan represents misconduct and banking inherently involves risk. A sound loan can become distressed because of an economic downturn, exchange rate shock, energy shortage, or unexpected collapse in demand. Bangladesh therefore needs to distinguish genuine commercial failure from wilful default.

But the same distinction must be applied to lenders.

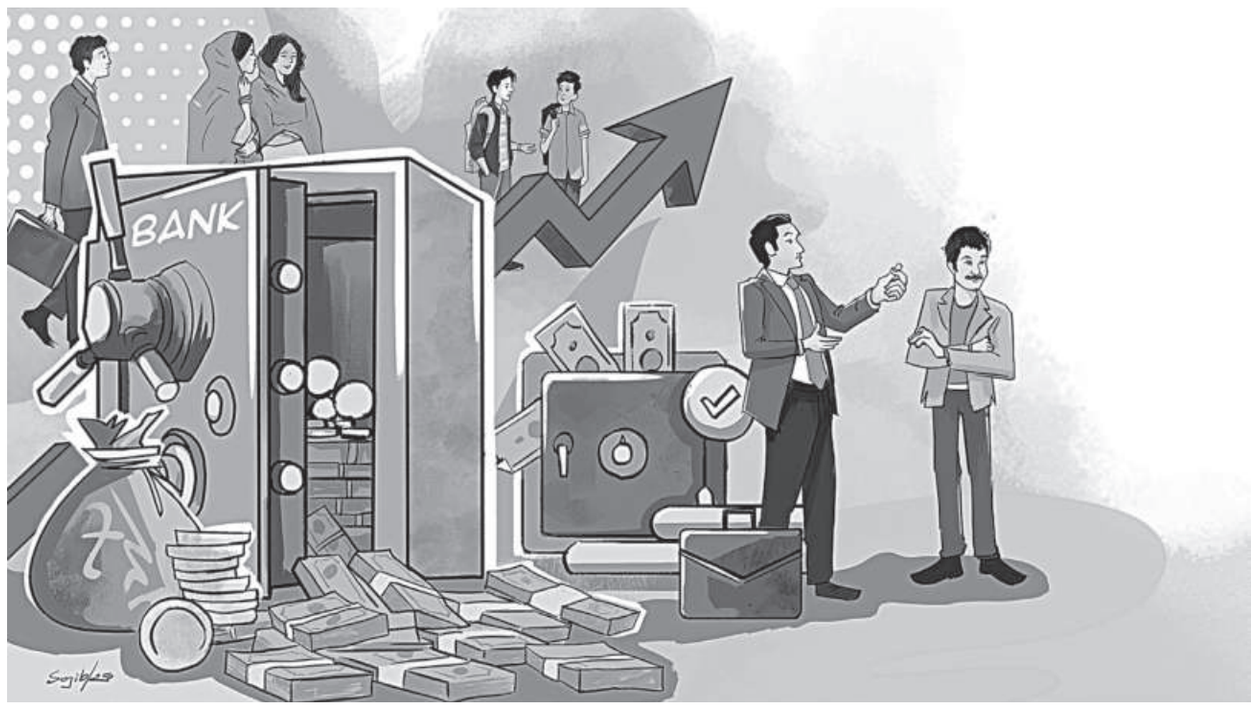
There is a difference between an honestly mistaken credit judgement and lending that ignores obvious warning signs, excessive borrower concentration, inadequate collateral, unrealistic cash-flow assumptions, or repeated restructuring intended principally to postpone recognition of losses. The first is an unavoidable feature of banking. The second raises questions of professional and fiduciary responsibility.

Ethics cannot remain an appeal to individual morality. It must be translated into the institutional architecture of accountability. For years, the standard policy response to banking distress has centred on stronger laws, tighter regulations, loan recovery and, increasingly, political will. But regulation principally tells bankers what they may or may not do. Fiduciary leadership brings up the question of what a professional entrusted with other people's money should refuse to do, even when political pressure is intense or regulatory rules leave room for discretion.

Bangladesh's political economy makes that question especially difficult. In parts of the banking system, professional judgement has long operated alongside political influence. Board appointments, lending relationships, and regulatory forbearance have sometimes rewarded accommodation over independence. Refusing an influential borrower can carry professional costs; accommodating one may appear safer. Under such conditions, institutional incentives gradually crowd out professional norms.

Economists would recognise part of this as moral hazard. Decision-makers take greater risks when they expect others to bear the eventual costs. If bank executives believe that distressed loans will repeatedly be restructured, politically connected borrowers protected, or troubled institutions eventually recapitalised, the downside from poor lending decisions becomes separated from the original decision-maker. A loan approved today may generate interest income and apparent profits before becoming tomorrow's NPL. By then, the executive who approved it may have moved elsewhere, while depositors, shareholders, successor management, or ultimately taxpayers inherit the consequences.

Encouragingly, Bangladesh Bank's reforms introduced in mid-September appear to recognise this problem. Its new performance framework for bank managing directors and chief executives gives relatively little weight to profitability alone, while placing much greater emphasis on asset quality, solvency, liquidity, governance, and internal controls. Performance is also intended to influence remuneration, incentives, and reappointment. That is an important shift as it implicitly recognises that a bank leader's performance cannot be judged simply by how rapidly loans or profits grow.



FILE ILLUSTRATION: **SOJIB ROY**

The same principle should guide the next stage of reform. Boards must protect independent credit and risk functions; regulators should scrutinise not merely whether procedures were followed but whether senior executives repeatedly overrode prudent risk judgement; executive performance should be assessed over sufficiently long horizons to capture the consequences of lending decisions; and accountability must distinguish legitimate commercial mistakes from negligence, reckless accommodation, and intentional disregard of fiduciary obligations.

Professor Wahiduddin Mahmud is right to put ethics back into the banking conversation. But ethics becomes meaningful only when we identify whose duty is involved, to whom that duty is owed, and what happens when it is breached. Bangladesh must certainly pursue wilful defaulters. But every bad loan has two sides. Lasting banking reform requires scrutiny not only of those who took other people's money, but also of those entrusted with deciding whether the money should be given away to less reliable borrowers. Banks do not create trust, they borrow it from society. Fiduciary leadership is the obligation to return that trust intact.

Water must move to the centre of climate action



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■ **JIGMI Y. THINLEY**

For three decades, the international response to climate change has focused on reducing greenhouse gas emissions. The energy transition has become central to this effort, shaping national policies, mobilising investment, and driving innovation. Now, as the world confronts the consequences of climate change already under way, we must give water the same prominence in our approach to adaptation.

Water is how most people first experience climate change. Whether through prolonged drought, devastating floods, or increasingly unpredictable rainfall, its effects reach directly into people's lives, threatening food production, livelihoods, public health, and economic security.

So, if energy has been the defining concern of climate mitigation, water must become the defining concern of adaptation. And for this to be effective, recognition must be matched by adequate resources and meaningful action. Water already features in the national climate plans of most countries, and is the sector most frequently identified in their adaptation measures. Yet inclusion in a national plan is not the same as meaningful action. Currently, investment remains insufficient, fragmented, and poorly coordinated.

The scale of the shortfall is considerable. A 2024 report by the World Bank estimates that developing countries need an additional $131.4 billion-$140.8 billion annually to achieve universal access to safe drinking water and sanitation by 2030. Behind this figure are communities without reliable drinking water, children exposed to preventable disease, and populations whose livelihoods and security are threatened by drought and flooding.

Water infrastructure, sanitation, and resilient water management cannot remain underfunded priorities in countries' national adaptation strategies. They require sustained investment, clear accountability, and political leadership capable of translating plans into tangible improvements in people's lives.

Leaders, therefore, must close the gap between their commitments and the resources allocated to fulfil them. Water infrastructure, sanitation, and resilient water management cannot remain underfunded priorities in countries' national adaptation strategies. They require sustained investment, clear accountability, and political leadership capable of translating plans into tangible improvements in people's lives.

There are encouraging examples of the leadership required. The Madrid Compact, endorsed by 30 governments, offers a framework for stronger political commitment, integrated policies, sustainable financing, and accountability. The Heads of State Initiatives, supported by the Sanitation and Water for All (SWA) partnership, has demonstrated how national leadership can translate commitments on water and sanitation into action. These approaches deserve wider application.

The same determination is needed internationally. Water connects the three Rio Conventions, which address climate change, biodiversity loss, and land degradation. Yet their respective work does not always reflect the interconnected nature of these challenges, or the central role water plays across all three.

COP31, currently underway in Antalya, Türkiye, offers an opportunity to change this. I call on world leaders to give water a stronger and more systematic place across the Rio Conventions, ensuring that their policies, programmes, and investments are better aligned. This does not require new institutions or additional bureaucracy. It requires greater coordination through the structures we already have, with water recognised as a shared priority rather than an issue confined to individual policy discussions.

This commitment should then be carried forward to the UN Water Conference in Abu Dhabi in December, co-hosted by the United Arab Emirates (UAE) and Senegal. The conference provides an important opportunity to turn the political momentum generated at COP31 into a more coherent international approach, with water firmly embedded in the global response to interconnected environmental challenges.

We cannot afford to treat adaptation as secondary to mitigation, or water as secondary to adaptation. Leaders must recognise water as fundamental to the security, prosperity, and wellbeing of their people, match their commitments with the necessary investment, and work together across the Rio Conventions.

The decisions made at COP31 and carried forward to Abu Dhabi can help establish the political foundations for a more water-secure future. What is needed now is the determination to act.

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