

Demand to the democratically elected government

Ensure participation and transparency in five year planning, all foreign loan and power deal

1. Why do we demand this

This is a democratically elected government that people wanted and it is a natural expectation of the people that, this government will act in possible utmost participatory and transparent manner. Now it is a party in power that took democracy and socialism as a principle since its emergence, time passed it has fight for so, and the party has been reiterated those principles in last election manifesto too.

2. Struggle for regaining people sovereignty in planning from IFI and PRSP

As because of IMF and World Bank conditionality Bangladesh has to follow PRSP process, by which in fact those international financial institutions (IFI) has succeeded to implant blanket liberalization, privatization and commercialization. But there was no poverty reduction in real rather country has indebted more. Civil society organizations and also some political leaders including who are presently in power were critical of the process and protested too. We are happy that, since the beginning the key policy planners of this government has announced that, this government will not any more embark on the PRSP process and they will go back in five year planning process.

3. Increasing debt burden and worry-some allocation in essential service sectors

In this year there are 16 % debt service liabilities in revenue budget. Now Bangladesh is paying annually around \$ 2100 millions as debt service payment. This figure has already surpassed annual health (\$ 1160 millions) budget and other essential services. Statistics and experiences from different countries shows that while debt services increase it affect first on social service sectors budget, i.e., it decreases. Government is heading for solution of power crisis and purchasing the power from the private companies with high price in the name of emergency crisis mitigation, which will be incurred huge public subsidies in future. In fact, we are not against subsidies and foreign debt, but these have to be done through a sovereign, democratic and responsible manner.

So taking these in view, we the CSO representatives urging the government for following actions:

(i) Ensure transparent and participatory process for perspective and five year planning, announce “participatory road map”

It is being reported that government is preparing perspective and five year planning, but this should not be in “**bureaucratic and so called expert managed process**” that the same blame we have had given during the PRSP preparation process. We urged government to declare a “**participatory road map**” for informing mass people that how planning would be discuss in grass root and in other level including CSOs.

(ii) Preparation of planning can not be outsource as like as governance process “eliminate all conflict of interest”

It is also being reported that ERD has outsource the preparation of the five year planning to a consultancy firm, which is being run by ex consultants of the World Bank (WB) and the Asian Development Bank (ADB). In principle this is not acceptable as it is crucial for national development. This reflect “**conflict of interest**”, while neither in Bangladesh nor in any country WB and ADB development philosophy have been successful to show pro people result, in any mean nation does not like to prepare “**loan pre qualification**” document like Poverty Reduction Strategy Paper (PRSP). There are dearth of development thinkers in country who has proven track record to taking position against WB and ADB or their economic philosophy i.e., neo liberal economics, they could have been engaged in this regard.

(iii) “Avoid all donor darling consultants” in government committees and in all international negotiation team

We observed all though in declarations of some of the policy makers take strong position against donors, International Monetary (IMF) and Multi National Corporations (MNCs), WB, and ADB. But in fact government appoints some consultants in different government committees and especially in different important international negotiation team, who are regularly involved with those institutions. There are several instances that those consultants misguided the

government in taking strong pro people position. Again here are it is conflict of interest, government should avoid all donor darling consultants appointing at different committees and international negotiation team.

- (iv) **Review all supplier credit as foreign loan, form “Review commission for all supplier credit and foreign loan”, new line of loan must be transparent and discussed in the parliament first**

In fact in the whole world, most of the supplier credit became a curse to a nation. Some years ago, one of our important ministers has acknowledged those facts in public. Most of supplier credit has taken in this country from India and China. There must be an open public review of all past supplier credit, people has the right to know how those credit has been utilized, there are a lot of questions whether the loan are worthwhile to the nation. There are also question on conditionality and use of recent \$ 1 billion Indian loan, loan document should be placed in public and parliament.

In relation we also urged to the government to avoid “**culture of secrecy**” in this regard. All new loans must be transparently negotiated, we feel that people are already in loan burden, and we do not like to be experienced that, for loan repayment government is reducing its allocation in essential service sector.

- (v) **Cancel all WB and ADB loan in education and agriculture sector; they are already putting conditionality for commercialization**

There are WB and ADB projects in agriculture project which has been initiated in recent years, other wise there were no loan in agriculture sector for last three decades, but production in agriculture has been made three-fold. Those project is yielding nothing, rather more than 50 % is being spend for consultants e.g., NATEP, we also afraid that, due to those projects, government might turn to blanket privatization and commercialization in agricultural inputs sector. We urged government to cancel those projects.

It has come in recent news paper that, University Grant Commission (UGC) is working implementation of a WB project which was negotiated during care taker government, and because of the project conditionality, a plan has been prepared to force public universities to increase fees to reach in a so called break even process. It is also came in news paper that recent fee hike in Chittagong University which has created wide spread student unrest that has also done to fulfill the

conditionality of such a WB project. We smell a conspiracy of “Commercialization” in education sector that the WB, IMF and ADB like IFI impose to save state money for their loan repayment. We demand cancellation of all IFI and their project in education sector. **‘No’ to the IFIs in education and agriculture sector.**

- (vi) **All power deal have to transparent and competitive, “energy policy has to be discussed widely”.**

We are also worried about some of the power deal which is not so transparent and competitive, but in fact which will increase subsidy in the sector. Country power situation is worse, must be done something on urgent basis. But it must be discussed widely, we appreciate that government has placed a concept note in parliament during budget session, but the paper is not sufficient, it must analyze other related issues like, how the investment will come, what are the necessary fuel required, how much subsidy will require and how these will be managed. We believe subsidy has to be given, but it must be priority wise, capacity wise and in planned manner. In the name of bureaucratic tangles, there are tendencies to sign deal in a hasty manner and without any competition, but the tangles must exposed first and removed.

We hope that this democratically elected government will consider our demand and will respect “Transparency and Participation” that is very fundamental democratic principle and people rights in this regard.

Endorsing organizations:

BNNRC, CDP, DORP, EquityBD, IED, Bangladesh Krishok Federation, Solidarity Workshop, Online Knowledge Center, Lead Trust, Prodip and Arpan.

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