

PM for devising dev projects in line with Delta Plan to avail financing from climate fund

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Online Desk: Prime Minister Sheikh Hasina today asked the Ministry of Environment, Forests and Climate Change and other concerned to frame development projects in coordination with the Delta Plan to avail funding from the \$ 1 billion Climate Fund committed to Bangladesh. The Prime Minister came up with the directive while chairing a meeting on the Executive Committee of the National Economic Council (ECNEC) held at the NEC Conference Room in the city's Sher-e-Bangla Nagar area here.

Briefing the reporters after the meeting, Planning Minister MA Mannan said that the issue of availing \$1 billion financing from climate fund was discussed recently between French President Emmanuel Macron and Prime Minister Sheikh Hasina. While availing fund, the Sundarbans would get the highest priority, said the Minister.

While giving approval to a road rehabilitation project, Mannan said the Prime Minister asked the concerned ministry officials and engineers to build more bridges and culverts in the low lying areas and haors where the pressure of water is immense in order to ensure smooth flow of water.

Sheikh Hasina also directed the officials and engineers to remain cautious again on the designs and height of the infrastructures like bridges so that there is no need to demolish any structure after construction to save wastage of public fund. Mannan said that the Premier asked the Ministry of LGRD and WASAs to take necessary steps to gradually come to recovery stage in their operations after coordinating with the production and distribution cost. She stressed on creating massive public awareness to save misuse of water or pursuing austerity in use of water.

The Prime Minister also directed the Ministry of Law to take necessary steps to speedily dispose of the tax related cases of the National Board of Revenue (NBR) with the Supreme Court within the legal procedures to enrich the state coffer. Answering to a question, Mannan said that the ceiling of the financing for Bangladesh from the climate fund is \$1 billion.

State Minister for Planning Dr Shamsul Alam said that \$1 billion fund has already been earmarked for Bangladesh while necessary funding would be availed through devising projects in line with the Delta Plan to save the county from the adverse impacts of climate change.

Turning to the issue of general point to point inflation which increased in August, Mannan said that inflation has increased and the government is very much aware of it. "We'll address it like in the past.

Hopefully, we'll be able to reach into the turning around point very soon. Inflation in last month increased mainly because of the high price trend of chickens and eggs which have impacted the other food items," He said that the inflationary situation in Bangladesh is not a 'runs away inflation' as inflation in Bangladesh increases gradually and also declines at a slower pace.

The Planning Minister said in an effort to make recovery from the massive economic devastation, the people of Sri Lanka have adjusted their living standards at a lower level. Replying to a question, he said that austerity would not be pursued to ensure overall welfare of the people of the country and in pursuit of real development. Referring to the remarks of Prime Minister's Adviser, State Minister for Planning Dr Shamsul Alam said that the government might consider increasing the interest rate to tame the inflation rate.

He, however, observed that high interest rate might make slow the pace of investment which could lead into reduced growth. Dr Alam ruled out the allegation that the government is printing money massively to contain the inflation adding that the government needs to print money usually to replace the old and torn bank notes. He said usually the country witnessed high inflation in the months of August and September while the country witnessed higher rainfall during this period which has hampered the production process and supply side to some extent.

“But, there were no such damage of crops due to the flood this year. Hopefully, inflation will start to reduce again from November as there were no such supply side disruptions,” he added. Replying to a question, Dr Alam said that due to the policy interventions of the government, the general inflation remained within the double digit despite the global conditions, otherwise it could have reached to 13 to 14 percent. He said when inflation increases, it could increase rapidly, but when it starts to come down, then price rigidity factor matters.

Citing example of Sri Lanka, the State Minister said Sri Lanka has increased the policy rate by 10 percent while their growth rate is negative. “But, if our growth rate becomes negative, then growth will be choked and many will lose their jobs...the economic structure of Sri Lanka is different to us,” Listing various measures of the government to rein in inflation, Dr Alam said that the duty has been reduced in import of rice to 15 percent from 60 percent, policy rate has been increased twice, the cap on interest rate has been withdrawn, the amount of overall subsidies has been increased to strengthen the supply side, full distribution of agricultural credit has been ensured while the devaluation of the Taka has been ultimately working as ‘incentive’ for the exporters.

Planning Division Secretary Satyajit Karmakar said that the government has now sufficient capacity to take loans from the development partners against projects and thus repaying those timely. At the very outset of the meeting, the Planning Minister said that the ECNEC warmly congratulated the Prime Minister for her bright and lively participation at the G20 Summit held in New Delhi since it has brighten further the image of the Prime Minister and the country abroad.

Mannan said the ECNEC also noted that the recent visit of French President to Bangladesh has brightened further the image of the country abroad. The ECNEC meeting was also apprised about the report of Economic Intelligence Unit (EIU) which has stated that Bangladesh would be among the top 20 economies by 2040.

Earlier at the ECNEC meeting, Planning Minister handed over a publication titled “State of the Development: Impact of Mega Projects” to the Prime Minister. The publication was made by the Development Journalists Forum of Bangladesh (DJFB).