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Losing out : the Asian Development Bank not lending a hand in Bangladesh

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Bangladesh has a long history with the Asian Development Bank (ADB), having received cumulative public sector loans to the tune of 11,4 billion since 1973.

Almost half of this money has gone towards the energy and transport sectors, with less than 10 percent devoted to water supply and sanitation, public policy, health and social sectors combined. In 2007 alone, the ADB approved over 1,1 \$ billion in loans, of which half is earmarked for energy infrastructure projects.

These development projects, while generally well-intentioned, have seen their fair share of controversy in recent years. The Khulna-Jessore Drainage Rehabilitation Project began in 1996 as an attempt to address the river drainage problem through the construction of a series of sluice gates, intended to protect the wetland areas from floods and extend the area suitable for agriculture. Instead, heavy drainage congestion occurred, blocking the natural tidal flow, resulting in silted-up rivers and thousands of hectares of permanently inundated land. In 1998, violent protests erupted in Phulbari when the Asia Energy corporation, backed by the ADB, announced it had requisitioned 59 square kilometres of land to build an open-pit coalmine there, which would have precipitated severe environmental damage as well as the eviction of 40,000 people.

There have been some positive contributions, especially in the area of primary education and teacher training projects. Agriculture has improved as well, but at the cost of trade liberalization and a strong presence of multinational seed and pesticide corporations. While it is true that large-scale infrastructure has progressed measurably, it was only after years of severe privatization of public services and the opening of the markets to foreign capital. In fact, a little under half of the ADB's total lending was mobilized through co-financing from multilateral or private sector sources. Supporting the profit-driven private sector's leverage in development projects continues to have disastrous impacts on the environment and local communities.

It is hard to judge whether multilateral development projects have really had a positive effect on the country's development overall. The history of foreign aid in Bangladesh is fraught with contradiction. Many civil society organizations in Bangladesh question the necessity of aid money tied to conditions which restrict its effective implementation or funnel it back into consultancy agencies in donor countries. For example, the Sundarbans Biodiversity Conservation Project, intended to establish a proper management system to maintain the biological integrity of the Sundarbans region through poverty alleviation, saw 61 % of its ADB-managed 101 \$ million budget allocated to external consultancy firms.

The ADB's claims of focusing on poverty alleviation are dubious at best : almost half of the population is still living

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below the national poverty line, and over two-thirds on less than \$2 a day. Economic disparity and marginalization have only increased in the shadow of the ADB's precious economic growth. Better accountability and a thorough consultation at the local community level will be needed before the ADB can claim to have a winning record in Bangladesh.

Parker Mah worked as an intern in Bangladesh with [VOICE](#) in 2008.

VOICE is a rights-based, activist organization working mainly on the issues of food sovereignty, aid effectiveness, economic justice, and the right to information and communication, both in Bangladesh and on a global scale. By building a broader constituency of alternative voices to the 'mainstream development discourse' through research and public education, VOICE is taking a stand against unjust and undemocratic practices.

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