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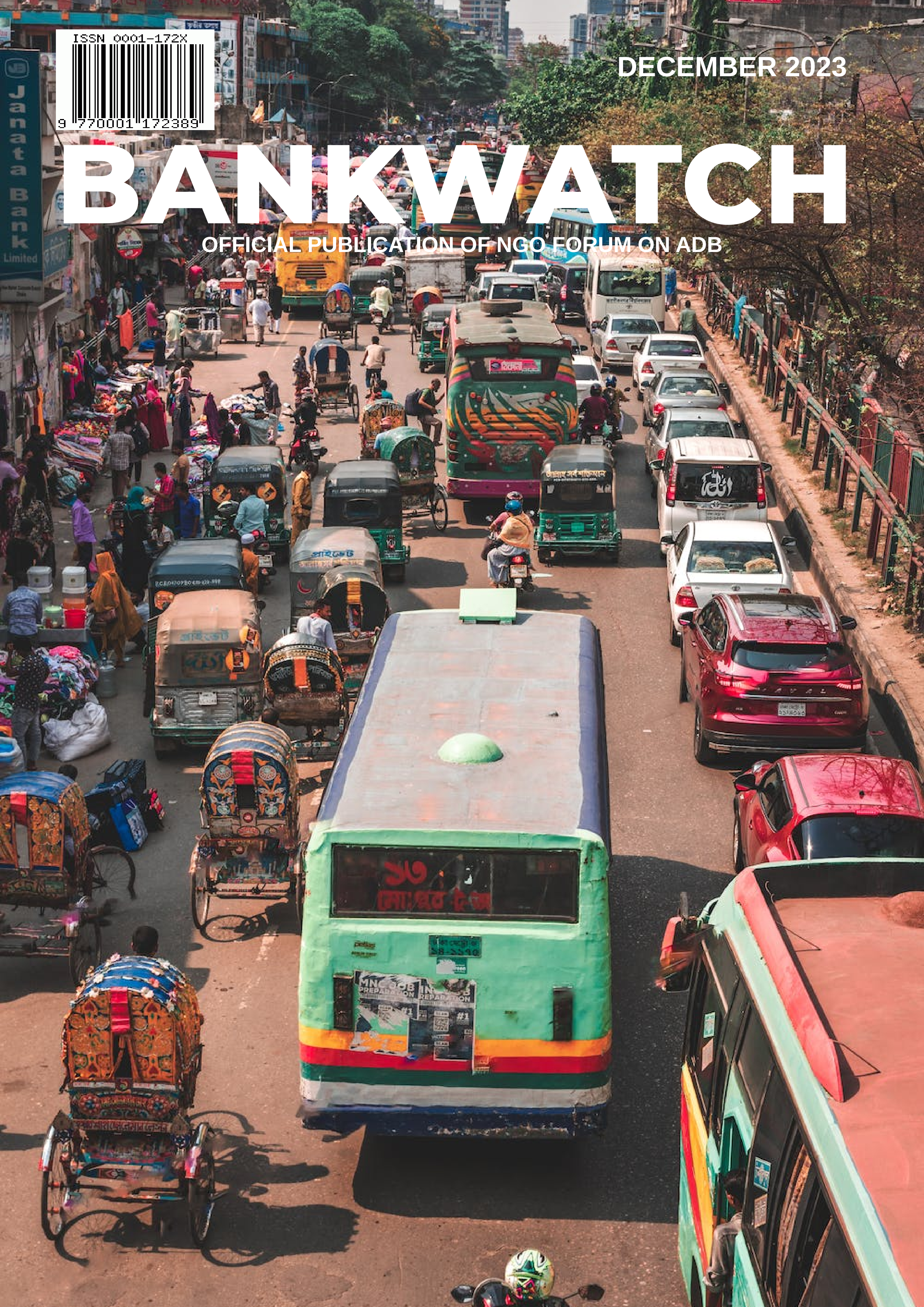

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INSIDE

SCAN ME

TAKA AND 2024 GLOBALISATION STRESS

RAYYAN HASSAN, NGO FORUM ON ADB

The outlook for the Bangladesh economy and the future of the taka do not bode well. Depleting foreign reserve coffers, a corrupt banking sector on the brink of collapse, rising food prices and political uncertainty looming around the corner have led many to be deeply concerned over the days to come.

The Bangladeshi taka in a globalised world economy is naturally reactive to a confluence of variables in the domestic and international financial worlds. In terms of international factors acting on the taka, the US economy itself is one of the key pillars of influence, which must be recognised. The Bangladesh economy has also lost its appeal to foreign investors since our recent lower rating from Fitch, a leading global credit rating agency. Another key external factor is the multitude of foreign loans Bangladesh has taken for financing mega projects from both bilateral and multilateral sources. These loans will raise foreign reserves in the short run, but as we go into debt servicing from our national budget, we may sink the economy further deeper into the foreign debt hole. Consequently, our foreign reserve earning drivers in terms of remittances and exports are also not making par as per recent news reports, and the trade deficit for Bangladesh continues to widen.

On the domestic side, we suffer deep structural problems in our banking sector, which has abnormally high non-performing loans. Our tax revenue has also not been sufficient to manage our rising public costs, and the rich and large businesses have been avoiding taxes with impunity and political patronage. This has led us to the IMF bailout packages similar to those of our SAARC members Sri Lanka and Pakistan, who, like Bangladesh, face a foreign reserve crisis, inflationary pressures, political instability, and the depreciation of local currencies. For Bangladesh, looking at the Pakistan example may prove to be a warning. Similar to Bangladesh, Pakistan is suffering from a fractured banking sector, corruption and foreign loan dependency. The IMF conditionality has really challenged Pakistan, and the recovery responses are far from meeting the needs.

US STRENGTHENS THE DOLLAR

According to a recent report on the BBC website, 'the US central bank has raised interest rates to the highest level in 22 years as it fights to stabilise prices in the world's largest economy.' The US central bank decision raised the Federal Reserve's influential benchmark rate of 5.25 per cent to 5.5 per cent. This marked the eleventh increase since early 2022, when the US Federal Reserve started raising borrowing costs of capital for US banks. The move to raise rates has hit the US public in the form of more expensive personal and commercial loans for homes, business expansions and other activities. It is being posited by US economic managers that making loans expensive will reduce borrowing demand and encourage saving, eventually cooling the economy. As per the BBC news article, the immediate goal of US Fed Reserve president Jerome Powell is to 'continue raising rates' patiently as savings in the banks, thereby strengthening the dollar.

We in Bangladesh cannot also overlook the role of the recent wars in the Middle East and Ukraine, rising geopolitical tensions, and the influence of the US economy. According to the Institute for Economics and Peace, an Australian think tank, war and military spending have generally led to positive outcomes for the US economy. The current geopolitical tensions in Palestine have led the US to mobilise its biggest warships to aid the Israeli defence. With the Ukraine conflict continuing, repeating White House commitments to continue supporting Israel's and Ukraine's defence also signals that military spending will increase for the US in the coming months.
This should be a key point of consideration for us in Bangladesh, as military spending in the US entails a rise in domestic US employment and the mobilisation of goods and services, all of which add to the US GDP. The Middle East tension is also deeply problematic for Bangladesh, as

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so many migrant workers look to that region for employment. If war spreads and involves more Middle Eastern states in the conflict, we can assume that remittance flows from Bangladeshi workers will decrease as well. The conflict in the region therefore may prove to be a double-edged sword for Bangladesh, on the one hand strengthening the US dollar, on the other side pushing down remittance flows due to geo-political instability.

FITCH RATING DOWNGRADES BANGLADESH

According to the credit rating agency Fitch, the Bangladesh Fitch Ratings have been revised. The Outlook on Bangladesh's Long-Term Foreign-Currency Issuer Default Rating has been moved to 'negative' from 'stable,' and affirmed by the IDR at 'BB-'. The negative outlook reflects deterioration in Bangladesh's external buffers to handle economic instability. In other words, the negative rating reflects an increase in the vulnerability of the Bangladeshi economy to internal (socio-political pressure, domestic debt) and external (foreign debt, stronger dollar, price hikes of imports) shocks.

It has to be understood that Fitch, through this negative rating, has deemed Bangladesh's recent policy response insufficient to stem the fall in foreign reserves. The negative rating also implies that the reforms by Bangladesh Bank around the exchange-rate system and the continued support from external official creditors have not been adequate to resolve the domestic US dollar liquidity crisis. The Fitch rating system, being internationally recognised, influences foreign direct investments coming to Bangladesh. Unfortunately, this newly revised negative rating to BB- will further shake future investor confidence in taking a chance on the Bangladesh economy in the near term.

With Bangladesh's economic reputation hanging in the balance, this would be a good time to bring attention to another country suffering similar reserve crisis and currency depreciation. Taking a look at the Pakistan example, we can observe that they suffered a terrible blow economically and socially from the devastating floods in 2022. Amid its financial and political crisis, Pakistan was also battling money laundering and corruption issues.

PAKISTAN ECONOMIC OUTLOOK

In Pakistan, inflation rose to 31.4 per cent in September 2023, rising quickly from 27.4 per cent in August. The People's Republic of China was demanding back its CPEC (China-Pakistan Economic Corridor) loans without giving much leeway in terms of debt repayment. The CPEC launched in 2013 with more than $45 billion in planned investments. Over time, it grew to more than $62 billion, of which at least $25 billion was invested in Pakistan, according to both governments. Critical voices in Pakistan suggest a lot of the CPEC infrastructure came at a fairly high cost, and a lot of the borrowing was essentially in dollar terms and fairly higher than market terms. Because of that, Pakistan continues to struggle with dollar payments for the Chinese debt along with existing debt owed to the Asian Development Bank, the World Bank, and other international financial institutions.

Pakistan also suffers from a deep banking crisis through non-performing loans and the illegal flight of capital. Experts in Pakistan have identified debt servicing, rising oil prices in the global market and impending energy supply shortfalls due to the tensions in the Middle East as further high-risk scenarios that may further dampen the recovery.

Pakistan is under severe financial stress to satisfy the IMF on its budget and the fiscal tightening measures dictated by the IMF Extend Credit Facility Conditions. News reports from Islamabad suggest that Pakistan has less than two months of reserves left, and the IMF is pushing for a tax scheme to earn back much-needed public revenue. The fulfilment of the IMF conditionalities will stress the Pakistan government's commitment. But the targets set by the IMF appear grossly unrealistic. The IMF suggests that expansionary policies by Pakistan are needed to achieve 3.5 per cent real GDP growth; this would be a challenge under the current terms of the IMF. The manufacturing target of 3.6 per cent is unlikely to be met by the government, given the rising cost of inputs, including borrowing costs of capital.

Pakistan has a very high dependence on external financing for its current budget deficit; therefore, fulfilling the obligations set by the IMF is absolutely crucial for Pakistan. Unless major structural reforms in managing public finances and the challenges posed by debt repayments are undertaken, it will not result in stable control of inflation. Pakistani civil society experts suggest that IMF support arrangements do not promote self-reliance and may further weaken the economy. Pakistan's fiscal year ends with the rupee closing at 285.99 against the US dollar, marking the highest-ever depreciation of 28 per cent. The Pakistani rupee is likely to fall further to Rs 322 to the dollar from the current Rs 290 rate. The decision to discuss another fund bailout package will now be left to the next government after the general elections in October 2023. We should learn from Pakistan's mistakes in its inability to do the structural reforms in time so that we can avoid the same fate in 2024.

Comparing current foreign reserve scenarios with Pakistan, Bangladesh is faring a bit better, according to business news sources. At present, the taka bank rates for remittances are Tk 110.5 a dollar, whereas the open market is selling a dollar at Tk 120. There are various rumours of commercial banks undermining Central Bank fixed rates and charging much higher rates for issuing LCs. There are also rumours of politically connected, influential hoarders hoarding precious dollars, anticipating deepening depreciation and distorting the open markets. The wide gap between the bank rate and open market rates is on the mind of the IMF, and bridging this gap will require a systematic set of structural changes, regulations, and control of FX flows. To this end, the IMF recently sent a mission to Bangladesh in order to assess the fulfilment of IMF conditions and the fiscal health of the economy.

IMF MISSION TO BANGLADESH

The International Monetary Fund mission team was led by Rahul Anand, who visited Dhaka during October 4–19 to discuss economic and financial policies in the context of the first review of the IMF's Extended Credit Facility, Extended Fund Facility, Resilience and Sustainability Facility and the 2023 Article IV consultation.

Anand on the Bangladesh forecast tries to paint an optimistic view on the IMF website: "Growth is projected to stay at 6 per cent in FY24, while inflation is projected to moderate to 7.25 per cent (from 9.4 per cent currently) by the end of FY24. FX reserves are expected to increase gradually in the near term and are projected to reach about four months of prospective imports in the medium term.'

Anand, after the initial optimism, then moves to a more grim and sober tone when he suggests, 'However, uncertainties around the outlook remain high and risks are tilted to the downside.' The IMF reiterates the nature of the risks underlying the financial crisis in the banking sector. This is where Anand, in his public statement, further states, 'Reducing non-performing loans of state-owned commercial banks, enhancing supervision, strengthening governance, and improving regulatory frameworks would increase financial sector efficiency.'

Anand is quite direct in pointing out that the problems in the banking sector have pushed out non-performing loans, which have led to money laundering by political and business elites. The illegal flight of capital has been hitting newspapers every other day, and we need to stop this bleeding in the banking sector immediately if we do not want to have runaway currency depreciation as Pakistan is currently facing.

In 2024, the strengthening of the US dollar will be a reality, and we may see a fall in remittances as the Middle Eastern conflict escalates. We need to ensure capital controls at the moment by raising rates, curtailing non-essential imports, and focusing on increasing our tax base in a just manner. We cannot afford to push people away from the bread basket. An unmanaged and socially unaware economic management of this crisis will lead to food riots and protests very quickly. This is a volatile time, and the very plates of food of people are currently being threatened. Furthermore, collective social, political and institutionally committed regulation of the banking sector is needed to stop illegal outflows and bad loans. If all the above steps are responsibly taken, we may ease towards flexible rates for the taka to the dollar in an equitable manner, which may prove challenging but bearable.

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ROADBLOCKS TO ACCOUNTABILITY AT THE ASIAN INFRASTRUCTURE INVESTMENT BANK

KATE GEARY, RECOURSE

At its recent Annual Meeting in Egypt, one question dominated the Asian Infrastructure Investment Bank's (AIIB's) agenda: why, after investing over $44 billion in over 210 projects over seven years, the bank's accountability mechanism had yet to accept a single complaint from affected communities.

Attempting to answer this question, NGOs specialising in accountability – Accountability Counsel, Inclusive Development International and Recourse – published a comprehensive report, Roadblocks to Accountability. The report looks at the AIIB's portfolio of projects, its policies, and its practice to date, as well as comparing the AIIB's Project-affected People's Mechanism (PPM) to its peers at other multilateral development banks (MDBs).

It found that, of projects funded by the AIIB:

- Nearly half of projects are ineligible for a complaint to the PPM: Of 219 projects funded by end June 2023, 46% (101 projects) are not eligible for consideration by the PPM, meaning that communities adversely affected by those projects cannot hold AIIB directly accountable.
- The main reason for ineligibility is investments being co-financed with other MDBs. Under AIIB's rules, this excludes them from accountability under the PPM, with some exceptions. The AIIB is an outlier among MDBs on this exclusion – it is the only one to exclude co-financed projects from eligibility to its mechanism.
- The largest proportion of eligible projects were supported through financial intermediaries (FIs): Of eligible projects funded since October 2021, when the bank's new Environmental and Social Framework came into force, the largest proportion – 56% – are FI investments. These are difficult to trace as there is extremely limited transparency about where money ends up. The research found that, despite it being a requirement in AIIB's Environmental and Social Safeguards, fewer than 20% of FI clients publicised the availability of the PPM on their websites. If communities don't know that the AIIB is investing in the project affecting them, then their access to remedy is effectively blocked.

The report features three case studies – an infrastructure investment trust project in India, a gas-fired power plant in Bangladesh and a metro project in India – which illustrate what the report calls 'roadblocks to accountability'. These include an ill-defined requirement to engage with AIIB management in 'good faith' before filing a complaint. Despite four years of requests to the AIIB to address their concerns about the Bhola gas plant, communities in Bangladesh saw their complaint rejected for what the PPM deemed lack of 'good faith' efforts. Hasan Mehedi of Coastal Livelihood and Environmental Action Network, Bangladesh, which represents the affected communities, said "AIIB throws up roadblocks to accountability so that communities in Bangladesh harmed by its projects cannot get justice. Only radical change at the PPM will show communities that the AIIB is sincere about being an accountable and responsible bank."

The report also compares the AIIB to its MDB peers on nine fundamental indicators of good policy (see chart below). The AIIB lags behind on every indicator.

There is an opportunity for the AIIB and its shareholders to address this crisis in accountability. When its PPM was established five years ago, it had the promise of a review built in. That process is due to start next year, with terms of reference for the review expected to be published soon. The new Managing Director of the department which houses the PPM, the Complaints-resolution, Evaluation and Integrity Unit (CEIU), Marvin Taylor-Dormond, has promised a wide-ranging and inclusive review, with two rounds of consultation

Comparison with peer international financial institutions on nine key indicators:

S.No.		AIIB	IFC	EBRD	AfDB	EIB	IDB	WB	ADB	GCF	UNDP
1.	The Policy does not require prior engagement with the project level grievance redress mechanism and management.		✓	✓	✓	✓	✓	✓	✓	✓	✓
2.	The Policy does not require prior engagement with the project level grievance redress mechanism.		✓	✓	○	✓	✓	✓	✓	✓	✓
3.	The Policy does not mandate prior engagement with management.		✓	✓	○	✓*				✓	✓
4.	The Policy does not exclude co-financed projects from the mandate of the IAM.		✓	✓	✓	✓	✓	✓	✓	✓	✓
5.	The Policy does not bar complaints subject to parallel proceedings, either judicial or arbitral.		✓	✓	✓		✓	✓	✓	✓	✓
6.	The IAM is an independent unit of the bank.		✓	✓	✓		✓	✓	#	✓	#
7.	The Policy allows complainants to select representation of their choosing.		✓	✓	✓	✓	✓			✓	✓
8.	The Policy allows IAM to provide substantive remedial recommendations in response to findings of non-compliance.		✓	✓	✓	✓	✓			✓	✓
9.	The IAM has a monitoring mandate for all functions.		✓	✓	✓	✓	✓	☐	✓	✓	✓

○ Complainants may approach either the project level grievance redress mechanism or management. * Unless under Project Appraisal # Only the Compliance Function is independent ☐ The panel may verify implementation of Management Action Plans in some cases (subject to Board Approval)

KEY: IFC - International Finance Corporation; EBRD - European Bank for Reconstruction and Development; AfDB - African Development Bank; EIB - European Investment Bank; IDB - InterAmerican Development Bank; WB - World Bank; ADB - Asian Development Bank; GCF - Green Climate Fund; UNDP - United Nations Development Programme.

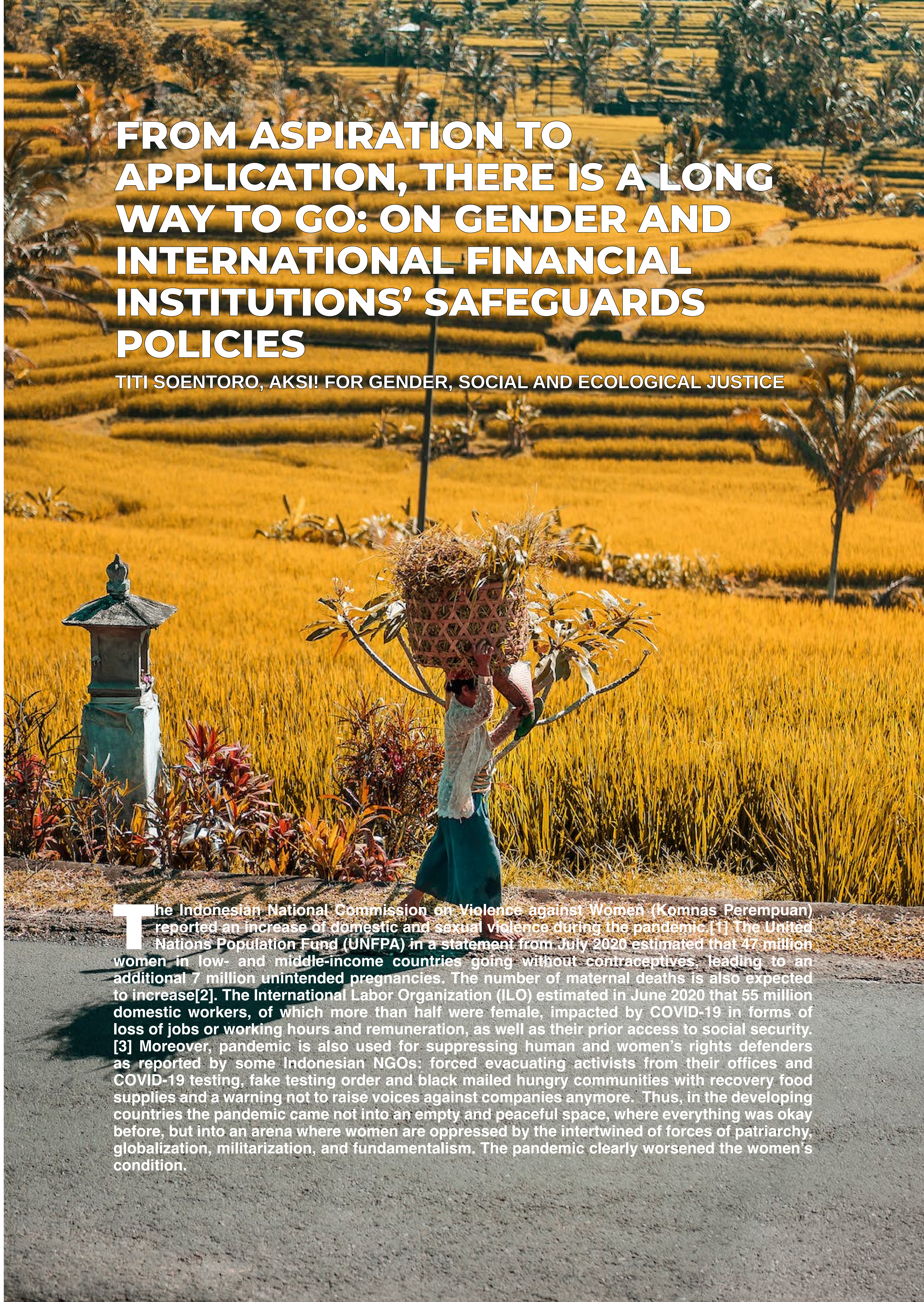
and outreach to CSOs and affected communities.

Report author Kate Geary, Co-Director of Recourse, said, "The AIIB clearly has an accountability deficit when its accountability mechanism does not apply to nearly half of its portfolio and it has accepted no complaints. This blocks communities affected by the AIIB's investments from ensuring the AIIB is living up to its environmental and social commitments. We call on the AIIB to close accountability loopholes when it reviews the PPM."

Lawyer and report author Radhika Goyal of Accountability Counsel said, "The AIIB's decision to establish its Project-affected People's Mechanism so soon after it started operations was significant, but unfortunately the PPM Policy that followed and the mechanism's record in the past five years has failed to meet its mark. When compared to international good practice prevalent at peer financial institutions, AIIB's PPM Policy falls short on the key indicators of accessibility and remedy. We believe the upcoming PPM Policy Review is a chance for AIIB to get it right this time and we will be advocating for a consultative, transparent, and independent review."

Annabel Perreras of NGO Forum on ADB said, "AIIB can no longer hide behind the excuse that it is a young bank thus it should be held to a different standard. Excluding co-financed projects from the PPM's mandate essentially deprives communities of their options in filing a complaint. The AIIB should not miss the upcoming review of the PPM as an opportunity to fundamentally address these barriers in enabling communities to have meaningful access to remedy and justice."

Natalie Bugalski, Legal Director at Inclusive Development International said, "Independent accountability mechanisms can be a lifeline for communities who are harmed by development projects, but only if those communities can actually access the mechanisms. The AIIB must ensure that the PPM is fully accessible to anyone at risk of harm from projects that it finances, both directly and through intermediaries."



FROM ASPIRATION TO APPLICATION, THERE IS A LONG WAY TO GO: ON GENDER AND INTERNATIONAL FINANCIAL INSTITUTIONS' SAFEGUARDS POLICIES

TITI SOENTORO, AKSI! FOR GENDER, SOCIAL AND ECOLOGICAL JUSTICE

The Indonesian National Commission on Violence against Women (Komnas Perempuan) reported an increase of domestic and sexual violence during the pandemic.[1] The United Nations Population Fund (UNFPA) in a statement from July 2020 estimated that 47 million women in low- and middle-income countries going without contraceptives, leading to an additional 7 million unintended pregnancies. The number of maternal deaths is also expected to increase[2]. The International Labor Organization (ILO) estimated in June 2020 that 55 million domestic workers, of which more than half were female, impacted by COVID-19 in forms of loss of jobs or working hours and remuneration, as well as their prior access to social security.[3] Moreover, pandemic is also used for suppressing human and women's rights defenders as reported by some Indonesian NGOs: forced evacuating activists from their offices and COVID-19 testing, fake testing order and black mailed hungry communities with recovery food supplies and a warning not to raise voices against companies anymore. Thus, in the developing countries the pandemic came not into an empty and peaceful space, where everything was okay before, but into an arena where women are oppressed by the intertwined of forces of patriarchy, globalization, militarization, and fundamentalism. The pandemic clearly worsened the women's condition.

To come out from the economic crisis governments are looking for financial supports from the IFIs. The Indonesian government is looking to borrow a total of US$7 billion from multilateral organizations including the ADB, AIIB, World Bank and Japan International Cooperation Agency (JICA)[4] for covering budget deficit of 6.34 percent due to financing US$49.3 billion for to finance healthcare response and prevent a greater economic meltdown. A recovery bond is planned to help the business world in Indonesia. The Philippines government stated in June to seek US$ 85.89 billion for reviving its economy hit badly by the pandemic. The ARISE program (Accelerated Recovery and Investments Stimulus for the Economy) backed by 44 country's biggest business groups was approved by the Philippines lawmakers on June 4, 2020[5]. ADB claimed to provide USD 11.2 billion in grants, technical assistance, loans, and private sector assistance. World Bank announced the targets of USD 160 of mobilization by the end of year 2021. The AIIB created a Crisis Recovery Facility with up to USD 13 billion of financing to both public and private sector entities. Those recovery packages are mostly addressed for the economic side of the problems triggered by the pandemic. Moreover, policy procedures are loosened to smoothly release the finance, including procurement policy, increase the limit of faster approach transaction with small private sector from USD 100 million to USD 400 million, increasing the limit of trade finance program from environment risk Category C to Category B[6].

The massive influx of finance from those IFIs, raise also questions whether those recovery measures would help transform the economic and social systems in the developing world that the pandemic showed as incapable and very vulnerable to crisis? Would they address the existing root problems of poverty, privatization of health and water, food insecurity, land and resource loss, which were worsen during the pandemic? Or, in the contrary, it would only add another burden to people and particularly for women since those financial supports mainly address to the economic sector that is dominated by private actors? How is the application of safeguards for those finance? Many questions that the answers need thorough readings of those measures.

This time, it is about gender. Is there any sufficient capacity of the ADB, World Bank and AIIB to protect women from potential harms of their financial operations in general, and also due to their pandemic recovery measures? As institutions claimed themselves as concerning with gender equality, we would assume that gender and women's issues are in the center of its development efforts as shown on the website of ADB, World Bank and AIIB: many women's and children faces. Gender and the IFIs

The United Nations' Fourth World Conference on Women's in 1995 in Beijing adopted the Beijing Platform for Action that contains among others a gender mainstreaming approach to achieve gender equality. The definition of gender mainstreaming then was agreed in 1997 by the conclusions of ECOSOC as: "The process of assessing the implications for women and men of any planned action, including legislation, policies or programmes, in all areas and at all levels. It is a strategy for making women's as well as men's concerns and experiences an integral dimension of the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres so that women and men benefit equally and inequality is not perpetuated. The ultimate goal is to achieve gender equality." (at: https://www.unwomen.org/en/how-we-work/un-system-coordination/gender-mainstreaming).

The Asian Development Bank and the World Bank adopted this approach as key strategies for their operations. AIIB doesn't have any gender policy, but some news from events on AIIB's website showed discussions on gender equality interventions in infrastructure. However, the first line of 'assessing the implication for women and men in any planned action, including legislation, policies or programmes' in that aforementioned definition somehow lost its meaning in the gender policies of ADB and World Bank. What stays and promotes is gender mainstreaming as a key strategy to achieve gender equality; meanwhile measures for addressing implications are left out.

GENDER MAINSTREAMING INTO ADB OPERATIONS AS A STRATEGY TO ACHIEVE EQUALITY

ADB released its Gender and Development (GAD) Policy of 2006 to replace its Women in Development Policy (WID) that was operationalized from 1985 to 1996. GAD is a gender mainstreaming strategy to promote gender equity into all ADB activities, including macroeconomic and sector work, lending and technical assistance operations. 5 focus areas of GAD are (1) assistance to developing country members to improve the status of women; (2) facilitate gender analysis of all proposed projects and ensure gender issues are considered in all stages of the project cycle; (3) promote GAD awareness within ADB in-house capacity building and staff's guideline to implement GAD; (4) assists its developing members in implementing commitments made at the Beijing World Conference on Women; and

(5) explore opportunities to directly address some of the new and emerging issues for women in the region[7]. 12 sectoral gender checklists were developed to guide the staff, partners

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and consultants on how to integrate gender equality and women's empowerment objectives, including for sectors of Agriculture and Natural Resources; Education; Energy; Health; and Urban Development and Housing[8].

A loan project will do a gender assessment, as mentioned under point (2) of GAD focus above, and prepare a Gender Action Plan (GAP) for increasing women's participation in the project activities and providing equitable access to project and program resources including skills training[9]. However, not all projects will be analyzed and a GAP developed for them. ADB set up four gender mainstreaming categories that determine which project preparation needs gender mainstreaming. If a project is determined as having outcomes that directly address gender equality and/or women's empowerment, then it is categorized as Category I: gender equity that requires gender analysis, GAP and inclusion of GAP into ADB Board's documents for project approval. But, there is also a project that can be determined as having no gender element, dubbed as Category IV. This Category I of no gender element if the project in preparation does not include any gender design features[10]. Example of the latter one includes projects that are not targeted to women or not provided access, capacity building, physical infrastructure, etc. for women.

Gender is also included in the Initial Poverty and Social Analysis (IPSA) of ADB project preparation. The IPSA gender assessment looks whether the project (1) has the potential to correct gender disparities, (2) has the potential to significantly mainstream gender equity concerns, or (3) is likely to have an adverse impact on gender equality or women's or girls' empowerment[11].

Despite the existing GAD and GAP, women still suffer from ADB operations. For example, ADB's Compliance Review Panel in 2014 identified that the ADB funded Cambodia Rehabilitation Railway Project had displaced over 4000 families. They "… suffered loss of property, livelihoods, and incomes, and as a result have borne a disproportionate cost and burden of development efforts funded by ADB." In another case of ADB funded the Southwest Area Integrated Water Resource Planning and Management Project in Bangladesh. The Gender Action Plan was made but consequently it was never implemented. According to local CSOs, there were flaws in the implementation especially the training for women and their participation in the decision making process. GAD and GAP fails to protect women from impacts of ADB operations.

After 14 years, the GAD is still not reviewed, but went through an evaluation for the period of 2005-2015 by ADB's Independent Evaluation Department (IED), which report was published in May 2017. The Gender Action Plan was evaluated in 2007.

MAINSTREAMING PROTECTION OF WOMEN INTO ADB OPERATIONS

GAD and its operational procedures are insufficient to meet requirements of other operational policy of ADB, which is the safeguards. Safeguard policy is defined as a commitment to protect peoples and environment from potential ADB's operations. The notion of 'protection for women from harms' is clearly different from the notion of 'strategies for gender equality'; both terms applied together is important to achieve gender equality though. Protection is a precautionary approach, meanwhile providing access is a service.

The application of GAD and its operational procedures is not developed for precautionary measures. Gender assessment of GAD and the sectoral check lists are more to identify possibility of women's access to project and other facilities/ services related to the project. The GAP is limited by its own categorization, and not equipped to identify invisible gender issues. Therefore, during ADB safeguards review, which process was around 5 years (2004-2009), CSOs pushed strongly for gender languages.

The main challenge in the attempt to incorporate gender considerations during the Safeguard Policy Update (2004-2009) was reflected in a repeating question from ADB: "… why (the) need (for) gender considerations in the SPS… (when) there is already the ADB Gender and Development Policy that takes care of gender issues…?" This kind of question shows the lack of understanding on the difference between a protection approach and a strategy. This line of questioning actually ignored the fact that the ADB Policy on Gender and Development is considered a strategy, and is therefore not a requirement for borrowers in the same way that the safeguard policy is. The mainstreaming of gender considerations aims to address gender disparities; however, there is no aim to protect women from ADB project impacts and risks. This lack of protection of women would lead to an increase in gender disparities and would contradict the aim of the Gender and Development Policy itself.

The current ADB Safeguard Policy Statement (SPS) 2009 sets an example for other IFIs in regard to explicitly requiring gender-sensitive and responsive application of the safeguard policies. This is a result of intensive interventions in the whole process of the Safeguard Policy Update (SPU) (2008-2010) by members of the NGO Forum on ADB and its partner organizations.

ADB new Safeguard Policy Statement (SPS) of 2009 contains strong gender languages in its policy principles and the project requirements. The SPS requires gender impacts and risk assessment at its environmental, social and economic impacts, specific measures to involve women in consultations, gender sensitive and responsive project grievance redress mechanism. Unfortunately, this strong gender language stays as an aspiration in the realities of project preparation and implementation because the guide for its operationalization is weak. The Operations Manual of the new SPS, which represents the implementing guidelines for the staff, hardly mention gender at all except in a footnote[12].

CSOs already questioned the Operation Manual of SPS when it was released at the same time with the SPS in 2009. The response given was, the GAP is sufficient for the project proposal. Of course this was misleading response —be it for the ADB staff and consultants who work on projects as well as the public. GAP of GAD is a strategy for achieving gender equality based on a gender mainstreaming framework; meanwhile, gender in the context of safeguards is an effort to protect women from harms from the project operation. Hence, those two gender policies have different nature. How gender equality will be achieved if women and their families are already displaced forcedly and their living environment are polluted and destroyed?

The Operations Manual of the new SPS is inconsistent with the SPS itself because it does not provide procedures for the implementation of policy principles and does not require gender considerations. The objective of GAD is to assist member countries to reduce poverty and enhance economic growth, human well-being, and development effectiveness by addressing the gender disparities and inequalities that are barriers to development, and by assisting member countries in formulating and implementing their gender and development goals. Hence, not only does the OM reduce the new SPS into a gender display window, but the absence of procedural guidelines will likewise lead to the neglect of gender issues and the protection of women from adverse project impacts and risks.

When ADB's Independent Evaluation Department (IED) announced in 2014 to make an evaluation of parts of the SPS, NGO Forum on ADB[13] also raised a request in several meetings with them to include gender in the evaluation. Report of the evaluation of SPS on its Financial Intermediaries and Country Safeguards System showed that that request to included gender in the evaluation of those elements, were not considered. The request was iterated in the last virtual meeting with IED and the review of SPS team in July 2020 in particular to look at the impacts of the Operation Manual to the implementation of gender provisions into ADB operations.

GENDER CONSIDERATIONS IN WORLD BANK OPERATIONS

Similarly as the ADB, World Bank also uses the gender mainstreaming approach in its Operational Procedure (OP4.20) on Gender and Development as key strategies '… to assist member countries to reduce poverty and enhance economic growth, human well-being, and development effectiveness by addressing the gender disparities and inequalities that are barriers to development, and by assisting member countries in formulating and implementing their gender and development goals'[14]. In 2015, World Bank developed its new Gender Strategy for 2016 – 2023. However its Environment and Social Framework alongside the corresponding Guidance Notes are still inadequate to reflect the its gender commitments at the project level implementation. Hence, the CSOs used the opportunity of World Bank safeguards review to include gender considerations as requirements to protect women from potential impacts and risks of its operations.

On August 2016 the World Bank approved the new Environmental and Social Framework (ESF) after a four years process started in 2012. ESF is a commitment to protect people and the environment in Bank-financed investment projects. A group of Indonesian CSOs and individuals supported by international CSOs submitted in 2013 a recommendation to the World Bank Review Team[15] to include gender considerations into the new ESF. The recommendation was based on a gender assessment on the World Bank 9 (nine) Safeguard Policies under review, including terms adopted by the World Bank from UNDP training module and used by WBI/PRMGE (World Bank Institute and World Bank Poverty Reduction Management & Gender Division).

According to the submission, those 9 safeguards under review were gender blind and did not indicate as having gender awareness at all. Those safeguard policies fail to: 1) recognize gender as an influencing and an equally important factor in projects, program and policy; 2) apply gender analysis into projects, programs and policies; 3) recognize that women and men have different needs and power; and 4) provide space for gender equality. This gender blindness of the safeguard policies would lead to no requirement to protect women and their rights from potential and foreseeable negative impacts and risks associated with Bank lending operations.

Recommendations to the World Bank review team were to include among others women's rights, gender segregated handling and data, women as the right holders and a stakeholder in their communities and women as head of the households into the principles of safeguards policy framework. Moreover, as policy requirements the recommendations included gender impacts and risks assessment of the changing environment or landscape of livelihoods to women in regard to health, including sexual and reproductive health and safety; specific measures to involve women in any decision makings related to the project; gender disaggregated baseline data and information on demographic, economic, social, cultural, and political status; specific and culturally-appropriate measures to assist displaced local and indigenous women in dealing with difficult situation triggered by involuntary resettlement activities; gender sensitive and responsive grievance mechanism; specific measures to consider female-headed households.

Instead of repetitive promises by the World Bank Safeguards Review Team in several meetings with CSOs in its headquarter in Washington DC and other safeguards public consultations including the one in Jakarta, to consider gender and protection to women, the new World Bank ESF reminds ignorance to protection of women from World Bank operations and to gendered impacts of its support projects.

GENDER AND AIIB'S ENVIRONMENTAL AND SOCIAL FRAMEWORK POLICY

AIIB doesn't develop any gender policy yet. Its principle social specialist stated in an interview that "… despite the lack of a targeted gender policy, the Asian Infrastructure Investment Bank hasn't been ignoring gender in its work…"[16]. Its Environmental and Social Framework (ESF), approved in 2016 and amended in 2019 stated in the vision statement "recognizes the importance of gender equality for successful and sustainable economic development and the need for inclusiveness and gender responsiveness in the Projects it supports".[17] However, gender remains as an aspiration in this ESF because there is no further provision on how to materialize the vision statement.

In regard to upcoming AIIB ESF review, AIIB should have a more progressive approach towards safeguards and protection of women both at the policy and project implementation level. Gender considerations should also be reflected particularly for private sector led operations, which have been criticized for its lesser accountability and transparency measures.

AIIB investments and policies must strengthen gender perspectives and ensure gender responsive and inclusive infrastructure development financing.Gender consideration be integrated into all policies and project implementation: in impact and risk assessment of environment and its changes, resettlement/displacement and loss of livelihoods, particularly affecting women and girl – children, friendly information dissemination and disclosure, ensure participation of women in consultation and decision making, and gender sensitive and responsive grievance mechanism. Further, AIIB has to mandatorily require that all its policies and operations identify and prevent potential gender discrimination against project affected persons, particularly women, and prevent women's suffering from forced displacement, loss of livelihoods and gender injustices.

THE ASPIRATION IS STRONG, BUT NOT THE APPLICATION

Women and children are the faces of the ADB, the World Bank and the AIIB. If we look at their websites[18], we will find many pictures of women and children, and also older peoples. Without looking at the content, we would be impressed about the strong aspiration of care for women and children in those banks' operations.

These pictures blanket the realities of their operations that trigger forced displacement of thousands of women and their communities, environmental pollution, ignorance to women's and their community's rights in decision making, information, to enjoy healthy and good living environment, and their rights to land and resources. Commitments of those banks to protect people, including the women and children, and environment, as well as their gender equality strategies stay as an aspiration only.

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BLEEDING ECONOMY

RAYYAN HASSAN, NGO FORUM ON ADB

The fiscal health of Bangladesh is perhaps the most concerning issue today. Every news headline points towards rising prices of food, concerns over a depleting power sector, and the trending headline of the ever-depreciating taka against the dollar. The taka, as we are all aware now, has hit an all-time low, spiking 12.4 per cent food inflation with an overall 9.4 per cent inflation of the national economy.

The working people cannot afford meat; beef and mutton are considered luxuries. Even chicken and eggs have left the staple plate of the average household dinner table. The sheer worry of the days to come as elections approach has shaken people's faith in the economy and especially in the public institutions that are in charge of managing it.

Yet we are celebrating the opening of a third international airport terminal, a metro rail extension, and now an express way. It seems schizophrenic that, on the one hand, we are struggling for food and, on the other hand, we are moving towards high-quality infrastructure. The news feels almost dystopic. Dengue remains widespread and is now being underreported in the media against the celebratory pieces of large-scale project launch announcements; electricity blackouts are everywhere outside the capital city; and the incessant rains have recently exposed how weak the drainage systems are in Chittagong and Dhaka, bringing both of our most advanced cities to a halt.

HOW DID WE GET HERE?

The foreign reserve is officially at slightly over $20 billion, according to the Bangladesh Bank. This revised figure was calculated by the Bangladesh Bank following the IMF's Balance of Payments and International Investment Position Manual, which it had neglected to do earlier in the year.

The reserve numbers have been kept in the dark for so long away from the public that, at present, we just cannot tell what the actual figures are.

It should be stated that the IMF has not been as benevolent a benefactor as it is portrayed to be. It has a history of failed economic solutions dating back to creating more problems during the Latin American debt crisis in the 1980s. The anti-sovereign structural adjustment programmes in the 1990s crippled lower and middle-income countries by forcing them to relinquish key sectors like energy, health and even education to the predatory private sector. And most recently, the IMF's dark hand was found quite red in dismantling the Greek economy through imposing strict austerity measures in 2008 during the global financial crisis. The IMF commits to a neoliberal agenda that aims to privatise national sectors, forcing the polar accumulation of wealth, which often benefits the few at the cost of the many.

Still here, we are desperate and begging for a bailout, and hence have to listen to the piper.

IMF austerity conditions for Bangladesh at present include a swathe of policies to increase the nation's tax bracket. Outlandish taxation on marriages and zero-return tax filings were being proposed to the general public, which were immediately revoked as it triggered public uproar. There have also been IMF recommendations for floating energy prices, which were implemented in January 2023, leading to a spike in the cost of diesel and petrol. And while LNG and oil prices dropped on the international market in the first quarter, we, the Bangladeshi public, are still paying very high prices for energy, resulting in the cascading rise of prices for consumer goods.

It would be unfair to blame all of our problems on the IMF, as we also have ourselves to blame. Over the last decade, the Bangladesh economy has made detrimental choices in regards to our economic and fiscal management. We have ended up with a foreign reserve crisis because of our own structural manipulations of key sectors, which included the banking sector, the power sector, infrastructure and trade, among others. The resulting corruption and wastage of resources have further exacerbated the current crisis.

In the power sector, for example, we witnessed that through the Power Sector Master Plan of 2017 and policies such as the Special Provision Act, the government shifted the energy sector towards an import-based model. This meant power plants operating on coal and LNG were completely dependent on the international market to meet national energy needs. Quick-rental power plants and independent power producers have been repeatedly mentioned in news articles for how much they have been charging capacity charges, draining the national economy. The IMF itself has warned the government of its overcapacity in the power sector and how it is just bleeding away precious foreign reserves by providing capacity charges for idle quick-rental power plants owned by very powerful business and political elites. In most cases, in the power sector, the business and the political elites are not separate but are one and the same.

In terms of trade, the government is deeply import-dependent and suffers a massive trade deficit in comparison to middle-income countries such as Thailand, Singapore and Malaysia. Bangladesh imports onion, chilli, consumer goods (even eggs from India these days), and the very cotton that is used in the export-oriented garments sector. Unfortunately, European and US markets in this Ukraine war scenario have not been encouraging for Bangladesh garment exports. Recent news reports have stated that garment exports are facing the lowest returns in the past four years, whereas, with rising living expenses, desperate garment workers are demanding Tk 25,000 as the minimum wage, and rightfully so.

The news around our remittances is also bleak, with reports of the lowest flows since pre-pandemic reaching our shores. Recently, on a flight from Kuwait, I overheard two workers discussing how five lakh jobs in Malaysia meant for Bangladeshis have been handed over to Nepal. If this is true, then we have been dealt a heavy blow in terms of remittance flows from Malaysia in 2024, and this also does not reflect well on how the current regime is negotiating labour exports with the Malaysian government.

The hornet's nest of problems is not just in the power sector, garments, and manpower, as we should still take a look at the country's debt crisis in relation to large-scale project financing. Large-scale projects touted as indicators of our development hide a much darker reality. The project loans have often been financed by multilateral development banks such as AIIB, ADB, and WB, but we have also seen the likes of bilateral banks like JICA and China EXIM Bank playing a key role in funding large-scale projects across the country. All these loans need debt service from the foreign reserves. Not to mention most large-scale projects are riddled with cost overruns, corruption, and safeguards problems and remain unfinished, incomplete, and sometimes just stalled indefinitely, suffering heavy losses.

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It is the executive committee of the National Economic Council that approves infrastructure projects to push through. As a public body, it is ECNEC that should have weighed the consequences of taking on project loans against the economy of the country. ECNEC should be conducting due diligence on project preparation, budget review, safeguard compliance, and long-term fiscal impact on the national economy before they go ahead and approve any project. Clearly, ECNEC has not done so, which could mean institutional incompetence, and if it is not incompetence, then it has operated with ill intent.

We can only imagine, while we, the public, were forced into the lockdown period of 2020–2021, how many large-scale projects have been approved without any public inquiry or disclosure. A recent news report by an English daily stated that on July 7, 2015, ECNEC approved the Rural Infrastructure 2 project, designed to allocate Tk 6,076 crore to 284 MPs. The news article stated further that this approval directly violated the constitutional rights of local governments to plan and prepare projects. Through this approval, ECNEC has handed over those powers to MPs, thus diffusing the separation of powers of the legislative branch of government from the executive branch. We can only imagine the corruption and illicit financial flows that have filtered through the Rural Infrastructure-2 project, which is just one of many examples.

Similarly, we have seen the government take on Covid cares $1.6 billion in loans from the ADB. The NGO Forum on ADB, an Asia-wide independent civil society network, tried to investigate how the $1.6 billion was disbursed by the government. Unfortunately, the funds ended up in direct budget support and through arbitrary allocations without any public disclosure during the pandemic period. Even the ADB itself called upon the NGO Forum on ADB, inquiring if civil society had any information on the borrowing of the loan. This lack of transparency around loans in the billions of dollars is deeply alarming and telling of the corruption embedded in the development project system, and it is therefore no surprise that we are now being handed a staggering bill of repayment with hardly anything to show for it.

It would be unfair to not acknowledge the flight of capital and money laundering as one of the final nails in the economic coffin we are in at the moment. The Washington-based think tank Global Financial Integrity has been publishing information on Bangladesh since 2004. GFI data for other countries is available up to 2017, but information on Bangladesh has remained stagnant since 2015. This happened, as is feared, because Bangladesh has ‘mysteriously’ refrained from providing data on international trade to the UN since 2016.

According to Global Financial Integrity, $7.53 billion has been laundered each year from Bangladesh. We have ranked 33rd among the 135 developing countries in regards to our prowess in money laundering. An interesting and alarming trend emerges in terms of the frequency of capital flight in relation to electoral cycles. One news report mentions that deposits in Swiss banks from Bangladesh rose drastically during 2006 and 2007 amid electoral uncertainties, but they trickled down in 2008 due to strict measures taken by the military-backed caretaker government. The deposits again dramatically rose prior to the 2014 election. It would be interesting to track how deposits are faring from Bangladesh to the Swiss Bank or other foreign destinations in the months before the election.

Some say that Tk 1,000 crore fly from Bangladesh to Canada illegally every day. While the figure may be debatable, the nature of the problem cannot be denied. As we are heading towards elections in December or January, we can assume that capital flight will only increase.

The only glimmer of hope is the fact that we as a people are reliant on each other, especially through our informal economy, which generates 85 per cent of employment. This informal economy has fed us, protected us and helped us survive the pandemic. While the powerful continue to loot and scheme for positions, the people continue to work hard, innovate and persevere. Only if we had political and state leadership that aimed for the interests of the people and the masses, what could we not have achieved?

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ADDRESSING CLIMATE IMPERATIVES: THE URGENT NEED FOR JUST TRANSITION IN SOUTH ASIA

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The recent press conference on the Just Transition in South Asia held at COP-28 in Dubai has underscored the critical role that big economies must play in averting the impending climate crisis. The conference, convened on December 11, 2023, shed light on the urgent need for concrete decisions to combat excessive emissions and achieve the 1.5-degree goal by 2050, as outlined in the Paris Agreement.

The stakes are high, with 83% of the carbon budget already expended. A recent report suggests a precarious 50:50 chance of meeting the Paris Agreement goals by 2030 if immediate and substantial actions are not taken (Friedlingstein, et al., 2023). The Climate Risk Index further emphasizes the vulnerability of South Asian nations, with six countries in the region ranking among the top 10 most impacted by the adverse effects of climate change (Ekstein et al., 2021). The toll of seven cyclones in 2023 alone highlights the urgency of addressing climate-related challenges in the region.

South Asia, home to 25% of the global population and 29% of the world's poor, is grappling not only with environmental challenges but also severe energy poverty. The per capita electricity consumption in the region stands at a mere 694 kWh, significantly lower than the global average of 3,204 kWh.

While South Asian countries are committed to decarbonizing their energy sector, challenges abound. Meeting the basic electricity needs while simultaneously transitioning to renewable energy (RE) poses a significant economic challenge, especially in Sri Lanka, Pakistan, and Bangladesh. The region consumes 42-56% of electricity domestically, necessitating a robust plan for a just transition.

The recent signing of the Global Renewables and Energy Efficiency Pledge (GREEP) by 123 countries, including Bangladesh, Bhutan, and Maldives, is a positive step. However, concerns linger about the adequacy of the targets. The GREEP aims to triple the global RE target and install 11,000 GW of RE by 2030, but this falls short of the escalating global electricity demand.

The concentration of RE technologies in specific countries perpetuates 'Climate Colonialism,' with large corporations dominating the sector. The focus on corporate-owned projects raises environmental and human rights concerns, particularly affecting indigenous communities facing displacement.

The conference advocates for a more ambitious target, urging South Asian countries to sign the GREEP and collectively pressure big economies. The demand is clear: generate at least 70% of total electricity from RE sources by 2030. This ambitious goal requires the transfer of modern technologies and finance, essential for overcoming the challenges posed by the current concentration of RE technologies in a few countries or regions.

Addressing the phenomenon of 'Climate Colonialism,' the conference calls for a shift from large, corporate-owned RE projects to community-owned decentralized systems. These systems not only ensure a rapid transition but also uphold the rights of local communities.

The conference vehemently opposes false solutions such as hydrogen, ammonia, and carbon capture and storage (CCS) technologies. Instead, it advocates for proven, affordable, and sustainable alternatives.

As one of the largest emitting countries globally, India, and China, as a major RE accessories supplier, bear ethical responsibility. The plea is for these countries to rise above narrow populist and nationalistic views, extending support to other nations in achieving affordable 100% renewables by 2050.

The press conference lays out a comprehensive set of demands:

- Adopt an ambitious target to generate at least 60% of global electricity demand from renewable sources.
- Declare a cut-off date for using coal, gas, and petroleum in the power sector.
- Cease financing LNG as a transition fuel.
- Support South Asian countries in building national RE institutions.
- Finance community-owned distributed RE systems.
- Ensure human and environmental rights in the energy transition.
- Halt the promotion of false solutions like hydrogen, ammonia, and CCS technologies.

As we stand at a critical juncture, the global community must heed these calls for action to ensure a just and equitable transition, not just for South Asia but for the well-being of our planet and future generations.

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