

Development agenda and vision 2020: Rhetoric or reality?

MOHAMMED FARASHUDDIN

WHEN Alfred Marshall defines Economics as "the study of man in his ordinary business of life" many people feel uncomfortable on the ground of the definition being too wide and lacking focus. The standard text book definition of Economics by Professor Lionel Robbins, "Economics is the study of human behaviour as a relationship between unlimited ends and scarce resources, which have alternative uses", thus finds much greater acceptability. But the question that perpetuated Marshall through to the most modern paradigm of sustainable human development is that well being of the people is the cornerstone of any economic policy.

At the outset, I would like to present a few achievements by way of looking at the fundamentals of the Bangladesh Economy. During the three decades of our independence, although the average growth rate in GDP has been around four per cent per annum, the GDP growth rate has been five and a half per cent or more per annum in recent times. The annual population growth rate has declined to 1.5 per cent and may reach a replacement level in near future. Notwithstanding the question on its quality, the current adult literacy rate is 61 per cent. Infant mortality is down to 57 per thousand and maternal mortality during child birth to about 3 per thousand. Accessibility to potable water is now quite high although the arsenic menace is potentially a big threat.

Bangladesh has achieved more significant progress in agriculture with the annual foodgrains production reaching a level of 27 million tons compared to 10 million tons in 1972 and yet the actual land under cultivation has been reduced to eight and a half per cent compared to 1972. The achievement of self sufficiency in foodgrains has been made possible due to bold and imaginative policy initiatives of the Government, particularly following the most devastating floods of 1998, in ensuring availability of agricultural inputs, seeds, fertilizer, irrigation, pesticides, motivation, extension service and credit at the right place and right time and delving the advice of the development partners and economists, at subsidized price. Continued favourable climate, thanks to His grace, was a positive feature in this regeneration and progress in agriculture sector. In fact, a visitor to rural areas of Bangladesh who had seen rural Bengal in the past, a lively and vibrant farm sector bears testimony to a potentially major contribution to the economy through the agriculture sector.

To conclude this background part, I should like to refer to a related chain of events that should encourage any friendly observer of the

Bangladesh scene. Imports during the first nine months of the present financial year has increased by more than seventeen percentage points in terms of LCs settled; more importantly the composition of the imports has changed in favour of capital machinery and industrial raw materials imports where the growth is actually more than 30 per cent. Together with this, we see a double-digit growth in industrial credit from the Banking Sector and a 14 per cent increase in industrial production as well as a 15 per cent plus growth in exports orders. Investment to GDP ratio has increased to 22 per cent. Inflation has remained low at 3 per cent as an annual average. Debt management has remained sound as the debt service ratio has been not more than 10 per cent of exports earnings. Tremendous progress has also been made in recent years in terms of

efforts in terms of building social safety net programmes like Vulnerable Group Feeding, Distressed and Widow Allowance, Old Age Pension, Unprivileged Freedom Fighters Allowance, Arayan, Grihayan, Ekti Bari Ekti Khamar and a host of programmes for the unprivileged and under-privileged children have shown the way for vigorous social engineering in poverty alleviation in conjunction with micro credit programmes by NGO and assisted by development partners.

Second, there is a major constraint in the form of human resource scarcity. The education system is more geared towards general education. The technological content of the curricula need to be enhanced vastly and graduates/diploma holders should not only have theoretical knowledge of the state-of-the-art in each skill but also, through

exceptionally good in arresting the spread of default culture and reducing classified loans in gross terms by six percent and by ten thousands million, it is still quite high at 34 per cent. Also important is the fact that following enhanced supervision, insiders loan now at taka 7500 million is on the decline and loans/advances on political dictation is negligible at present. The new entrants in the arena of private sector bank have set the desirable competition for market share through efficiency and transparency. In 2000, 26 banks including some public sector banks earned profit amounting to taka 13000 million, as many as 11 private sector domestic banks were able to give cash dividends to their shareholders. The cost of intermediation is still very high and market distortions still keep the cost of fund at high levels and interest rate unre-

globalization phenomena, in ensuring a production system consistent with our factor endowment and vigorously promoting specialization in the area in which we have comparative advantage.

Sixth, given the achievements in the exports of ready made garments successfully beating the competition from other South Asian countries and given the social transformation within the economy through 1.5 million jobs in RMG mostly held by women, all our efforts need to be redoubled in going backwards in fabrics production and forward in marking apparels of higher quality and fashion. Also there is no reason for Bangladesh not to be able to manufacture most of the textile accessories in our country. What I am saying is that an increase in the value addition in RMG sector from the current level of 20 per cent or

ronment where healthy regeneration and preservation can guarantee a sustainable development path. There is no reason why we would not be able to banish the two-stroke engine vehicles as well as the polythene bags.

Tenth, in order for us to be able to get a rightful share in the big IT market, investors would do well in investing in this sector taking advantage of the significantly conducive conditions already created and as more improvements are on the cards. A general awareness about technology and a specific inclusion of it in the curricula would help maximize gains from the recent steps in favour of IT sector.

The growth path described above with significant acceleration in the recent years would thus point to strong possibility that we should be able to celebrate the golden jubilee of our independence in the year 2021 as an environment-friendly middle income country where democracy, peace, prosperity and an exploitation-free Sonar Bangla's firmament would smile. For this to happen, Bangladesh would need to double its per capita income thrice in two decades. This is by no means beyond reach.

In the journey towards socio-economic growth in the last three decades, valuable experience and expertise have been acquired and tangible assets created to encourage an optimistic like me to predict the blossoming of the remaining ingredients: effective governance, superior management and corporate culture. For this to happen, there is an urgent need to most effectively deal with the issues of terrorism, political conflict, haram and corruption so that the young, educated, confident, innovative entrepreneurs of the country feel encouraged to take the risk of investment in the potentially promising industrial and agro-industrial sectors. A time has come where despite political differences, a national consensus on major economic policies would emerge; this is the crying need of the hour. For this to happen, the political parties would do well to increase the economic contents in their programme. May be the economists and planners also take into view the political, psychological and sociological factors in their exercises. With the advent of the forthcoming election, each political party may consider spelling out its economic and environmental policies in the election manifesto. Each should also be prepared for open and media debates on their position on major economic issues.

Mohammed Farashuddin is Governor, Bangladesh Bank. The article is based on his presentation as the keynote speaker at the two-day international conference: 14-15 April, on 'Bangladesh Development Agenda and Vision: Rhetoric or Reality?' jointly organized by the Bangladesh Centre, University of Hull, UK and the University of Dhaka.

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creating physical infrastructure and in adding to the electricity generation by 900 MW.

Does the description above suggest that there are no problems facing Bangladesh in terms of socio-economic development. No. There are problems some of them quite serious. But achievements so far are by no means small; the progress has shown that appropriate macro policies and willingness to work hard would create conditions for successfully tackling the bottlenecks and challenges for taking off towards a sustainable human development for peace and prosperity. The institutionalization of the democratic process has been ongoing would be a great asset in this journey to economic development.

I would then like to list some of the challenges with brief description as to how to go about facing and dealing with them. Needless to say, what I would be stating as recommendations are my personal views and should not be seen as those of the Central Bank or of the Government.

First, poverty is still a big problem. Despite recent progress, due to significant agricultural development, laudable NGO efforts and conscientiously pursued government efforts, according to one estimate, as many as 44 per cent people are still under the poverty line. In fact, bottom 10 per cent or so of the population are in a state of severe deprivation and require significant social transfers for a mere living and for coming to a level to even micro credit worthy. Recent government

practical training in the respective sector/subsector industries and potential vocations. In this connection, the potential users/employers of the skilled persons must be associated at all stages of the curricula through to the practical training and perhaps sponsorship. Various training programmes undertaken by the NGOs and others implemented by the government through Youth, Women and Social Welfare Directorates as well as through the polytechnic institutes ought to be more practical oriented with the skilled knowledge more marketable in the sense of suiting the specific skill needs of an expanding economy.

Third, building of infrastructure: ports, roads, electricity, telecommunications etc should be done at a pace faster than at present. We would not well to remember that the strength of a chain is determined by its weakest link. And provisions of the physical infrastructure should move in harmony with economic expansion for not only improving the productivity of the economy but also enhancing its size and structure. Public sector domination of the physical infrastructure sector is now out of fashion and we would do better to change our orientation in favour of the global practices of associating the private sector more and more in infrastructure building.

Fourth, financial intermediation for capital formation for investment in Bangladesh need to improve and enlarge vastly through reforms programmes. Although the year 2000 has been

responsive to market stimulus. More vigorous efforts are also necessary to invigorate the capital market as well as venturing the insurance fund, pension deposits, venture capital, bond market etc into life for enhancing generation of greater quantum of investible resources.

Fifth, the exports base of the country is too narrow with only five items contributing to ninety percent of the exports proceeds and one item, RMG accounting for almost three-fourths of the exports revenue. Through carefully designed policies it would help transformation of agricultural products (e.g. potato, fish, vegetables, flowers, pine-apples, mango, tomato) into processed products for home and export markets; for this not only promotional but also some mild protective measures would be essential. Rather than massive liberalization of unilateral nature as done in the early 90s causing grievous injury to many local industrial units, enlightened self interest should guide policies of exchange rate, tariff structure, investment and subsidy. Unless we have policies that would discourage too much profit in trading and encourage more and more production based on indigenous raw materials, the so-called import dependence syndrome would never reduce let alone end. I am certainly not pleading for a protectionist policy, neither is there any merit in pursuing a policy of autarky. What would be beneficial for our economic development is a revisit to macroeconomic policy areas fully bearing in mind the liberalization and

so to at least 50 per cent is not only possible but would also help actually steer the economy clear of the forthcoming globalization challenges. Also the RMG industry would do well to recognize the medium and long-term welfare and safety measures for its workers.

Seventh, as a relatively resources scarce country, we can ill afford to allow wastage and flight of capital through fraudulent practices. There are severe and widespread allegation of hundi that stops inward remittances of foreign exchange, over invoicing of imports, fraud in imports, fake exports and non-repatriation of exports proceeds. Public awareness against these and determined efforts by the law enforcing agencies and the banking system should develop handles to deal with such anti-state activities with an iron hand. The Money Laundering Law that is being formulated could be expeditiously enacted and effectively implemented. Recent successes in increasing the official remittances by making hundi more difficult should be vigorously followed up in improving the quality and speed of reaching the official remitted amounts to their beneficiaries.

Eighth, harams, terrorism, traffic congestion, political strife and corruption are concerns which deal fatal blow to any economy; the nation as a whole and the civil society in particular, must have the determination to raise its strong voice against such self-inflicting injuries to the economy.

Ninth, we have not done justice to our envi-

Climate change talks to take new turn after US softens its position but the ice-berg is yet to melt

QUAMRUL ISLAM CHOWDHURY

THE indomitable Dutch Environment Minister and Chairman of the international negotiations on climate change Ian Prong has been quite successful by inviting some 40 ministers and senior officials to informal talks in New York on April 21, 2001 to take stock of the political situation since the suspension of negotiations in The Hague last November and the USA appeared to soften its hard-line stance amid world-wide criticism for its anti-Kyoto Protocol move. Prong has been successful in bringing back USA in the climate negotiation table after US President George W Bush's public declaration against Kyoto treaty hurting the rest of the world.

Prong who chairs the resumed sixth session of the Conference of the Parties in Bonn from July 16-27, 2001, informs newsmen that USA will join the next round of talks on battling global warming even as it reaffirmed its opposition to the Kyoto treaty. "The US decision to attend talks meant that Kyoto was still alive despite Washington's surprise announcement last month that it was bowing out of the treaty. It is alive. It is not completely healthy. I would say it is recovering," Prong briefs newsmen after a day-long closed-door hectic informal strategic talks on global warming with representatives of some 50 countries including 15 environment ministers, State Department's Kenneth Brill representing the USA on Saturday in place of US Environmental Protection Agency chief Christine Todd Whitman, also nodded that the USA would be represented at Bonn. Prong says all countries including USA agreed that nations should curb greenhouse gases to counter global warming during the closed-door talks.

At the informal talks, all nations urged USA to return to the negotiation table of the Kyoto process but vowed to press on with it regardless of US participation.

"The position was not 'let's sit on our hands and wait for the USA'. The position was 'let's go ahead,'" says UNFCCC Executive Secretary Michael Zammit Cutajar who is still optimistic about the prospect of its resolution. Prong has already circulated his "New Proposals by the President of COP6" among all environment ministers. And that proposal will also be at the centre of another round of informal talks in Stockholm in next month providing additional preparations for the Bonn talks. Developing countries will also hold another informal meeting of their own to chalk-out their strategy. Regrettably, Bangladesh an important player in this negotiation and one of the worst victims of global warming and sea-level rises, could not be represented by the Environment Minister or her Secretary though both of them were invited by Prong. What is the Bangladesh position about Prong proposal? What is in that package? Is that package biased towards US position? Is that played the whole trick to bring back the USA in the Kyoto negotiation process? Will Prong package safeguard the interests of developing countries including Bangladesh? Certainly, we have to look at the negotiating text

circulated by Prong.

The aim of resuming COP 6 in July 2001 is to complete work on a set of negotiating texts that address all issues covered by the Buenos Aires Plan of Action and to adopt a comprehensive and balanced package of decisions on these issues.

At the suspension of COP 6 last November, substantial advances had been made on all these negotiating texts, on the basis of the work of the subsidiary bodies and under the responsibility of their Chairmen. However, the consideration of the total package of political "crunch" issues contained in those texts was insufficient to permit agreement on the texts at that time.

"It is my judgement as the President of COP 6, taking account of advice received, that the initial focus of resumed negotiations should continue to be on the package of political issues. Consensus on its components will open the way to the further consideration and adoption of the separate draft decisions on the table," Prong says.

The purpose of his new proposals, according to Prong, is to maintain the required political focus and to propose a balanced set of solutions to the selected "crunch" issues that can provide the basis for the development of revised negotiating text. These new proposals have been developed following in-depth consideration of the comments received from Parties on his informal note of November 23, 2000 and extensive bilateral consultations.

In preparation for the resumption of COP 6, Prong seeks advice on the package of proposals, which should be evaluated as a whole. Some of the critics have already described Prong's proposal biased towards US and little bit hard on the developing countries.

The COP President in his package proposes some 10-member composition for all new bodies to be established by COP or COP/MOP (CDM Executive Board, Adaptation Fund Council, Compliance Committee, Intergovernmental consultative group of scientific and technical experts on technology transfer). Composition to be based on equal representation of the five UN regional groups, taking into account interest groups as reflected by the current practice of the UNFCCC bureau; and common but differentiated responsibilities and respective capabilities.

According to the Prong package, the COP to strengthen its continuing guidance to GEF.

and GEF to ensure that projects are responsive to national needs and priorities ("country driven") and integrated in national programmes ("ownership"), streamline procedures and policies, project cycle and delivery system.

"On the basis of article 11 of the Convention, the GEF functions under the guidance of the COP. The COP decides on policies, programme priorities and eligibility criteria related to the Convention," Prong points out.

On Adaptation Fund, he suggests to finance demonstration/pilot adaptation projects and programmes in

developing country Parties. Adaptation projects and programmes, inter alia in the areas of water resources management, agriculture, health, infrastructure development, fragile ecosystems, and integrated coastal management, to be eligible for the Adaptation Fund. Capacity-building for adaptation and measures regarding forest conservation, rehabilitation of degraded land and combating desertification, particularly in Africa, also to be eligible for adaptation funding Centres and information networks for rapid response to extreme weather events to be strengthened or established, utilising information technology as much as possible. Funded from share of proceeds of CDM (two per cent of CERs generated) and contributions from Annex I Parties (the latter in particular during the start-up period).

Prong proposes new trust fund within GEF managed by a separate council under the guidance of the COP/MOP.

Projects on forest conservation, rehabilitation of degraded land and combating desertification are not eligible as CDM projects. Such projects will be eligible under the Adaptation Fund, he spells out.

On Special Climate Change Fund, the Prong package suggests to

ber of years, he clarifies adding the contributions target to be based on Annex I Parties relative share of CO2 emissions in 1990.

Financial flows entering into the calculation of this target to comprise: Contributions to GEF that are allocated to the climate change focal area, Contributions to the Special Climate Change Fund, Contributions to the Adaptation Fund, Bilateral and multilateral funding for climate change activities that is additional to current funding levels.

Public funding for CDM projects and the CDM share of proceeds not to enter into the calculation of the target. Annex I Parties to report to the COP in their national communications on these financial flows. GEF to assist in identifying the share of its replenishments allocated to climate change activities. Based on advice from the Climate Resources Committee, COP to review the percentage allocated to the Adaptation Fund and total funding levels, taking into account resources generated by the CDM share of proceeds. COP to provide guidance on the allocation of funds to individual subject areas addressed by the Special Climate Change Fund and the GEF. Parties that fail to pay their share of the contributions target to be ineligible for seats in the new

bodies.

We are not sure of the participation of Bangladesh delegation at the forthcoming Stockholm informal talks or developing countries' meeting next month but those will be very vital round of negotiations for Bangladesh. This negotiation is so important for the survival of the people of Bangladesh as they will be the worst victims of any probable degrees of climate changes or sea-level rises or global warming.

finance activities, programmes and measures related to climate change, in the fields technology transfer, capacity building, economic diversification, energy, transport, industry, agriculture, forestry and waste.

These activities, he says, programmes and measures to be additional and complementary to those funded by the resources allocated to the GEF climate change focal area and by multilateral and bilateral funding. Funded by contributions by Annex units of Assigned Amount, Parties in the form of financial contributions and/or New trust fund within GEF managed by the GEF Council under guidance of the COP.

In the Prong package, there is a provision of separate work programme for LDGs to be established by the COP. The work programme to include national adaptation programmes of action and the establishment of an LDC group of experts to assist in these programmes. Activities in the work programme to be financed by GEF, in accordance with the criteria to be developed. Exempt CDM projects in LDGs from share of proceeds for adaptation.

On Resource levels, he proposes, Annex I Parties to contribute new and additional resources for non-Annex I Parties, on a grant or concessional basis. Total contributions to rise to a target of US\$ one billion per year as soon as possible and not later than 2005. As an indication, the amount to be used for adaptation to rise to approximately half the resources level, over a num-

New and additional funds are necessary for financing activities in non-Annex I Parties. Both the total resource level and the level of individual contributions should be determined, he points out. The proposal to link contributions to the share of emissions is designed to promote equity among Annex I Parties in the shares they contribute to the fund. Some of the Annex I Parties both contribute and are eligible for activities to be funded. Because of the specific nature of the CDM, public funding for CDM projects and the share of proceeds levied on the CDM cannot be entered into the calculation of the resource levels. In order to avoid leakage of bilateral and multilateral funding, the US\$ one billion should be additional to current bilateral and multilateral financial flows.

Prong proposes formation of a Climate Resources Committee and COP to recommend to the Secretary General of the United Nations in the context of the preparations for the World Summit on Sustainable Development, the establishment of a high-level Climate Resources Committee which tasks include: to develop criteria for the review of climate change contributions, to monitor funding needs and availability, to advise on the allocation of resources, to determine whether the agreed targets for funding have been achieved, to mobilise additional resources, as needed, and to develop policy conclusions for consideration by existing financial channels and institutions.

Membership of the Committee

to be limited, and to include the President of the COP, ministers or senior officials dealing with finance, development co-operation and

environment; and top level representatives of multilateral banks and the private sector.

To establish an intergovernmental consultative group of scientific and technical experts on technology transfer under SBSTA to address barriers to technology transfer, information needs and progress on technology transfer and to enhance the implementation of Article 4.5 of the Convention. Activities, programmes and measures to be funded by the Special Climate Change Fund and the GEF climate change focal area.

He says, it is his impression that the proposals above, together with the proposals on finance and response measures allows us to take decisions on all outstanding issues with regard to the transfer of technology.

According to Prong, response measures might have adverse, social, environmental and economic impacts on developing countries parties. Therefore Annex I Parties should report on their efforts to minimise these effects. It may be noted that questions of implementation with respect to Article 3.14 of the Protocol fall within the mandate

"devegetation" would create problems, such as initial stock-taking and monitoring. Therefore, further methodological work through a SBSTA process, supported by the IPCC, is needed to address these issues.

The architecture of the accounting section on Article 3.4, including the boundary condition for LULUCF accounting in the first commitment period, aims to address the following five features:

a) Quality of sinks: i.e. meeting the requirements of Article 3.4 of the Protocol since 1990 "and human induced" (referring to the ninth guiding principle). This, in part, is the rationale for applying a discount factor in the second tier and applying "net-net" accounting in the third tier.

b) Scientific basis: Implementing the requirements under a) is very challenging in the first commitment period, especially for forest management. More scientific and methodological work is needed. Therefore it is proposed to deal with these principles pragmatically during the first commitment period (through discounts), while at the same time establishing a process in order to elaborate on modalities for accounting in future commitment periods. The level of the discount-

of the facilitative branch of the Compliance Committee.

He suggests Developing country Parties have to report on their needs and concerns in order to assess the need for further action. Assistance and concrete action by Annex I Parties should be based on methodological work as reflected in 12/C.25. Economic diversification activities are eligible for funding under the Special Climate Change Fund.

The guiding principles for treatment of Land Use and Land Use Change and Forestry (LULUCF) activities under the Kyoto Protocol, Decisions based on sound science.

Reliable national system for LULUCF in places (the capacity to reliably estimate report and verify emissions and removals from LULUCF).

Issuance of credits for LULUCF activities only after review of inventory by Expert Review Teams, pursuant to Article 17, has been completed. If analysis of the Expert Review Team indicates a question of compliance, the matter is passed on to Compliance Committee.

Eligible activities are those that have been widely discussed amongst Parties and which were included in the last negotiating text (LULUCF/ST/2000/C/2/11). Some Parties requested the addition of "devegetation" in order to account symmetrically for both sinks (e.g. revegetation) and sources (e.g. devegetation). However, operationalising "degradation" and

factor (8591e) reflects a compromise between values brought forward by Parties, which range from 67 per cent to 97 per cent. The scientific uncertainties surrounding this issue lead to the choice of a discount value which inclines towards the higher end of this range.

c) Quantity of sinks: Some Parties counted on a minimum of sink credit under Article 3.4. Other Parties prefer to limit the credits of article 3.4 sinks in order to limit distortion of the Annex B burden sharing, and to maintain focus on emissions reduction (achieve decoupling of economic growth and GHG emissions). This is the rationale for proposing a limitation on credits resulting from the second and third tier under Article 3.4 (boundary condition for accounting). Given the uncertainty and non-comparability of available data on LULUCF activities, this limitation is expressed as a percentage of the Party's base year emissions. The value of the cap reflects a compromise between the cap proposals brought forward by Parties, which range from 0.5% for the sum total of all activities to 4% for forest management only.

d) Anomaly of article 3.3: It is acknowledged that a decision to use the IPCC definitions under Article 3.3 will create a debit for some Annex I Parties, even though they have an overall increase in their forest carbon stock. This is the rationale for the first tier, which is exempt from the cap.

e) Incentive Structure: It is important that the accounting

system provides appropriate incentives for land managers. Full credit should be granted to activities in the commitment period which are additional, compared to their base year level. Therefore "net-net accounting" for the agricultural sinks is proposed, without discounting.

The "three-tiered" proposal for accounting of article 3.4 LULUCF activities in the first commitment period seeks to strike a balance between the five considerations mentioned above (quality, scientific basis, quantity, Article 3.3 anomaly incentive structure).

Views differ widely with regard to the possible inclusion of LULUCF activities in the CDM. It is not possible to decide on modalities for their inclusion without a thorough assessment in SBSTA of the related technical and methodological issues. At the same time, postponement of a decision on eligibility of LULUCF activities is regarded, by many, as a threat to early ratification. Therefore eligibility of only a limited set of project activities for the first commitment period (subject to the boundary condition for LULUCF accounting) is proposed, while at the same time establishing a clear agenda and deadline for consideration by SBSTA and decision-making by the COP on modalities for their inclusion. Projects aimed at "preventing deforestation" are not eligible as LULUCF project activities under the CDM. However, projects on forest conservation, rehabilitation of degraded land and combating desertification, although not eligible under the CDM in the first commitment period, are eligible for funding under the Adaptation Fund (see section 2 on Finance).

Under Article 6, conformity with the modalities under Articles 3.3 and 3.4 is necessary because Article 6 sinks projects should be part of inventories of Parties showing Article 6 projects. This also prevents "credit laundering" of non-eligible LULUCF activities through Article 6.

The data have limitations. However they indicate that the outcome of the "three tiered" proposal would allow nearly all Parties, that have shown an interest in using Article 3.4 sinks in the first commitment period, to meet approximately half of their emission reduction commitment in this way. Prong proposes this boundary condition in order to make the architecture outlined above effective without losing environmental credibility.

"The 'three tiered approach' does not respond to the demand for this option from interested Parties with very specific characteristics in their LULUCF sector in particular when their forests already cover a high proportion of the total land area. A limited and partial deviation from the proposed methodology could be formulated to address these specific circumstances.

The inclusion of some LULUCF activities under the CDM may also help to accommodate this issue.

In their use of the mechanisms, Parties to be guided by Articles 2 and 3 of the Convention.

Policies and measures to be implemented and/or further elaborated in accordance with national circumstances and with a view to reducing inequalities in per capita

emissions between developed and developing country Parties.

Annex I Parties to meet their emission commitments chiefly through domestic action since 1990.

Relevant information (qualitative and quantitative) to be provided under Article 7 of the Protocol, for review under Article 8.

In addition, environmental integrity is achieved through sound modalities, rules and guidelines for the mechanisms, strict principles and rules governing sinks activities and a strong compliance regime.

Questions of implementation with respect to supplementary fall within the mandate of the facilitative branch of the Compliance Committee.

Prong proposes adoption of a formal agreement supplementing the Kyoto Protocol. Important considerations for the choice of the basis of adoption are (a) the timely entry into force of the compliance system and (b) the desire that all Annex I Parties that become a party to the Kyoto Protocol also become a party to the compliance system. In order to enable States to fulfil domestic requirements for early ratification of the supplementary agreement on compliance, the compliance system should be adopted at COP6.

In order to secure that all Annex I Parties that become a Party to the Kyoto Protocol also become party to the compliance system, the amendment to the Kyoto Protocol establishing the second commitment period could be used. This amendment could provide that these Parties can only participate in the second commitment period if they are a party to the supplementary agreement on compliance. It should be noted that this legal safeguard will not work in the first commitment period, but only in subsequent commitment periods. In the first commitment period, all Parties should be encouraged by political means to become a party to the supplementary agreement on compliance, according to Prong's proposal.

What is position of Bangladesh? Does Bangladesh endorse Prong's proposal? Our Environment Minister and Environment Secretary have already missed the strategic New York talks where they could highlight the concerns of the developing South or G-77? We are not sure of the participation of Bangladesh delegation at the forthcoming Stockholm informal talks or developing countries meeting next month but those will be very vital round of negotiations for Bangladesh. This negotiation is so important for the survival of the people of Bangladesh as they will be the worst victims of any probable degrees of climate changes or sea-level rises or global warming.

Scientists are now pretty sure about more frequent cyclones, tidal surges, storms, hit-waves, cold-spells and other abrupt climatic behaviors. Are our policy makers taking any mitigation measures? Do they care for the nation?

Quamrul Islam Chowdhury is Chairman of Commonwealth Environmental Journalists of Bangladesh (CEJA) and Forum of Environmental Journalists of Bangladesh (FEJB). Secretary General of Asia-Pacific Forum of Environmental Journalists (AFPEJ) and World Water Forum of Journalists (WWFJ).