

Climate talks collapse in Copenhagen

US-brokered deal is a disappointment

TEMPERS have flared. The mood has got darker. The future looks set, so to say, to be more like the past or even the present after everything that has not happened in Copenhagen. Much as he would like to call the deal the United States has reached with China, India, Brazil and South Africa on coping with climate change a breakthrough, President Obama knows that the long-drawn negotiations in the Danish capital have clearly failed to satisfy the world's more disadvantaged nations. Of course, the developed world has promised to make available nearly \$30 billion dollars to poor countries over the next ten years to help them handle the crisis on an immediate basis. Of course, there is the promise of \$100 billion more coming after that. And, of course, there is the target of not letting world temperatures rise above 2 degrees Celsius in order to stabilise the planet.

Yet the overwhelming reality obvious to people across the world, especially to those in countries like Bangladesh, the Maldives and in Africa, is that the deal which the major polluters of the globe have struck among themselves does precious little to address their concerns. The US-brokered deal would have the polluting countries take measures to limit their individual carbon emissions. And yet there are all the good reasons why feelings of betrayal on the part of the poor are justified. There is, first of all, no guarantee as to where the promised money will come from or how it will be handled and disbursed. Second, there has been no mention of any specifics regarding how much of gas emissions the nations involved in the deal will go for. Third (and this is an even worse aspect of the so-called deal), nothing is there in the accord to suggest that there will be mechanisms for verification of cuts in gas emissions. Fourth, despite the target of 2 degrees Celsius being agreed to (the poorer nations feel that 1.5 degrees Celsius would be more to the point), there is nothing to suggest as to how that goal will be reached. Fifth, the deal will not be legally binding for those who have agreed to it.

In short, the climate change talks in Copenhagen have not been the historic moment the leaders and other representatives of the 194 nations gathered there had looked forward to. The fact that the chairman of the conference, Danish Prime Minister Lars Lokke Rasmussen, has himself noted that the agreement reached by the US and the other nations cannot be adopted typifies the disappointment. He was clearly referring to the huge anger now being felt by nations confronted with the effects of climate change. Venezuela has called the deal a coup d'etat, and the Sudanese representative, speaking for the Group of 77, described it as a suicide pact.

The Copenhagen talks have been a disappointment. What has now happened is an attitude on the part of the US, India, China, Brazil and South Africa (none of the other nations present were consulted on the deal) that tells all other nations to take it or leave it. That is a mistake. And sooner rather than later, everyone must come back to deal with a crisis which will have repercussions even for those who have now tended to ride roughshod on the sentiments of those directly in the line of disaster.

Inflation rate on the rise

Holding the line imperative

THE latest figures of Bangladesh Bureau of Statistics (BBS) show that the rate of inflation for both food and nonfood items has registered a marked rise, although it is still safely below double digit. What is important to bear in mind is that inflation which had fallen to 2.25 percent in June has been slowly but steadily increasing since July. And in October it stood at 6.71 percent on point-to-point basis, principally because of the rising food price.

Actually, a few domestic and international factors have combined to bring about the inflationary pressure on the national economy. International food markets showed signs of strains owing to drought in India and successive cyclones in Philippines and some other Southeast Asian countries causing lower food production, higher food prices and increased demand for import in the overall. As it is, international commodity prices have been on the rise due to higher energy and transshipment costs. On our domestic front, drought and delayed rains have adversely affected *aus* crop and the prospects for *aman* crop respectively. Simultaneously, the government-announced new pay-scales for the public servants could produce 'inflationary pressure', even though it will be implemented in phases.

How do we keep the inflation from rising further? Let's not forget that with every bit of increase in the inflation rate, it is the poor, the numerically larger segment of the population, that is the hardest hit. Besides, if the rate of inflation crosses double digit it could render macroeconomic management somewhat difficult. In this context, that which lies well within our capacity to deliver should be our first priority: we can ensure steady supply of inputs to harvest a sizeable *boro* crop. Alongside, we keep a constant tab on the international food market to be able to negotiate better price for import, if and when we resort to it, by way of building stocks through advance planning.

The other factors that might induce a higher inflation to which the ADB quarterly has drawn our attention are excess liquidity in banks and depreciation in the value of Taka. Productive investment in rural sector through dynamic farm and SME credit operations of the banks, greater austerity in government revenue expenditure and quality public spendings on ADP can together help us keep inflation in check.

UN Climate Summit yields precious little

Highly industrialised nations have been actually after a trade-off with the developing and the most vulnerable nations without really committing themselves to any carbon emission cuts. So, unless there is any miracle, one need not be an oracle to forecast the results of the UN Climate Summit.

SYED FATAHUL ALIM

WHAT is the fallout of the two weeks long UN Climate Talks held in the Danish capital of Copenhagen? What has been achieved so far is far short of a perfect deal as envisaged in the beginning.

Amid deep frustration expressed by most of the participants of the UN Climate Summit at the Bella Centre in Copenhagen, a political agreement was brokered between the US on the one side and the leading developing nations -- China, India, Brazil, South Africa -- on the other. President Obama took the lead by gate-crashing into a meeting among the four emerging powers (China, India, Brazil and South Africa) hosted by Chinese premier Wen Jiabao.

What came out is an apology for what was initially envisioned. There is no legally binding clause so that action could be taken against the defaulters, if any. What about containing the average global temperature so that it may not rise above 2 degrees Celsius (3.6 degrees Fahrenheit)? Well, the Copenhagen Accord reached among US and the four emerging powers only recognises the scientific need for such a temperature limit. There is nothing in it about who would bell the cat and how that would be done. Where are the emission reduction targets for individual nations, especially those that pollute the environment most -- the developed countries as well as the emerging powers?

The accord provides that the poor countries will get an adaptation fund of \$30 billion between 2010 and 2020 and \$100 billion a year after 2020.

This is all about the monetary carrot of adaptation aid to the poor nations that will be most affected by the climate change. But the money, even if it is made available as

promised, will not go to halt the trend of global warming unless concrete actions to ensure drastic cuts in carbon emissions are adopted. There is no sign of any change of heart in this direction from the developed nations yet in sight.

African leaders could not hide their dismay as many ambitious emission-cut targets set in the previous rounds of discussions in the run-up to this summit have been conveniently forgotten in the Copenhagen accord. Most importantly, the views of the less privileged among the 193 countries attending the UN climate summit about the development in the talks and the accord pushed by the US, China, India, Brazil and South Africa reflect a feeling of betrayal.

Sudanese Ambassador Lumumba Di-Aping who chairs the bloc of developing countries, for example, termed it a gross violation of commitment against the poor, against the tradition of transparency and participation on equal footing for all parties of the convention, and against common sense.

Toward disappointment and cynicism, US President Barack Obama, however, assured the gathering in Copenhagen that a less-than-perfect deal on the issue was better than no deal at all.

Such a pragmatic-sounding approach from the US president is not hard to understand. In fact, the stalemate, which the leader of the rich Northern economic powers has been keen to avoid, is the upshot of the industrialised powers' lack of strong commitment to emissions cut or reaching a legally binding agreement on it.

The US's position on the issue of global warming or climate deal, however, had always been far from enthusiastic. As for example, it rejects the Kyoto Protocol, which requires 37 industrialised nations to reach a modest level of emission cuts by the dead-



What was the point of holding the Summit?

line of 2012. It was expected that the Climate Talks would produce another document to replace the Kyoto Protocol.

The bumpy road to a greenhouse gas (GHG) emissions cut deal, which is marked by deep distrust between the developed and developing nations, is not too unfamiliar a sight to the observers of such global talks. The reason is that the rich countries are not really willing to change their life-style and consumption habits. Moreover, they are least interested in compromising their business interests that have their roots in the burning of fossil fuels.

They started the burning since the Industrial Revolution took place three centuries back. Carbon dioxide and other heat-trapping GHG gases responsible for global warming have been gradually deposited in the atmosphere since then. The fast industrialising developing nations like China and India have joined these traditional carbon-emitting nations rather recently. Oddly enough, the developing nations are now being asked to take a greater share of the carbon burden. But they can do that only at the expense of their economic growth through industrialisation.

The developed countries are in favour of slapping a stricter emissions cut monitoring regime on the developing countries, on China in particular. China, on the other hand, is too sensitive to any condition imposed on it. It considers any outside agency peering into its industrial or any other activities as suspicious, and as inter-

ference in its internal affairs. Similar is the stand of many other developing nations like India, Brazil, South Africa, Venezuela and so on.

But that does not mean that these third world nations are not willing to make their activities relating to GHG emissions transparent. And if any monitoring is to be done then the Western industrialised nations, too, should be equally amenable to such monitoring. Unfortunately, the rich nations simply are not ready to accept any such conditions for themselves. They want only to dictate terms, which is yet another roadblock to smooth sailing of any talks between developed and the developing nations.

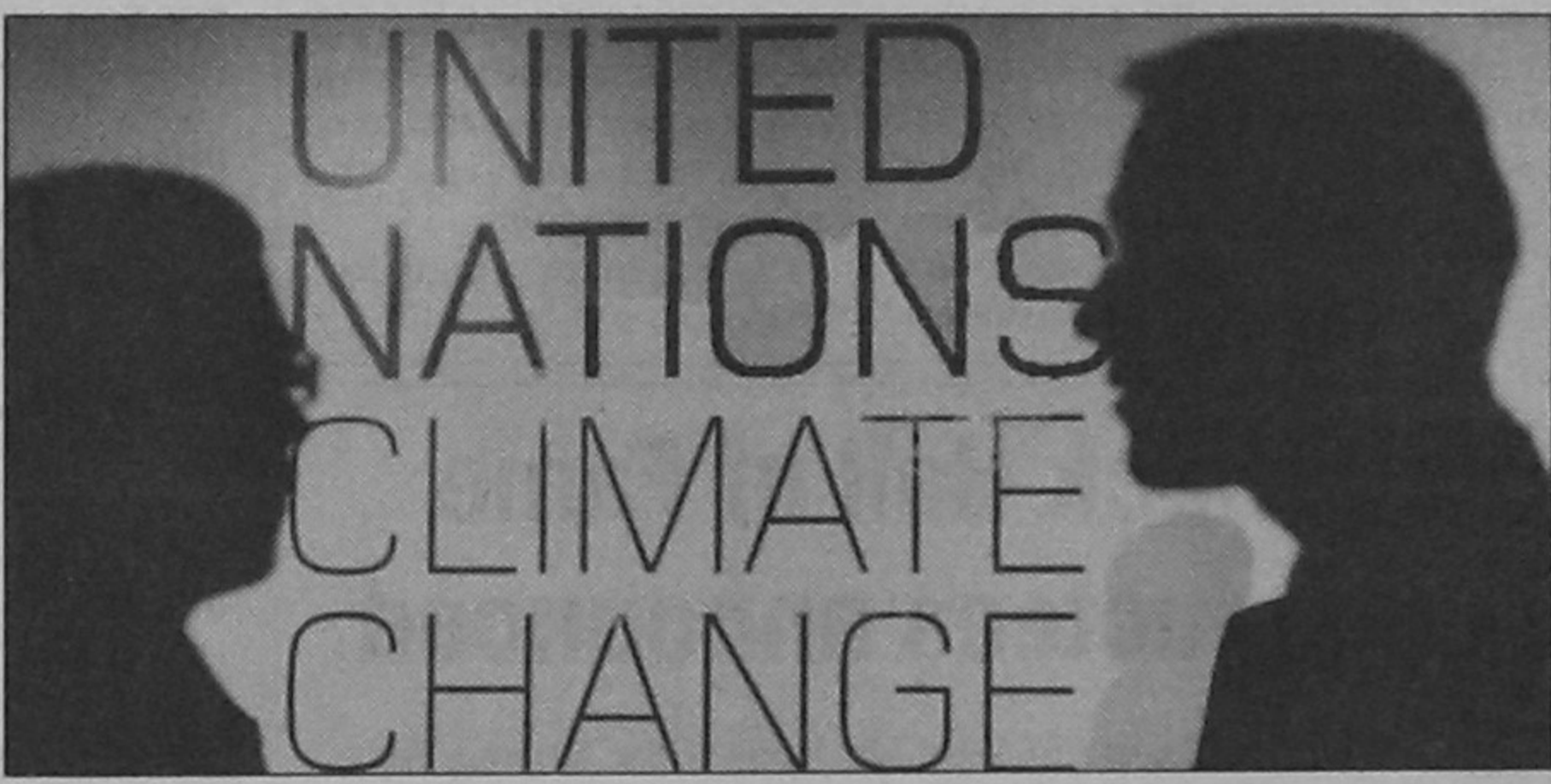
It was exactly such stubbornness and myopic view of things on their part that the World Trade Organisation (WTO) talks too foundered on the slippery ground of "subsidy on agriculture products," which the poor African nations considered a hindrance to the entry of their own agricultural products into the developed countries' markets.

At the UN Climate Talks, the US and all other highly industrialised nations have been actually after a trade-off with the developing and the most vulnerable nations without really committing themselves to any carbon emission cuts. So, unless there is a change of heart among the worst polluters nothing of substance can emerge in the future.

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Need for a clearer post-Copenhagen roadmap

The Copenhagen announcement has been but a first step, and much work remains to be done in the days and months ahead to seal a final international climate deal that is fair, binding and ambitious. From that context it is imperative that negotiations resume as soon as possible.



MUHAMMAD ZAMIR

AFTER several rounds of discussion, filled with brinksmanship and 11th-hour negotiations on the concluding evening of the Copenhagen Summit conference (between the USA, the EU, China, India and Brazil), President Obama has claimed that there had been "an unprecedented breakthrough," and that a climate deal had been forged. The accord is significant in that it codifies the commitments of individual nations to act on their own to tackle global warming. Some members of the G-20 have also stressed that the accord has provided a system (a compromise on an issue over which China bargained hard) for monitoring and reporting progress toward national pollution-reduction goals. It has also set a goal of limiting the global temperature rise to 2 degrees Celsius above pre-industrial levels by 2050, implying cuts in climate-altering emissions over the next four decades. Attention has also been drawn to the fact that rich countries will provide \$30 billion of climate aid over the next three years and \$100 billion a year from 2020 to developing countries. The US has announced by far the lowest pledge. It will contribute \$3.6 billion between 2010 and 2012, while Japan will give \$11 billion and the European Union \$10.6 billion.

Despite this spin, it is also clear that the conference has not been an unqualified success.

It has fallen short of what was required to combat global warming. It is equally evi-

dent that it has not met the modest expectations that leaders had set for this meeting, notably, the setting up of a 2010 goal for reaching a binding international treaty to seal the provisions of the accord. Nor does the plan firmly commit the industrialised nations or the developing nations to firm targets for midterm or long-term greenhouse gas emissions reductions.

To many, this has been a disappointing conclusion to a two-year process that had the goal of producing a comprehensive and enforceable action plan for addressing dangerous changes to the global climate. The messy compromise mirrored the chaotic and non-transparent nature of the conference.

It has left many of the participants in the climate talks unhappy, from the Europeans, who now have the only binding carbon control regime in the world, to the delegates from the poorest nations, who objected to being left out of the critical negotiations. There have also been statements from some countries that they might not approve the deal. Washington has responded to this by pointing out that the agreement was merely a political statement and not a legally binding treaty and therefore might not need ratification by the entire conference.

The deal in Copenhagen was expected to deliver an agreement among 192 countries that are party to the Framework Convention on Climate Change, stipulating legally binding reduction commitments for carbon emission and firm pledges for financial assistance. technol-

ogy transfer and adaptation funds for poor countries. Different countries called urgently for such a deal because they apprehended that a rise in global temperature by a further two degrees might trigger irreversible climate change. Unfortunately, all their efforts have not borne the desired results.

One aspect is however clear. Implementation of the converging points will entail profound shifts in energy production, dislocations in how and where people live, sweeping changes in agriculture and forestry and the creation of complex new markets in global warming pollution credits. The question then arises -- so what is this going to cost? The short answer is nearly one trillion US dollars over the next few decades. That is a significant sum but still a relatively small fraction of the world's total economic output. In energy infrastructure alone, the transformational ambitions are expected to cost the major part in additional investment from 2010 to 2030.

The International Energy Agency has however said that these costs would be largely offset by economic benefits in new jobs, improved lives, more secure energy supplies and a reduced danger of climate catastrophe. It has also been suggested that most of the investment will come from private rather than public funds. In addition, some of the hundreds of billions of dollars the poorer countries are demanding are expected to flow into the paradigm as global carbon markets become established and governments in rich countries begin to open the spigot of public spending.

Project Catalyst, an initiative of the European Union and Climate Works feels that about half of the required amount could come from the growing global market in carbon emissions credits under a cap-and-trade system, which is expected to be worth an estimated \$2 trillion a year by 2020. It may be mentioned that a cap-and-trade system is already operating in Europe and is also under consideration by the US Congress. Such a system sets a ceiling on the carbon emissions of a given country or industry and allows trading of pollution permits within the cap.

One presumes that, as the overall limit on emissions grows tighter, the price of pollution permits will rise, creating a sizeable market in carbon credits. It is felt that this money could be used to help developing nations reduce emissions by switching to renewable energy sources and also for adjusting to effects of a changing climate, like rising sea levels, by building flood walls

or relocating settlements to higher ground. An additional \$10 billion to \$20 billion might also come from taxes on fuels used in aviation and shipping.

Bangladesh and other vulnerable nations called for an appropriate transfer of wealth from the industrialised world to island nations and countries in Africa, Asia and Latin America that were most likely to feel the ravages of a changing climate. We pointed out in particular that the allocation from the Adaptation Fund be fixed in proportion to the percentage of population exposed to the potential effects of climate change. We also demanded that such sustained financial contribution be in addition to that already envisioned under the Overseas Development Assistance goal of 0.7 per cent of the national income of developed countries.

Well, the results achieved in Copenhagen have not met our immediate expectations. However there is no need to be totally discouraged.

The Copenhagen announcement has been but a first step, and much work remains to be done in the days and months ahead to seal a final international climate deal that is fair, binding and ambitious. From that context it is imperative that negotiations resume as soon as possible.

There is the issue of insufficient financial resources but there is also the remaining questions of which country should contribute how much, what body should oversee the spending and how to determine which projects qualify for finance. We will also need long-term cooperative action under the climate change framework to address areas like compensation for countries for preserving forests, and in some cases, other natural landscapes like peat soils, swamps and fields that play a crucial role in curbing climate change.

It is true that the Copenhagen agreement has been a compromise and not a detailed 'operational accord.' It has not turned out to be a significant or a decisive moment of change.

Nevertheless, we still have to garner the necessary political will and commitment to find solutions to intractable points. We have to view this whole process not only as a humanitarian imperative but also as a moral obligation and an investment in our common security. We have to remember that climate change continues to pose a grave and growing danger to the world. The question before us is no longer the nature of the challenge, but our capacity to meet it

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