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Why the mixed messages on fossil fuels?

Govt must commit to phasing out coal if it's serious about fighting climate change

AT COP26, we were proud to see Bangladesh stand up for the worst climate-affected countries and hold the world's polluters to account. However, despite being a voice of reason at COP26, we are extremely disappointed to now find that the Bangladesh government is failing to match its actions to its words: The eight planned coal-based power plants in Maheshkhali of Cox's Bazar are still set to continue, despite their potential adverse impacts on and around the coastal belt.

Research from the Centre for Research on Energy and Clean Air (CREA) suggests that this project, one of the largest coal-fired power plant clusters within 10 square kilometres around the world, will release 1,600kg of mercury and 6,000 tonnes of fly ash every year. Five wildlife sanctuaries and six forests are likely to face serious consequences as a result, and over seven million people could be exposed to excessive mercury and sulphur dioxide pollution. Marine fish stock will be affected, and thousands are projected to develop fatal health conditions related to toxic substance emission.

To what end is such a harmful project being taken forward, and were these severe consequences taken into account when it was launched? In a country that is so vulnerable to the impacts of climate change, what reason could there possibly be of endangering our wildlife and polluting our environment in this way, especially when they are already bearing the brunt of existing development projects, deforestation and land-grabbing?

It is extremely frustrating that Phase-1 of the Matarbari Power Plant is already half completed, even though the government's own officials have admitted that its Environmental Impact Assessment (EIA) is faulty and lacks clarity on the plant's environmental impacts. The callousness of the Japan International Cooperation Agency (Jica) in conducting this erroneous EIA and continuing to stand by it, even though it fails to take into account mercury pollution and PM 2.5 to be emitted from the plant, cannot be overlooked. It is all the more troubling that, despite Japan's promise at the June G7 summit to end overseas financing of coal projects this year, it is continuing to finance this misguided project—over 80 percent of the funds to construct the Matarbari Power Plant is being provided by Japan.

At COP26, Bangladesh announced that it had cancelled 10 coal-based power plants to supplement its efforts against the adverse impacts of climate change, yet a report in this daily quoted the state minister for power, energy and mineral resources as saying that the government is not concerned about criticisms over coal-based power plants. We urge the government to stop giving out such mixed messages and fully commit to phasing out coal and exploring green energy options instead. We also hope that global leaders will stick to their promises, and will hold to account the countries that are continuing to endanger other parts of the world by funding coal projects.

BB must stop breaking its own rules

Why should its rules apply for some, but not for others?

FOR some time now, we have been seeing the central bank flouting its own rules and regulations, swaying to the tunes of big business conglomerates, and giving in to various external influencers. Its decision to permit Aviva Finance—which changed its name from Reliance Finance in November last year to brighten its image and restore depositors' confidence—to open five more branches, despite the financial health of the non-bank financial institution (NBFI) being in a bad shape, is another glaring example of that. This is the second time in a span of two years that the Bangladesh Bank (BB) has allowed Aviva Finance to open new outlets—last year it was permitted to establish four new ones—despite the NBFI's default loans surpassing 10 percent of its total outstanding loans in the year preceding its filing of the application to open new branches, which goes against the BB's own rules.

The non-performing loans (NPLs) of Aviva Finance stayed above the threshold last year, and rose to 26 percent in September this year, up from 16 percent towards the end of December in 2020. Furthermore, the NBFI also faced a provision shortfall of Tk 27 crore against the outstanding loans as of June this year, which further disqualifies it from opening any new outlets. Then why did the central bank give the NBFI permission to open so many new outlets over the last couple of years? Reportedly, Aviva Finance is a concern of Chattogram-based business conglomerate S Alam Group. And over the last few years, we have seen the BB bend to the will of big businesses a number of times. And it is precisely during this time that our banking and financial sector has gone through the greatest turmoil in its history.

But then, just blaming the BB might be somewhat unfair, as the amount of interference from other government institutions into its functioning in recent times, such as by the Ministry of Finance, has all but destroyed the central bank's autonomy, which is another reason why we have seen it fold to the illogical demands of powerful quarters time and again. The long-term implications of its decisions to not abide by its own rules, and to repeatedly give special concessions to politically connected and influential individuals and businesses, will have devastating consequences for our financial sector and overall economy, as experts have warned.

We hope the authorities are aware of this. There is a reason why rules exist. And when the BB keeps on breaking its own rules and provides special concessions to its hand-picked candidates and businesses, the example that it sets is surely going to only negatively impact our financial sector which, in turn, will have a cascading effect on our overall economy. As such, the central bank immediately needs to return to strictly enforcing its rules uniformly across the board.

Will the climate finance pledges from COP26 ever materialise?



that mainly causes this time extension is climate finance, the most intractable of all agendas under the UN Framework Convention on Climate Change (UNFCCC). The core climate finance issues at this COP, among others, were the delivery of USD 100 billion yearly fund by 2020, a new quantified goal to mobilise from 2025 taking USD 100 billion as the floor, adaptation finance, and finance for Loss and Damage.

It may be recalled that both under the UNFCCC and the Paris Agreement, developed countries have assumed

regret" in not fulfilling the previous pledges, and now they have pledged again to reach that amount each year through to 2025. About the new quantified goal from 2025, an agreement of establishing a road map for this has been reached.

Again, the new pledges from developed countries are plenty: USD 11.4 billion per year by 2024 will be given by the US, and USD 3 billion specifically for climate adaptation; the UK will double its climate finance to USD 11.6 billion between 2020 and 2025; Japan has offered USD 10 billion over the next five years for reducing emissions in Asia; Canada has announced to double its climate finance contribution to USD 5.3 billion by 2025; Norway committed to tripling its adaptation finance; Australia said it would double its contribution, too. It is estimated that if all pledges are kept, the total amount of climate finance is likely to reach around USD 96 billion next year!

But will it actually become a reality? The history of climate finance delivery does not evoke much confidence in that regard.

finance by 2025 from the 2019 level, taking it to around USD 40 billion a year. But there is no guarantee that this goal will be reached. A UN committee will report on progress towards delivering the USD 100 billion per year, to be discussed again in 2024. However, COP26 has witnessed the highest ever commitments of climate finance to vulnerable low-income countries, about USD 450 million, as well as a commitment of USD 232 million to the Adaptation Fund, also the highest ever committed in a year. This fund can be accessed by all developing countries.

Furthermore, the UK pledged 27.5 million pounds for the new Urban Climate Action Programme (UCAP) to support cities targeting net zero emissions. The programme will support cities across Africa, Asia and Latin America to take climate action, by helping them implement innovative plans to become carbon neutral by 2050, and prepare low-carbon infrastructure projects to reduce emissions. The programme will be delivered in partnership with the

request, operationalising the Santiago Network on Loss and Damage, agreed upon at COP25. This SNLD will basically serve as a technical advisory body, for which a few million dollars have been promised.

Another issue drew the attention of global leaders: the commitment to a shift towards locally-led adaptation—an action track of the now-defunct Global Commission on Adaptation—which Bangladesh agreed to lead. As experience

For the agenda of Loss and Damage under Article 8 of the Paris Agreement, no dedicated financing has been agreed upon.



One cannot be blamed for feeling doubtful about the climate finance pledges made at COP26 being met, given the history of failures on this front.

PHOTO: REUTERS

legally-binding responsibility to support the developing countries in addressing climate change (using the language "shall provide"). Also, more than a decade ago, at COP16 in Cancun, developed countries pledged to deliver USD 100 billion a year by 2020. The goal has not been met yet—the claimed delivery by the rich countries of about USD 79 billion in 2018-2019 is deflated down more than three times by Oxfam, which estimates that only USD 19-22 billion can be considered as net climate finance. However, at COP26, the developed countries expressed "deep

Adaptation and its financing were of particular importance at COP26, in view of the latest report by the Intergovernmental Panel on Climate Change (IPCC) on the increasing impacts of climate change, which keeps savagely battering the low-income countries with poor adaptive capacity. The decision established a work programme to define the global goal on adaptation agreed under Article 7 of the Paris Agreement. This is expected to identify collective needs and how they can be met. The deal offered a promise to double adaptation

C40 Cities Climate Leadership Group, a global network focused on climate action, and the GIZ, the German development agency.

However, for the agenda of Loss and Damage under Article 8 of the Paris Agreement, no dedicated financing has been agreed upon, though the developing countries, together with the Climate Vulnerable Forum which is chaired by Prime Minister Sheikh Hasina, have been calling for such a funding mechanism. But COP26 marks the first time that some action has been taken to respond to that

Who were the true leaders at COP26?



countries left Glasgow in great dismay over the overturning of their demand for a "Glasgow facility" on "financing loss and damage". They only got a promise to hold a "dialogue" on the issue, so the battle will go on to COP27 next year, which will be hosted by Egypt in Sharm El-Sheikh in November 2022.

I will not repeat what has been reported by the global media on the actual agreements in the final Glasgow decision, but I will say that they are all very weak and pedestrian and nowhere near being adequate to face the scale of the climate emergency at hand. To give one example, the Climate Vulnerable Forum (CVF) countries at the beginning of the COP demanded that the outcomes be named the Glasgow Climate Emergency Pact. In the end, the COP Presidency chose to call the outcome

of COP26 the Glasgow Climate Pact, dropping the word emergency both in name as well as in substance.

I will focus my post-COP26 column not on the content of the discussion but on the personalities who stood out to me while I spent the last three weeks in Glasgow. Incidentally, they are all women.

The first person that I want to flag is a young activist from Uganda named Vanessa, who has been raising the issue

The youth of this world, collectively, will become the agents of change as their elders have let them down time and again. The youth movements around the world are already moving from mere protests to real actions in global solidarity that have much greater potential for doing good than a hundred COPs.

The second leader I would pick was, in fact, our host in Scotland, namely the First Minister of Scotland, Nicola



Britain's Prime Minister Boris Johnson meets with Prime Minister Sheikh Hasina during a bilateral meeting at the COP26 Climate Conference in Glasgow, Scotland on November 2, 2021.

PHOTO: AFP

of climate change in her own country every Friday as part of the Fridays for Future movement of school kids. She was recently on the cover of *Time* magazine and was in Scotland attending and speaking at numerous events both inside as well as outside the Blue Zone of the COP26 venue.

I had the opportunity to share the platform with her on several occasions and was extremely impressed by her sincerity and maturity which was beyond her young years. In my mind, she is emblematic of where the future lies in the movement to tackle climate change.

Sturgeon. While Scotland is not a party to the United Nations Framework Convention on Climate Change (UNFCCC), it nevertheless has its own Climate Justice Fund, which it decided to double just before the start of COP26. A number of civil society groups in Scotland and elsewhere lobbied with her to use some of it to start a "loss and damage fund". Just before the start of COP26, Nicola Sturgeon announced a one million pounds contribution to a new loss and damage fund and challenged other world leaders to contribute more to it. By the end of the COP, she doubled the

amount from Scotland and also received contributions from Walloon province in Belgium and a number of philanthropic foundations, taking the fund to well over USD 5 million—and we expect more contributions to come in soon.

First Minister Nicola Sturgeon very kindly invited me to have tea with her at her residence in Edinburgh the day after COP ended to discuss how we can take this initiative further in the coming year to COP27. She remains fully committed to our cause of climate justice and has shown herself to be a true leader.

The third and final leader I will highlight is Prime Minister Sheikh Hasina, who attended the first two days and spoke not only on behalf of Bangladesh, but for 55 developing countries who are part of the CVF which she currently chairs. She presided over a meeting of the CVF leaders who were in Glasgow and they all declared their intentions to develop their own climate prosperity plans modelled on the Mujib Climate Prosperity Plan (MCPP) of Bangladesh. The CVF countries are changing their narrative from victims to global leaders in tackling climate change and asking other countries to follow their lead. Prime Minister Sheikh Hasina was well-recognised as such a global leader during COP26.

My final verdict on COP26 was that we had both a bad COP in terms of the failure to get the Glasgow facility on financing loss and damage inside the Blue Zone of the negotiations, but we also had a very good COP outside the Blue Zone with tens of thousands of youth, indigenous people, scholars, businesses, mayors, parliamentarians and many others who came to network and join forces for action—and not blah, blah, blah. Together with the hospitality of the people of Glasgow and Scotland, that made us all feel that we had indeed attended a very good COP.

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