

## A long-awaited nod to justice

### ACC finally charge-sheets Basic Bank's Bacchu, but must explain the delay

We are pleased that the Anti-Corruption Commission (ACC) has at long last approved the charge sheet against former Basic Bank Chairman Sheikh Abdul Hye Bacchu, along with 146 others, in connection with 59 cases filed over the embezzlement of Tk 2,265 crore from the state-owned bank. The ACC, however, needs to explain why it took eight years to approve the charge sheet or implicate Bacchu, whose complicity has been heavily speculated on by financial analysts.

According to its rules, the ACC must complete investigations into a case within 180 days. If it cannot complete necessary work by then, it may extend it. But there is no excuse to delay it for as long as it did. So, naturally, the question is: why did the ACC do so despite frequent urgings by anti-corruption campaigners, and even the High Court, given its being one of the biggest embezzlement cases in the country's history? Were the people involved being protected? If so, who were protecting them? That in itself would be a crime worthy of investigation. Additionally, why weren't other board members of the bank implicated by the ACC? As one of the investigating officers has said, "Baachu with the help of the then managing director and company secretary created fake documents and sanctioned a loan while keeping the board in the dark." Earlier, however, the Bangladesh Bank said other board members were also involved. Clearly, there is a contradiction between the two findings.

Moreover, the ACC charge sheet, it bears repeating, has been filed over the embezzlement of Tk 2,265 crore. But between 2009 and 2013, Tk 4,500 crore was swindled out of the bank. Even if the remaining money was recovered, crimes were committed to swindle it in the first place. What has the ACC done about those involved in it? Again, the ACC owes us an explanation.

The way the entire case has been handled so far is extremely disappointing. It has been clear from the start that some highly connected people were involved in the scam, and that government agencies have been reluctant to punish them for their crimes. While some headway has finally been made through the approval of the charge sheet, the authorities now must ensure that the entire workings of the scam are made public, and all the people involved are brought to justice.

## Stop risky dwelling on hill slopes

### Arrival of monsoon raises concerns of landslides, calling for safety measures

With the monsoon around the corner, the continuous presence of homes on hilltops or hill slopes in the country has raised concerns of deadly landslides. This threat is all too real for residents in Chattogram city, as in other hilly areas witnessing a rapid spread of the build environment. In Chattogram, for example, the number of houses in the hilly area of Moti Jharna has increased from around 200 to over 1,000 over the last 15 years. This is despite the fact that, since 2007, at least 27 people died in this area due to landslides. Besides, in 26 hills across five other wards of Chattogram, there are about 6,175 illegal (and risky) settlements now. Imagine the threat that residents will face after a certain period of above-average rainfall, which points to the lack of care and planning by those in charge.

Surely the authorities are aware of the houses being built and people dwelling on hill slopes? Just as they must be aware of the landslides that can occur anytime? In June 2017, we saw the tragic deaths of at least 133 people in landslides. Of them, 100 were killed in Rangamati, 26 in Chattogram, and 7 in Bandarban. We must ask: have the authorities who are supposed to prevent illegal settlements and protect people learned anything from such recurrent tragedies? Not much, apparently. Otherwise, how is it that homes are increasingly being built in landslide-prone areas with the uninterrupted supplies of electricity, gas, and water? The Hill Management Committee occasionally conducts eviction drives but those are clearly too infrequent and ill-planned to make an impact. Environmentalists blame corruption and political interference for the lack of effect of measures aimed at preventing cutting hills and building settlements.

This calls for strong and sustained interventions from the higher authorities. They must stop risky dwelling and illegal settlements throughout the year, particularly now when the risks posed by monsoon are grave. Residents who are at risk, including those at the Moti Jharna area, must be relocated to safer places urgently.

## LETTERS TO THE EDITOR

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## Save our oceans

According to a recent study, there are around 170 trillion plastic particles floating in the world's oceans, weighing approximately two million metric tonnes. Of this vast amount of plastic, 89 percent is single-use disposables. If immediate action is not taken, this amount could nearly triple by 2040. The Global Plastics Treaty establishes international pledges to decrease plastic waste and is critical for ocean protection. By holding governments and corporations accountable and fostering international cooperation, the treaty provides a comprehensive framework to safeguard the oceans' health and preserve marine biodiversity. Let's push for the treaty to come into action to save our oceans from the wrath of plastics.

It is about time meaningful actions were taken to solve this problem. The benefits of doing so would be too great for us to not to.

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# Power crisis: Perils of pursuing the old dangerous path



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Bangladesh has been experiencing unprecedented load-shedding for more than two weeks now, and the scale of the current crisis certainly demands an answer from the power sector officials. People have been facing 2,000-2,500MW of load-shedding throughout the day. It is expected to get even worse with the Payra Power Plant shutting down last week. Routine excuses for failure from the power ministry cite the global fuel crisis as well as the dollar crunch, which has made it difficult to open letters of credit (LCs) to import fuel and coal. But the economic crisis resulting from the pandemic and the ongoing Russia-Ukraine war can no longer be used as excuses; it is open knowledge that fuel prices have gone down in the international market. LNG prices in the spot market have dropped substantially. Coal prices have also gone down. Oil has been trading in a tight range around the low \$75 per barrel, down from \$100 per barrel last year.

The dollar crisis, however, is a real issue for Bangladesh. The taka has been depreciating alarmingly against the dollar – the price of the dollar jumped to Tk 106 this year from Tk 89 in June last year. Our foreign exchange reserves slipped under \$30 billion in May, according to official figures. If the situation with our forex reserves is so dire that it's driving the whole nation down to a point where citizens have to endure long hours of load-shedding, and industries have to suffer production losses that may eventually lead to their shutdown, the government should just openly proclaim a state of emergency and address the issues that led to this crisis in the first place.

In that light, it is imperative to analyse the power sector's responsibility for this crisis. First, capacity charges are one source to point fingers at. The country has to pay capacity charges to privately-owned power plants in dollars, and these charges have to be paid even if a power plant does not produce any electricity. Idle power plants, and ones which are functioning at half its capacity, are still receiving full capacity payments.

Second, the overwhelming burden of fuel import needs to be reassessed. Our power sector is too heavily reliant on imports; the annual burden is more than \$2 billion, depending on the international price of oil, gas and coal.

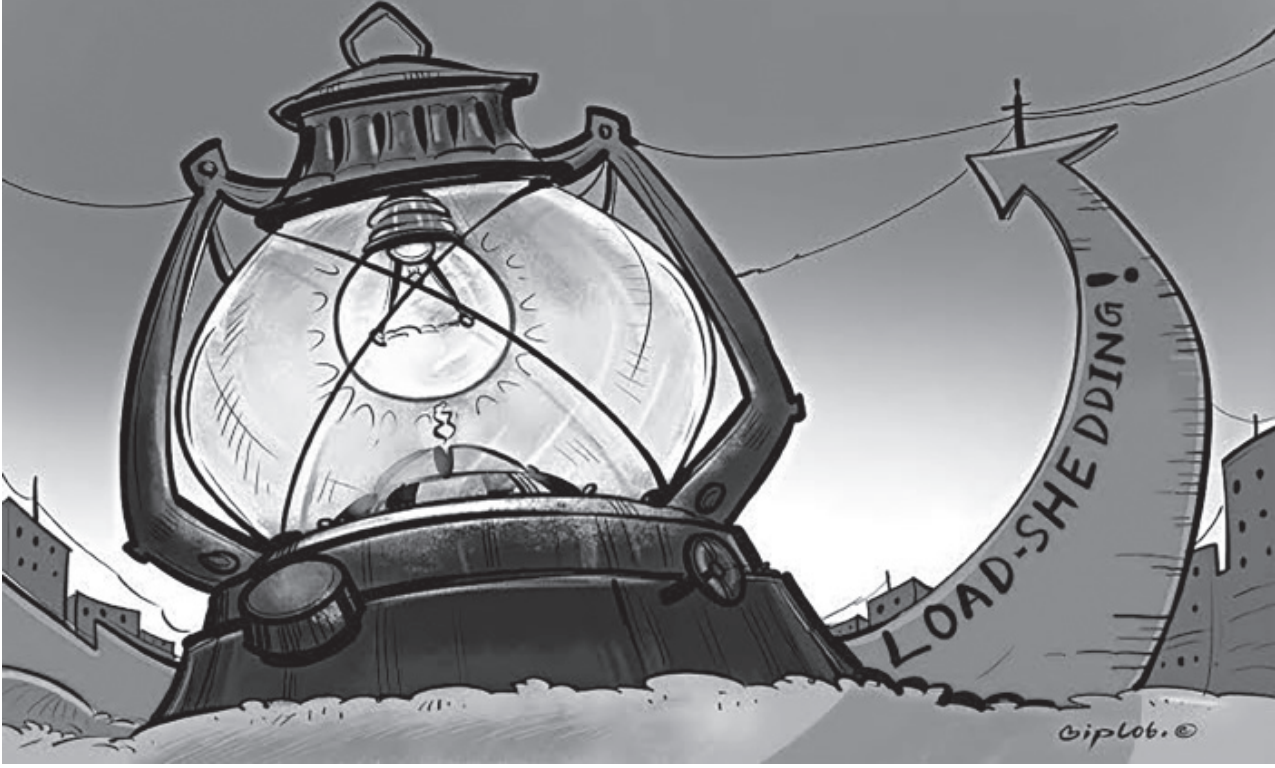


ILLUSTRATION: BIPLOB CHAKROBORTY

It is axiomatic that if oil-fired power plants are being used to generate baseload electricity, fuel expenses will be very high. But the interesting fact is that more than 5,000MW of gas-fired power plants are sitting idle across the country. Electricity from gas-fired power plants is substantially cheaper than oil-fired electricity, given the current stable price of fuel in the global market. Seeing as the price of LNG has dropped in the spot market, why are gas-fired power plants not being utilised? The answer lies in the fact that we have not built enough regasification facilities to import more LNG. It is hard to comprehend the logic behind building gas-fired power plants with thousands of megawatts of generation capacity – with more on the way – while not planning efficient ways to supply the fuel needed to operate them. When LNG prices were high, not using LNG made sense. But does it make any sense now?

Consumers are frustrated this time, because the authorities have consistently reassured the public that load-shedding would not happen this year. At the start of the load-shedding

declared how much they expected to generate from each source of power. Our political leaders also did not envisage electricity shortage, citing the new coal-fired power plants that have come into operation. Even when fuel prices were higher than what they are today, the authorities were somehow confident enough to claim that there would be little to no load-shedding this year.

With the serious dollar crisis, the only long-term solution is to lessen the import dependency of the energy and power sectors. Of course, this is easier said than done, but to what extent has the government seriously explored other options? After the onset of electricity shortage last year, the experts pointed to the serious neglect of domestic gas exploration. One year has gone by, but very little exploratory drilling has taken place. In the latest budget, very little has been allocated to gas exploration. To ensure even a minimum level of energy security through our own natural gas supply, the country needs to drill at least 25 exploratory wells every year. Assuming a success ratio of 1:5, and discovered gas reserves of 200-300 Bcf, approximately

power plants were available, we could save nearly \$1 million per day in fuel costs. These savings could even be used to pay off some of the overdue coal bills and import more coal. Of course, solar PV which is available only during the day (sunshine hours) cannot solve all our problems, but if designed correctly, it could save up to 20 percent of our fuel expenses. Along with more exploration for natural gas, a total of 30-40 percent savings in fuel cost is possible in Bangladesh.

It is unfortunate that the government is pursuing its old dangerous path of building more power plants and importing more LNG, coal and oil. Given our precarious dollar situation, this only forecasts more danger ahead. Fuel prices can escalate, the dollar crisis can deepen and consumers may resist further hike of energy prices. Given the difficult situation that the BPD has put itself in, it is difficult to see a load-shedding-free Bangladesh anytime soon. In fact, it could conceivably get worse with the energy and power sectors becoming a huge burden on the economy and aggravating the dollar crisis.

## Advancing the Glasgow Dialogue on funding to address Loss and Damage



### POLITICS OF CLIMATE CHANGE

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One of the outcomes of the COP26 held in United Kingdom's Glasgow in November, 2021 was a decision to hold a series of three annual Glasgow Dialogues on funding to address Loss and Damage, with each dialogue to be held in Bonn at the annual pre-COP event.

I just attended the second annual Glasgow Dialogue, which was held over the course of three days. Since I had the opportunity to also attend the first Glasgow Dialogue in Bonn last year, I can say that this year's dialogue was much more fruitful as the decision taken at COP27 in Egypt to set up a funding arrangement to address losses and damages with a Transitional Committee was set up to take the decision forward.

While the first Glasgow Dialogue held last year felt like an orphan with no ownership, this year the Transitional Committee owned the dialogue. As such the discussions were much more concrete under the leadership of the committee's co-chairs.

However, having said that, it still felt like we missed the opportunity to get into more substantive discussions about the complex issues that need

to be resolved by the Transitional Committee before going to COP28 in Dubai this December.

Three separate sessions were held over three days, of which only the second day was in breakout groups which allowed inputs from non-governmental organisations, experts and others. On the other hand, the first and last days were one long series of prepared statements from groups of countries as well as individual nations, which felt more like a monologue rather than a dialogue.

I hope that the third and final Glasgow Dialogue next year is better organised to enable a real dialogue on the many substantive issues that need to be resolved.

I will attempt to highlight some of the substantive issues that were discussed:

The first issue causing differences of views amongst the parties was whether to focus on creating a new and separate fund for addressing loss and damage under the United Nations Framework Convention on Climate Change (UNFCCC) or to simply acknowledge the ecosystem of different funds that already exist and bring them together

into a "mosaic" of connected funds.

The debate is between creating a "fund" or simply acknowledging "funding arrangements," with developing countries in favour of creating a new fund and most developed countries favouring existing funding arrangements.

While there are justifications for

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both arguments, in my view, it need not be an either-or situation as we could create a specific new fund under UNFCCC which would then act in synergy with other existing funding arrangements. There are already some very specific aspects of losses and damages owing to the adverse impacts of human-induced climate change that are not being addressed by any existing funding arrangements.

One such issue is the forced displacement of millions of people, soon to be tens of millions, from low lying coastal zones and islands as well as from places like the horn of Africa. Just to cite one example, every day it is estimated that over 2000 migrants arrive in Dhaka mostly from the low-lying coastal districts with increasing numbers being displaced due to salinity intrusion into agricultural land. The number of climate displaced people will only increase and there are no systems in place to take care of them. Hence, helping these migrants should be the mandate and responsibility of a new Loss and Damage fund under UNFCCC.

Another major issue being discussed is how to raise additional funds needed for the new Loss and Damage Fund without cannibalising existing adaptation funds. There are a number of proposals for raising funds for loss and damage from innovative sources such as levies on maritime and air travel as well as taxing the profits of fossil fuel companies.

Let me end by sharing the proposal I made in my submission to the Glasgow Dialogue – I proposed that the incoming presidency of COP28 declare their intention to create the Dubai Loss and Damage Fund at COP28 and to put a solidarity levy of \$5 on all air passengers arriving in Dubai during COP28 and put the money into the Dubai Loss and Damage Fund. They could make the announcement now with six months left to challenge the Transitional Committee to come up with a plan to make the new fund operational.