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“Climate Change Funds: Bangladesh Environment Ministry, ERD ad loggerheads

Ministry wants funds in grant, ERD wants in loans”

Shahidul Islam Chowdhury, [NewAge](#), July 23, 2008

The environment ministry and the Economic Relations Division are at loggerheads over accepting foreign loans to finance programmes on climate change adaptation.

While the division is pushing for loan-based multi-donor trust fund sponsored by the World Bank, the environment ministry is pursuing grant-based bilateral funding from developed countries.

‘The Economic Relations Division is trying to sell loan-based funds sponsored by the World Bank to support climate-proof development programmes under a single umbrella and in one kitty,’ said a top official of the finance ministry. ‘But the environment ministry is opposing the division’s plan on the grounds that it contradicts Bangladesh’s stance and the stances of the least developed countries and G-77 in global negotiations on climate change.’

‘If the government accepts the foreign loan proposed by the the division and World Bank for adaptation programmes, it will put extra burdens on the national budget,’ he said.

‘In addition, Bangladesh will lose face to both the LDCs and the G-77 who are negotiating for all-grant funds to finance adaptation programmes as developed countries are responsible for global warming by emitting too much greenhouse gas and innocent countries like Bangladesh are the victims,’ the official said. ‘We will be singled out in the global negotiations and be blamed by every country.’

A section of lending agencies and industrialised countries are pushing the division to accept their proposal to create mainly loan-based trust fund for programmes to adapt to adverse impacts of climate change here, said a senior environment ministry official.

When he was asked about the differences between the environment ministry and the division over their stances on loan-based trust fund, the ERD secretary, Aminul Islam Bhuiyan, on July 15 told New Age, ‘It is impractical to depend solely on grants to implement programmes to adapt to the climate change and tackle natural disasters.’

‘Bangladesh is a disaster-prone country, and the issues of climate change and disasters and programmes to adapt to the emerging situation are intermingled. Bangladesh, as a country with severe resource constraints, needs huge amounts of fund to implement programmes that include heightening roads and embankments and constructing cyclone shelters. But the bilateral and multilateral donors are not coming up with the necessary grants,’ he said. ‘However, they are ready to provide huge loans to finance adaptation programmes.’

Raja Devasish Roy, special assistant to the chief adviser on the ministries of environment and forest and Chittagong Hill Tracts affairs, told New Age on the day, ‘The priority [of the environment ministry] is to create a grant-based trust fund for climate change adaptation programmes.’

‘The government has already created a climate change trust fund of Tk 300 crore in the current [2008-09] annual budget to support mainly adaptation programmes,’ he said. ‘We expect the donor countries to also come up with grants for the fund.’

‘We are not closing the avenue for loans. We may require loans in the future to implement some components of the climate change adaptation programmes. But our emphasis should not be on loans,’ he said.

The Inter-governmental Panel on Climate Change, which was awarded the 2007 Nobel Peace Prize along with former US vice-president Al Gore, has persistently

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said in its recent reports that climate change has an enormous impact on a range of sectors including agriculture, health and access to water, and the poorest and the island countries, including Bangladesh, will be its biggest victims.

The agriculture and water resources adviser, CS Karim, said on the day, 'It is the moral responsibility of industrialised countries to provide compensation for the victim countries for adaptation to climate change, and the "polluters should pay" Principle should be applied here.'

'We are the prime victims of climate change, yet we do not emit even a low amount of greenhouse gases. Our per capita emission of gases is very little, only about 200kg, which is almost next to nothing when individuals in many societies emit 20 tonnes. So they owe us compensation as we are the prime victims of a crime we did not commit,' he told New Age earlier.

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