

# Climate Finance Governance

## The challenge

*A great deal has been written about the dire climate change scenarios that may confront Bangladesh. The predictions are of course based on models; there is no way to know exactly what will happen. But, as Md. Ziaul Haque, Deputy Director, Technical, of the Bangladesh Department of Environment, points out: 'So much depends on what we – in Bangladesh – do.'*

Extreme climatic events are nothing new to Bangladesh, situated as it is on the river delta of the Ganges, the Jamuna-Brahmaputra, and the Meghna and at the northern peak of the Bay of Bengal. Floods cover 20-25% of the land every year and much more in crisis years: in 1988 over 65% of the country was under water. A severe tropical cyclone hits Bangladesh, on average, every three years, frequently accompanied by storm surges, which can reach seven metres high.

However, the impact of climate change is compounding Bangladesh's climate problems and could well overwhelm the capacity of its world-renowned community-based early warning system to cope. In addition, climate change may endanger the remarkable progress that Bangladesh has made in reducing poverty and achieving the Millennium Development Goals.

Bangladesh has not been slow to respond. The Bangladesh Ministry of Environment and Forests (MoEF) gathered the country's leading climate change experts and drew up the Bangladesh Climate Change Strategy and Action Plan (BCCSAP), which was then adopted by the Government of Bangladesh in February 2009. As Dr. M. Asaduzzaman, one of the principle authors of the study, explains, 'The BCCSAP is the blue book for all climate-related activities in the country. It tells you what needs to be done.'

Project name	Promotion of the Climate Change Unit in coordinating the Bangladesh Climate Change Strategy and Action Plan (BCCSAP)
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Project region	Bangladesh
Lead executing agency	Bangladesh Ministry of Environment and Forests
Duration	2013 to 2018

Furthermore, the Government of Bangladesh has organised funding to implement the plan: about US\$350 million of its own money in the Bangladesh Climate Change Trust Fund and around US\$190 million from development partners in the Bangladesh Climate Change Resilience Fund. These funds have supported dozens of adaptation and mitigation projects that are guided by the BCCSAP, for example, embankment repair and the construction of more cyclone shelters.

The problem, according to Dr. Asaduzzaman, is that things are being done on an ad hoc basis, there has been a lack of prioritisation, and planning for climate change is not yet part of the overall planning process for the country. The expertise that the Department of Environment has gathered has remained largely confined to an environmental niche at the MoEF and has not yet been mainstreamed into the planning of all the ministries.

However, if climate change is not integrated into national planning, enormous sums of money could simply be wasted. Dr. Asaduzzaman gives the example of the planned Padma Bridge, which will link south-western Bangladesh with its northern and eastern regions. The original design of the bridge did not take into account that the flow of the Padma River might increase due to climate change – the bridge had to be higher and therefore longer than originally planned.



*Joint planning for climate change adaptation by different ministries increases the effectiveness of climate change policy.*



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*Developing new ideas jointly  
for inclusive public policy.*

Yet it is not so easy to convey the DoE's climate change expertise to the sectoral ministries. Ummea Saima, Senior Assistant Chief in the Planning Wing of the MoEF, explains the problem: 'The MoEF is a small ministry with limited resources. We simply do not have the personnel to go through all the projects of other ministries and advise them. It is not humanly possible. Furthermore, all the ministries have their own mandates and activities.'

## Our approach

In order to develop the capacity of the MoEF to implement the Bangladesh Climate Change Strategy and Action Plan, the Governments of Bangladesh and Germany created the Climate Finance Governance project. The project, which runs from January 2013 to December 2018, is being implemented by the MoEF and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ).

Through the project the MoEF will review and update the BCCSAP, taking a look at what has already been done and prioritising what remains to be done. At the same time, the 7th Five-Year Plan, which is being drawn up now and will go into effect in 2016, needs to be aligned with the BCCSAP. A series of workshops for the sectoral ministries and members of the Planning Commission will therefore be organised to closely examine the climate change issues outlined in the BCCSAP and incorporate the required adaptation and mitigation measures into the 7th Five-Year Plan.

Furthermore, as Saima explains. 'In this project, we also want to

highlight and address the gaps in our financial management for climate change financing, so that we can be accredited to access international climate finance funds, for example, from the UN Adaptation Fund or the Green Climate Fund.' This will be done through technical advising, process consultancy, and training on issues such as budgeting, accounting, reporting, transparent procurement procedures, financial auditing, and environmental auditing.

That all sounds very technical. But if it is done well, the results will be eminently practical. As Deputy Director Md. Ziaul Haque at the DoE puts it: 'We are trying to mainstream climate change in our national development process, so that whatever we do through different line ministries, or sector ministries, it will take climate change issues into account, in development planning as well as implementation on the ground. Ultimately, we are trying to make our society climate resilient, meaning that our society will withstand the adversity of climate change.'

## The benefits

While many of the approaches taken by the Climate Finance Governance Project may seem abstract, they will result in a more efficient and accountable use of money geared at adapting to the negative effects of climate change and at mitigating climate change through low emissions development. Mainstreaming and better coordination can avoid duplication of work by considering climate change from outset of all projects, as the example of the Padma Bridge shows. Similarly improved financial management will benefit the people of Bangladesh through more effective use of funds.

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