

# Improved Coordination of International Climate Finance (ICICF)



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Warmer oceans and violent seas frequently damage fishing gear of poor fishermen, Cox's Bazar

## Context

Bangladesh is expected to graduate from the status of a Least Developed Country (LDC) by 2026. Achievements in economic development are, however, at risk from the impact of climate change. According to the Global Climate Risk Index (CRI) 2020, Bangladesh ranks the 7th among the 10 countries most affected by extreme weather events.<sup>1</sup> Adapting to climate change is thus vital to the country's development.

The Government of Bangladesh already spends USD 1 billion a year, an approximate 6 to 7 percent of the annual national budget, on climate change adaptation. This is set to rise to USD 5 billion annually by 2050 according to World Bank estimates.

The current sources of funds available to meet these financing needs are not sufficient. The country thus plans to vie for increased access to international climate funds under both the 8th 5-Year Plan and in the SDG Financing Strategy by :

- approaching bilateral and multilateral development partners as well as international funding sources
- mobilising sustainable finance from the private sector

Economic Relations Division (ERD), Ministry of Finance is proactively seeking to tap new sources of finance and recognises its role to explore additional sources of external resources mobilisation for climate change. However, ERD requires the necessary organisational setup and climate change related competencies.

GIZ is jointly implementing the Improved Coordination of International Climate Finance (ICICF) project with the Economic Relations Division (ERD), to access, manage, and streamline public and private sector finance for climate action.

1. German Watch, 2019

## Project approach

The aim of the ICICF project is to improve the skills and capacities of national and local actors in the field of climate finance for the implementation of the 2030 Agenda.



**Output 1:** supports ERD to develop institutional structures, processes, and capacities for mobilising international climate finance.



**Output 2:** strengthens preconditions of the private sector to access international climate finance



**Output 3:** supports SDG localisation and access to climate finance for Local Government Institutions (LGI)

Project name	Improved Coordination of International Climate Finance (ICICF)
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Commission value	Up to 3,500,000 EUR
Partner ministry	Economic Relations Division (ERD), Ministry of Finance
Implementing partner	Economic Relations Division (ERD); Ministry of Finance; Infrastructure Development Company Limited (IDCOL); Palli Karma Sahayak Foundation (PKSF); Bangladesh Bank; Governance Innovation Unit (GIU), Prime Minister's Office (PMO)
SDG contribution	No poverty (SDG 1), Zero hunger (SDG 2), Gender equality (SDG 5), Sustainable cities & communities (SDG 11), Climate action (SDG 13), Partnerships for the Goals (SDG 17)
Duration	June 2019 - October 2023

## Outcomes of ICICF interventions



### Output 1

- ◆ An International Climate Finance Cell (ICFC) is set up within ERD to facilitate strategic mobilization and coordination of climate finance in Bangladesh
- ◆ At least 100 officials from ERD, sectoral ministries, PKSF, IDCOL, local government institutions and other relevant stakeholders are trained on topics related to climate finance, including on project reviewing, prioritizing, pitching and matchmaking
- ◆ 15 officials have participated in the Frankfurt School Autumn Academy on climate and sustainable finance related topics
- ◆ An interactive web-portal for exploring international climate finance opportunities is developed
- ◆ Climate change project ideas from the pipeline are prioritized by the ICFC and matched with appropriate funding opportunities
- ◆ 2 climate change projects are pitched by the ICFC to potential financiers



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Consultation workshop with ICFC focal points on climate change project prioritization



### Output 2

- ◆ International Certification Course on Sustainable Finance is introduced and jointly offered by Frankfurt School of Finance & Management and Bangladesh Institute of Bank Management (BIBM)
- ◆ An Operational Strategy is developed together with Bangladesh Bank on the Sustainable Finance Policy which includes an Action Plan for the financial sector
- ◆ 120 bank officials from 4 divisional cities are trained on the Sustainable Finance Policy of Bangladesh Bank while 250 entrepreneurs/ business representatives are made aware on green and sustainable financing with available low-cost financing options
- ◆ An SDG Tracking tool is developed for the Banks and FIs to track SDG contributions from their investments
- ◆ 25 experts from the government, academia, private sector and consulting firms are trained as master trainers for climate change project proposal development
- ◆ 2 finance-ready climate change project proposals for international financing are developed



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Workshop on "Sustainable Financing in Bangladesh" arranged by Bangladesh Bank and GIZ, March 9, 2021



### Output 3

- ◆ An excel tool for City Corporations and Municipalities to report on SDG Achievements from the local level is developed
- ◆ A training manual on "Tools and methods of SDG Localisation for City Corporations and Municipalities of Bangladesh" is developed
- ◆ At least 50 City Corporation and Municipality officials and elected representatives are trained by NILG to use the SDG localisation tool for SDG reporting
- ◆ A methodology to include women and vulnerable communities into the adaptation project planning process is developed for City Corporation and Municipalities. This is piloted at Khulna City Corporation and Sirajganj Municipality with 50% of total participants comprising LNOB representatives
- ◆ 15 City Corporation and Municipality officials are trained on climate change project proposal development
- ◆ SDG good practices from City Corporations and Municipalities are showcased



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Climate migrant representative shares her opinion on women's participation in the decision-making process

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