

## **Dhaka Integrity Dialogue-2: Climate Finance and Governance in South Asia**

### **Climate Change Adaptation Finance in Bangladesh: Governance Standards and Challenges**

**19 September 2017, Dhaka**

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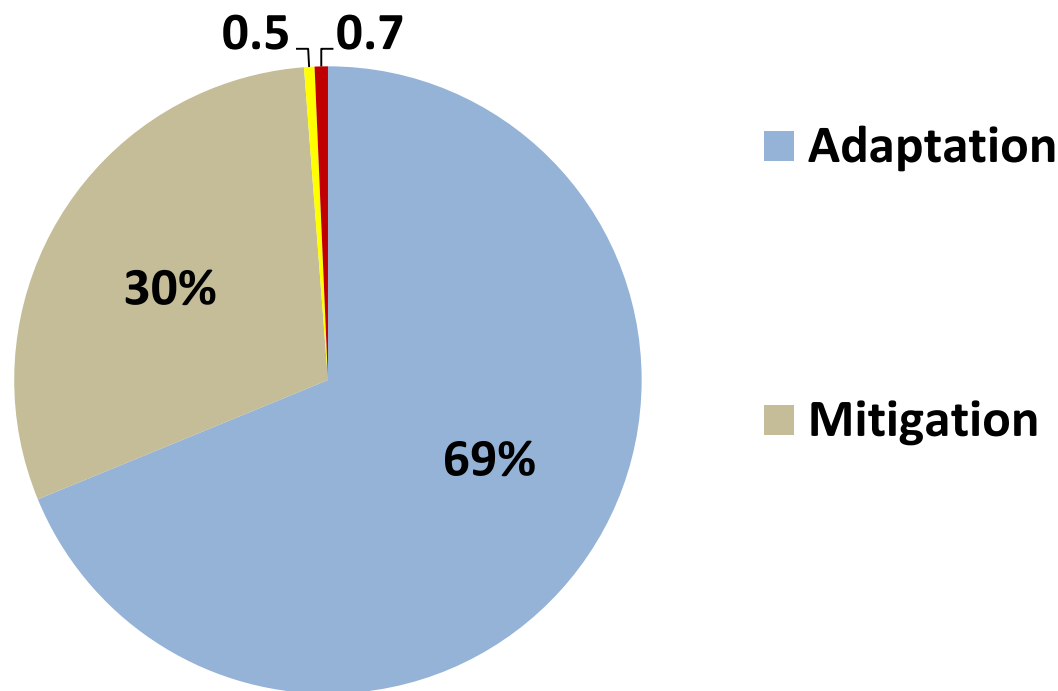
Programme Manager-Research  
Climate Finance Governance

# The study conducted by:

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# Background of the Study

- The largest portion of climate fund is used in climate change adaptation



- International experience and national level work on Climate Finance including field level tracking climate adaptation projects have identified governance deficit as the key challenge.

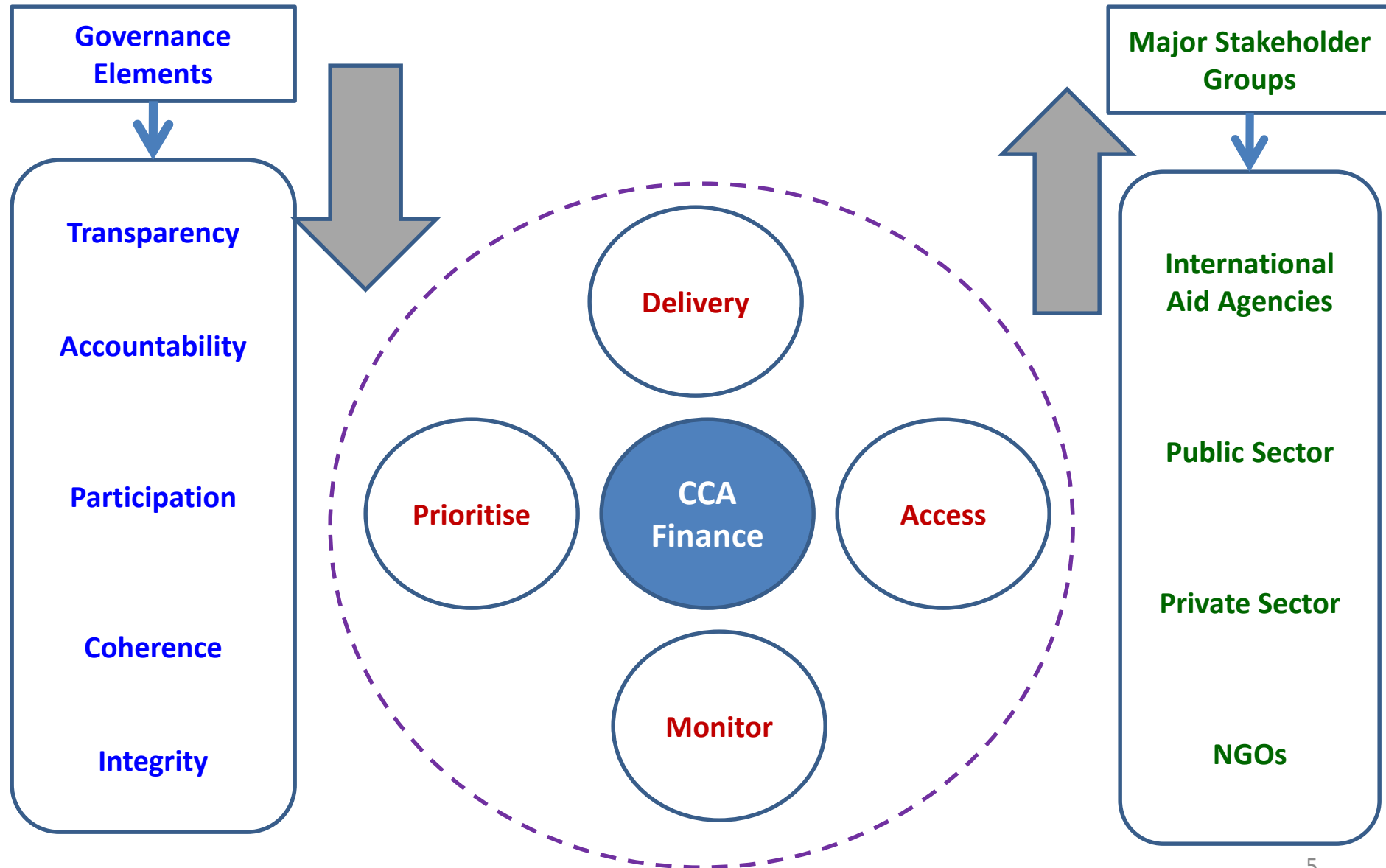
The need to explore the possibility of mutually agreeable standards of Governance has been widely highlighted.

Hence a baseline survey on climate change adaptation finance governance was undertaken involving relevant stakeholders from public, private, NGO and International Agencies as a means to determine a mutually agreed set of standards for adaptation finance governance

## **Outcomes/Objectives**

- Assess the prevailing state of governance in CCA Finance
- Examine sector specific overall institutional ability to prioritize, access, deliver and monitor CCA finance
- Recommend ways and targets to improve the state of governance

# Research Method – Multi-stakeholder involvement



Components of Stages		Definition
CCA Finance		
<b>Prioritize</b>	Planning	Country utilize scientific evidence of climate vulnerability, adaptation plans, projections of impacts, and a review of innovative solutions and practices to prioritize adaptation actions in planning stage
<b>Access</b>	Getting fund	Country's ability (existence of a range of different institutional tools, mechanisms, and modalities) to both access CCA finance directly for project, as well as combining or blending funding from multiple sources in order to support projects
<b>Deliver</b>	Spending	Transfer of funds to the agency that will implement adaptation projects that also includes the ability to tap into and develop skills locally, and to coordinate implementation across a wide variety of projects
<b>Monitor</b>	MRV	Capacity to monitor, report, and verify (MRV) financial flows, expenditures, results of those projects, to verify the accuracy of information

# Research Method:

## Respondents Stakeholder Groups

- **Data collection method:** Online survey
- **Selection of respondents:** Adaptation fund provider, manager, implementer & MRV actors (e.g. public, NGOs etc.) of Bangladesh participated in the survey
- **Number of Respondents:** 35
- **Data collection period:** 15th January to 5<sup>th</sup> March 2017

### International Funders, Aid Agencies and I-NGOs e.g.

Australian High Commission  
Christian Aid  
Bangladesh Water Aid  
Bangladesh British Council

### Public Sector Stakeholders E.g.

BCCTF  
MOP  
MOHFW  
MODM&R  
MOA  
MOWR  
BIDS

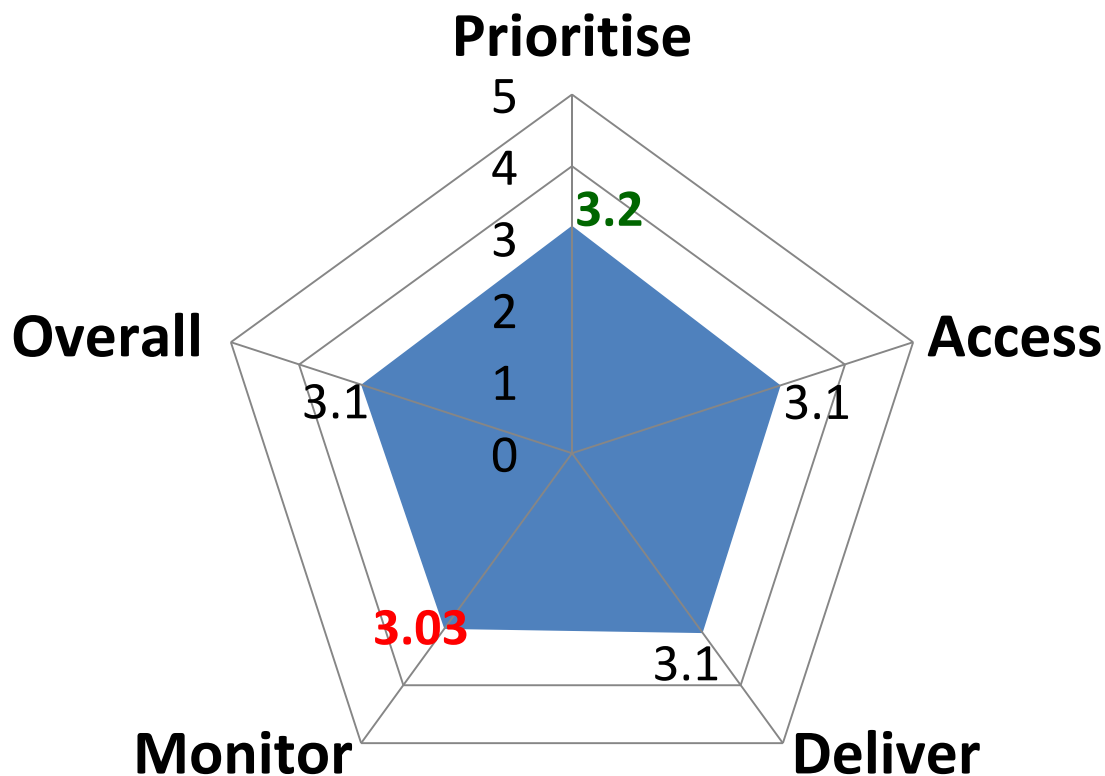
### NGOs e.g.

RDRS  
DAM  
CNRS  
CLEAN  
Aranyak Foundation  
BASA  
NGO Forum for Public Health

### Private Sector Stakeholders e.g.

IDCOL  
IDLC  
BRAC University  
Jahangirnagar University  
The Daily Star  
ATN Bangla Ltd.  
Channel24  
The Daily Prothom Alo

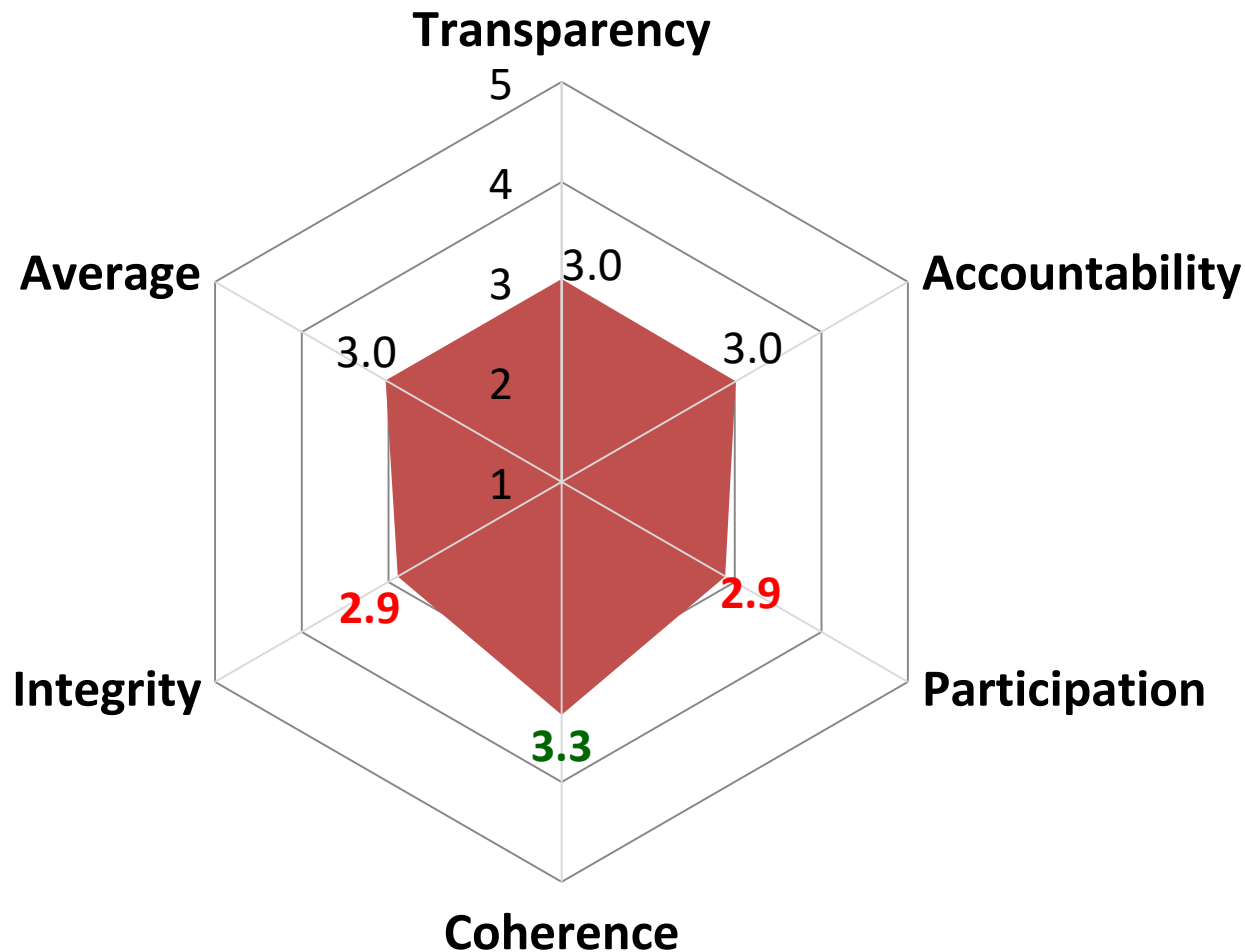
# Component wise state of governance in adaptation finance



***1= Strongly Disagree, 2 = Somewhat Disagree, 3= Neither Agree or Disagree, 4= Agree, 5= Strongly Agree***

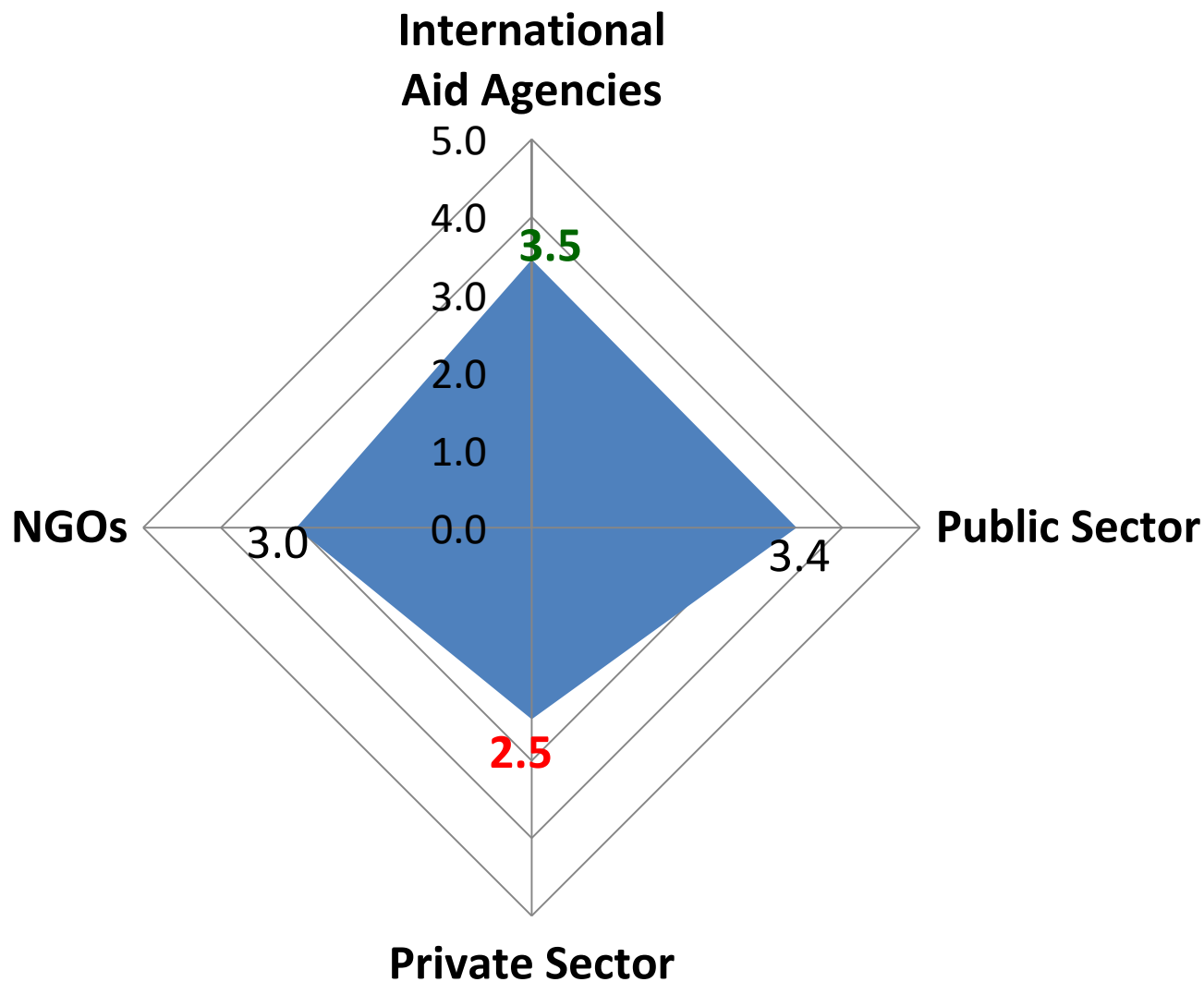


## Indicator wise state of governance in adaptation finance



***1= Strongly Disagree, 2 = Somewhat Disagree, 3= Neither Agree or Disagree, 4= Agree, 5= Strongly Agree***

# Stakeholder wise state of governance in adaptation finance



***1= Strongly Disagree, 2 = Somewhat Disagree, 3= Neither Agree or Disagree, 4= Agree, 5= Strongly Agree***

# Summary of findings

## Component wise strong and weak governance elements

Component	Strong	Nether strong nor weak	Weak
<b>Prioritise</b>	Coherence (3.4) Transparency (3.1)	Participation(3) Accountability(3) Integrity (3)	-
<b>Access</b>	Coherence (3.4) Accountability (3.1)	-	Transparency (2.9) Participation (2.8) Integrity (2.8)
<b>Deliver</b>	Coherence (3.3) Transparency (3.1)	Participation (3.0)	Accountability (2.9) Integrity (2.9)
<b>Monitor</b>	Coherence (3.2)	Transparency (3) Accountability (3)	Participation (2.7) Integrity (2.9)

***1= Strongly Disagree, 2 = Somewhat Disagree, 3= Neither Agree or Disagree, 4= Agree, 5= Strongly Agree***



# Adaptation Finance Governance Assessment: Qualitative Comments and Findings

## Qualitative Findings

### Priorities

- Bangladesh is reviewing its strategy and action plan on climate change and development of national adaptation plan is in progress
- Ministry of Environment and Forest have initiated to carry out area wise vulnerability risks assessment; however, following issues need to be considered to ensure governance in prioritizing-
  - Need to ensure proper vulnerability as well as impacts assessment
  - Bottom-up approach in design of project/program
  - Integration of climate change with development projects/programs is yet to be adopted properly

### Access

- Lack of institutional capacity (fiduciary/fund management, environmental and socio-economic assessment)
- Inadequate disclosures of information about future Climate Finance (Sources, mode of finance - grant vs. loan etc.)
- Absence of meaningful participation of the stakeholders especially affected people in adaptation fund related decision making process Coordination among adaptation fund actors

## Qualitative Findings

### Deliver

- Inadequate knowledge and understanding of local officials of the implementing entity
- Lack of accountability
- Inadequate participation of CSOs and local community in decision making as well as project design
- Limited disclosure, political influence in project approval and award of the contract
- Absence of coordination among stakeholders

### Monitor

- Strong legal mandate of C&AG for audit
- IMED has potential to ensure effective monitor, report and verification; however
- Coordination gap among monitoring and auditing authorities (BCCTF, IMED, C&AG) exists
- Absence of mechanism to include affected community in monitoring implementation

# Way forward

- ❑ Specify climate finance allocation based on scientific evidence
- ❑ Disclosing public information with a priority
- ❑ Among government stakeholders, Ministry of Finance & BCCTF can play a key coordinator role in climate financing and project implementation.
- ❑ multi-layer stakeholder's forum could help to accelerate the public-private joint interventions and develop a dynamic strategy to address the issue based on its priority.

# Way forward...

- ❑ prioritizing a publicly accessible and transparent system (e.g. following e-tendering, well-defined TOR for independent assessment, dissemination of technical/project evaluation reports, and relevant government documents etc.) for making the process visible and transparent.
- ❑ To ensure a strong delivery mechanism for climate projects, government should take the key role where they need to collaborate with other stakeholders and focus on the bottom-up approach.
- ❑ To strengthen the climate fund monitoring system, stakeholders should have a people's oriented approach and engage communities more in the monitoring activities.

# THANK YOU

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