

Dhaka Integrity Dialogue 3: Equity and Transparency in Green Climate Funding

18 September 2018, Dhaka

Organized by Transparency International Bangladesh (TIB)

The Green Climate Fund (GCF) is a global fund, created as a financial mechanism of the United Nations Framework Convention on Climate Change, to address the critical climate change mitigation and adaptation needs of developing nations. It aims to deliver equal amounts of funding to mitigation and adaptation, and the main purpose is to promote a paradigm shift to low-emission and climate-resilient development, taking into account the needs of nations that are particularly vulnerable to climate change impacts.

At the Copenhagen climate change negotiations in 2009, advanced economies have formally agreed to jointly mobilize USD 100 billion per year by 2020 from a variety of sources, and that a major share should be channeled through the GCF. As of May 2018, the GCF has only raised USD 10.3 billion equivalent in pledges, and is in a precarious position as it is running out of money fast. The U.S. is most unlikely to pay the remaining \$2 billion out of its committed \$3 billion. Furthermore, the fund has lost another \$1 billion due to the devaluation of the euro and the British pound. These two factors alone account for a total loss of roughly \$3 billion out of the \$10.3 billion that the fund reportedly has so far¹. This meager amount of available fund and a rather grim prospect of flow of further funds hamper the climate actions of climate change affected countries planned under the National Determined Contributions, which in turn are likely to affect the sustainable development outcomes.

There is also growing concern among developing countries that rich countries are trying to “unilaterally apply new eligibility criteria” which will effectively block access to grants for climate vulnerable middle income countries. This would essentially contradict the objectives of GCF.² Matter of concern is that “GCF failed to approve almost a billion dollars in proposed projects during a critical year for climate action with the rule book of the Paris Agreement on climate change expected to be finalized by the end of 2018”³. More frustrating, the share of the GCF portfolio of approved projects financed by grants is only 43 per cent whereas that of loans is also the same (43 per cent), followed by equity (11 per cent), and guarantee (3 per cent), deviating from the Paris Agreement that emphasized more on grant based public financing for vulnerable countries.⁴ GCF provision of 50:50 balance between mitigation and adaptation has also been undermined as only 29% is allocated for adaptation in vulnerable countries.

At the national levels, there is a major concern about the capacity of potential National Implementing Entities (NIEs) particularly in terms of complying with the complicated and lengthy process of accreditation and dealing with complex formats and templates. Notably enough, already the majority of the 76 approved projects are managed by the Multilateral Implementing Entities (MIEs). In this context, it is imperative that the developing countries join hands to enhance their fund-raising capacity and raise their voice for ensuring equity, transparency and accountability in GCF funding, particularly in keeping with the spirit of the Paris Agreement.

Transparency International Bangladesh (TIB) has been working on Climate Finance Governance (CFG) since 2011 and has mainstreamed CFG in its core work. The primary focus of TIB’s CFG work includes monitoring of the state of transparency and accountability in climate change project funding and its utilization. Many of the governance challenges, as identified by TIB, have been

¹<https://www.devex.com/news/at-the-un-s-green-climate-fund-the-honeymoon-is-over-93093>

² <http://www.climatechangenews.com/2017/11/20/rich-countries-trying-turn-climate-fund-world-bank/>

³ <https://www.devex.com/news/at-the-un-s-green-climate-fund-the-honeymoon-is-over-93093>

⁴https://www.greenclimate.fund/documents/20182/1087995/GCF_B.20_Inf.06_-_Status_of_the_GCF_portfolio_approved_projects_and_fulfilment_of_conditions.pdf/2c4ea374-5f4e-3cfc-ae78-c4b82cb81a3d

acknowledged by the Bangladesh Government's current 7th Five Year Plan⁵ and international actors⁶. As part of TIB's advocacy for transparency and accountability in climate finance, it organized two international dialogues in March 2016 and September 2017, bringing together relevant stakeholders and experts from home and abroad.

As a follow up to the 2016 and 2017 initiatives, TIB has planned to organize "Dhaka Integrity Dialogue 3: Equity and Transparency in Green Climate Funding" in Dhaka on 18th September 2018. The objective of the initiative is to bring together policymakers and government officials, non-government organizations (international, national and local), experts/academics, researchers, policy think tanks, and practitioners with grassroots experience and the national implementing entities who are currently implementing GCF, or will be possibly involved with GCF for an informed dialogue on key governance issues impinging on the prospect of flow of GCF funds to countries worst affected by climate change. Specific objectives of the initiative are to:

- Identify prospects and challenges in ensuring equity and transparency in mobilizing and accessing the Green Climate Fund;
- Share knowledge and build common understanding of the necessary good governance standards in accessing and utilizing funds from the GCF by existing and potential national implementing entities, NGOs and the private sector;
- Strengthen collaboration and cross-country knowledge of experts, practitioners, policy makers and development partners in vulnerable countries.

Dhaka Integrity Dialogue structure and programme

The dialogue will be held in Dhaka, Bangladesh on 18th September 2018. The dialogue will consist of plenary sessions with participation of panels of experts and practitioners. It will be conducted in English.

Participations

The Dhaka Integrity Dialogue will be participated by experts in climate finance, climate change adaptation and related governance issues including policymakers and government officials, non-government organizations (international, national and local), academics, researchers and representations of policy think tanks, and practitioners with grassroots experience.

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⁵For details please see, Government of Bangladesh, Ministry of Planning, 7th Five Year Plan FY2015-2020, p.460

⁶ <http://www.waterintegritynetwork.net/2015/08/25/resisting-corrupt-practices-in-climate-change-adaptation/>

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Equity and Transparency in Green Climate Funding
18 September, 2017, Dhaka
Organized by: Transparency International Bangladesh (TIB)
Venue: Bangabandhu International Conference Center (BICC)

08:30-09:00	Participant registration		
Time	Theme	Resource Person	Issue of Discussion
09:00-09:30	Dialogue Opening and Welcome Speeches	Dr. Iftekhar Zaman Executive Director TI-Bangladesh	Overall objectives of the Integrity Dialogue and expected outcomes
09:30-11:00	Plenary Session-1: Transparency Accountability and Integrity in Mobilizing Green Climate Fund: Challenges and Prospects	<p>Moderator Nur Ahmed Deputy Secretary United Nations-V (Supernumerary) Economic Relations Division Govt. of the People's Republic of Bangladesh</p> <p>Speakers</p> <ul style="list-style-type: none"> ▪ Ziaul Hasan ndc Chairman (Additional Secretary) Bangladesh Space Research and Remote Sensing Organization (SPARRSO) Govt. of the People's Republic of Bangladesh ▪ Dr. Ahsan Uddin Ahmed (tbc) Executive Director Center for Global Change & Member, ITAP, Green Climate Fund ▪ Md. Ziaul Haque LDCs Coordinator, Bangladesh Delegation & Director, Department of Environment ▪ Dr Edward Morgan Research Fellow Griffith Climate Change Response Program Griffith University, Australia 	<ul style="list-style-type: none"> ▪ Meeting the commitment of Paris Agreement in mobilizing climate funds to GCF by developed ▪ Predictability of future flow of funds to GCF ▪ Transparency and accountability of fund providers ▪ GCF modalities, procedures and guidelines ▪ Challenges and opportunities to ensure equity in decision making process in GCF Board
11:00-11:30	Tea/Coffee		
11:30-	Plenary session-2:	Moderator	▪ Prospects and

13:00	Access to Green Climate Fund by Vulnerable Countries: Prospects and Challenges	<p>M. Raquibul Amin Country representative IUCN Bangladesh</p> <p>Speakers</p> <ul style="list-style-type: none"> ▪ Amjad Abdulla (tbc) Director General Climate Change Department, Ministry of Environment and Energy The Republic of Maldives ▪ S. M. Mehedi Ahsan Urban Climate Resilience Specialist, KfW Bangladesh ▪ Abraham Kaamino Sumalinog Climate Change Integrity Program Coordinator TI-Korea ▪ M. Zakir Hossain Khan Head (Senior Program Manager) Climate Finance Governance Unit, TI-Bangladesh 	<p>challenges in accessing GCF by developing countries</p> <ul style="list-style-type: none"> ▪ Accreditation of NIE and time bound decision making process ▪ Priorities in Direct and Indirect Access ▪ Capacity of NIEs ▪ Country ownership and MIE's Accountability ▪ Role of NDA in expediting access to GCF ▪ Meaningful participation in prioritizing the project/programs
13:00-14:00	Lunch		
14:00-15:30	Plenary session-3 : Disbursement and Monitoring Utilization of Green Climate Funds and Projects: Prospect and Challenges	<p>Moderator Professor Sumaiya Khair PhD Adviser Executive Management TI-Bangladesh</p> <p>Speakers</p> <ul style="list-style-type: none"> ▪ Ibrahim Pam Head Independent Integrity Unit Green Climate Fund Secretariat ▪ Mohammad Iftekhar Hossain Deputy Commissioner, Satkhira District ▪ M. Mosleh Uddin CIMA Adv. Dip. MA (UK) Head Green Climate Fund (GCF) Unit ▪ Md. Mahfuzul Haque Program Manager Climate Finance Integrity Program 	<ul style="list-style-type: none"> ▪ Grant Vs Loan in fund allocation ▪ Transparency and accountability in disbursement of approved funds ▪ Stakeholders engagement to monitor GCF projects ▪ Auditing, reporting and disclosure of project information ▪ Compliant and Grievance Redress Mechanism ▪ Community-led monitoring utilization/ implementation of GCF

15:30-16:00	Tea/Coffee		
16:00-17:00	Closing session	<p>Moderator Dr. Iftekhar Zaman Executive Director TI-Bangladesh</p> <p>Summary Presentation of Proceedings</p> <p>Professor Sumaiya Khair Adviser Executive Management TI-Bangladesh</p> <p>Speech of Guest of Honor Ibrahim Pam Head Independent Integrity Unit Green Climate Fund Secretariat</p> <p>Mohammed Iqbal Hossain Deputy Comptroller and Auditor General of Bangladesh (Senior), Office of the Comptroller and Auditor General</p> <p>Speech of Chief guest Barrister Anisul Islam Mahmud MP Hon'ble Minister Ministry of Environment, Forest and Climate Change Government of Bangladesh</p>	