

A photograph showing a flooded village. In the foreground, there is a concrete embankment or dike. Beyond it, the water is murky and brown. Several houses are visible, some with damaged roofs and walls. One house has a prominent rusted metal roof. Trees are scattered in the background, some with green foliage and others appearing bare or damaged. The sky is overcast.

# Green Climate Fund



TRANSPARENCY  
INTERNATIONAL  
BANGLADESH

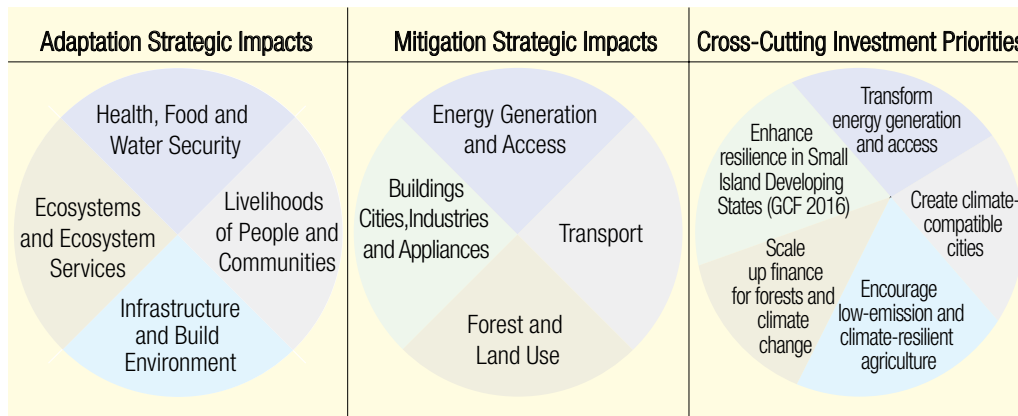
*Social movement against corruption*

## What is the Green Climate Fund?

The Green Climate Fund (GCF) is an international funding mechanism established by 194 countries party to the UNFCCC in 2010. The Funds headquarter is located in Songdo, South Korea and governed by 24 independent Board members. Board members are guided by the Conference of the Parties to the Convention (COP) and accountable to the UNFCCC. The Fund is created to support climate change adaptation and mitigation effort of developing countries and will mobilise US\$100 billion in climate finance by 2020 by engaging the people, public and private institutions to make the countries more resilient to climate change (GCF 2015).

## What type of projects will it finance?

The GCF provides half of its funds for adaptation and the other half for mitigation projects and programmes that contribute towards achieving at least one of its eight strategic impacts and result areas, divided into two categories; four for mitigation and four for adaptation (GCF 2016). GCF also has five cross-cutting investment priorities that spread across its adaption and mitigation result areas;



These interventions will be implemented through a wide range of institutions across countries and regions, responding to country needs and vulnerability.

## How is the GCF's work governed at country level?

GCF Focal points in each country are called National Designated Authorities (NDAs). These are nominated by the recipient countries to function as the core interface between the country and the GCF. NDAs also ensure that the









Fund's programming is 'country owned', aligned with strategic national objectives, priorities of action for adaptation and mitigation and needs. Like the Adaptation Fund, recipient countries have direct access in GCF funding. To get funding, national, subnational and regional implementing entities or intermediary organizations need to follow the "accreditation" process. This is designed to assess whether the organizations are capable of strong financial management and can safeguard the funded projects and programmes against any unforeseen environmental or social harm.






### GCF Projects in Bangladesh and Maldives




So far the GCF has accredited 48 national, regional and multilateral implementing entities and received 46 funding proposals worth of US\$ 3.2 billion. Among the received proposals, 34 are public-sector proposals and 12 are private-sector proposals. Based on thematic area, 21 proposals are for adaptation, 11 are for mitigation, and rests 14 are for cross-cutting issues. In November 2015, the GCF Board approved its first batch of eight projects. Bangladesh and Maldives, being among the most vulnerable to effects of climate change have received two projects for adaptation in the first round of allocation.



Both are public sector projects to be implemented through the Multilateral Implementing Entities (MIE). The approved project for Bangladesh is designed to construct cyclone shelters and rural infrastructures while the one in Maldives aims to build water infrastructure for supplying water to water scarce islands. Snapshots of the principal elements of both projects are given below:

Bangladesh	Criteria	Maldives
<ul style="list-style-type: none"> <li>- Climate Resilient Infrastructure Mainstreaming</li> </ul>	 Project Name	<ul style="list-style-type: none"> <li>- Supporting vulnerable communities in Maldives to manage climate change-induced water shortages</li> </ul>
<ul style="list-style-type: none"> <li>- Total amount: US\$80 million</li> <li>- GCF grant: US\$ 40 million</li> </ul>	 Approved amount	<ul style="list-style-type: none"> <li>- Total amount: US\$23,636 million</li> </ul>
<ul style="list-style-type: none"> <li>- Economic Relations Division (MoF)</li> </ul>	 Country Focal Point/NDA	<ul style="list-style-type: none"> <li>- Ministry of Environment and Energy</li> </ul>
<ul style="list-style-type: none"> <li>- KfW Development Bank</li> </ul>	 Accredited Entity (AE)	<ul style="list-style-type: none"> <li>- UNDP</li> </ul>
<ul style="list-style-type: none"> <li>- Overseeing the management and implementation of project</li> <li>- Procurement oversight and project monitoring</li> </ul>	 Responsibility of Accredited Entity (AE)	<ul style="list-style-type: none"> <li>- Project preparation, implementation, supervision, financial management, overseeing project completion and evaluation</li> </ul>
<ul style="list-style-type: none"> <li>- Local Government Engineering Department (LGED)</li> </ul>	 Executing Entity	<ul style="list-style-type: none"> <li>- Ministry of Environment and Energy</li> </ul>
<ul style="list-style-type: none"> <li>- Project lifespan: 6 years</li> <li>- Start: 01/04/2016</li> <li>- End: 31/03/2022</li> </ul>	 Duration of project	<ul style="list-style-type: none"> <li>- Project lifespan: 5 years</li> <li>- Start: 15/02/2016</li> <li>- End: 14/02/2021</li> </ul>
<ul style="list-style-type: none"> <li>- Construction of 45 new cyclone shelters and rehabilitation of 20 other shelters in three coastal districts</li> <li>- Construction of 80 km stormproof access roads</li> <li>- Establishment of a Climate Resilient Local Infrastructure Centre (CReLIC) in LGED office</li> </ul>	 Focus of the project	<ul style="list-style-type: none"> <li>- Providing fresh water in four outer islands</li> <li>- Installation of Integrated water systems in four most vulnerable islands in the northern regions</li> <li>- Construction of water production and distribution hubs in 7 northern atolls</li> </ul>

Bangladesh	Criteria	Maldives
<ul style="list-style-type: none"> <li>- Providing protection roughly to 85,000 inhabitants from storms and flooding</li> <li>- Creating 1,700 full-time jobs and 18,000 children's primary school facilities</li> <li>- Reduction of 20 % local transport costs</li> </ul>	 <p>Project beneficiary</p>	<ul style="list-style-type: none"> <li>- Uninterrupted and safe water supply to 32,000 people in 42 islands</li> <li>- Ensuring water supply during dry season to 73,000 people</li> </ul>
<ul style="list-style-type: none"> <li>- Three coastal districts: Bhola, Barguna and Satkhira</li> </ul>	 <p>Implementation area</p>	<ul style="list-style-type: none"> <li>- 49 islands across 13 atolls</li> <li>- 4 most vulnerable islands: H.Dh. Nohivaranfaru, B. Dharavandhoo, Sh. Foakaidhoo, Raa. Maduvvaari</li> </ul>
<ul style="list-style-type: none"> <li>- ESIA is done in two sample sites for an exemplary basis</li> <li>- No land acquisition is required</li> <li>- Setting up an Environmental and Social Management Framework, a Land Acquisition and Resettlement Policy Framework to guide construction activities to comply with KfW's sustainability guidelines and IFC Performance Standards</li> </ul>	 <p>Compliance issues (SIA EIA &amp; others)</p>	<ul style="list-style-type: none"> <li>- ESIA is done in three islands under UNDP's Adaptation Fund's project</li> <li>- ESIA's &amp; Integrated Water Resource Management (IWRM) will follow the Environmental Protection Agency (EPA) guideline in target islands</li> <li>- Compliance with site specific EIA requirements to install Water System</li> <li>- An upcoming Water Act will guide the principles of IWRM</li> </ul>
<ul style="list-style-type: none"> <li>- KfW procurement guidelines will be followed and LGED-KfW Standard GoB procurement procedures will be applied if it aligns with KfW guidelines</li> <li>- Int. Competitive Bidding (ICB) and National Competitive Bidding (NCB) will be applied</li> <li>- New e-GP (e-Government Procurement) system will be used, if compatible with KfW guidelines</li> </ul>	 <p>Contractor selection process</p>	<ul style="list-style-type: none"> <li>- UNDP will undertake all procurement following UNDP financial regulations and rules</li> <li>- Lowest bidder will be selected through a competitive procurement process</li> <li>- Government procurement rules will be followed by government implementing partners if it is aligned with UNDP procurement rules</li> </ul>
<ul style="list-style-type: none"> <li>- Project Management Office-PMO will implement the project engaging the following committees</li> <li>- Project Coordination Committee-PCC: Officials from LGED, Department of Disaster Management, Red Cross, Red Crescent Society</li> <li>- Project Steering Committee-PSC: Secretary and Deputy Chief-LGD, Additional Chief Engineer-LGED</li> <li>- Consultative Advisory Group-CAG: Climate change experts invited by LGED from DPs, NGOs</li> </ul>	 <p>Stakeholder engagement</p>	<ul style="list-style-type: none"> <li>- The project support is to be made up of the following groups;</li> <li>- Technical Groups (Government Agencies like MEE, MHI, utility companies like FENAKA, STELCO, MWSC and independent water experts)</li> <li>- Awareness and Advocacy Groups (community members and social groups such as women's groups)</li> <li>- Private Sector Group</li> </ul>

Bangladesh	Criteria	Maldives
<ul style="list-style-type: none"> <li>- No specific provision mentioned in project proposal</li> </ul>	 <p>Disclosure of information</p>	<ul style="list-style-type: none"> <li>- No specific provision is mentioned in project proposal</li> </ul>
<ul style="list-style-type: none"> <li>- Project Director appointed from LGED will:</li> <li>- Prepare work plan, oversee implementation, liaise with relevant ministry, KfW and stakeholders</li> <li>- Set up scientific and academic partnerships for CReLIC</li> <li>- Review bidding documents consistent with PPR-2008, KfW &amp; GCF regulations</li> </ul>	 <p>Implementation</p>	<ul style="list-style-type: none"> <li>- Project Manager is responsible for day-to-day project monitoring, implementation and he will:</li> <li>- Develop annual work plans</li> <li>- Inform Project Board and UNDP country Office of any delays or difficulties</li> <li>- Ensure transparency, responsibility and accountability in monitoring and reporting project results by project staffs</li> </ul>
<ul style="list-style-type: none"> <li>- KfW will report to the GCF, at least once a year</li> <li>- LGED will prepare reports (e.g., quarterly progress report, expenditure and reimbursement statements) for KfW, donors &amp; relevant authorities</li> <li>- District Level Executive Engineer will prepare physical &amp; financial reports</li> <li>- A midterm review shall be conducted at the end of the first three years of implementation</li> <li>- LGED will prepare a completion report including the evaluation of outcomes &amp; impacts. Impact will be further monitored by KfW</li> <li>- Final review will be done jointly by GoB &amp; KfW</li> <li>- KfW and GoB will do the joint final review and KfW Evaluation Department will do Independent impact evaluation by 2-3 years of project completion.</li> </ul>	 <p>Monitoring, evaluation and audit and reporting</p>	<ul style="list-style-type: none"> <li>- UNDP will perform monitoring and reporting throughout the reporting period, including semi-annual reporting</li> <li>- A project implementation report will be prepared for each year of the project implementation in coordination with UNDP and Project Manager</li> <li>- An independent mid-term review process will be undertaken</li> <li>- There will be a final Mid-Term Review (MTR) report prepared under the guidance of UNDP</li> <li>- Project-level monitoring and evaluation will be undertaken in compliance with the UNDP.</li> </ul>



## Why is transparency and accountability so important for the GCF to be successful?

GCF is one of the first global funds to adequately prioritise climate change adaptation financing. To ensure best use of adaptation finance, there are transparency, accountability and participation related challenges in implementation.



The challenges in project implementation include lack of prioritization, inadequate participation of CSOs and local community in project monitoring, fiduciary risks, absence of grievance redress mechanisms, non-disclosure of information at different stages of a project cycle. Deficits in good governance often lead to substandard work and misuse of climate finance, which in turn increases people's vulnerability and undermines adaptation efforts.

As early recipients of GCF finance in South Asia, Bangladesh and Maldives must lead the way in ensuring transparency, accountability and public participation to ensure best use of adaptation finance. Indeed, the engagement of CSOs and affected communities in the tracking and monitoring of GCF projects can enhance project outcomes, prevent corruption and wrongdoing, and ensure that the benefits of the projects actually reach the most vulnerable.

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