

Assessing Synergy between Climate and Development Projects

Which one is more effective, efficient and transparent?

Executive Summary

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Rationale and Objective of the Study

This study was designed to understand whether projects funded through development window of finance in Bangladesh like the Annual Development Plan (ADP) is different or similar to that of climate window of finance like Bangladesh Climate Change Trust Fund (BCCTF). The BCCTF is managed by the Ministry of Environment, Forests and Climate Change whereas the ADP is managed by the Ministry of Planning and Ministry of Finance. It was, therefore, studied also to understand whether the new window of financing climate projects is more efficient, effective and sustainable. On the contrary, if they are both similar in nature then a pertinent question is whether there is a need to have separate windows.

Study Method

Analysis of differences in perception of the stakeholders between BCTTF and ADP projects has been done using several criteria. Differences in the impact of the projects were estimated based on perception on a) economic impacts, b) poverty impacts, c) social impacts, and d) resilience impacts. Perceptions on these impacts are derived using the Likert scale on these categories from the stakeholders of the projects. Stakeholders include, a) beneficiaries, b) local community members (non-beneficiaries), and c) project personnel. Furthermore, both of the projects were also tested based on perception of their stakeholders on the basis of DAC criteria and on the basis of transparency and accountability criteria.

Study Area and Data

Keeping in mind the objective of the research, a field-based questionnaire survey on the stakeholders of the projects was conducted. The survey was conducted at 31 project sites from four coastal districts - Barguna, Bhola, Cox's Bazar and Satkhira. A total of 390 responses were thus collected from the stakeholders of the 17 BCCTF and 14 ADP projects. A three level stratification were involved while selecting 17 BCCTF projects randomly out of more than 400 projects. In addition, 10 responses were collected through key informant interviews. Data collection, data analysis and report writing was from July 2018 to May 2019.

Study Findings

Global Climate Fund Flow

So far it has been able to receive a pledge from the rich countries equivalent of 30.4 billion US dollars while actual deposit to the fund is only 26.1 billion US dollars. From this, 19.3 billion US dollars has been approved for various projects but real disbursement is only 6.8 billion US dollars. Of the total approved projects under global climate funds, nearly 77% of are allocated to non-LDC countries while in terms of disbursement, it is about 79% of total disbursed funds. Share of LDC countries is only 23% of the total pledged amount; of which, more than 60% are for low-income LDCs. The Non-LDCs mostly received commitments from multi-country, regional and global funds. UMIC LDCs, LI non-LDCs, and HI-LDCs have received the least of the climate funds.

Economic Impacts

In five different indicators for economic impacts, development activities are perceived significantly better than climate activities in support to improve economic condition and generate improved income for poor. On the other hand, no such differences were found at the project level for other three indicators; diversified economic activities, improved access to market and benefited the *Upazila* in between ADP and BCCTF projects.

Table 1: Perception of local stakeholders on impacts

Statement on project impacts	Percent of stakeholders in agreement			
	BCCTF Impacts of the project	ADP	Climate Impacts of the activities	Development
Economic impacts				
Improved the economic condition of the locality	78	84	69	100*
Increased income of the poor in the community	76	81	68	95*
Diversified economic activities in the area	83	79	72	96
Improved access to a market for local people	84	75	76	100
Benefited the Upazila as a whole	95	79	84	100
Poverty reduction impact				
Improved transportation facilities in the area	85	83	76	100
Facilitated microfinance activities in the community	52	29	29	98**
Improved open access fisheries for local people	61	86	65	99
Improved culture fisheries for local communities	78	50	55	98
Improved access to water for irrigation for farmers	56	43	32	98 ^{NA}
Improved access to electricity to local communities	67	67	60	100
Improved tourism activities in the area	64	74	58	100
Social impacts				
Facilitated women empowerment	93	87	92	96
Improved access to education	91	78	78	100
Improved access to health	53	69	59	100 ^{NA}
Improved sanitation services/facilities in the community	67	39	52	100
Improved access to safe water	40	20	29	98 ^{NA}
Environmental / resilience impacts				
Improving the environment	75*	33	28	100 ^{NA}
Improved biodiversity in the area	78	83	65	100*
Creating the ability of the people to deal with disasters	77	87	72	98
Reduced the risk of flooding	78	75	61	100*

Source: ACD survey on stakeholders 2018. Note: * significant at 10%, ** significant at 5%, and *** significant at 1% level. ^{NA} means not enough data to do statistical tests.

Poverty Impacts

In all seven different indicators for poverty reduction, development activities and climate activities are perceived to have similar impacts except for facilitating microfinance activities. There found no difference between projects implemented under ADP or BCCTF in terms of improving transportation facility, access to water for irrigation, access to electricity, open access fisheries, culture fisheries, and tourism facilities.

Social Impacts

Development and Climate projects are similar in terms of their social impacts according to the perception of the stakeholders. In these case five indicators that were observed were project impact in terms of improving access to education, access to health services, sanitation facilities and access to safe drinking water.

Resilience Building and Environmental Impacts

Development and climate projects are also found similar in terms of resilience building. Four indicators were analyzed in these assessment – project's impact to improve environment, to increase bio-diversity in that specific area, to create ability to deal with disasters and to reduce the risk of flooding.

DAC Evaluation Criteria

- ADP financed projects are perceived to be better than that of BCCTF financed projects in terms of effectiveness (measured in terms of rendering benefits to the communities) and efficiency (measured in terms of being managed well) by their stakeholders.
- Both types of projects are perceived to be similar in terms of other DAC criteria such as relevance to the communities, timeliness of completion and sustainability.

Table 2: Percent of stakeholders in terms of project impact evaluation criteria

Criteria of Evaluation	By Activities		By Source of Fund	
	BCCTF	ADP	Climate	Development
DAC Criteria				
Relevance	96	98	96	100
Effectiveness	88	97**	87	100**
Efficiency	64	93***	67	100**
Timely implementation	70	82	65	100**
Continued to generate benefit(s) - sustainability	75	89	75	90
Transparency and Accountability Criteria				
Financial transparency	86**	57	62	100*
Acceptable Quality of work	63	94***	72	90
Targeted the right group of people	87	92	83	100**
Transparent to local communities	80	88	73	100**
Local recruitment in project jobs	61	85*	68	80

Source: Authors calculation from ACD field Survey 2019. Note: * significant at 10%, ** significant at 5%, and *** significant at 1% level.

Transparency and Accountability

Stakeholders thought that the BCCTF projects were financially transparent, they also thought that the quality of work was not acceptable to them.

- While it was not studied in this research, it could also be due to size of projects as an ADP project is more than double the size of an average BCCTF project.
- Another possible explanation is that while BCCTF projects handled financial matters efficiently it may not have been efficient in managing the tasks performed under the project.

Concluding Remarks

The study concludes that projects financed through the ADP windows are relatively (a) more effective to stakeholders and (b) better aligned to meet DAC criteria. As such, BCCTF projects may benefit from following the project implementation and monitoring process of the ADP projects. Finally, since many of the ADP projects have also climate components, there is also a need to carefully segregate climate activities of the development projects in order to access global climate funds.
