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# **Abbreviations and Acronyms**

AusAid Australian Aid

BCCRF Bangladesh Climate Change Resilience Fund

BCCSAP Bangladesh Climate Change Strategy and Action Plan

BCCTF Bangladesh Climate Change Trust Fund

CALIP Climate Adaptation and Livelihood Protection programme

CC Climate Change

CCRIP Coastal Climate Resilient Infrastructure Project

CDKN Climate Development Knowledge Network

CDMP Comprehensive Disaster Management Programme

CIDA Canadian International Development Agency

COP Conference of the Parties

CPGD Climate Proofing Growth and Development

CSO Civil Society Organisation

DAC Development Assistance Committee

DANIDA Danish International Development Agency
DFID Department for International Development

DP Development Partners

ERD Economic Relations Division

EU European Union

GDP Gross Domestic Product

GCF Green Climate Fund

GEF Global Environment Facility

GIZ Gesellschaft für Internationale Zusammenarbeit

GoB Government of Bangladesh
ICF International Climate Fund

IPCC Intergovernmental Panel on Climate Change

IMED Implementation Monitoring and Evaluation Division

JICA Japan International Cooperation Agency
LAPA Local Adaptation Programme of Action

LCG Local Consultative Group

LGI Local Government Institutions

M&E Monitoring and Evaluation

MoA Ministry of Agriculture



MoEMR Ministry of Energy and Mineral Resources

MoF Ministry of Finance

MOEF Ministry of Environment and Forests

MoLGRDC Ministry of Local Government, Rural Development and Co-operatives

MoP Ministry of Planning

MOWR Ministry of Water Resources

NAMA Nationally Appropriate Mitigation Action

NAP National Adaptation Plan

NAPA National Adaptation Programme of Action

NGO Non-Governmental Organisations

NDA National Designated Authority
NIE National Implementing Entities

NILG National Institute of Local Government
NPDM National Plan for Disaster Management

NASPR National Strategy for Accelerated Poverty Reduction

NSDS National Sustainable Development Strategy

ODA Overseas Development Assistance
PATC Public Administration Training Centre

PC Planning Commission

PES Payment for Ecosystem Services

PM Prime Minister

PPCR Pilot Programme for Climate Resilience

SAWGP South Asia Water Governance Programme

SDC Swiss Development Cooperation

SIDA Swedish International Development Agency

TAF The Asia Foundation

ToC Theory of Change

UNDP United Nations Development Program

USAID United States AID VfM Value for Money



# **Preface and Acknowledgements**

Ricardo-AEA prepared this report for the UK Department for International Development (DFID) Bangladesh.

We would particularly like to acknowledge the continuous support and guidance from Helen O'Connor (DFID-Bangladesh) and Annika Olsson (DFID), and very useful insights from Paul Watkiss (independent consultant). We are also grateful to the many individuals who generously gave their time to the preparation of this study.

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# **Executive Summary**

This is the Final Report for the 'Assessment and Scoping Mission for DFID Bangladesh's New Climate Change Programme'. DFIDB is a major provider of climate financing in Bangladesh, and is now looking to develop an innovative climate change programme to be implemented in the next five years. It will respond to the country's needs, align with GoB priorities, add value in a complex landscape, learn from the past, and build on new relevant research.

Recent relevant work focuses on 'Transformational change' and 'Value for Money'. It is necessary to move away from a focus only on adaptation: there is the need for building resilience to avoid the risk of maladaptation and enable 'transformational change'. Also, through the Intergovernmental Panel on Climate Change (IPCC)'s 'iterative management framework' to build resilience, and DFID's 'Early Value for Money Toolkit', the focus of early adaptation has changed in recent years, away from a longer-term perspective around the future impacts of climate change, to implementing adaptation over the next few years. (IPCC, 2014; Watkiss et al., 2014; and Tarazona et al., 2014).

Bangladesh is extremely climate vulnerable, and will be even more so due to climate change. There are high existing impacts in Bangladesh from current climate variability from floods, cyclones, and droughts, exacerbated by the already very high level of multidimensional poverty. In addition, the country faces extremely large long term challenges from climate change, in particular from sea level rise and higher cyclone intensity and frequency. In South Asia – and Bangladesh particularly - projections indicate there will be more frequent extreme events coinciding with zones of considerable poverty (IPCC, 2014; and CDKN, 2014).

Water is a problem in all its forms in Bangladesh. Most central and coastal areas will be increasingly prone to flooding, so water management and governance improvement are priority measures. Areas that are instead dry will face increasing probabilities of droughts, implying that water security and access to water would require support.

The Government of Bangladesh (GoB) has already made considerable progress in addressing climate change, and investments have increased the resilience of Bangladesh. GoB has developed plans and programmes, of which the most important is the Bangladesh Climate Change Strategy and Action Plan (BCCSAP), and is developing its National Adaptation Plan (NAP), due in 2018. It has mandated the Ministry of Environment and Forests (MoEF) to act as focal point for climate change, with some degree of mainstreaming of climate change in sectoral plans taking place, despite coordination challenges and capacity gaps. GoB has also made substantial budget allocations to the Bangladesh Climate Change Trust Fund (BCCTF).

There are a number of other key stakeholders in the climate change sphere. In addition to other relevant Ministries, there are over 5,000 rural and urban Local Government Institutions (LGI). Civil Society Organisations (CSOs) are very active, and provide the basis for the development of Community-Based Adaptation (CBA) activities. Bangladeshi media are vocal on disaster issues, and the private sector, whilst being vibrant, hasn't been very engaged in climate change adaptation so far, both in terms of investments and climate proofing its own operations.

The climate finance landscape is complex and crowded, but there are gaps. In addition to government allocations, there is a myriad of multilateral and bilateral players in the climate change sector. A rapid mapping exercise identified potential gaps or need for further support in broad areas of water and waste governance; strengthening evidence and research/data knowledge (linked to institutional strengthening and capacity building); enhancing private



sector engagement and industry; gender; social protection; and urban governance (recognising that this is a huge issue in Bangladesh).

#### We have developed criteria for the assessment of programming options.

- Climate change impacts and vulnerability: The programme builds resilience to both current weather variability and longer term climate impacts; The programme targets vulnerable groups, including women and girls; It has the potential to foster growth and private sector engagement; Pilots innovative technologies with the potential to demonstrate new ways of doing things; Focuses on learning, sharing effective approaches and facilitating replication by others.
- Climate change institutions and stakeholders: The programme doesn't create
  additional (or ineffective) pressure on the monitoring and coordination arrangements
  for climate change; Delivery partners have the necessary capacity for
  implementation, or capacity can be built through support; Delivery partners have
  sufficient quality of governance and resilience; The programme is flexible enough to
  adapt to a changing context and partner demands; There is sufficient local buy-in and
  ownership.
- Climate change policies and programmes: The programme responds to a Government priority; The programme option has been recognised as a gap and is not implemented by, or is a priority of, other donors.
- Alignment with DFID/ICF/DFIDB: Meets UK fiduciary risk requirements; Has the
  potential to deliver UK climate finance at large scale; Complements to the wider
  DFIDB/regional portfolio; Can feasibly be managed by DFIDB team.

The options identified fall into 'standalone' and 'mainstreaming' categories. For standalone programmes, some options could be part of a larger climate change programme that would respond to immediate priority areas (potentially through pilot programmes), and would then offer flexibility to adapt to the changing circumstances in the country. Mainstreaming support: would be through direct support to the GoB to integrate climate change within existing plans and systems, or as mainstreaming into DFID Bangladesh's existing portfolio or new programmes, or offering support through development partners' existing and future programmes.

From a long list of 16 options, we shortlisted seven (3 standalone and 4 mainstreaming). We assessed the options against the criteria with Low, Medium, High applicability. Standalone options may be preferable in the short term, and mainstreaming options in the long term.

Shortlisted Option	Description
Standalone Programmes	
S1 A new multi-donor working modality	A revised multi-donor working modality that ensures a more coherent and coordinated approach for development partners to support the GoB.
S2 A New DFID Strategic Fund	A small and flexible fund with an agreed set of priority areas (e.g. risk and vulnerability; payment for ecosystem services/effective NRM; climate finance governance; low carbon growth/private se3 ctor engagement). Service providers could be government or non-government institutions.
S10 Local Adaptation Plan for Action (LAPA)- type modality	Support GoB in linking top down planning with coordinated and prioritised local level action
Mainstreaming Options	
M1 Planning & Coordination	Targeted support to ministries/government institutions needing to understand climate change for their everyday work e.g in Planning Commission



M2 Public Administration Reform	Embedded training programmes for all new civil service recruits
M3 Climate Finance Governance	Scaling up support to strengthen institutions in managing and governing large scale international climate finance
M6 DFID Bangladesh Country portfolio	Streamlining climate change across DFID-B's priority areas.

A combination and/or sequencing of options may be most viable. Current actions (between now and +5 years) include low or no regret options to address the adaptation deficit (major mainstreaming options), risk screening and resilience options (the strategic fund could finance innovative research and pilot projects for longer term uncertainty), and options that address future climate challenges (such as work to lay the foundation for new multi-donor working modalities). Near future actions (+5-10 years) include options to implement climate change mainstreaming in national and sub-national government (LAPA-modalities in particular) and learning, review, and update (through an iterative process, other standalone programmes may be implemented). Finally, major responses to future challenges (+10 years) would be based on new research and modelling that would have emerged in the previous 10 years. In this phase large transformative actions may be funded (such as actions addressing migration and trans-boundary water issues), in addition to a new and effective multi-donor funding modality.

We identified three key next steps and areas for further research. In order to further validate some of the options, in particular for specific sector-based standalone programmes, it will be necessary to:

- Use the findings from this preliminary work in the design phase of the programme, focusing on developing a detailed Theory of Change with narrowed-down options
- Conduct further research on the feasibility of and modality for standalone programmes on water governance, sustainable urban planning or more discrete initiatives aimed at engaging with the private sector or local level planning
- Carry out more detailed and frequent consultations with other developing partners and the Government of Bangladesh, to ensure alignment of priorities and implementation approaches.





# **SECTION 1**

# Introduction

#### 1.1 Context

Bangladesh is extremely climate vulnerable, and will be even more so due to climate change. There are high existing impacts in Bangladesh from current climate variability from floods, cyclones, and droughts, exacerbated by the already very high level of multidimensional poverty (CDKN, 2014). In addition, the country faces extremely large long term challenges from climate change, in particular from sea level rise and higher cyclone intensity and frequency (IPCC, 2014).

The Government of Bangladesh (GoB) has already made considerable progress in addressing climate change, and investments have increased the resilience of Bangladesh. GoB has developed plans and programmes, of which the most important is the Bangladesh Climate Change Strategy and Action Plan (BCCSAP), and is developing its National Adaptation Plan. It has also mandated the Ministry of Environment and Forests (MoEF) to act as focal point for climate change, and made substantial budget allocations to the Bangladesh Climate Change Trust Fund (BCCTF), resulting in increased investments in structural and non-structural disaster reduction measures. In addition, it has channelled external support towards institutional strengthening, and towards the implementation of specific standalone programmes.

The climate finance landscape is complex and crowded. In addition to government allocations, there is a myriad of multilateral and bilateral players in the climate change sector, each with a distinct set of priorities, agenda, preferred support modalities, and value proposition. Coordination mechanisms are of varying effectiveness, and there are numerous lessons learnt from multi-donor and pooled funds, such as from the Bangladesh Climate Change Resilience Fund (BBCRF).

At the same time, there is the need for resilience to avoid the risk of maladaptation, in order to enable 'transformational change', where appropriate. Resilience means going beyond adaptation, to find ways of reducing the impacts of climate change and severe weather events on societies, and ensure stronger 'bounce-back'. The UK Department for International Development (DFID) and others recognise that adaptation programmes need to be designed in line with activities on disaster risk reduction, social protection, and humanitarian preparedness and response, among others, in order to progress towards 'transformational change' (Tarazona et al. 2014).

The Intergovernmental Panel on Climate Change (IPCC) has also highlighted the need for an 'iterative management framework' to build resilience, and DFID has adapted this through the 'Early Value for Money Toolkit'. The focus of early adaptation has changed in recent years, away from a longer-term perspective around the future impacts of climate change, to implementing adaptation over the next few years. The IPCC recommends the use of an 'adaptive management framework', or iterative process of climate risk management. The 'Early Value for Money Toolkit' is an adaptation of the framework for DFID advisers, and helps to sequence adaptation activities over time (IPCC, 2014; Watkiss et al., 2014).

DFID's new climate change programme will be innovative, whilst operating in the



**context described above.** DFIDB is a major provider of climate financing in Bangladesh, and has been supporting the country through the BCCRF, the Comprehensive Disaster Management Programme (CDMP) and the small Strategic Fund. It is now looking to develop an innovative climate change programme that will: respond to the country's needs, align with Government of Bangladesh (GoB) priorities, add value in a complex landscape, learn from the past, and build on new relevant research.

### 1.2 Scope of work

Ricardo-AEA has been contracted to **investigate the needs and examine the options for the design of a new DFID Bangladesh Climate Change programme**. This project builds on experience gained through the current programmes, and focuses on addressing the needs of Bangladesh in adapting to climate change over different time scales (short – next 5-10 years, medium (10-20) and long term (more than 20 years).

This work will inform the design of the programme, and considers DFID's intention to <u>move</u> <u>away from large multi-donor type arrangements</u>, such as BCCRF, towards 'standalone' programmes – that address specific climate change-related needs - or 'mainstreaming' programmes – that assist policy makers and relevant stakeholders to overcome the challenges of policy reform, such as through capacity building and governance improvement.

This work captures the insights from DFID's '<u>Early Value for Money Toolkit'</u> (Watkiss et al., 2014). The framework has three building blocks:

- 1. Addressing of the 'adaptation deficit' with focus over the next few years
- 2. Mainstreaming climate change with an horizon up to 2020
- 3. Focus on the transformative approach where major new responses are assessed on the long term towards 2050

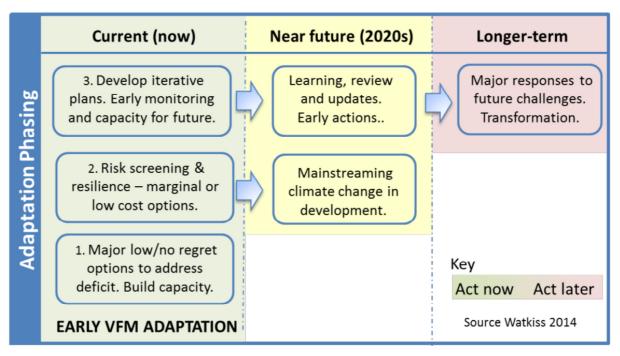
A good adaptation programme will comprise of a portfolio of interventions that cover all these aspects, as illustrated below in Figure 1<sup>1</sup>.

Figure 1: Priority Areas for Early Value for Money Adaptation (Watkiss et al., 2014)

<sup>&</sup>lt;sup>1</sup> The toolkit suggests to assess: (i) National Communications and National Adaptation Programmes of Action as starting point to assess current climate variability and extremes, (ii) DFID's Topic Guide 'Adaptation: Decision Making under Uncertainty' for future climate projections and uncertainty.







Source: Watkiss et al.,(2014)

There are also a set of <u>criteria</u> specified by DFID that this programme will need to align with:

- Meets UK fiduciary risk requirements
- Has the potential to deliver UK climate finance at large scale
- Complements to the wider DFIDB/regional portfolio to ensure synergies are leveraged
- Can feasibly be managed by DFIDB team (so an implementation modality that
  offers strong VfM and is manageable by the limited DFID staff in Bangladesh will
  be preferable).

## 1.3 Approach

Our approach has been the following:

- 1. We carried out an extensive desk review to build the evidence around climate change in Bangladesh, and around the main climate change institutions, plans and initiatives.
- 2. We developed a research framework with semi-structured interview questions to gain additional data and information, and to validate initial findings.
- 3. We carried out in-country stakeholder interviews (list of stakeholders interviewed in Appendix B). Institutions were visited in person to capture stakeholders' reflections, and detailed and ongoing discussions were held with DFIDB. Since a large number of representatives of civil society organizations were targeted, two group discussions were also organized.
- 4. We brought together the findings from the study, assessed current gaps in order to develop criteria and options, and assessed the options against the criteria.
- 5. We drew conclusions and recommendations for DFID Bangladesh's new climate change programme and identified areas for further exploration.



### 1.4 Structure of the Report

Following this introduction, the report is structured as follows:

- In <u>Section 2</u> we provide a brief overview of climate change impacts and vulnerabilities in Bangladesh, and a description and assessment of the key institutions involved in tackling climate change. We also set out the major Government plans and policies, the climate finance architecture, and the main development partner initiatives.
- <u>Section 3</u> is focused on options for DFID programming in Bangladesh, from a description of the conceptual framework, the assessment criteria, a presentation of options, to the analysis and recommendations.
- Section 4 contains the conclusions, next steps, and areas for further research.
- In the <u>Appendices</u> we present the selected bibliography, the stakeholders consulted, the stakeholder consultation guidelines and research framework, the Terms of Reference for the assignment, and additional information on stakeholders, policies, and programmes.





# **SECTION 2**

# **Bangladesh and Climate Change**

This section provides an overview of the context for DFID's new Climate Change Programme in Bangladesh.

- We firstly illustrate the key climate change impacts and vulnerabilities that drive mitigation and adaptation responses. The rationale for this analysis is that the programme should address vulnerability from current climate, and have a view of long term climate impacts.
- Secondly, we provide an assessment of the climate change institutions in Bangladesh, to shed light on possible beneficiaries, and most effective support modalities. Also, the analysis informs on political economy considerations that the new programme should bear in mind.
- Lastly, we illustrate the major government policies and development partner programmes, and provide a rapid gap analysis, with the understanding that the programme should align with government priorities and also operate in a noncrowded space.

Each section has a summary of key implications for programming.

### 2.1 Climate change impacts and vulnerabilities in Bangladesh

Bangladesh is a low-lying country in South Asia located at 21-26 north of the Equator. Bangladesh's high vulnerability to hazards may be attributed to its geographic location on the world's largest delta, flat topography, the influence of monsoons, and very high population density (World Bank, 2010; IPCC, 2014).

**Location and physical characteristics:** The Bay of Bengal demarcates the southern border with a long coastline. The Himalayas is close to the northern border of Bangladesh. The country consists of low and flat land except the hilly regions in the northeast and the southeast and some areas of highlands in the north and north western part. 80% of the country is a floodplain (GoB, 2012b). Three major rivers – the Ganges, the Brahmaputra and the Meghna meet in Bangladesh and discharge into the Bay of Bengal through a single outfall.

**Population and economy**: Bangladesh has a population of about 155 million which may reach 177 million in 2021 and 228 million in 2051. It is also the most densely populated country in the world. Population growth and density have been recognised as some of the main challenges of the country's path towards sustainable development. Despite the notable progress in poverty reduction, about one third of the population is still living below the poverty line of 2 US\$ a day. The sectoral contribution of agriculture has been reduced to 18% (BBS, 2014) and in the last decade the manufacturing industry has become the biggest contributor to the national GDP. However, the economy is still largely agro-based, as almost 50% of the total labour force is employed in the sector and more than 70% of the population is involved directly or indirectly in agricultural activities (Mittal et al., 2014).

**Climate and projections:** Bangladesh has a tropical monsoon climate with significant variations in rainfall and temperature throughout the year and country (GoB, 2012b).

It has four main seasons:



- 1. Pre-monsoon (March to May);
- 2. Monsoon (June-September);
- 3. Post-monsoon (October-November); and
- 4. Cool and sunny dry season (December-February).

Approximately 80% of rainfall is concentrated in the monsoon season, while the average temperature is around  $25\,^{\circ}$ C, with extremes as low as  $4\,^{\circ}$ C in winter and as high as  $43\,^{\circ}$ C in summer. Projections suggest that the average temperature in the country is likely to increase by  $1\,^{\circ}$ C by 2030, and by  $1.4\,^{\circ}$ C by 2050 (Ramamasy & Baas, 2007). An increase in rainfall during the monsoon season and a decline in rainfall during the winter months are also forecasted. Despite the projected rise in temperature, no significant change in monthly precipitation is expected (McSweeney et al., 2010).

**Vulnerability:** Vulnerability is assessed in terms of current climate variability, and long term climate changes (IPCC, 2014; Watkiss et al, 2014; and preliminary work by Watkiss 2015 in Bangladesh).

<u>Current climate variability</u>: Bangladesh is one of the most natural hazard prone countries in the world. It experiences extreme events (tropical cyclones, storm surges, floods), rainfall variability, riverbank and coastal erosion, salt water intrusion, droughts and many other natural disasters every year. Floods and cyclones are the most common hazards. Floods affect around 80% of land in Bangladesh at one time or other (GoB, 2012b). All these factors are compounded in recent decades by unilateral withdrawal of water from shared rivers such as the Ganges and the Teesta by upstream countries, giving rise to ingress of salinity inside estuarine plains, and severe sand casting of riverbeds due to denudation of forested mountains and other causes (World Bank, 2010 among others).

Long term climate changes: Bangladesh is also extremely vulnerable to the effects of climate change (Karim et al., 1998; World Bank, 2010). The median predictions from the general circulation models (GCMs) are for Bangladesh to be 1.5 °C warmer and 4 percent wetter by the 2050s (Agrawala et al., 2003; also cited in GoB 2012: World Bank, 2010). Cyclones are expected to occur more frequently, storm surges also as effect of cyclones. Changes in precipitation are not distinct from the historical averages, reflecting the high variability and also high uncertainty in estimates. Both riverbank and coastal erosion are on the rise (World Bank, 2010).

A summary of causes of impacts, vulnerable areas, and most impacted sectors is presented in the table below.

Table 2. Causes of Impacts, vulnerable areas and impacted sectors (GoB, 2005; CDKN, 2014; Ahmed et al., 2014)

Climate and Related Elements	Critical Vulnerable Areas	Most Impacted Sectors
Temperature rise and drought	North-West South-West South-East	<ul><li>Agriculture (crop, livestock, fisheries)</li><li>Water</li><li>Energy</li><li>Health</li></ul>



Sea Level Rise and Salinity Intrusion	Coastal Area Island	<ul> <li>Agriculture (crop, fisheries, livestock)</li> <li>Water (water logging, drinking water, urban)</li> <li>Human settlement</li> <li>Energy</li> <li>Health</li> <li>Industry (water requiring industries will have to relocate)</li> <li>Decline in mangrove and homestead forestry throughout the coastal zone</li> </ul>
Floods	<ul><li>Central Region</li><li>North East Region</li><li>Char land</li></ul>	<ul> <li>Agriculture (crop, fisheries, livestock)</li> <li>Water (urban, industry)</li> <li>Infrastructure</li> <li>Human settlement</li> <li>Health</li> <li>Energy</li> </ul>
Cyclone and Storm Surge	<ul><li>Coastal Area</li><li>Urban</li><li>South West</li></ul>	<ul> <li>Water (Navigation)</li> <li>Agriculture (crop)</li> <li>Infrastructure (port, road network)</li> <li>Fisheries</li> </ul>

Source: GoB (2005); CKDN (2014); Ahmed et al., 2014

In South Asia – and Bangladesh particularly - projections indicate there will be more frequent extreme events coinciding with zones of considerable poverty. Regions specifically at high risk are those exposed to sea level rise and extreme events, where there is high multidimensional poverty. Bangladesh is among the countries that will be most at risk from extreme events. A rise in sea level will put low lying, densely populated coastal areas in Bangladesh at risk of storm surges. The mega-deltas, watersheds in the Himalayas and drylands will also be at risk (CDKN, 2014).

#### Implications for programming

It is clear that water is a problem in all its forms in Bangladesh. Most central and coastal areas will be increasingly prone to flooding, so water management and governance are prioritised. Areas that are instead dry will face increasing probabilities of droughts, implying that water security and access to water are a priority. These issues have already been identified through government plans (GoB, 2005; GoB 2009), however future climate change concerns are yet to be fully considered in government planning in a completely integrated way, and the forthcoming National Adaptation Plan (NAP) is expected to address this gap.

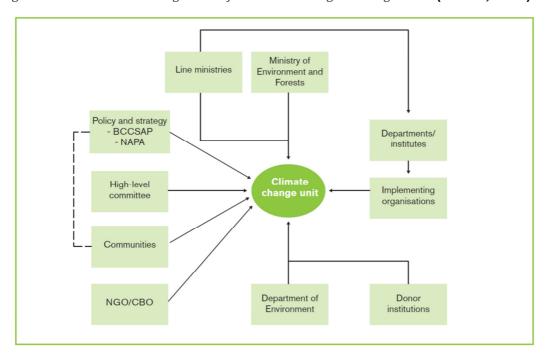


### 2.2 Climate change institutions and stakeholders

Bangladesh historically has an extremely complex and devolved national governance framework involving a web of political and administrative institutions with different responsibilities and legitimacies.

Figure 2 below illustrates the intended institutional arrangements for climate change in Bangladesh.

Figure 2: Institutional arrangements for climate change in Bangladesh (Pervin, 2014)



Source: Pervin (2013)

Climate change is a cross-cutting issue in Bangladesh, as in most countries. The Ministry of Environment and Forests (MoEF) has the official mandate on climate change, and other sectoral ministries set policies for their respective sectors. Line agencies are normally in charge of implementation, ensuring connection to the grass-root level, facilitated by the local administrations and NGOs. Planning and budgeting are generally carried out through a centralised decision making process.

Whilst the governance structure has been delineated, in reality however not all the institutions have been fully developed. In particular, the Climate Change Unit was indeed set up by the Ministry of Environment and Forests (MoEF) to provide a technical coordination role on climate change. However the Unit is now the BCCTF.

In Table 2 below we present a brief assessment of the main Government stakeholders, and highlight the opportunities and needs that emerge.

Table 2. Assessment of key Government Institutions

Government stakeholders	Assessment	Potential needs
-------------------------	------------	-----------------





Ministry of Environment and Forests (MoEF)/ Department of Environment	Inadequate leadership (low interest of current Minister), lack of human capacity (understanding, clarity), lack of personnel, inability to link with other ministries/institutions (both horizontal and vertical linkages at different tiers).	Technical Advisory and Coordination role at national level  Offering capacity building to help other actors mainstream and
Ministry of Finance (MoF)/	ERD is the National Designated	implement at sub-national level ERD is eager to work with
Economic Relations Division (ERD)	Authority (NDA) for GCF-related (international) climate financing.	other actors and potential NIEs (National Implementation Entity).
	Capacity to deliver on this new mandate is low.	Currently being supported by GIZ on capacity building and also on
	Strong potential leading role in supporting climate finance activities in coordination with other ministries and actors (NIEs).	climate financing readiness (i.e., NIE accreditation, development of bankable projects, etc.)
Ministry Planning (MoP)/ Planning Commission	An important ministry to drive the agenda on 'CC mainstreaming' in development.  Enthusiastic and willing to learn about CC (received some training and capacity building)	Stronger coordinating role in the future. Enough power to influence approval of mandatory inclusion of CC issues in design of any development project
Ministry of Local Government, Rural Development and Co- operatives (MoLGRDC)/ Local Government Engineering Division	Institutions under the MOLGRDC will be required to integrate CC in their ADP projects. Their role in mainstreaming CC will increase.  MOLGRDC and LGED are few of the priority institutions for successful and effective implementation of programmes and projects at subnational level.	Capacity of LGED engineers must be enhanced so that they can implement CC sensitive projects. Design criteria needs to be changed in a bid to include climate change sensitivity in engineering designs.
Ministry of Disaster Management and Relief (MODMR)	Quite effective in coordinating efforts, but has insufficient capacity	Capacity would be enhanced, but not through this programme
Ministry of Water Resources (MoWR)/ Board of Water Management	An important actor in climate finance and implementer of strategic BCCSAP priorities as water is a priority sector and has received the highest allocation from BCCTF (~ 50% of all spending).	Analytical capacity support is needed for a more optimal use of national resources and integration of CC related issues in their project/programme design and implementation.



Ministry of Agriculture (MoA)	Strong capacity to form coherent plans and strategies on agriculture, with links to climate change.  Agriculture seen as a decreasing sector in Bangladesh, but will still require considerable support for food security.	The parent ministry and its research/ extension support agencies need to be provided with adequate support to enhance research and extension capacity for hazard tolerant crops and climate safe/smart agricultural practices.
Ministry of Energy and Mineral Resources (MoEMR)	Limited engagement in climate change, push increasing due to push towards low carbon growth	Support needed to achieve low carbon growth objectives.

#### Other key stakeholders are:

- Local Government Institutions (LGI): There are over 5,000 LGIs both in rural and urban areas.
- Civil Society Organisations (CSOs) are very active in the climate change field, and provide the basis for the development of Community-Based Adaptation (CBA) activities.
- Bangladeshi **media** are vocal on disaster issues
- The **private sector**.

#### Box 1: Private sector engagement in climate change in Bangladesh

The private sector in Bangladesh is quite vibrant, however the current level of formal engagement of the private sector in climate change is rather low, and generally limited to climate mitigation activities, such as energy efficient lighting and solar technologies. Technology barriers, policy, and insurance are for example cited as significant barriers to greater private sector engagement (DFID, 2013)

Also, evidence gathered through the Inclusive Growth Diagnostic project (USAID and DFID, 2014) highlighted how, whilst climate change impacts are expected to be felt (in 2007, flooding costs accounted for 1.5% of GDP and cyclone costs made up 2.4%), Bangladesh is overall prepared for these impacts, and climate proofing of operations is still not considered a high priority, potentially also due to limited knowledge of the impacts.

Source: DFID (2013) and USAID and DFIF (2014)

A full description of the main stakeholders involved in climate change in Bangladesh is in Appendix E.

There are a number of **political economy considerations** identified in the desk review and confirmed with stakeholders. We discuss these below and outline the implications for programme design:

• Power relations and capacity to influence policy by non-government stakeholders: Influencing policy is possible, in the presence of strong national and international advocacy groups and media. The business community is very active when it comes to their own interests. Non-Governmental Organisations (NGOs), especially a few known NGOs or alliances are active to raise policy issues. They often raise funds to conduct policy research, which are shared through policy dialogues. They try to convene policy dialogues involving all stakeholders including service providing





- agency heads or MPs and those dialogues are also attended by media. Consumer groups are almost non-existent and have very limited voice. Research institutions are generally not fully independent.
- Historical legacy on climate change planning: The BCCSAP was mostly promoted by a group of CSO representatives, and funded by donors. The GOB assigned administrative responsibility to the World Bank, while CSOs pushed for a democratically represented (and run) financial mechanism involving GOB, Civil Society Organisations (CSOs), academics, and experts. In consideration of the capacity gap, CSOs recommended that the coordination role on climate change be played instead by the Ministry of Planning (MOP) or the Prime Minister's (PM's) Office.
- Decision making: There is a formal decision making process in place. Line agencies formulate projects and are submitted to the MOEF and the BCCTF. After evaluation, the proposals are put forward for endorsement by the Governing Committee (the Committee of Trustees) who decide which projects should and should not be funded. However, the technical committees were made redundant. For the evaluation of projects, internal personnel having no or limited expertise on climate change and they usually follow instructions of the major Trustees. Decisions are taken by the trustees, based on political affiliation of the proponents or their relation with political elites.
- Implementation: The legal framework for the BCCTF does not require any specific monitoring, including the mandatory Monitoring and Evaluation (M&E) for other GOB financed projects (administered by Implementation Monitoring and Evaluation Division (IMED). It is therefore difficult to monitor progress.
- Service delivery: Theoretically, the primary beneficiaries are poor people in target areas, without exclusion based on social, regional, or ethnic principles. However, political interference and nepotism have been found to hinder the channelling of the benefits.
- Corruption and rent-seeking: The Bangladesh Climate Change Trust Fund has been
  vastly criticised for corruption and misappropriation of funds, benefiting the BCCTF
  Governing Committee which involves 11 ministers, 5 secretaries and two private
  citizens (one CSO member, the other is the VC of BUET). Ministers exerted the
  highest level of pressure in decision making.
- Potential for reform: The key reform champions are considered to be MOP and Implementation Monitoring and Evaluation Division (IMED. The BCCTF trustees are instead potentially likely to resist reform, if a trust fund system is no longer considered viable.

A number of **challenges** for climate change design and implementation emerged, that may be summarised as:

- Inadequate coordination within and across government: Given the political power structure and positioning of the MoEF compared to others that sit closer to the Prime Ministers' Office, like the Ministry of Finance, its effort to coordinate through 'focal points' largely failed. Also, participation to meetings of largely inexperienced staff, and high turnover exacerbate the challenges.
- Low capacity has led to low levels of sectoral mainstreaming: MoEF has received substantial international support through training and capacity building, enabling it to develop and implement the BCCSAP. Recently, there has been a focus on mainstreaming climate change in development projects with the Ministry of Planning



as key actor. However, at the same time financing of standalone projects continued through the BCCTF.

• Low governance and transparency to access international climate finance: Despite unsuccessful attempts to gain accreditation for direct access to the Adaptation Fund under the MoEF, the government of Bangladesh have been taking strong steps in the right direction in order to be ready to access further international climate finance through the Green Climate Fund (GCF) in the future. However, these efforts are hindered by the poor track record in programme management and inadequate fiduciary standards. Project selection processes have also been questioned in view of poor transparency and involvement of political interferences.

#### Implications for DFID programming

Suggested institutional focus for targeting: MoEF, MoF, MoLGRDC

Type of institutional support: Capacity building, coordination, governance

The programme would need to be mindful of key political economy considerations:

- Consider other key influencers (CSOs and private sector) as they will be important for DFID's new climate change programme both in terms of engaging across different groups (government and non-government) and in terms of promoting policy reform.
- The future of the BCCSAP will play an important role in any DFID programme support. Stakeholders have called a large scale review of progress to date and assessment of how to proceed with further implementation.
- The way climate change decisions are made is changing; this will be a key factor in determining how or where support is most needed.
- Future support to implementation of programmes will depend on changes to the institutional arrangements (if BCCTF is eventually aligned to national development planning), that would need to show greater transparency.
- This links back to ensuring strengthened transparency and accountability and also ensuring a strong voice at the local/community level, which can be supported through strengthening links between national and local level action.

# 2.3 Climate Change Policies and Programmes

This section illustrates the government's major policies, the climate finance architecture (because of the prominence that the BCCTF and BCCRF have in programming in Bangladesh), development partner programme priorities, and concludes with a rapid gap analysis.

#### 2.3.1. National Plans, Strategies and Policies

Bangladesh climate change policies and actions have in theory so far mostly focused on adaptation, and 97% of national climate sensitive expenditure since 2009 was classifiable as adaptation (Mittal, 2014). However, a significant part of BCCTF financing has focused on mitigation and carbon capture.

The major climate change policies are the Bangladesh Climate Change Strategy and Action





Plan (BCCSAP) (2009) Bangladesh Climate Change Strategy and Action Plan (BCCSAP) (2009); National Adaptation Programme of Action (NAPA) (2005, 2009); National Adaptation Plan (NAP) (in process, due 2015). The BCCSAP is described below, and more details on major plans are in Appendix F.

The Bangladesh Climate Change Strategy and Action Plan (BCCSAP) (2009) is the main climate change policy in the country. It was published in 2009 by the Ministry of Environment and Forests. It is looked at by many as a top-class strategic document for its integration of poverty alleviation and climate compatible development. The document covers adaptation, mitigation, technology transfer, and climate finance, building on six thematic pillars:

- 1. Food security, social protection & health
- 2. Comprehensive disaster management
- 3. Infrastructure, especially in vulnerable regions
- 4. Research & knowledge management
- 5. Mitigation & low carbon development
- 6. Adaptation capacity building and institutional strengthening

The BCCSAP is not only a strategic document, but it also provides concrete actions (44 programmes) with institutional responsibilities and a common 10-year timeframe.

There have been a number of recent reviews of the BCCSAP to do date. The GoB is yet to initiate a formal review or evaluation of progress, in particular to prioritise and allocate clear budgets to the urgent and important areas of the near, medium and long term, despite requests from other actors seeking to support or engage on its implementation in a significant way (in particular development partners, NGOs, civil society).

A summary of this assessment is in Box 2.

#### Box 2: An Assessment of the BCCSAP

#### Successes

The BCCSAP has successfully **highlighted sectoral needs** for adaptation and mitigation. The 44 programmes and more than 74 programmatic ideas are all indeed priorities to decrease Bangladesh's vulnerability, and support the country in its efforts towards a low carbon development pathway.

It has **drawn domestic and international awareness** towards climate change, culminated in the establishment of two trust funds – the BCCTF and the Bangladesh Climate Change Resilience Fund (BCCRF). However, because of weaknesses in delineating institutional roles and arrangement, both BCCTF and BCCRF have been utilised as stand-alone financing windows, rather than being mainstreamed in the current planning and budgeting framework (TAF, 2012; Alam *et al.*, 2012).

#### Weaknesses

Whilst the BCCSAP apparently filled a 'policy void' on climate change in Bangladesh, it did not provide specific **strategic directions**.

There are a number of important **gaps** in the document. For example, there is hardly any direction on how regional water issues might be addressed to reduce water-related vulnerabilities. Gender issues are not adequately addressed (Neelormi, 2014). Also, despite climate-induced displacement being a major issue in the country, there is no mention of it in the BCCSAP.

MoEF has **not successfully involved other ministries** towards a collaborative effort to ensure adaptation (TAF, 2012; Alam et al., 2012).

Source: team analysis based on desk review and stakeholder consultations

There are a number of additional plans and strategies that support climate change response in the country, detailed in the Table 3 below (a summary of the major plans in Appendix F).



Table 3. Key climate change related plans and strategies and leading Ministries

National plans and strategies with a climate change focus	Leading Ministry
Major Plans/Strategies	
Bangladesh Climate Change Strategy and Action Plan (BCCSAP), 2009	Ministry of Environment and Forests
National Adaptation Plan (in progress)	Ministry of Environment and Forests
National Adaptation Programme of Action (NAPA), 2005, revised 2009	Ministry of Environment and Forests
Related Plans/Strategies	
Perspective Plan of Bangladesh 2010-21 ('Making	Ministry of Planning (General Economics
Vision 2021 a Reality')	Division/Planning Commission)
Sixth Five Year Plan (2011-2016) [7th Five Year Plan is	Ministry of Planning (Planning Commission)
forthcoming]	
National Sustainable Development Strategy (NSDS)	Ministry of Planning (General Economics
2010 - 2021	Division/Planning Commission)
Delta Plan, 2100	Ministry of Planning (General Economics Division)
Bangladesh Country Investment Plan (CIP): Food Security and Nutrition	Ministry of Agriculture
Bangladesh Country Investment Plan: Environment,	Ministry of Environment and Forests
forests and Climate Change (forthcoming)	
National Plan for Disaster Management (NPDM) 2008-2015	Ministry of Disaster Management and Relief

Source: team analysis of plans and policies

There are also a number of sectoral policies with direct linkage to climate change, as summarised in Table 4 below, with varying degree of integration.

Table 4 Sectoral policies of relevance (UNDP, 2012)

Sectoral policies	Climate linkages
Environment Policy (1992)	Forest conservation, extension and further development contribute to mitigation and adaptation
Forest Policy (1994)	Sustainable forest management (afforestation) contribute to mitigation
National Land Use Policy (2001)	Illegal land use conversion; environmental conservation (afforestation, coastal management) – contribute directly to adaptation and mitigation
National Fisheries Policy (1998)	Indirect impacts contribute to CC problems: population pressure; infrastructure construction on floodplains; pollution from agriculture (aquaculture)
National Water Policy (1999)	Water Governance: Importance of water on fisheries, wildlife, wetlands preservation = play important roles in handling water sector problems related to climate change
Coastal Zone Policy (2005)	Ecosystems and biodiversity conservation; coastal zone climate hotspots and socioeconomic impacts related to climate change
Livestock Development Policy (1992)	Biodiversity conservation; links to energy (biogas) and enhanced NRM
National Seed Policies	Conservation of crop diversity and indigenous seeds – contributes to enhance adaptation and resilience
Agriculture Policy (2010)	Food security – a strong theme in the BCCSAP and contributes to adaptation
Integrated Coastal Zone Management (2005)	Sustainable livelihoods in coastal zones – contributes to increased community adaptive capacity

While Bangladesh has been at the forefront of climate change planning, particularly among the Least Developed Countries, to date the country is yet to instate a Climate Change Policy with legal status, that fully integrates climate change into development planning (TAF, 2012; Alam et al, 2011; Pervin, 2013; Mittal et al, 2014).





#### 2.3.2. Climate Finance Architecture

In addition to a number of bilateral programmes (discussed in Section 2.3.3), the policy frameworks support a number of financing structures, of which two dedicated funds. **Bangladesh Climate Change Trust Fund (BCCTF)** 

Bangladesh was the first government to set up a trust fund to create a national resource for climate change investments with the aim to support implementation of the BCCSAP. The BCCTF was established in 2010 under the Climate Change Trust Act and received a budgetary allocation from the Government of Bangladesh of approximately \$385m allocated over a 5 year fiscal period up to 2015. It is managed by a trustee board (with representatives of 10 ministries), together with a technical committee to review proposals. The majority of allocations are made to projects proposed by sector ministries. In 2014, the Government of Bangladesh announced that it would not be providing additional funds for the BCCTF, and that instead the Bangladesh Climate Change Resilience Fund (BCCRF) would become the main focus for financing climate change projects.

#### **Bangladesh Climate Change Resilience Fund (BCCRF)**

The Bangladesh Climate Change Resilience Fund (BCCRF) is a coordinated financing mechanism by the Government of Bangladesh, development partners and the World Bank to address the impacts of climate change. The fund was established in May 2010 with financial support from Denmark, the European Union, Sweden and United Kingdom. Switzerland, Australia and the United States subsequently joined the fund. This mechanism is enabling the Government to channel in over US \$188 million grant funds. The World Bank, for a limited duration, is performing some functions such as ensuring due diligence requirements on the BCCRF (including fiduciary management, transparency and accountability), and ensuring projects are implemented with due regard to economy, efficiency and effectiveness.

In addition, Bangladesh has accessed Global Environment Facility (**GEF**) funds for climate change, including the Least Developed Countries Fund (LDCF) and has a programme under the World Bank's Pilot Programme for Climate Resilience (**PPCR**).



#### Box 3: The experience with trust funds in Bangladesh

There have been various reviews on the experience of trust funds (BCCRF and BCCTF) in Bangladesh, resulting in the following lessons learnt and challenges:

#### Positive aspects:

- They can offer an effective way for donors to pool funds where many DPs have limited human resources to dedicate to the management of large programmes
- They offer a donor coordination and harmonisation mechanism
- They can help to prioritise key areas for support to the GoB

#### Challenges and lessons learnt

- The BCCRF offered limited ownership to the GoB. Because BCCRF is a stand-alone climate fund, by design there will be a limit in the extent to which activities are integrated into general development planning or sector planning processes
- The governance and management structures place additional burden on government officials beyond their normal day jobs, leading also to long delays between meetings
- Development of the pipeline of projects and speed of implementation has been much slower than anticipated by development partners (possibly due to weak management capacity and insufficient resources to project design and pipeline development). It has often ended with 'projectised' implementation
- Coordination is not always transparent
- Trustee determines working arrangements depending on administrative agreement in place
- It is less flexible to changing country circumstances.

Source: team analysis from stakeholder interviews, DFID (2014b), World Bank (2014)

#### 2.3.3 Development partners' programmes and projects

The international development partners' priorities have predominantly focused around supporting the GoB in reaching the targets for the Millennium Development Goals by 2015, and in achieving Middle Income state by 2021 through reducing poverty to 15%, as detailed in the 2nd National Strategy for Accelerated Poverty Reduction – NSAPR II (2012), where climate change plays a predominant role.

In Bangladesh there is a significant number of international development partners working across a range of development issues. Currently the **LCG for Environment and Climate Change** is the formal process through which development partners, civil society and government stakeholders coordinate and agree priorities. Outside the GoB process, the **BCCRF donor group** held meetings in a formal capacity under the agreed Memorandum of Understanding.

Recent work has been carried out to fully understand where development partners are focusing their support. A mapping of capacity building related support on climate change identified the most active partners as DFID, GIZ, European Union, USAID, World Bank, UNDP, Asian Development Bank, Sida, GIZ, SDC, Danish International Development Agency (DANIDA), Canadian International Development Agency (CIDA) and Japan International Cooperation Agency (JICA). Donors predominantly support programmes with a specific focus on climate change adaptation, although a holistic approach appears to be lacking.

The priorities of development partners are illustrated in the table 5 below, and a more detailed description is in Appendix G.

#### Table 5. Development partner priorities



Development partner	Priority
DFID	UKAid through DFID has been the largest international donor for Bangladesh and supports government efforts to lead donors and improve coherence with national strategies, budgets and planning. Climate change is one of the strategic priorities for DFID Bangladesh with the core aim to impact 15 million people by 2015 (DFID Operational Plan, 2011 – 2015). DFID's activities in Bangladesh have a central thrust on poverty alleviation and climate mainstreaming across development projects predominantly within livelihoods, economic development, social protection and urban poverty reduction, (DFID, 2014d).  DIFD also has a number of strategically important regional programmes either underway or in design phase that will be crucial to the future of a new climate change programme for Bangladesh: South Asia Water Governance Programme (SAWGP), and the Climate Proofing Growth and Development (CPGD), are of relevance.
GIZ	In Bangladesh, Germany is mainly represented by the Federal Ministry for Economic Cooperation and Development (BMZ) and is a key donor in the country. Since 2014, GIZ has focused on climate change adaptation and mitigation, with priority areas being 1) energy efficiency and renewable energy; 2) good governance, rule of law and human rights; and 3) adaptation to climate change in urban areas. While GIZ do have a separate priority area that focuses on urban adaptation, they are committed to supporting the Government of Bangladesh over the long term in mainstreaming climate change into national planning.
USAID	USAID-Bangladesh's goal is to ensure that Bangladesh is a 'knowledge based, healthy, food secure and climate resilient middle income democracy'.  USAID's involvement in climate change and environment has been quite diverse, though historically the programme has focused on natural resource management related programmes (including pioneering work with the Government of Bangladesh on strengthening collaborative management of resources (including land, water, forestry, and fisheries). Since 1997 USAID's work in this area brought in a number of other development partners and it now has formal partnerships with GIZ and EU on co-management and natural resource management across the country, including in the Sundarbans National Park.
EU Delegation	The EU in general takes a mainstreaming approach to gender, climate change, environmental management and disaster management. In the MIP for 2014 – 2020, climate change is a strong component and is embedded in results areas for all three of its priority areas (Strengthening Democratic Governance, Food and Nutrition security, and Education and Skills Development).
SIDA	SIDA has recently established a climate change programme under the country strategy. The Results Strategy for Bangladesh 2014 – 2020 seeks to achieve 'A better environment, limited climate impact and greater resilience to environmental impact, climate change and natural disasters'.
Norway	Bangladesh has been among the largest recipients of Norwegian aid throughout the years with a disbursement of over US\$ 1 billion to since 1972. One of the Norwegian Agency for Development Cooperation's (NORAD) priority areas is climate and disaster prevention, with a specific focus on gender and right-based governance.



Development partner	Priority
Denmark (Danida)	Bangladesh is a priority country also for DANIDA. Since 2007, DANIDA has focused on climate change, and the links with poverty reduction, food security, and disaster risk reduction. DANIDA includes climate change under Green Growth, a strategic priority of funding from 2014 to 2017 as part of their broader framework on environmental management and climate risk.
France (AFD)	AFD commenced its operations in Bangladesh in 2012 with the mandate of promoting 'Green and Inclusive Growth'. AFD's climate action will primarily be dedicated to supporting the implementation of low-carbon development policies, and supporting the Government of Bangladesh in the lead up to COP 21 in Paris. AFD's first project in Bangladesh was the Greater Dhaka Sustainable Urban Transport Project (GDSUTP, USD 45 million, co-financing with ADB), promoting public mass transit modes to reduce urban motorist congestion and pollution. AFD is also working on projects to provide more reliable and sustainable water supply to the population of Dhaka, focusing on energy efficiency (fuel switch, conversion to combined cycle of existing plants, grid efficiency) and renewable energy (wind, solar, biomass).
Switzerland (SDC)	The Swiss Development Cooperation (SDC) is an active donor in Bangladesh. SDS has a diverse project portfolio, ranging from support to market value chains, to multipurpose cyclone shelters and ecosystems management. It is a contributor to the BCCRF.
Canada (CIDA)	Prioritised funding for Bangladesh between 2010 and 2013 and planned projects will focus on targeted efforts to improve child health and reduce mortality in the country. There is an evolving focus on climate and environment in the CIDA portfolio.
Australia (AusAID/DFAT)	Since 2014 Australia has reduced all support for climate change-related programmes worldwide, so it now has a very limited presence also in Bangladesh. In the past Australia, through AusAID, supported the BCCRF and also worked on DRR through the Comprehensive Disaster Management Programme (CDMP).
Japan (JICA)	JICA predominantly focuses on projects in social development (human security and economic growth), which include climate and environment, disaster management, agriculture and rural livelihoods as priority areas. JICA also has a strong urban focus and is enabling access to basic water supply and strengthened capacity of local water supply and sewerage departments in large metropolitan cities like Chittagong, and pursuing some other integrated development initiatives to link local government administration in small regional cities to residents in rural areas.
	Vulnerability to climate change and natural disasters are one of the WB's priorities for Bangladesh in the period 2011 – 2014 (World Bank, 2010b) with a strong focus on climate-resilient infrastructure development (such as rehabilitation of coastal embankments).
World Bank	The World Bank has acted as Trustee and interim secretariat for the BCCRF, providing capacity building support to the Government of Bangladesh. In 2014, the World Bank announced it would not be renewing its support to the BCCRF and would be stepping down as trustee from 2016, with all remaining projects being closed down by 2017.



Q/		

Development partner	Priority
	ADB supports Bangladesh through climate change mainstreaming across the Bank. Its Corporate Business Plan incorporates adaptation and mitigation across all its key sectors:
	Education
	<ul><li>Energy</li></ul>
	Transport
	Agriculture
Asian	NRM/WRM
Development Bank	Private sector development
	ADB holds a Country Partnership Strategy for a five year cycle (completed the CPS for the next 5 years)
	The next CPS will be aligned to GoB 7th 5 YP - prepared a background paper that will feed in to this process.
	ADB country strategy planning also aligns to GoB national plans (BCCSAP, NAPA, NAP, NAMA). Sectoral plan: ADB aligned to broader country priorities
	ADB's co-ordinates on of Bangladesh's largest climate funds: Pilot Programme for Climate Resilience: since 2011, administering \$110m.
UNDP	The United Nations Development Programme (UNDP) has been a key player in Bangladesh through the receipt of bilateral and multilateral finance to fund large-scale national level programmes such as the Comprehensive Disaster Management Programme (CDMP), Urban Partnerships for Poverty Reduction (UPPR) and Capacity Building for the Planning Commission: Poverty, Environment and Climate Change Mainstreaming (PECM) to strengthen institutional capacities.
	UNDP has also undertaken the Climate Public Expenditure and Institutional Review (CPEIR) and supported the GoB to develop a Climate Finance Fiscal Framework within the planning and budgeting system.
	IFAD operates both as a UN agency and as an IFI. It has a focused approach to support poverty alleviation of smallholder farmers, with a strong focus on climate mainstreaming.
	Bangladesh is a key priority for IFAD, with the following:
IFAD	<ul> <li>It mobilised funds from its newly established multi-donor Adaptation for Smallholder Agriculture Programme (ASAP) to catalyse Climate Adaptation and Livelihood Protection programme (CALIP). The programme aims to support some of the key pillars of the BCCSAP 2009, and NAPA priorities for the northeast by scaling up best practice and testing new adaptation interventions in the Haor lands.</li> <li>Enabling improved connectivity and accessibility for smallholder producers: the Coastal Climate Resilient Infrastructure Project (CCRIP)</li> </ul>
	jointly funded with ADB, KfW and others, initiated as a key programme in the South-west coastal zone focusing on climate-resilient road infrastructure, cyclone shelters, and improving access to markets.



# 5/2

#### 2.3.4 Gap analysis

We developed the table 6 below to rapidly map climate change-related themes against where there are key government policies and development partner engagement, in order to facilitate the identification of possible areas that DFIDB could support.

Table 6. Mapping of climate change themes against policies and programmes

	Key Th	emes	;											
	Climate Finance Governance	DRR	Food Security & Livelihoods	NRM	Research and Evidence building	Capacity building /Institutions	Mitigation/LC D	Adaptation & Resilience	Infrastructure & Energy	Water/waste governance	Private Sector/ Industry	Gender	Social Protection	Urban
National Pla	ns/Strate	egies												
BCCSAP NAPA NAP Five YP Delta 2100 Plan		<ul><li>✓</li><li>✓</li></ul>	√ √ √	✓ ✓	✓ ✓ ✓	✓ ✓	✓	✓ ✓ ✓	✓	✓ ✓ ✓	√ √	√ √ √	<b>√</b>	
Developmen	t Partne	rs												
DFID EU USAID GIZ SIDA DANIDA World Bank ADB UNDP	* * * * * * * * * * * * * * * * * * * *	\[   \lambda   \]   \[   \lambda   \]	V V V	\ \ \ \ \	<b>√</b>	* * * * *	* * * * * * * * * * * * * * * * * * *		Y	<b>* * *</b>	√ √	*	*	* * * * * *

Source: Authors own assessment from plans, strategies and development partner plans; stakeholder consultations

#### Implications for programming

The mapping exercise identified potential gaps or need for further support in broad areas of:

- Water and waste governance
- Strengthening evidence and research/data knowledge (linked to institutional strengthening and capacity building)
- Enhancing private sector engagement and industry
- Gender
- Social protection
- Urban governance





# **SECTION 3**

# **Bangladesh Climate Change Programming Options**

The aim of this section is to present the options for DFIDB's new Climate Change Programme. The section is divided in six sub-sections, in order to illustrate the logic flow behind the recommendations.

- 1. We conceptualised the options to outline the overarching outcome any new climate change programme will seek to achieve. Necessarily, this is not a Theory of Change (ToC), but a broad framework, and further analysis during the design phase will help to unpack the assumptions and logic flow, once the options are narrowed down.
- 2. We developed the criteria based on the evidence gathered in Section 2, as well as on DFID's requirements
- 3. We presented a longlist of options identified in the research
- 4. We assessed the options against the key criteria
- 5. Based on this rapid assessment, a shortlist of proposed option areas is presented and summarised
- 6. We finally developed a number of recommendations, and proposed a sequencing of the recommended options based on the Value for Money approach.

# 3.1 Options framework

In order to delineate parameters for the longlist and subsequently the short list of options, we return to the original scope of work.

The underlying **impact** of a new climate change programme is defined in the Terms of Reference as: 'to better help the Government of Bangladesh and in particular poor and vulnerable communities, especially women and girls, cope with the impacts of climate change'.

Based on the analysis in Section 2, taken from the desk review and stakeholder consultations, the identified **problems to be addressed** can be broadly divided into categories:

- 1. Cross-cutting: low capacity, challenging coordination, insufficient governance
- 2. Sector-specific: focused climate change-related challenges (e.g. Water and waste governance; Strengthening evidence and research/data knowledge; Enhancing private sector engagement and industry; Gender; Social protection; Urban governance.

Given the current direction of climate change governance in Bangladesh these two categories of problems to be addressed fit within two broad types of interventions (**outputs**):

- 1. Mainstreaming programmes/initiatives
- 2. Standalone programmes

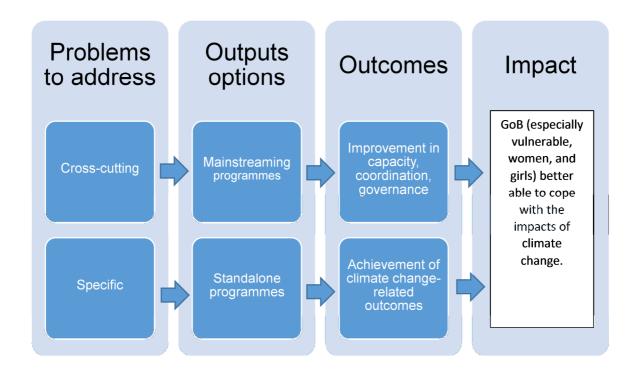


The **outcomes** (observable within the lifetime of the project) are, respectively:

- 1. Increased capacity, coordination capability, governance indicators, attributable to the programme
- 2. Achievement of climate change outcomes (reduced vulnerability, and possibly reduced emissions) attributable to the programme.

This broad theory of change within which to assess the options for DFID's new climate change programme is illustrated below in figure 3.

Figure 3: Conceptualisation of options



Source: team analysis

Detailed participatory analysis is recommended to unpack the assumptions underlying the logic.

#### 3.1 Assessment criteria

We developed a set of criteria against which to assess the options identified, based on the findings in Section 2. The categories identified are:

- Climate change impacts and vulnerability with findings from Section 2.1.
- Climate change institutions and stakeholders with lessons from Section 2.2.
- Climate change policies and programmes from Section 2.3.
- Alignment with DFID/ICF/DFIDB from discussions with DFID, and anticipated in Section 1.3

#### Climate change impacts and vulnerability

The programme builds resilience to both current weather variability and longer term





#### climate impacts:

All spending from the ICF must be consistent with the Development Assistance Committee (<u>DAC</u>) definition of <u>Overseas Development Assistance (ODA</u>) and would need to be aligned to one or more of the priorities for the International Climate Fund (ICF) (ICF, 2011):

- Demonstrate that building low carbon, climate resilient growth at scale is feasible and desirable. This will build confidence that climate resilient growth and adaptation to climate change are achievable, and it will also help to lay the foundations of a global deal.
- Support the negotiations, particularly through providing support for adaptation in poor countries and building an effective international architecture.
- Recognise that climate change offers real opportunities to drive innovation and new ideas for action, and create new partnerships with the private sector to support low carbon climate resilient growth.

The programme design will also need to consider the <u>Value for Money</u> work currently being undertaken by DFID (illustrated in Section 1).

- The programme targets vulnerable groups, including women and girls: The ICF spending split recognizes the political imperative of UK support to the most vulnerable countries to adapt to climate change, and all ICF programmes are required to consider the impacts on women and girls to ensure appropriate design, and this requirement will be tracked during implementation (ICF, 2011).
- It has the potential to foster growth and private sector engagement. The private sector has unique competencies for building climate resilience by promoting innovative technology and products, providing finance and developing information systems, among others. However, insufficient incentives often inhibit private sector engagement. In Bangladesh too, current engagement with the private sector is limited, so innovative mechanisms may be required.
- Pilots innovative technologies with the potential to demonstrate new ways of doing things: Planning decisions need to be based on evidence. Tools such as climate change scenario planning, root-cause analysis and poverty and social impact analysis can help policymakers understand the complexity involved in making decisions in the face of uncertainty and change.
- Focuses on learning, sharing effective approaches and facilitating replication by others: A 'linear' approach to policy making in the presence of uncertainty is usually not very effective. It is therefore useful to maximize the opportunities and mechanisms of ensuring that lessons learnt are effectively captured and used for programme improvements during its lifetime, and are also available for other use.

#### Climate change institutions and stakeholders

• The programme doesn't create additional (or ineffective) pressure on the monitoring and coordination arrangements for climate change: Evidence suggests that deliberative, multi-stakeholder models of decision-making are better able to guide evidence-based policy that responds to uncertainty (Gaventa et al., 2010). However, inadequate coordination within government, between government and key stakeholders, and between development partners has been raised in numerous interviews as a major challenge to effective implementation. In particular, coordination across development partners is also difficult to track – the mapping of capacity building projects highlighted evident overlaps between development partners' support. Also, the GoB has weak capacity to track and monitor activities.



The programme might need to use the existing frameworks, or potentially assist in their improvement.

- Delivery partners have the necessary capacity for implementation, or capacity can be built through support: delivery partners currently present varying levels of human and financial capacity. Some, such as GIZ, are better placed for direct support, while others, such as SIDA and SDC, could pool resources from different sources. A successful programme would need to build capacity within the support period, in order to ensure sustainability after closure.
- Delivery partners have sufficient quality of governance and resilience: A programme structure and delivery modality that ensures transparency, accountability and effectiveness will be prioritised. It will also be important that the programme is resilient to political change and influence, so the governance structure will need to have sufficient checks and balances built in.
- The programme is flexible enough to adapt to a changing context and partner demands: Flexibility and responsiveness to partner demands may be ensured through a mixed approach (hybrid or phased), where an existing standalone programme leads to mainstreaming over time.
- There is sufficient local buy-in and ownership: Inclusive and integrated planning is an important element in programme design and implementation. This approach to planning usually requires a 'whole of government approach' with high level political buy-in and coordination. In fact, without high level coordination sector ministries and different levels of government (national and subnational) generally do not work together effectively. Also, it is important to integrate different levels of planning, by linking local, regional and national levels. Entry points that may enable greatest traction for change include identifying champions for change within local governments or line ministries, identifying 'low regret' sectors such as urban development, livelihoods or health.

#### Climate change policies and programmes

- The programme responds to a Government priority: It will need to have clear and direct links to the main GoB plans and priorities (BCCSAP, NAPA, NAP in particular), to ensure alignment and facilitate buy-in and mainstreaming.
- The programme option has been recognised as a gap and is not implemented by, or is a priority of, other donors: Gaps have been identified from desk research and validated through stakeholder interviews in country, and mapped out in Section 2.3.4.

#### Alignment with DFID/ICF/DFIDB

- Meets UK fiduciary risk requirements: this is a DFID requirement
- Has the potential to deliver UK climate finance at large scale: this is a DFID requirement
- Complements to the wider DFIDB/regional portfolio: It is more effective if synergies with other DFID programmes in the country and region are leveraged
- Can feasibly be managed by DFIDB team: An implementation modality that offers strong VfM and is manageable by the limited DFID staff in Bangladesh will be preferable.

# 3.2 Presentation of Options

There are a number of options that DFID could consider for its new Climate Change





Programme, and are presented below. These options reflect the priority areas that emerged from stakeholder consultations and background research, and are distinct between standalone programmes, and mainstreaming support.

Broadly the two categories are:

- Standalone programmes: Some of the options identified could be part of a larger climate change programme that would respond to immediate priority areas (potentially through pilot programmes), and would then offer flexibility to adapt to the changing circumstances in the country.
- **Mainstreaming support**: mainstreaming would be through direct support to the GoB to integrate mainstream climate change within existing plans and systems, or as mainstreaming into DFID Bangladesh's existing portfolio or new programmes, or offering support through development partners' existing and future programmes.

Combinations are of course possible. Also, experience in Bangladesh suggests that an iterative approach is preferable to a step by step one, allowing to build in flexibility.

Box 4 below provides a stakeholder assessment of experiences in implementing standalone programmes versus mainstreaming.

#### Box 4: Standalone or mainstreaming?

A preliminary assessment is provided here.

Mainstreaming	Standalone					
Pros	Pros					
<ul> <li>Provides the opportunity to reach across different sectors</li> <li>Cross-fertilisation of ideas is more possible</li> <li>Over time, inputs and efforts will be reduced</li> </ul>	Easier to monitor progress, funds, and risks					
Cons	Cons					
<ul> <li>Monitoring is more difficult</li> <li>A more proactive and engaging approach is required</li> <li>Requires more effort at the start in the design</li> </ul>	<ul> <li>Risks perpetuating the risk of working in a 'silo'</li> <li>To have a real transformational effect it needs to support mainstreaming into other programmes and national and subnational plans</li> <li>Larger resources needed throughout</li> </ul>					

Source: team analysis based on stakeholder interviews

The following sections present the options according to these two broad categories. The analysis suggested to avoid looking at the options in isolation. Certain elements of each would be crucial to the success of delivering a new climate change programme, and it is important that DFID builds into the programme a high degree of flexibility, in order to fluidly transition from one to the other as the national landscape changes. So the options below offer a mix of programme modalities and themes, which as mentioned above, could evolve



as the government progresses its own thinking around how to prioritise, cost and allocate its own resources in responding to climate change.

#### 3.2.1 Standalone Programmes

The options identified as offering potential standalone components of a programme are divided between 'funding modalities' and 'thematic areas' as presented below:

#### **Funding Modalities**

- 1. A multi-donor trust fund: This option would follow the current state of play: the Ministry of Environment and Forests continues to take the lead on climate change policy making and delivery, development partners support the GoB through off-budget financing, separate to GoB's BCCTF. Donors would pool funds together in a similar type of arrangement to the BCCRF, but with strengthened governance, institutional support and transparency and accountability. Programmes would remain closely aligned to the BCCSAP as a standalone adaptation action plan and would seek to scale up/prioritise options that focus on important themes/issues that address longer term adaptation measures. The potential areas for DFID to support GoB are largely through existing support approaches and are likely to be orientated to 'projects'. This would offer a low risk/high investment option for donors seeking to pool funds and achieve high value for money.
- 2. A new multi-donor modality or network: a revised multi-donor working modality that ensures a more coherent and coordinated approach for development partners to support the GoB. There is appetite from existing BCCRF donors (and others) to ensure that effective and co-ordinated working approaches continue (without the BCCRF). This modality could build on from the Joint Donor Strategy (Petrarulo et al, 2014), and the roadmap prepared at the end of 2014, which identified a number of priority areas, including climate finance readiness, urban resilience, and waste management.
- 3. A 'Strategic Fund' A small and flexible fund with an agreed set of priority areas. Service providers could be government or non-government institutions. This option could also be considered as an intermediary option to building up a standalone programme. A Strategic fund offers the ability for DFID to respond in a flexible way within a defined set of parameters, in particularly on supporting discrete research, capacity building or institutional strengthening in the short/immediate term. Strategic themes could include:
  - Understanding and responding to risk and vulnerability, including insurance mechanisms and markets
  - Natural resource management in support of adaptation outcomes (especially sustainable forest management and Payment for Ecosystem Services (PES))
  - Supporting the climate finance enabling environment small targeted pieces of work to improve overall climate finance management in Bangladesh
  - Private sector engagement and incentives analysis and development these could focus on core economic sectors such as agriculture (for example through the development of climate resilient seeds), or the garment and retail sector
  - Mitigation low carbon growth efficiency and demand side energy and impacts on adaptation and resilience

#### **Thematic Areas**

4. 'Climate Innovation Centre' or research hub: a research centre, that engages actors across government, and non-government, and private sector to develop





innovative approaches to core areas (including energy efficiency, green growth, sustainable urban planning) has been identified as a gap. This concept would build on the World Bank experience of Climate Innovation Centres already operating in Kenya and Ghana. This option was not explored extensively in the scoping study. Further research/exploration would be needed to understand the potential scope of support DFID could provide on this option. The World Bank have undertaken preliminary research and are expected to re-assess the option again in 2015. This option could offer a foundation to strengthen private sector engagement, or develop innovative technologies and broaden the research and knowledge base also at the grassroots level.

- of water (particularly in the context of rapid urbanisation and uncertainty of climate change) were major challenges raised by stakeholders. A standalone programme would address both immediate and longer term priorities for adaptation and resilience. Support could be cross cutting, in areas on governance (regulation, compliance) of water through national planning, engagement with the private sector and, and focusing on hotspots (city level, rural impacts). A programme of this nature could also complement regional initiatives that focus on trans-boundary issues of water governance (India, China) (such as DFID's South Asia Water Initiative). This option was not explored in detail so would require further analysis if taken forward.
- 6. Sustainable urban planning: this option could include support on waste management and pollution control and potentially tie in to supporting a broader sustainable development programme that addresses urban resilience across cities, piloting beyond Dhaka.
- 7. Natural resource management, forestry, and conservation: gaps in mangrove protection, and regional adaptation measures to address flooding or drought have been identified. DFID currently has limited involvement in the natural resources and environment sectors. There are existing opportunities to expand or upscale through larger programmes with other development partners that could offer support on collaborative management, piloting for PES, or strengthening government institutions, such as the Department of Forests or the Department of Environment on adaptation impacts and resilience opportunities.
- 8. Social protection schemes for adaptation: DFID is already supporting social protection measures through cash-for work schemes. DFID could provide a standalone programme to protect vulnerable groups, particularly women and girls, from the impacts of climate change, particularly in rural areas where it is expected they will be most affected i.e. use of climate hotspots as a short medium term adaptation measure. This option would require further research to explore the potential appetite of this with government and other development partners.
- 9. Climate migration: It is widely acknowledged that migration could offer an effective adaptation measure to populations displaced by climate change (which is anticipated to be a potentially huge problem if left unchecked). Climate migration has been suggested to also contribute to long term transformative change. Stakeholders identified that short-term social protection notably in the south-west could sustain livelihoods and lock-in development in areas that may be unsustainable in the medium-term and definitely the long-term, because of future climate change. This would imply that migration may need to be included in some programmes in the future. Further research would be needed to test the appetite for a programme of this nature with government, which presents itself as an extremely sensitive issue.
- 10. Local Adaptation Programme of Action (LAPA)-type programme: as a longer term approach, DFID could support GoB in linking top-down planning with coordinated and prioritised local level action, which is currently an issue affecting implementation of programmes and allocation of funds to climate vulnerable hotspots. The LAPA modality could be used as a baseline, in consultation with



existing research being undertaken at the local level (including community based adaptation, local level financing, and local government planning). Lessons from the Nepal experience could be used and adapted to Bangladesh, and would be offered through a multi-stakeholder platform comprising NGOs, the private sector, and the GoB.

#### 3.2.2 Mainstreaming Options

As anticipated above, mainstreaming options may fall within two key categories:

- 1. Direct support to the Government of Bangladesh to mainstream climate change within existing plans and systems
- 2. Mainstreaming support through DFID Bangladesh's existing portfolio/ new programmes in the pipeline and offering support through development partners existing and future programmes

<u>Category 1</u> could include capacity and institutional support to strategic ministries and agencies both at the central and at the local levels, although these options would require further validation through a detailed needs assessment.

The following needs emerged:

- a. Public Financial Management and programme cycle management
- b. Coordination support within government and between government and other stakeholders (including development partners, CSO/NGOs, private sector)
- c. Support to moving beyond awareness raising towards building a strong national knowledge base (such as by strengthening knowledge and data retention, management, and application)
- d. Assistance in developing clear strategies including linking national to local level planning, or supporting the development of GoB- wide strategies towards Conference of the Parties (COP) 21 in Paris in 2015.

A number of mainstreaming options are provided here, which take into consideration DFID's comparative advantage in institutional strengthening, capacity building, governance and technical assistance. It is also noted that in considering these options there are a number of capacity building related project/activities that have already been completed (updated LCG mapping, 2014) and caution must be used to ensure future support is effective, targeted, and coordinated with other development partners to avoid duplication. These options are not necessarily standalone, and should be considered as a selection to be taken forward over different timescales.

# 1. Capacity building, TA/ Institutional support to GoB on coordination and planning

This support could be targeted to the Planning Commission (PC) or directed towards setting up a coordination unit within the Prime Minister's office to raise climate change issues above the ministerial level. Stakeholders interviewed highlighted that this could be a joint process, where the Planning Commission would be responsible for mainstreaming climate change in to the Annual Development Programme, and an advisor would coordinate efforts on climate change mainstreaming across GoB between the PC and the Prime Minister's Office.

2. Capacity building/targeted training to public administration and civil servants
Public Administration staff, soon after recruitment (through a competitive process) go
through a 'Foundation Training', organized by Public Administration Training Centre
(PATC), aimed at making them aware of the country's problems related to national





development. A longer term module on climate change is currently missing from the training schedule. A module could be a standalone programme, or mainstreamed in the training programme, alongside other topics like gender and environmental protection. Stakeholders highlighted the need initiate an advocacy campaign with PATC and its parent ministry, as a first step towards the development of such a programme.

# 3. Institutional and fiduciary strengthening support (TA) to Ministry of Finance, including to the External Resources Division (ERD) and identified National Implementing Entities (NIEs)

Specific institutions and ministries that will in the future be responsible for managing large amounts of international climate finance (i.e. through the Green Climate Fund) may need further institutional support and training, including in public financial management. This has been identified as an area of urgent support by many stakeholders. A coordinated approach, which could involve building on GIZ's existing support to MoEF and ERD, as well as support to shortlisted potential national implementing entities, could be a good option. DFID and other BCCRF donors could play a role in offering institutional support to those institutions, also in addition to fulfil the requirements of the GCF.

#### 4. Capacity Building of Local Government

We have seen that there are numerous local government institutions in the country. Attempting to build capacity through training might take a long time, however an attempt may be made to prioritize Local Government Institutions (LGIs) based on their locations. Since climate change hot spots are scientifically identified, LGIs located in such hot spots need to be given higher priority in the capacity building programme. Through identifying hot spot localities, LGI personnel may be invited and given basic training on climate change vulnerability and adaptation. The National Institute of Local Government (NILG) could support through developing and implementing a curriculum for such training, which could be supported through discrete technical assistance.

# 5. Building long-term analytical capacity towards facilitating transformational change

A major challenge identified by stakeholders was the limited climate change related expert pool in Bangladesh and the need to build the next generation of researchers, academics, consultants, and policymakers with good analytical skills. For this, tertiary level education needs to be revamped, accommodating multidisciplinary courses and hands-on analytical procedures. To produce a critical mass of climate change analysts, there should be a programme to select early career faculty members and officials of key agencies and to provide international exposure to them, also through scholarships. Stakeholders also highlighted that Bangladesh may want to make more use of its advanced positioning in south-south and south-north dialogues, by exporting its knowhow and learning from similar countries.

6. Mainstreaming support to existing DFID programmes and portfolios (livelihoods/poverty, governance, urban development). Building on DFID's existing and planned portfolios will provide synergies and further opportunities to mainstream climate change, and support the Government of Bangladesh.

Alignment and coordination with in particular two **regional programmes** may offer interesting opportunities to this programme: the 5-year Climate Proofing Growth and Development Programme, which aims at integrating climate change in planning and budgeting, and fostering investments in India, Pakistan, Nepal, and Afghanistan, and also provides a small support to Bangladesh. Also, the South Asia Water



Governance Programme (SAWGP) that aims to improve the management of water within and between South Asian countries, reducing poverty by enabling adaptation to climate change and reducing the risk of conflict over water resources.

### 3.4 Options Analysis

#### 3.4.1 Approach

In this section we assess the options identified in Section 3.4 against the criteria presented in Section 3.3.

We use a simple rating system of Low (L), Medium (M) and High (H), based on findings from the desk review and stakeholder interviews.

We then shortlist the options that scored 'High' or 'High-to-Medium' and provided a more detailed assessment on:

- Characteristics of the option
- Partnership arrangements
- Indicative costs (Low, Medium, or High)
- Sequencing and prioritisation based on value for money principles, to achieve the maximum level of transformational change.

The assessment was carried out against the options presented above.

Following is a long list of options, and more detail on the options shortlisted.

It should be noted that, while the criteria were validated with the DFID team, the assessment used may be subjective, and scorings may be need to undergo further review during the design phase.

#### 3.4.2 Long list of options





	Longlist	of Options	Analysis (H	= high applic	cability, M=	Medium ap	plicabil	ity, L= Lo	w applica	bility)*						
Criteria	S1 MDTF	S2 New MDP Modality	S3 New Strategic Fund	S4 CIC/ Research Hub	S5 Water Governance	S6 Sustainable Urban Planning	S7 NRM/ PES	S8 Social Protection	S9 Climate Migration	S10 Local Government	M1 Planning & Coordination	M2 Public Admin	M3 Climate Finance	M4 Local government	M5 KM/ Research base	M6 DFID Portfolio
Climate change impacts a	and vulne															
Builds resilience	М	M-H	М	Н	М	Н	М	L	Н	М-Н	Н	М	М	М	Н	H-M
groups	М	Н	Н	Н	Н	М	Н	Н	Н	Н	L	L	L	Н	М	Н
Foster growth and private sector engagement	L-M	М	L-M	Н	L	L	L	L	L	М	L	L	L	М	Н	М
Pilots innovative technologies	М	L-M	М	Н	Н	L	М	М	М	М	L	L	L	М	Н	Н
5. Learning, sharing effective approaches and facilitating replication by others	L-M	Н	Н	Н	М	М	Н	L	L	Н	Н	Н	Н	Н	Н	Н
Climate Change Institution	ns and S	takeholders	,				•									
6. It doesn't create additional (or ineffective) pressure on the monitoring and coordination arrangements for climate change	L	М-Н	L	L	L	L	L	L	М	М	М	М	Н	М	М	H
capacity can be built through support	Н	Н	Н	М	М	Н	L-M	М	Н	Н	Н	Н	Н	Н	М	Н
Delivery partners have sufficient quality of governance and resilience	L	Н	Н	М	М	М	М	М	М	Н	Н	Н	Н	L	М	Н
Is flexible enough to adapt to changing context and partner demands	L	Н	М	М	L	L	L-M	L	L	н	н	Н	н	Н	М	М
10. There is sufficient local buy-in and ownership	L	M	L	L	L	L	М	L	L	М	М	М	Н	М	Н	М



	Longlist	of Options	Analysis (H	= high applic	ability, M=	Medium ap	plicabil	ity, L= Lo	w applica	bility)*						
Criteria	S1 MDTF	S2 New MDP Modality	S3 New Strategic Fund	S4 CIC/ Research Hub	S5 Water Governance	S6 Sustainable Urban Planning	S7 NRM/ PES	S8 Social Protection	S9 Climate Migration	S10 Local Government	M1 Planning & Coordination	M2 Public Admin	M3 Climate Finance	M4 Local government	M5 KM/ Research base	M6 DFID Portfolio
Climate change policies a	and progr															
11. It is a Government priority, as it appears in a plan or strategy (BCCSAP, NAP, NAPA)	L/M	Н	М	L-M	Н	Н	М	М	Н	Н	Н	M	Н	Н	Н	M-H
12. It has been recognised as a gap and is not implemented by, or is a priority of, other donors	Н	Н	Н	L-M	H (L)	H (L)	M (L)	Н	Н	М	М	Н	L	М	Н	M
Alignment with DFID/ICF/	DFIDB															
13. Meets UK fiduciary risk requirements	Н	Н	Н	М	М	М	Н	Н	L	L	Н	Н	Н	Н	Н	Н
14. Has the potential to deliver UK climate finance at large scale (minimum £30 million per annum)	Н	М-Н	L	М-Н	Н	М-Н	Н	Н	М	Н	L-M	Н	Н	L	L	М
15. Complements the wider DFIDB portfolio	M-L	Н	М	М	М	М	Н	М	М	Н	Н	Н	Н	М	М	Н
16. Can feasibly be managed by DFIDB team	М	Н	L-M	L	L	М	L	L-M	L	L	М	M	Н	L	М	М
Overall Rating	M-L	н	н	м	М	М	М	L-M	М	н-м	н	н-м	н	М	М	н-м

### 3.4.3 Shortlist of options

Shortlisted Options	Suggested partnership arrangements	Description	Indicative Costs
S2: New Multi- Donor Modality	A networked/joint Development Partner Strategy	A partnership between DPs and GoB under the existing planning processes on a set of strategic priorities that may evolve over time, also based on changing coordination mechanisms.	Initially Low then Medium – High Commitment from DPs would start low, and funding would be focused around testing and piloting of a few options, and scaled-up based on results-based financing approaches.





S3: Strategic Fund	Either managed by DFID or through a managing agent	DFID may fund academic institutions or national NGOs for research and strategic pilot projects relating to innovative climate resilience solutions.  It may also be streamlined within existing funding modalities, such as the new DFID DR Challenge Fund programme.	Medium  To allow for high quality projects over longer timeframes that address long term adaptation measures
S10: LAPA/ Local – national planning	Multi-Stakeholder arrangement coordinated through GoB (MoEF/MoF/MoP), linking with local governments and partnering with local NGOs/CSO and private sector, in collaboration with other DPs	Would need to be scoped out in detail and would require significant GoB buy-in	High Initial costs (for design and piloting) may be small, but there is larger investments over time.
M1 Planning & Co-ordination	GoB, through DP partnerships to coordinate on strategic support	Support would be in the form of capacity building, institutional strengthening, and technical assistance	High then Low It would start with high investment, and will be reduced over time in line with the increase in beneficiaries' capacity
M2 Public Administrative Reform	Direct bilateral arrangement with GoB/through a multi-DP strategy	Could provide direct support to institutes or deliver through a series of TA programmes using implementing agents	Low-Medium Offer longer term support with small – medium scale budget required.
M3 Climate finance Governance	Through DP partnership, whilst allowing one DP to lead	Upscale of initiatives of existing embedded DPs.	Low - Medium Initial investment may be low, due to the presence of other DPs working on climate finance readiness. However, it could increase, as niches emerge (including on the potential for leveraging private sector investment)
M6 DFID Portfolio	Coordination with other DFID programmes in country	DFID Adviser(s) providing services to other DFID teams to support in design, start up and monitoring of country programmes in core areas like urban resilience, social protection, sustainable livelihoods and green growth.	Low – Medium Support would be in the form of defined inputs to programming in specific programmes, so would require a small amount of staff resources. Could also offer larger allocations of budget to top up discrete activities or outputs linked to climate resilience.

### 3.6 Summary of findings

Based on the scoring of all the options presented above (for standalone programmes and mainstreaming approaches/activities), there were seven possible options that were rated as **highly applicable** for a future DFID Climate Change Programme.

- Standalone Programmes
  - S1 A new multi-donor working modality,
  - S2 A New DFID Strategic Fund,
  - S10 LAPA type modality.
- Mainstreaming
  - M1 Planning & coordination,
  - M2 Public Administration Reform,
  - M3 Climate Finance Governance
  - M6 DFID Bangladesh Country portfolio

A further seven options were rated as having **medium** likelihood of applicability

- Standalone
  - S4 Climate Innovation Centre/ Research Hub,
  - S5 Water Governance Programme,
  - S6 Sustainable Urban Planning,
  - S7 NRM/PES,
  - S9 Climate Migration.
- Mainstreaming:
  - M4 Local Government Institutional Support,
  - M5 Knowledge Management/Research base

Two scored **medium-to-low** applicability based on current information available:

- Standalone:
  - S1: Multi-Donor Trust Fund,
  - S8: Social Protection for Climate Adaptation

A Low or Medium score may be due to the following reasons:

- Lacking sufficient evidence to make a proper judgement
- Significant overlaps with other programmes or Development Partner priorities/activities where complementarities were not easily identified
- High risk options in terms of poor governance, fiduciary risk or results impact





#### 3.7 Recommendations

A new DFID Climate Change Programme could follow two pathways that offer a number of options to address the current adaptation deficit, and over time places more emphasis on mainstreaming activities that address longer term adaptation challenges, using future climate change scenarios. It is important to note that for the development of these pathways we have benefitted from expert advice from Paul Watkiss (Watkiss, 2015).

The two pathways are:

#### 1. Standalone Programmes – Immediate and short term

Under this pathway, the MoEF continues (in the short to medium term) to take the lead coordination role on climate change. This would mean planning and budgeting would still happen in isolation outside the main GoB process. A multi-donor working relationship would need to be agreed, that coordinates inputs across development partners with GoB. Under this option, DFID could support with some discrete standalone programme(s) on core areas, including those options discussed (sustainable livelihoods, urban and local level planning) – either through leading on new programmes within DFID or by providing support to or developing joint programmes with other DPs. Further research would be needed to explore options in more depth. DFID's Strategic Fund could also play a key role in strengthening the evidence base for Bangladesh.

#### 2. Mainstreaming – medium to long term

Under this pathway, there would be a greater lead from the Planning Commission. and climate change would be fully mainstreamed with a clear roadmap for prioritised actions. It is important to note that a major barrier here will be the weak level of climate capacity that exists in sectors and line ministries. GoB also lacks a central technical co-ordination and support function, which would need to be established. Under this pathway, the capacity building, TA and institutional strengthening options would play a leading role for DFID. As described in the options analysis, there will be a need for capacity building and support to the Planning Commission, if it is agreed they will be coordinating and leading the mainstreaming process, as well as technical support to the sectors. Given DFID's comparative advantage in institutional, capacity building, governance and TA, this is seen a potential area to explore for a future programme. This pathway also aligns with the VfM framework, which identifies early capacity building and institutional strengthening as an early low-regret option. A further stand for capacity building could also include strengthening the local voice and those who are most vulnerable to climate change. DFID could help in ensuring technical support for local & bottom-up planning processes. Through a mainstreaming approach it would make sense to focus efforts and resources in strategic areas where DFID is already working, for example disaster risk management, health and education, social protection, urban and livelihoods.

In reality, we expect that a **hybrid approach** that combines elements of these two pathways would be preferable. This would allow for an extended flexible design period to ensure that priorities evolve in parallel to the GoB landscape, while minimising the risk of having large amounts of finance locked into programmes. It is important however to note that moving towards a mainstreaming approach is a long term process. The NAP process, which is expected to play a key role in supporting this process, is in fact expected to take up to two years to be completed.

Hence a **phased approach** might be most appropriate, that would facilitate the transition from pathway one to pathway two over time. This option could involve some discrete programme investments in the short-term, while providing TA and capacity to support the central mainstreaming process and supporting the sectors or areas where DFID has a



comparative advantage.

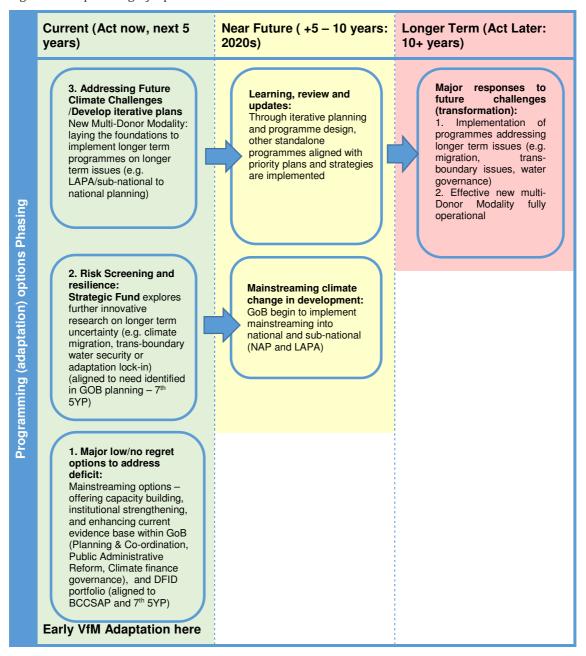
In Figure 4 below we illustrate how sequencing of the options identified may work by using the VfM framework.

#### The diagram presents:

- Current actions (between now and +5 years: these options include low or no regret options to address the adaptation deficit (major mainstreaming options), risk screening and resilience options (the strategic fund could finance innovative research and pilot projects for longer term uncertainty), and options that address future climate challenges (such as work to lay the foundation for new multi-donor working modalities).
- <u>Near future actions</u> (+5-10 years): included here are options to implement climate change mainstreaming in national and sub-national government (LAPA-modalities in particular) and learning, review, and update (through an iterative process, other standalone programmes may be implemented).
- Major responses to future challenges (+10 years): based on new research and modelling that would have emerged in the previous 10 years, in this phase large transformative actions may be funded (such as actions addressing migration and transboundary water issues), in addition to a new and effective multi-donor funding modality.



Figure 4: Sequencing of Options



Source: Team analysis and Watkiss et al. (2014)



# **SECTION 4**

### **Conclusions**

#### 4.1 Conclusions

In this section we summarise the main points emerging from the assessment, broadly following the structure of the report.

- Vulnerability and VfM. Bangladesh is one of the most vulnerable countries in the
  world to climate change. It is also heavily affected by current climate variability. The
  shortlisted options have been mapped against the VfM framework, since adaptation
  needs to play a core role in any future climate change programme in Bangladesh,
  and the framework provides a good approach for sequencing.
- Progress on addressing vulnerability. Bangladesh demonstrates already strong
  awareness around climate change and has also a good knowledge base. It has set
  up institutions, and has developed relevant policies and plans. However, progress is
  mainly on addressing the current threats (through urgent and immediate actions) and
  more effort needs to go towards building a systematic approach to addressing the
  longer term challenges.
- Institutional challenges. The Ministry of Environment and Forests (MoEF) is the focal
  point for climate change, although it broadly lacks the capacity to provide the
  leadership and coordination needed.
  - Linked to this is the issue of 'capacity' and the high demand from within GoB for capacity building, not always clearly linked to needs
  - There are significant issues related to co-ordination (across different actors, sectors, levels of government, as well as within groups of actors particularly at central government level). Civil society is an important voice to drive GoB.
- State of governance. Governance, in particular transparency and accountability have been raised as a major barrier to effective planning and coordination on climate change. Systems need to be reinforced to hold those at the top accountable for their actions and spending.
- *Criteria for options analysis.* We developed a number of criteria, as summarised in Box 5 below.





#### **Box 5: Criteria for Options Assessment**

#### Climate change impacts and vulnerability

The programme builds resilience to both current weather variability and longer term climate impacts
 All spending from the ICF must be consistent with the DAC definition of ODA and would need to be aligned to one or more of the priorities for the ICF (ICF, 2011)

The programme design will also need to consider the Value for Money work currently being undertaken by DFID (illustrated in Section 2).

- The programme targets vulnerable groups, including women and girls
- Has the potential to foster growth and private sector engagement
- Pilots innovative technologies with the potential to demonstrate new ways of doing things
- Focuses on learning, sharing effective approaches and facilitating replication by others

#### Climate change institutions and stakeholders

- The programme doesn't create additional (or ineffective) pressure on the monitoring and coordination arrangements for climate change
- Delivery partners have the necessary capacity for implementation, or capacity can be built through support
- Delivery partners have sufficient quality of governance and resilience
- The programme is flexible enough to adapt to a changing context and partner demands
- There is sufficient local buy-in and ownership:

#### Climate change policies and programmes

- The programme responds to a Government priority
- The programme option has been recognised as a gap and is not implemented by, or is a priority of, other donors

#### Alignment with DFID/ICF/DFIDB

- Meets UK fiduciary risk requirements: this is a DFID requirement
- Has the potential to deliver UK climate finance at large scale (minimum £30 million per annum): this is a DFID requirement
- Complements to the wider DFIDB/regional portfolio: It is more effective if synergies with other DFID programmes in the country and region are leveraged
- Can feasibly be managed by DFIDB team: An implementation modality that offers strong VfM and is manageable by the limited DFID staff in Bangladesh will be preferable.
- Options analysis: We then identified a long list of options, based on stakeholder interviews and background research, divided into standalone and mainstreaming options. Further, we assessed the options against the criteria, ranking them 'Low', 'Medium', and 'High', to shortlist a number of them.
- Recommendations. Based on the assessment, the following options were ranked the highest:



Shortlisted Option	Description
Standalone Programmes	
S1 A new multi-donor working modality	A revised multi-donor working modality that ensures a more coherent and coordinated approach for development partners to support the GoB.
S2 A New DFID Strategic Fund	A small and flexible fund with an agreed set of priority areas (e.g. risk and vulnerability; payment for ecosystem services/effective NRM; climate finance governance; low carbon growth/private sector engagement). Service providers could be government or non-government institutions.
S10 LAPA type modality	Support GoB in linking top down planning with coordinated and prioritised local level action
Mainstreaming Options	
M1 Planning & Coordination	Targeted support to ministries/government institutions needing to understand climate change for their everyday work e.g in Planning Commission
M2 Public Administration Reform	Embedded training programmes for all new civil service recruits
M3 Climate Finance Governance	Scaling up support to strengthen institutions in managing and governing large scale international climate finance
M6 DFID Bangladesh Country portfolio	Streamlining climate change across DFIDB's priority areas.

Standalone options may be preferable in the short term, and mainstreaming options in the long term, however a combination and/or sequencing of options may be the most viable.

 Gaps in research. There are potentially key gaps in having a national led research base on modelling and scenarios and vulnerability assessments to inform policymaking and planning. There are also opportunities for Bangladesh to export the knowledge it has.

### 4.2 Next steps and areas for further research

The scoping study has identified a number of options where DFID could potentially direct efforts for a new Climate Change Programme.

In order to further validate some of the options, in particular for specific sector-based standalone programmes, it will be necessary to:

- Use the findings from this preliminary work in the design phase of the programme, where a detailed **Theory of Change** will need to be developed. Pathways leading to outcomes and impacts will be illustrated, and assumptions will be unpacked
- Conduct further research on the feasibility of and modality for standalone programmes on water governance, sustainable urban planning or more discrete initiatives aimed at engaging with the private sector or local level planning



 Carry out more detailed and frequent consultations with other developing partners and the Government of Bangladesh, to ensure alignment of priorities and implementation approaches.

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## **Appendix B: Stakeholders Consulted**

#### A. DFID Bangladesh/British High Commission Dhaka

- 1. Helen O'Connor, Climate Change Adviser, DFID Bangladesh
- 2. Dan Ayliff, Humanitarian and Disaster Risk Adviser, DFID Bangladesh
- 3. Colum Wilson, Team Leader Climate Change & Disaster Risk, DFID Bangladesh
- 4. Dr Stuart Davies, Economics Adviser, DFID Bangladesh
- 5. Helen Barnes, Governance Adviser, DFID Bangladesh
- 6. Dr Carolyn Sunners, Team Leader Human Development Team, DFID Bangladesh
- 7. Masarrat Quader, Private Sector Development Adviser, DFID Bangladesh
- 8. Naved T. Chowdhury, Poverty and Social Protection Adviser, DFID Bangladesh
- 9. Md. Arifur Rahman, Poverty and Livelihoods Adviser, DFID Bangladesh
- 10. Farzana, Deputy Programme Manager, Climate Change
- 11. Nafisa, Programme Manager, Climate Change
- 12. Annika Olsson, Economic Adviser Climate and Environment Department, Policy Division, DFID
- 13. Emily Summers, Political Section, British High Commission Dhaka (UK FCO)

#### B. Government of Bangladesh

- 1. Dr Nurul Quadir, Joint Secretary, Ministry of Environment and Forests
- 2. Abdullah Al Mohsin Chowdhury, Joint Secretary, Ministry of Environment and Forests
- 3. Professor Shamsul Alam, Member (Senior Secretary), General Economics Division, Planning Commission
- 4. Md. Sayedul Haque, Joint Chief, General Economic Division, Ministry of Planning
- 5. Dr Nurun Nahar, Senior Assistant Chief, Programming Division, Planning Commission
- 6. Ziaul Haque, Deputy Director, Department of Environment
- 7. Mirza Shawkat Ali, Deputy Director, Department of Environment

#### C. Development Partners/International Banks/Organizations

- 1. Dr Azharul H. Mazumder, Environment and Cliamte Change Specialist, Econmic Growth Office, USAID Bangladesh
- 2. Nathan Sage, Environment Officer, Economic Growth Office, USAID Bangladesh





- 3. Arif Faisal, Environment Specialist, ADB
- 4. Dr Bjoern Surborg, Principal Adviser, Climate Finance Governance Project, GIZ
- 5. Magnus Andre, Second Secretary Urban Development and Climate Change, Swedish Embassy
- 6. Gonzalo Serrano De la Rossa, Head, EU Delegation
- 7. Ahmed Farid Hasan, SDC
- 8. Farid Hasan Ahmed, Adviser, Disaster Risk Reduction & Climate Change Adaptation, Swiss Development Co-operation
- 9. Alamgir Hossain, Programme Analyst Environment and Energy, Environment, Energy and Climate Change Cluster, UNDP
- 10. A.K.M. Mamunur Rashid, Climate Change Specialist, Environment, Energy and Climate Change Cluster, UNDP
- 11. Lia Sieghart, Climate Change Specialist, Word Bank

## D. Non-Governmental Organisations/Civil Society Organisations/Research Organisations

- 1. Dr Saleemul Huq, International Centre for Climate Change and Development (ICCCAD)
- 2. Dr Md. Asaduzzaman, Professorial Fellow, Bangladesh Institute for Development Studies (BIDS)
- 3. Dr Ainun Nishat, Professor Emeritus, Centre for Climate Change and Environmental Research (C3ER) BRAC University
- 4. Dr Md. Golam Rabbani, Fellow, Bangladesh Centre for Advanced Studies
- 5. Dr Dwijen Mallick, Fellow/Climate Change Adaptation Specialist, Bangladesh Centre for Advanced Studies
- 6. Nazria Islam, Senior Research Officer, Bangladesh Centre for Advanced Studies
- 7. Farid Uddin Ahmed, Executive Director, Aranyak Foundation
- 8. Salahdin Imam, Director, Aranyak Foundation
- 9. Dr Meherul Islam, Head, Climate Change Unit, CARE Bangladesh
- 10. Dr Shahnaz Arefin, Director Programme, Policy & Campaign, ActionAid Bangladesh
- 11. M. B. Akhter, Programme Manager, Oxfam Bangladesh
- 12. Ziaul H. Mukta, Vice President, Campaign for Sustainable Rural Livelihoods (CSRL)
- 13. Quamrul Islam Chowdhury, Chairman, FEJB
- 14. Sharmind Neelormi, General Secretary, Campaign for Sustainable Rural Livelihoods (CSRL)
- 15. M. Zakir Hossain Khan, Senior Programme Manager, Climate Finance Governance, Transparency International Bangladesh



- 16. Dr Hassan Mazumder, Country Director, The Asia Foundation
- 17. Sara Taylor, Deputy Country Representative, The Asia Foundation
- 18. Md Abdul Alim, Manager-Humanitarian Response and Disaster Risk Reduction and Climate Justice
- 19. Dr Shahnaz Arefin, Programme Director, Action Aid Bangladesh
- 20. Dr Saiful Islam, IWFM, BUET
- 21. Dr Rezaur Rahman, Professor, IWFM, Bangladesh Univeristy of Engineering and Technology
- 22. Saad Siddiqui, Institute of Water Modelling (IWM)

#### E. Private Sector/Other Actors

- 1. Dr Ahmedul Hye Chowdhury, Assist Vice President, Infrastructure Development Company Limited (IDCOL)
- 2. Paul Watkiss, Independent Consultant
- 3. Giasuddin Ahmed Chowdhury, Bangladesh Delta Plan
- 4. Dr Jaap de Heer, Team Leader, Bangladesh Delta Plan





# **Appendix C: Stakeholder Consultation Guidelines & Research Framework**

Key Questions	Government	Donors	Research institutes	NGOs/CSOs	Private sector
Policy, Planning and Political Economy					
Who are the key stakeholders in climate change?					
What are the formal/informal roles and mandates of different players?					
Do interest groups outside government (e.g. private sector, NGOs, research institutes, the media) successfully manage to influence policy, and if so, how?					
What is the past history of climate change policy, including previous reform initiatives?					
How are decisions on climate change made and who makes them?					
Do you see a shift in thinking or in explicit priorities since the BCCSAP was written, and if so, in what way?					
Once decisions are made, are they generally implemented? And how effectively? Where are key bottlenecks? (i.e. in capacity? Coordination? Lack of transparency?)					



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Key Questions	Government	Donors	Research institutes	NGOs/CSOs	Private sector
Are there any reform champions? (i.e. who are the 'best' counterparts to work with, MoEF? ERD? Etc)					
What are MoEF's aspirations for climate change programming beyond the existing BCCRF?					
What can be learnt from the BCCRF?					
Climate Financing					
What are some of the key issues Bangladesh faces regarding financing climate change action?					
What do you think would be the main barriers that a new climate change programme would face in Bangladesh/or a new CCP could overcome?					
What has been Bangladesh's experience with a multi-donor trust fund?					
Would you recommend the same/similar mechanism?					
In your view, are DFID/DP funds more effective if directed towards mainstreaming activities (such as mainstreaming climate change in national planning or investment decisions), or as standalone programmes? Explain.					





Key Questions	Government	Donors	Research institutes	NGOs/CSOs	Private sector
Do you have a view on the effectiveness of having a 'strategic fund', i.e. a small fund for demand-led interventions? And what characteristics would it have?					
Are there any examples of effective private sector engagement in climate adaptation? And what are the barriers that the private sector faces?					
Programme/ Donor interventions					
(How) are donor interventions aligned to national climate change priorities? (I.e. is there a donor coordination mechanism? Who coordinates?)					
How is prioritisation for climate change adaptation carried out? In other words, how important is enabling transformational change compared dealing with shorter term impacts?					
What would be strategic opportunities and gaps for DFID to support GoB on in climate change? (For example, a focus on an economic programme? Climate Innovation Centre?)					
Do you have any example of initiatives or programmes that have ensure effective capacity building in Bangladesh? (I.e. what do they look like? Technical assistance, mainstreaming, ad hoc support etc?)					
Research & Evidence base					





Key Questions	Government	Donors	Research institutes	NGOs/CSOs	Private sector
Are there major gaps in evidence around climate change impacts in Bangladesh, and if so, what are they?					
How can these be overcome? (I.e. through international technical assistance? Through grants to local research institutions? Through improvement of coordination mechanisms? Etc.					



## **Appendix D: Terms of Reference**

Assessment and Scoping Mission for DFIDB's New Climate Change Programme (2015/16 onwards)

#### A. INTRODUCTION

DFIDB seeks a team of experts (one of whom should be a locally recruited Bangladeshi national) to conduct a scoping study on its behalf (see person specifications). The study will assess and advise DFIDB on recommended options relating to the development of a new Climate Change programme, funded by the UK International Climate Fund (ICF).

#### B. OBJECTIVE

The consultancy will investigate the needs and examine the options for the design of a new DFID Bangladesh Climate Change programme which builds on experience under the current climate change programme and focuses on addressing the needs of Bangladesh in adapting to climate change over different time scales (short – next 5-10 years, medium (10-20) and long term (more than 20 years). It should also consider the relevant balance between adaptation and mitigation and between standalone climate change programmes and mainstreaming climate change into other DFIDB programmes.

The overarching aim of this intervention should be to better help the Government of Bangladesh and in particular poor and vulnerable communities, especially women and girls, cope with the impacts of climate change.

#### C. CONTEXT AND CHALLENGES

Bangladesh is often cited as one of the most vulnerable countries in the world to climate change. DFID Bangladesh (DFIDB) has a long history of support to the Government of Bangladesh on Climate Change. This includes the support given to the preparation of the Bangladesh Climate Change Strategy and Action Plan (BCCSAP) and DFIDB is a major provider of climate financing in Bangladesh (current portfolio represents a commitment of £95 million over 5 years²). At present DFIDB climate financing is, for the most part, delivered through the Comprehensive Disaster Management Programme (CDMP), which is managed by the United Nations Development Programme, and the Bangladesh Climate Change Resilience Fund (BCCRF), which is administered by the World Bank. In addition, there was a small (£3 million) strategic fund which supported a range of smaller pieces of analytical or priority pieces of short term work.

Both CDMP and BCCRF have had their successes as well as a number of challenges. They were both high risk programmes. Moving forward, DFIDB is adopting a slightly different approach. We will now deliver climate change funding through a mixture of mainstreaming within new programmes in key sectors (such as urban poverty reduction) and establishing standalone climate focused funding mechanisms. We have already secured funding for mainstreaming into the following:

Including BCCRF, CDMP and Clean Energy; not including mainstreaming commitments.



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- DFIDB Urban Poverty Reduction Programme (£20 million climate finance within £60 million programme over 5 years from 2015)
- DFIDB Transparency and Right to Information (£10 million climate finance within £25 million programme over 5 years from 2015)
- Support to BRAC and Chars Livelihoods Programme for two years (£7 million climate finance per year within larger programmes until 2016/17).

With regard to stand alone programmes, a follow on programme to CDMP is currently being designed, to build on some of the work at the local level with delivering disaster management funding to local civil society and government organisations. DFIDB also has a renewable energy programme, Providing Clean Energy to the Poor (PECP) which is being implemented by IDCOL.

These TORs are for a piece of work which will contribute to the design of the final element of the new approach – a new standalone climate change programme which follows on from BCCRF and the strategic fund. The new programme should complement the work of sectoral programmes in DFIDB as well as regional and centrally funded climate change interventions. It should build on the experience with BCCRF in particular, but also respond to the changing circumstances in Bangladesh and the wide range of donor partner programmes.

The main climate focus of the DFIDB climate change programme to date has been the Bangladesh Climate Change Resilience Fund (BCCRF) which is a multi-donor trust fund with the Ministry of Environment and Forests. It has been operational since 2010 and is managed by the World Bank. The recent Mid Term Review of the BCCRF highlighted a number of key challenges with the design and performance of the trust fund. Following the publication of this report, the World Bank announced it would no longer act as trustee for the Fund after it finishes it

Since the BCCRF was initiated, a number of other donors have joined the climate change space. The wide range of activities being funded by donors with the Ministry of Environment and Forests (MoEF) alone is well documented on the LCG Climate Change and Environment website (<a href="http://www.lcgbangladesh.org/cce\_reading.php?i=4">http://www.lcgbangladesh.org/cce\_reading.php?i=4</a>) and highlights a number of issues, including the heavy investment in MoEF. Supporting the Government to access climate finance from the international financing mechanisms is also an increasing area of engagement for many donors and implementing agencies.

We envisage a programme which builds on the current BCCRF and strategic fund but is not a like for like replacement. We envisage that the new programme would focus on climate related activities which a mainstreaming approach would not enable us to address. Current ideas, which are not prescriptive to this work, are evolving and include:

• A **follow on to the BCCRF** – a new multi-donor trust fund or similar mechanism which supports the GoB taking forward their short and medium term climate change priorities. The GoB has its own trust fund which donors are currently not able to support due to overall challenges with public financial management in Bangladesh. Whether to continue with a separate trust fund is one of the big questions which



needs to explored.

- A follow on to the **Strategic Fund** a flexible pot of money which has some specifications around it to ensure 'strategic' fit with a number of priorities. These priorities could be:
  - Understanding and responding to risk and vulnerability including insurance;
  - Support to Natural Resources Management which can support adaptation outcomes (for example, the MoEF has flagged forestry and Payment for Ecosystem Services as an area of interest);
  - Climate Finance Enabling Environment small targeted pieces of work to support overall climate finance management in Bangladesh (there is already a small DFID funded piece of work ongoing).
- Capacity and Institutional Support this could be to MoEF or to other
  organisations within Bangladesh who need to or could provide core technical advice
  on climate change. For example, the Institute of Monitoring and Evaluation and the
  Public Administration Training Centre.
- **Specific funding** for local government or local civil society on climate change adaptation actions which focus on a value for money and low regrets approach to prioritising. Various DFIDB programmes providing funding for local civil society and support some climate related work but they are not climate change specific.
- A Bangladesh version of the Climate Innovation Centres this had been explored previously by external partners but never followed up.

We will need to ensure adequate DFIDB engagement to maintain and build effective relationships directly with GoB. When looking at the future programme, the scoping and design process needs to bear in mind a number of issues, including:

- Political sensitivity and economy the recent decisions regarding the BCCRF have led to a series of political challenges. These will be discussed in detail with the consultants. The nomination of the External Relations Division as the National Designated Authority for the GCF has also had implications in terms of overall GoB engagement on climate change.
- Multi-donor working the spirit of multi-donor working which the BCCRF has
  created is one which has its strengths and weaknesses. Overall there is interest in
  Bangladesh in maintaining some form of multi-donor engagement on climate change
  but the options need to be further explored.
- **Grant Funding** there is a large amount of loan funding coming into Bangladesh on climate related activities, especially to invest in the infrastructure deficit. We want to use the relatively small amount of grant funding to add value and to bring about transformational change (in line with the ICF).
- Complementary with other programmes we need to find ways to complement the activities of other and illustrate the clear added value of any DFIDB climate change focused programme.

We recognise that there are potential pitfalls which we must avoid. For example, increasing the number of delivery partners we intend to support could encumber DFIDB with an unwieldy administrative burden if we assume responsibility for day-to-day management of



individual funds under any follow-on strategic fund<sup>3</sup>.

#### D. THE RECIPIENTS

The report will inform the design of new climate change programmes, the recipient of which will be the Government of Bangladesh.

#### E. PROCESS

We envisage a two-phased process to developing our next climate change programme:

<u>Phase 1 (the current phase):</u> An independent assessment and scoping mission to review the feasible options for a new climate change programme. The DFIDB Climate and Environment Adviser will be available throughout the scoping mission to fully participate. A DFID economist may also be available.

This mission will make an independent assessment of the options available to design a new programme to deliver optimal long-term and sustainable results. It will look at different options or combinations which could ensure DFIDB can deliver a comprehensive climate change programme over the next 5 years (2015/16 onwards).

<u>Phase 2:</u> A more detailed mission which will take forward the design of the new programme itself based on recommendations from Phase 1.

#### E. REQUIRED OUTCOMES & DELIVERABLES

The scoping study will deliver to DFIDB, within five weeks of the study commencing, a *final report totalling no more than 50 pages* which sets out recommendations for a new programme. All evidence and supporting information should be fully referenced. Payment will be made upon timely submission and satisfactory quality of the report. Recommendations will be consistent with the UK's ICF commitments and will be sufficiently tangible for DFIDB to take forward (or not depending on recommendations) the design of a programme within a period of 9-12 months. The team should also pay attention to the vulnerability of women and girls to climate shocks in Bangladesh and the potential role of the private sector in addressing climate impacts.

#### The final report will include:

- An overview assessment of the main climate change adaptation and mitigation priorities for Bangladesh as articulated by IPCC and key stakeholders over the short, medium and long term;
- A brief overview of the main climate adaptation, mitigation and research initiatives in Bangladesh – this can build on rather than replicate existing mapping (eg. the LCG

However, it is important to be aware that in their 2012 recommendations, ICAI encouraged DFID to take more direct ownership of individual projects rather than appoint a third party to manage an overall fund.



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mapping of climate capacity building activities) and should include an overview of upcoming initiatives (eg. on NAPs and Readiness for the GCF).

- A brief overview of the current political economy of climate change actions in Bangladesh and the new4 and emerging actors (eg. new donors and/or the private sector).
- An outline of key programming options which DFIDB should consider over the coming 5 years, with a rationale for each; this should include at least the following:
  - An outline of how DFID B could think about sequencing and prioritising adaptation actions to achieve value for money – where should UK money best be focused for maximum transformational change or impact (short, medium or longer term);
  - Appraisal of options related to a new Climate Change Trust Fund, following on from BCCRF;
  - Appraisal of other options which could work with or without a new Trust Fund and which are prioritised according to a set of clear criteria;
  - Considerations for DFID with regard to the balance between mainstreaming and standalone programmes;
  - Key institutional and donor partner opportunities/challenges to be aware of.

All feasible options for further consideration should be substantiated with detailed information on the nature of the option, partnership/model/structure/indicative costs.

The team should also explain why the option/approach is strategic for DFID Bangladesh and DFID globally and how it complements the work of other DFIDB/global or regional DFID programmes and other donors.

Finally, the team should show how the options might link with the ICF principles and outcomes.

Since current climate change programme started – 2010



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#### F. PERSON SPECIFICATIONS

The Scoping Team, which must include a Bangladeshi national or other resident in Bangladesh with substantial knowledge of the country and government structures, should have a proven track record in the following:

- The governance and political economy of climate change adaptation work, institutions, governance and incentives and;
- The design and management of or evaluations of climate change adaptive development interventions in Bangladesh or other contexts;
- Understanding of value for money of climate (in particular adaptation) actions, including implications for prioritising and sequencing interventions;
- The design and management of or evaluations of UK funded ICF activities.

In addition to the above the Scoping Team must be able to demonstrate familiarity with the work of DFID including its commitment to value for money, accountability, procurement guidelines and the department's obligations towards the Gender Equality Act.

#### G. ADDITIONAL INFORMATION

Individual team members who work on the scoping study will not be permitted to undertake *any* future design activities related to the new Climate Change Programme.

In addition, individual team members who worked on the scoping study must agree to and sign a confidentiality agreement by which they undertake not to disclose or share information pertaining to the findings or recommendations resulting from the scoping study.

The organisation selected by DFIDB to lead the initial scoping study may bid for future contracts resulting from this work including the design of a future Climate Change Programme and they may also bid to act as management agent of a future Climate Change programme (if appropriate). However, individuals who supported the initial scoping study will not be permitted to work on bid preparation teams of any organisation participating on competitive tenders for managing agent contract nor proposals for the new programme.

#### H. TIMEFRAME & WAYS OF WORKING

The scoping mission will be for 5.5 weeks (comprised of one week's preparation, up to 2.5 weeks in country and two weeks report writing). Work should start by the last week (22<sup>nd</sup>) of <u>February 2015</u>. The field visit should take place in early March (between 3<sup>rd</sup> and 19<sup>th</sup>). The final report should be shared with DFID within 2 weeks of departure from Bangladesh.

A conversation can be held with the DFIDB Climate and Environment Adviser before the field visit starts. The DFIDB Climate and Environment Adviser will be in the UK from 22 – 28<sup>th</sup> February.

The Scoping Team will hold an initial meeting with DFIDB which will be conducted prior to



the study team meeting with external stakeholders.

The Scoping Team is required to facilitate and arrange a series of meetings with individuals and organisations during the course of their time in Bangladesh. Such meetings should be arranged prior the team's arrival in Dhaka. The team are obliged to share with DFIDB an itinerary and meeting schedule covering their time in Bangladesh. DFIDB reserves the right to adjust the itinerary including to request additional meetings and to reject proposed meetings. Before departing Bangladesh the Scoping Team will also present initial findings to DFIDB.

#### I. CO-ORDINATION & MANAGEMENT

The team will report to Helen O'Connor, Climate Change and Environment Adviser, DFID Bangladesh on technical issues. For all contractual and financial issues, the team will liaise with Nafisa Ziauddin, Deputy Programme Manager.

#### J. PROJECT MANAGEMENT AND LOGISTICS

All mandatory requirements in DFID information notes (copy attached) and requirements for all visiting consultants and suppliers must be adhered to. The Scoping Team will be responsible for arranging all in-country travel and their schedule in Bangladesh.

Responsibility for the well-being of the supplier's Personnel rests solely with the Service Provider. The Service Provider will be responsible for the provision of suitable security arrangements for them and any business property/equipment that will be used during the course of this assignment. A Country Risk Assessment Matrix is attached. DFID shall forward any updates to this or notify the consultant of any changes to the security situation, as and when these are received during the course of the work.

#### **Some definitions**

#### **ICF**

The UK Government has set up the ICF to provide £3.87 billion between April 2011 and March 2016 to help the world's poorest people adapt to climate change and promote cleaner, greener growth.

As <u>Official Development Assistance</u>, the ICF must comply with the <u>eligibility criteria</u> determined by the Development Assistance Committee of the Organisation for Economic Co-operation and Development. See

https://www.gov.uk/government/uploads/system/uploads/attachment\_data/file/48217/3389-uk-international-climate-fund-brochure.pdf for more information.

#### Key background documents and other resources

- Overview of DFID projects in Bangladesh and the region -http://devtracker.dfid.gov.uk/location/country/
- IPCC 5<sup>th</sup> Assessment Report <a href="https://www.gov.uk/government/publications/ipcc-5th-assessment-report-synthesis-report">https://www.gov.uk/government/publications/ipcc-5th-assessment-report-synthesis-report</a>
- CDKN South Asia Toolkit <a href="http://cdkn.org/ar5-toolkit/ar5-so">http://cdkn.org/ar5-toolkit/ar5-so</a> uth-asia/
- ADB Costs of Adaptation in South Asia -



http://adb.org/sites/default/files/pub/2014/assessing-costs-climate-change-and-adaptation-south-asia.pdf

- Bangladesh Climate Change Strategy and Action Plan (BCCSAP) http://www.moef.gov.bd/climate change strategy2009.pdf
- Climate and Environment Public Expenditure and Institutional Review (CPEIR) http://www.aideffectiveness.org/CPEIR
- BCCRF website http://bccrf-bd.org/
- LCG work mapping donor activities in climate change in MoEF -(http://www.lcgbangladesh.org/cce\_reading.php?i=4)
- Gobeshona Research Portal (summarising research in Bangladesh on climate change) - <a href="http://gobeshona.net/#sthash.DHlfdq9K.dpbs">http://gobeshona.net/#sthash.DHlfdq9K.dpbs</a>
- Transparency International Reports on Climate Finance Governance <a href="http://www.ti-bangladesh.org/beta3/index.php/en/communications/reports/climate-finance-governance-reports">http://www.ti-bangladesh.org/beta3/index.php/en/communications/reports/climate-finance-governance-reports</a>
- Summary of workshops held on scenario planning for Bangladesh -<a href="http://ccafs.cgiar.org/blog/what-does-future-hold-bangladesh-modeling-scenarios-better-climate-policies">http://ccafs.cgiar.org/blog/what-does-future-hold-bangladesh-modeling-scenarios-better-climate-policies</a>
- Other documents are available on request (including annual reviews and documents in index based insurance etc.).



# **Appendix E: Overview of key climate change stakeholders in Bangladesh**

This annex describes the key national actors (government, civil society/non-governmental organisations and research/academia) at both national and sub-national levels currently engaged in climate change.

- The **Ministry of Environment and Forests** is the designated focal point and policy making institution for climate change adaptation and mitigation. MOEF represents Bangladesh in all global forums on climate change. MOEF produced the NAPA in 2005 and the Bangladesh Climate Change Strategy and Action Plan (BCCSAP). The implementation of the BCCSAP has been facilitated by the Bangladesh Climate Change Trust Fund (BCCTF).
- The Department of Environment (DOE) is the technical arm of the MOEF, providing support on matters related to environmental conservation, auditing, and climate change. In climate change, the DOE developed the NAPA and National Communications. On climate change issues, DOE undertakes studies such as the development of NAPA and National Communications and assists the government delegation at the UNFCCC negotiations.
- The Department of Forest (DOF) is a technical and management agency for planning, protection and management of state owned forest areas. Currently, the DOF is in charge of REDD+ in Bangladesh, but has been criticised for the poor management of the state owned forest.
- The **Ministry of Finance (MOF)** has been providing finance for climate change related activities since 2008-2009 through budgetary allocations. So far, about 385 million US\$ has been handed over to the Bangladesh Climate Change Trust Fund (BCCTF) to manage projects under the BCCSAP (GoB 2012a). The **External Resources Division (ERD)** has recently been accredited for Designated National Authority (DNA) for the Green Climate Fund (GCF). MOF also negotiates with donors and IFIs towards receiving funds for financing climate change related projects.
- The **Ministry of Planning (MOP)** coordinates development activities, approves planned projects, forwards approved projects to the Ministry of Finance for financing. MoP has made efforts in mainstreaming climate change adaptation and mitigation in all their projects under the Annual Development Plan (ADP) in Five Year Planning cycles. They are currently finalising the next cycle in the 7<sup>th</sup> Five Year Plan, where climate change will be a major component featuring in key sectors and priorities.
- The **National Parliament** is the key policy and law-making institution of the country. In recent years, issues concerning climate change have been raised frequently to the Parliament and the Prime Minister used to respond to all queries. The Parliamentary Standing Committee on the affairs of Ministry of Environment and Forest (MOEF) takes up issues in relation to implementation of CCA related activities. There is an All Party Parliamentary Group (APPG), which provides valuable inputs into the decision making processes at home and also in the UNFCCC processes.
- The **Department of Agricultural Extension (DAE)** is the national agency to enhance resilience in the agriculture sector through the promotion of hazard-resistant



crops, livestock and fisheries varieties, in association with the Bangladesh Rice Research Institute, the Bangladesh Agriculture Research Institute, the Bangladesh Livestock Research Institute, and the Bangladesh Fisheries Research Institutes.

- The Ministry of Disaster Management and Relief (MODMR) is the policy making body for disaster risk reduction. The Ministry plans for specific development projects on reducing risks to specific hazards, and also coordinates efforts by government agencies and NGOs. The regulatory framework for disaster management includes the Disaster Management Act of 2012, a Draft National Disaster Management Policy of 2012 and a National Plan for Disaster Management for 2010-2015. MODMR however has limited capacity to implement such an agenda.
- The **Department of Disaster Management (DDM)** is the technical wing of MODMR and the main actor in implementation of disaster risk management programmes. It is also the liaising body of the Government of Bangladesh (GOB) to ensure that disaster risk reduction is mainstreamed into all development activities in the country.
- Since most of such hazards are water related, Ministry of Water Resources (MOWR) plays a critical role in building national resilience against water related hazards. On behalf of MOWR, the Bangladesh Water Development Board (BWDB) is a key institution for enhancing community resilience against water related hazards.
- The Ministry of Local Government, Rural Development and Cooperatives (MOLGRDC) is in charge of all activities in rural areas by mobilizing local government institutions and cooperatives across the country. There are two major institutions within the Ministry Local Government Engineering Department (LGED) and Department of Public Health Engineering (DPHE), which are technical and Implementation wings of the MOLGRDC. Most grassroots level infrastructure and small-scale water projects across the country, including multipurpose cyclone shelters in the coastal zone, are built by LGED. They operate both in rural and urban areas. DPHE is responsible for promoting safe drinking water supply and sanitation across the country, including in post-disaster situations. They implement projects on improved water and sanitation services at the grassroots level, both in rural and urban areas, and are active along the coastal zone and other particularly hazard-susceptible pockets of the country.

#### Other key players include:

- The Roads and Highways Department (RHD) is responsible for major communication infrastructure, and while it doesn't have specific programmes for reducing disaster risks, it incorporates local hydrological and geophysical criteria in its planning.
- The Facilities Department (FD) under the Ministry of Education integrates disaster management in school building programmes across the country.
- The Bangladesh Meteorological Department (BMD) provides weather forecasts as well as forecasts for weather-related hazards such as cyclones and extreme rainfall



events, and supplies weather information to FFWC.

#### Local Government Institutions

There are over 5,000 local government institutions (LGI), both in rural and urban areas. The projects designed centrally are generally designed by line ministries and often do not adequately understand and consider local level requirements. Therefore, there is often a delink between LGIs and line ministries and their representatives stationed at the *Upazila* (subdistrict) level.

- In **rural areas**, LGIs are called *Union Parishad (UP)* and undertake small-scale development projects. In each UP there is a designated Union Disaster Management Committee (UDMC) representative, which is responsible for mobilising resources and institutions to reduce people's vulnerability to hazards and disasters. LGIs have limited autonomy and their funding is severely restricted by the central government.
- There are LGIs in **municipal and urban areas**. These authorities however have limited autonomy, and the central government and bureaucracy refrain them from being engaged in advocacy on governance. Although these LGIs are supposed to be apolitical, national political affiliation plays significant roles in defining their ability to contribute to local level development and resilience building.

People generally have relatively good interactions with these LGIs, although they are mostly unaware of the limited decision making power of the LGIs.

#### CSOs/NGOs, Research Bodies, Universities, Media and the Private Sector

Civil Society Organisations (CSOs) are very active in the climate change field, and provide the basis for the development of Community-Based Adaptation (CBA) activities.

- Major International NGOs include Bangladesh Red Crescent Society, Oxfam GB, Oxfam Novib, Care Bangladesh, Action Aid Bangladesh, Practical Action Bangladesh, Save the Children Bangladesh and Islamic Aid Bangladesh. They provide an added value of quickly mobilising resources on the ground at the occurrence of a disaster, and also support DRR activities in preparation of it. However, none apart from CARE Bangladesh have integrated resilience in their approaches.
- National NGOs that operate in the climate change sphere include BRAC, Dhaka Ahsania Mission, Uttaran, Shushilan, Rupantor, Nabolok, CDP, IDEAL, Progati, IDEA, CNRS, RDRS, Solidarity, GUK, CODEC, Bastob, FIVDB, Prova and Coast Trust. Apart from BRAC and Dhaka Ahsania Mission most of these national NGOs do not have large national coverageand generally do not have an integrated approach on resilience.
- A number of organizations and institutions have played a strong advocacy role towards shaping national policies on issues related to disaster risk reduction. CSRL works both at national and grassroots levels, and also at international level to promote DRR as well as CCA. BCAS and CGC are research-oriented institutions those use research-backed evidence in advocacy for promoting DRR and CCA in the country.



- Bangladeshi media are vocal on disaster issues, and have at times forced the
  judiciary system to step in and provide ruling against actions that might result in
  increased risks and reduced resilience. The printed media regularly provide wide
  coverage of impacts of hazards, particularly those involving seasonal hazards.
- The **private sector** in Bangladesh is quite vibrant, however the current level of formal engagement of the private sector in climate change is rather low, and generally limited to climate mitigation activities, such as energy efficient lighting and solar technologies. Also, many private sector players have not been climate proofing their operations, most probably due to limited knowledge of the impacts.

#### Donors, Bilateral and Multilateral Aid Agencies, and IFIs

Several bilateral and multilateral donors and international financing institutions (IFI) have supported DRR and CCA in Bangladesh. In initial years (1990s and up to mid-2000s), it was the donors' support that enabled non-government research community to highlight the case of Bangladesh as one of the most vulnerable to climate change. These multilateral and bilateral agencies mostly work with government agencies, and also support NGOs. Further information is in Section 2.3.



# **Appendix F: Summary of Key National Climate Change Plans and Strategies**

#### Bangladesh Climate Change Strategy and Action Plan (BCCSAP) (2009)

The BCCSAP was published in 2009 by the Ministry of Environment and Forests. It is looked at by many as a top-class strategic document for its integration of poverty alleviation and climate compatible development. The document covers adaptation, mitigation, technology transfer, and climate finance, building on six thematic pillars:

- 7. Food security, social protection & health
- 8. Comprehensive disaster management
- 9. Infrastructure, especially in vulnerable regions
- 10. Research & knowledge management
- 11. Mitigation & low carbon development
- 12. Adaptation capacity building and institutional strengthening

The BCCSAP is not only a strategic document, but it also provides concrete actions (44 programmes) with institutional responsibilities and a common 10-year timeframe.

#### Priority actions in the BCCSAP (GoB, 2009)

- 1. Food security, social protection & health
- Institutional capacity for research towards climate resilient cultivars and their dissemination
- Development of climate resilient cropping systems
- Adaptation against drought
- Adaptation in fisheries sector
- Adaptation in livestock sector
- Adaptation in health sector
- Water and sanitation programme in climate vulnerable areas
- Livelihood protection in ecologically fragile areas
- Livelihood protection of vulnerable socio-economic groups
- 2. Comprehensive disaster management
- Improvement of flood forecasting and early warning
- Improvement of cyclone and storm surge warning
- Awareness raising and public education towards climate resilience
- Risk management against loss on income and poverty
- 3. Infrastructure, especially in vulnerable regions
- Repair and maintenance of existing flood embankments
- Repair and maintenance of cyclone shelters
- Repair and maintenance of existing coastal polders
- Improvement of urban drainage
- Adaptation against floods
- Adaptation against tropical cyclones and storm surges
- Planning and design of river training works
- Planning, design, and implementation of resuscitation of river and khals through dredging and de-siltation work
- 4. Research & knowledge management



- Establishment of a centre for knowledge management and training on climate change
- Climate change modelling at national and sub-national levels
- Preparatory studies for adaptation against sea level rise
- Monitoring of ecosystem and biodiversity changes and their impacts
- Macroeconomic and sectoral economic impacts of climate change
- Monitoring of internal and external migration of adversely impacted population and providing support to them through capacity building for their rehabilitation in new environment
- Monitoring of impact on various issues related to management of tourism in Bangladesh and implementation in priority action plan
- 5. Mitigation & low carbon development
- Improved energy efficiency in production and consumption of energy
- Gas exploration and reservoir management
- Development of coal mines and coal fired power stations
- Renewable energy development
- Lower emissions from agricultural land
- Management of urban waste
- Afforestation and reforestation programme
- Rapid expansion of energy saving device
- Energy and water efficiency in built environment
- Improvement in energy consumption pattern in transport sector and options for mitigation
- 6. Adaptation capacity building and institutional strengthening
- Revision of sectoral policies for climate resilience
- Mainstreaming climate change in national, sectoral, and spatial development programmes
- Strengthening human resource capacity
- Strengthening gender consideration in climate change management
- Strengthening institutional capacity for climate change management
- Mainstreaming climate change in the media

Source: GoB (2009)

#### National Adaptation Programme of Action (NAPA) (2005, 2009)

The National Adaptation Programme of Action (NAPA) identifies a number of urgent priority actions for climate change adaptation. The NAPA was submitted through the UNFCCC with the aim of implementing priority projects by using the LDC fund. However, no systematic approach was applied to prioritizing sector-specific projects. The UNFCCC-led processes, moreover, included the limitation that project planners should identify only projects that could be implemented for a maximum of US\$10 million. Thus, while the NAPA report accommodated many ideas, it did not adequately address national adaptation needs.

In 2009, therefore, the NAPA was revised.

The suggested future adaptation strategies in the NAPA are:

- 1. Reduction of climate change hazards through coastal afforestation with community participation.
- 2. Providing drinking water to coastal communities to combat enhanced salinity due to sea level rise.



- 3. Capacity building for integrating climate change in planning, designing of infrastructure, conflict management and land, water zoning for water management institutions.
- 4. Climate change and adaptation information dissemination to vulnerable community for emergency preparedness measures and awareness raising on enhanced climatic disasters.
- 5. Construction of flood shelter, and information and assistance centre to cope with enhanced recurrent floods in major floodplains.
- 6. Mainstreaming adaptation to climate change into policies and programmes in different sectors (focusing on disaster management, water, agriculture, health and industry).
- 7. Inclusion of climate change issues in curriculum at secondary and tertiary educational institution.
- 8. Enhancing resilience of urban infrastructure and industries to impacts of climate change.
- 9. Development of eco-specific adaptive knowledge (including indigenous knowledge) on adaptation to climate variability to enhance adaptive capacity for future climate change.
- 10. Promotion of research on drought, flood and saline tolerant varieties of crops to facilitate adaptation in future.
- 11. Promoting adaptation to coastal crop agriculture to combat increased salinity.
- 12. Adaptation to agriculture systems in areas prone to enhanced flash flooding in North East and Central Region.
- 13. Adaptation to fisheries in areas prone to enhanced flooding in North East and Central Region through adaptive and diversified fish culture practices.
- 14. Promoting adaptation to coastal fisheries through culture of salt tolerant fish special in coastal areas of Bangladesh.
- 15. Exploring options for insurance and other emergency preparedness measures to cope with enhanced climatic disasters.

#### National Adaptation Plan (due 2015)

There is now a NAP roadmap in place (which has been approved, and will be published in April 2015).

It contains adaptation options for:

- Water resources sector (Crop agriculture sub-sector, Fisheries Sub-sector, Livestock Sub-sector, Forestry Sub-sector)
- Communication
- Physical Infrastructure and Urban Habitation (Road cum flood/surge protection infrastructure, Cyclone Shelters, Water Supply and Sanitation Infrastructure, Disaster / Climate Resilient Habitat (DRH), Urban infrastructure, Administrative Buildings, Health Care Facilities, Schools and Educational Centres)
- Food and Health Security
- Disaster Risk Reduction
- Livelihoods
- Ecosystem and Biodiversity
- Vulnerability beyond Adaptation by sector: Planning for addressing Loss & Damage.

#### 7<sup>th</sup> Five Year Plan (due 2015)

The General Economics Division (GED) of the Planning Commission is in the process of preparing the 7th Five Year Plan (2015-16 to 2019-20). A series of Background Studies have



been conducted by GED. These include a specific one on Climate Change and Disaster Risk Management (Ahmed et al., 2015). The key highlights that emerged were:

- Mainstreaming climate change into disaster preparedness, response, recovery and rehabilitation.
- Capacity building of key government agencies and departments to mainstream climate change into sectoral policies
- Gender-sensitive climate change and DRR plans
- Improving the institutional, management, and fiduciary readiness of Bangladesh to receive climate finance (e.g. Green Climate Fund (GCF), Adaptation Fund).
- Strengthening local government capacity especially on addressing urban climate vulnerability and green urban development.

The study identifies the following limitations that require immediate action:

- Limited understanding, knowledge and capacity.
- Inadequate management skills at all tiers.
- Adaptation priorities are vet to be set out.
- Inadequate integration of climate risk with development planning and budgeting.
- Weakness in implementation, monitoring and shared learning.
- Limited financing.
- Weaknesses in institutional coordination

#### The Delta Plan (due 2016)

The Bangladesh Delta Plan (BDP) 2100 will be the output of a 2.5 year long project (March 2014 till September 2016) which aims to formulate a comprehensive and integrated long term plan for Bangladesh, to ensure safe living and sound economic development in the delta, while taking climate change into account. The Delta Plan is expected to be a roadmap towards coordinated and prioritised investment in land and water management towards 2100. Its key components are: Management of Water Resources, Coasts and Rivers; Drinking Water Supply & Sanitation; Agriculture and Food Production; Disaster Management; Climate Change; Management of environmental/ natural resources; Socio Economic Analysis and Scenarios/ Modelling; Land Use and Spatial Planning; Economic Development and Governance

#### National Plan for Disaster Management (NPDM) (2008)

In 2008, the GoB drafted the National Plan for Disaster Management (NPDM) 2008-2015 to define an integrated plan of action in Disaster Risk Reduction (DRR) and climate change adaptation (CCA) in all development plans, programmes and policies. The NPDM promotes the inclusion of communities in reducing their disaster risks through community-based programmes, public awareness raising, improving early warning systems, and strengthening emergency responses.

- In **rural areas**, LGIs are called *Union Parishad (UP)* and undertake small-scale development projects. In each UP there is a designated Union Disaster Management Committee (UDMC) representative, which is responsible for mobilising resources and institutions to reduce people's vulnerability to hazards and disasters. LGIs have limited autonomy and their funding is severely restricted by the central government.
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- A number of other organizations and institutions have played a strong advocacy role towards shaping national policies on issues related to disaster risk reduction. CSRL works both at national and grassroots levels, and also at international level to promote DRR as well as CCA. BCAS and CGC are research-oriented institutions those use research-backed evidence in advocacy for promoting DRR and CCA in the country.
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# **Appendix G: Development Partner Priorities and Programmes**

This appendix provides a more detailed snapshot of recent development partner initiatives, based on desk research and verification through interviews with some key development partners (mainly those engaged on the Bangladesh Climate Change Resilient Fund). A more in depth summary is provided for DFID based on discussions held across the country office with Advisers on key issues like governance, green growth, DRR, health and education, social protection, poverty and livelihoods.

#### **DFID**

UKAid through DFID has been the largest international donor for Bangladesh and supports government efforts to lead donors and improve coherence with national strategies, budgets and planning. Climate change is one of the strategic priorities for DFID Bangladesh with the core aim to impact 15 million people by 2015. While climate change has a longstanding priority for UK spend in Bangladesh (a key indicator is the number of people with access to early warning systems for floods and cyclones (DFID, 2013)), the UK Government policy has been shaping the priorities for in-country funding, evolving from a focus on poverty alleviation to a stronger interest in the private sector in recent years (Planning Commission, 2012). DFID provides both humanitarian and emergency-focused assistance in Bangladesh, as well as long-term climate change and resilience programmes, whilst also supporting one of the largest urban poverty reduction programmes in Bangladesh. DFID's activities in Bangladesh have a central thrust on poverty alleviation and climate mainstreaming across development projects predominantly within livelihoods, poverty reduction and urban programmes.

The table 7 below provides further details on existing/planned programmes where climate change is being mainstreamed.

Table 7. Existing and Planned Programmes

DFID Programmes	Priorities	Total budget (ICF- allocation) (£m)	Climate Change Priority
Climate Change Programme (2010 – 2016)	Comprehensive Disaster Manager Programme (to end in 2015),  BCCRF (to end middle 2017)  Strategic fund (ended apart from a few small extensions: to ICUN for negotiation support and to UNDP for climate fiscal integration)	The total commitment is £75 million over 4-5 years, but disbursement is lower.  (100%) ICF funded)	Broad objective is to support national plans and processes to reduce the impacts of climate change on vulnerable people.
Providing Clean Energy for the Poor (2013 – 2017)	Supporting GoB owned private entity: IDCOL, who acts as implementing partner with a network of NGOs to deliver low-cost energy efficient solutions to the poor.	£20 million commitment over 4 – 5 years. (100% ICF funded)	Supporting energy efficiency and use of solar home systems



DFID Programmes	Priorities	Total budget (ICF-allocation) (£m)	Climate Change Priority
Urban Poverty Reduction Programme		£60 million programme over 5 years from 2015 (ICF	Built in resilience component that addresses the current adaptation deficit (climate resilient buildings in informal settlements)
(forthcoming: 2015 – 2020)		funding £20 million climate finance within)	Has a component that looks at risk mapping and changing risks under climate change, which is linked to municipal and local planning
			Climate change is mainstreamed throughout the outcomes:
DFID Strategic Partnership	Provide basic services (health, education, water and sanitation) and support the	UK is providing £223 million over 5 years as core support to	expanding the programme to support climate change affected communities.
Agreement with BRAC (2011 – 2016)	livelihoods of some of the poorest and most marginalised people in Bangladesh.	BRAC's development programmes (£10 million of ICF finance for 2014/15 and 2015/16)	discrete programmes under BRAC: BRAC Disaster, Environment and Climate Change (DECC); BRAC Strengthening Agricultural and Food Security programme; Addressing Climate Change Related Destitution programme
Chars Livelihood	Comprehensive package of support to families and communities living on the remote chars (sandbank	£70 million over 6	Climate Change Adaptation support through guidance on diversifying livelihoods and providing infrastructure support (raised plinths).
Programme Phase 2 (2010 – 2016)	islands) in the Jamuna and Teesta river of north-western Bangladesh.  Helps these families and communities to lift themselves out of extreme poverty.	years (2010-16) (£4 million ICF funded)	The new sustainable livelihoods programme (2016 onwards) could have an ICF portion to include multihazard risk assessment and analysis of future climate change
Transparency and Right to Information (2015 – 2020)	A broader Governance programme on transparency and accountability – piloting methods on donor reporting to scale up and support government in the future	£25 million programme (ICF funded: £10 million over 5 years from 2015)	Addresses issue of transparency and accountability in reporting on climate finance
Green Growth Diagnostic Programme (forthcoming 2015)	Likely to consider the pillars of green growth (mitigation, adaptation, and environment).		The existing landscape on adaptation is extremely crowded, and thus this project may deliver more value by focusing on the environmental components (externalities, PES) of green growth, and mitigation-adaptation synergies.

DFID is currently undergoing several major programme design processes for some of its core areas, including long standing programmes delivering on urban development, resilience/disaster risk reduction and management, poverty and sustainable livelihoods (combining EEP and CLP), water, sanitation, health and development (including BRAC) and governance. This is also providing an opportune time for DFID Bangladesh to integrate and



embed climate change within some core strategic areas.

Currently, these areas include governance (climate finance and transparency/accountability), urban climate resilience, and sustainable livelihoods (rural and urban). Opportunities may also arise in the future for DFID to mainstream climate change within health and private sector development where there are obvious strategic synergies. Further detail is provided on this in Section 3.

In 2014, DFID Bangladesh developed a Resilience Strategy, in order to provide a 'conceptual rationale for the work carried out within the Climate Change and Disaster Resilience team and for its engagement with other teams within DFIDB and beyond'. Taking a resilience lens offers a 'more structured and rigorous approach' towards DFID Bangladesh's aim to address the impacts of climate change and other risks, including disaster management through existing programming.

#### Regional/International Programmes

In addition to DFID Bangladesh's own portfolio of programmes where direct assistance is offered, DFID has a number of large international/regional programmes that has considerable potential to support the DFID Bangladesh office in addressing discrete issues. For example the DFID South Asia team have a number of programmes that look at water governance, climate information services and climate resilience. There is scope here to link into or collaborate with regional teams on key issues that are likely to affect the region as a whole. For example, Bangladesh sits between two of the worlds' largest countries; India and China. Both are implementing their own adaptation actions, in particular to address water management and security that could have knock-on effects in Bangladesh, notably if they reduce trans-boundary water flows. Stakeholders have identified that there is likely to be a need for support to the Government of (the People's Republic of) Bangladesh to address the likely power imbalance in these discussions, and this could be added as a component in any new climate programme.

#### **GIZ**

In Bangladesh, Germany is mainly represented by the Federal Ministry for Economic Cooperation and Development (BMZ) and is a key donor in the country. The BMZ commissioned state owned executing agencies like Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Kreditanstalt für Wiederaufbau (KfW) or Bundesamt für Geowissenschaften und Rohstoffe (BGR) with the implementation of the development cooperation.

Since 2014, **GIZ** has focused on climate change adaptation and mitigation, with priority areas being 1) energy efficiency and renewable energy; 2) good governance, rule of law and human rights; and 3) adaptation to climate change in urban areas. While GIZ do have a separate priority are that focuses on urban adaptation, they are committed to supporting the Government of Bangladesh over the long term in mainstreaming climate change into national planning. GIZ's climate change and environment portfolio spans diverse themes including climate finance governance, sustainable development and biodiversity conservation in coastal protection forests, management of natural resources and community forestry, and wetland biodiversity protection. In addition, Germany is also funding work on renewable energy and energy efficiency under its sustainable infrastructure programme. Governance and democracy is a cornerstone of the country strategy for Bangladesh, not only as a stand-alone theme (which encompasses projects on promotion of social and environmental standards in the industry and good governance in urban areas) but also as a core theme that is mainstreamed under other strategic programmes. GIZ have a very unique position in Bangladesh being the only bilateral implementing partner with a strong human



resource base<sup>5</sup>. In recent years GIZ has been taking a leading role on climate finance, in particularly through its global CF Ready programme, providing support to Bangladesh on readiness activities to access international climate funds (like the Green Climate Fund). GIZ was not a partner of the BCCRF, but is working in partnership with a number of other Development Partner's, including DFID.

#### **USAID**

USAID-Bangladesh's goal is to ensure that Bangladesh is a 'knowledge based, healthy, food secure and climate resilient middle income democracy'<sup>6</sup>. USAID aligned its Country Development Co-operation Strategy for 2011 – 2016 to the Government of Bangladesh's own national plans, including the Sixth Five-Year Plan for 2011–2015, as well as the Bangladesh Climate Change Strategy and Action Plan 2009 (BCCSAP), the Second National Strategy for Accelerated Poverty Reduction (2009 – 2011), the National Food Policy Plan of Action (2008–2011); the Health, Population and Nutrition Strategic Development Plan (HPNSDP), and the Bangladesh Country Investment Plan.

USAID's involvement in climate change and environment has been quite diverse, though historically the programme has focused on natural resource management related programmes (including pioneering work with the Government of Bangladesh on strengthening collaborative management of resources (including land, water, forestry, and fisheries). Since 1997 USAID's work in this area brought in a number of other development partners and it now has formal partnerships with GIZ and EU on co-management and natural resource management across the country, including in the Sundarbans National Park.

USAID programmes typically follow five year timeframes, though some long-term programmes such as the Climate Resilient Ecosystems and Livelihoods (CREL) in the South, Southeast and Northeast Bangladesh are in their third five year funding cycle.

#### **EU Delegation**

The European Union (EU) as an entity (excluding the contributions by individual member states) was the second largest EU donor to Bangladesh (after DFID), with €403 million allocated under the Country Strategy Paper (CSP) for the period of 2007-13 (European Commission, 2007; EU Delegation's website). Their most recent Multi-annual Indicative Programme (MIP) has allocated €690 million between 2015 and 2020, split between three priority areas: SECTOR 1 – Strengthening Democratic Governance (indicative amount €103-138 million and €24 million allocated for 2014), SECTOR 2 – Food and Nutrition security (indicative amount €276-310 million and €37million for 2014) and SECTOR 3 – Education and Skills Development (indicative amount €276-310 million and €35million allocated for 2014) (Multi-annual Indicative Programme for 2014 – 2020). By mid-2015, the MIP confirms that all EU-aid will be synchronised to the Government of Bangladesh's 7<sup>th</sup> Five Year Plan.

The EU in general takes a mainstreaming approach to gender, climate change, environmental management and disaster management. In the MIP for 2014 – 2020, climate change is a strong component and is embedded in results areas for all three of its priority areas. The MIP states that "EU development and humanitarian priorities need to be brought together in a comprehensive and coherent approach to help enhance resilience of the most vulnerable communities to withstand, adapt, and quickly recover from stresses and shocks with special focus on crisis prevention and preparedness." The EU have mainstreamed climate change across all its country delegations and seek to support national governments

USAID Bangladesh Country Development Co-operation Strategy 2011 - 2016



Includes 253 national personnel, 31 seconded and three integrated experts working in Government of Bangladesh. There is also one development worker – the first in Bangladesh – who has been deployed there since late 2013. Two further posts for development workers will be created in 2014. (GIZ Bangladesh country web page, accessed 12<sup>th</sup> March 2015)

to address it as a holistic issue across government, rather than being the sole responsibility of one ministry.

The majority of projects aim to address resilience and adaptation in an integrated way through their activities. - CC & DRR - mainstreaming relevant issues across all three sector areas - particularly governance - have been supporting GoB decentralisation process – to ensure transparency and accountability in programme delivery. EU are in the process of setting up a new programme that aims to support the system of fiscal transfers through UNDP & UNCDF (GCCA+ funding); 8million Euros over 4 - 5 years, is a flagship project for EU under their governance theme. Under the EU Regional Indicative Programme for 2014 – 2020 they are also supporting green growth in Bangladesh, in particular supporting green infrastructure.

#### **SIDA**

SIDA has recently established a climate change programme under the country strategy. The Results Strategy for Bangladesh 2014 – 2020 seeks to achieve 'A better environment, limited climate impact and greater resilience to environmental impact, climate change and natural disasters'.

SIDA aims to do this through two results areas:

- 1. Greater resilience and flexibility to deal with climate change, environmental impacts and natural disasters in vulnerable areas, including improved disaster management systems.
- 2. Strengthened institutional capacity among authorities and other actors to better manage water resources in particularly neglected and vulnerable areas.

