



CLIMATE FINANCE TRANSPARENCY MECHANISM (CFTM)

Fact Sheet on Funding Climate Change Projects in Bangladesh

CLIMATE FINANCE

Climate Finance has become a central point in global negotiations. Tracking of climate finance is complex due to overlapping sources, disseminating channels and governance process. In Bangladesh, data on climate finance flow is available but transparency and accountability is still an issue.

Climate finance is used to refer to the flow of funds towards mitigation, i.e. activities aimed at reducing GHG emissions; or adaptation, i.e. helping societies to develop resilience in adapting to negative effects of climate change.

Climate Change Investment/Climate Finance Flow in Bangladesh

Donor Supported Funds through Government Organisations

Climate Change Dedicated Funds

Bangladesh currently has access to four climate change dedicated international funds, which include **LDCF** (Least Developed Countries Fund) **GEF** Trust Fund (Climate Change Focal Area) **PPCR** (Pilot Programme of Climate Resilience) and **GCF** (Green Climate Fund). The country also established two climate change dedicated funds including Bangladesh Climate Change Trust Fund (**BCCTF**) and Bangladesh Climate Change Resilience Fund (**BCCRF**).

In Bangladesh, both Climate Finance and Overseas Development Assistance (**ODA**) are channeled through government organizations; such as, Economic Relations Division (**ERD**) under the Ministry of Finance of the Government of Bangladesh (GoB) and NGO Affairs Bureau (**NGOAB**). Apart from the funds flowing in from Climate Change Dedicated Funds (**LDCF, GEF, PPCR & GCF**), it is unclear whether the funds received for climate change related projects and programmes are Climate Finance or **ODA**.

NGOAB and **ERD** are not funding sources. **NGOAB** is responsible for approving and monitoring the activities and finances of NGOs in Bangladesh. While, **ERD** is designated for coordinating and mobilizing all external assistance inflows into the country and has developed **AIMS** database which stores data on all foreign assistance, including funds for climate change, which the country receives.

Domestic Investment on Climate Sensitive Activity

According to the CPEIR (2012) of the Ministry of Finance, GoB, **1.1% of the GDP** was invested on climate sensitive activities. On the other hand, the Climate Protection and Development Budget Report (2017) of the Ministry of Finance states that on an average, **0.7% of the GDP** was found to be invested in climate sensitive activities in the last four years.

*This study only includes AIMS/ERD & NGOAB data

Table 1: Total climate change investment from specific domestic and international sources in the last six fiscal years in Bangladesh (from available sources)

Category	Climate Change Funds/Fund Approval Organizations	Project Approval Period	No of Approved Project	Total Cost (Million USD) Project
A	Climate Change Dedicated Funds			
1	Least Developed Countries Fund (LDCF)	2010 - 2016	5	168.46
2	GEF Trust Fund (Climate Change Focal Area)	2010 - 2016	5	310.48
3	Green Climate Fund (GCF)	2016-2017	1	80.00
4	Pilot Programme on Climate Resilience (PPCR)	2011 - 2015	6	109.75
5	Bangladesh Climate Change Resilience Fund (BCCRF)	2010-2016	10	146.90
6	Bangladesh Climate Change Trust Fund (BCCTF)	2011- 2016	346	275.91
B	Government Organizations approving donor funded projects and programmes related to climate change in Bangladesh			
7	Economic Relations Division (ERD)	2010-2016	51	4357.08
8	NGO Affairs Bureau	2016-2017	38	12.64

Source: GEF, LDCF, GCF, AIMS/ERD, NGOAB (accessed to official website of all these organizations during June/July 2017)

If the entire six years (Fiscal Years 2010/11 to 2015/16) is considered, the total domestic funds from development and climate sensitive activities remains from about US\$ 7 billion to US\$ 11 billion.

Table 2: Total domestic investment from development and non-development budget on climate sensitive activity in last six years in Bangladesh

FY	Total GDP at Current Market Price (Crore BDT)	Total GDP at Current Market Price (Billion USD)	1.1 % of GDP (Billion USD) (According to CPEIR, 2012)	0.7 % of GDP (Billion USD) (According to Climate Protection and Development, 2017)
2010-11	915829	117.41	1.29	0.82
2011-12	1055204	135.28	1.49	0.95
2012-13	1198923	153.71	1.69	1.08
2013-14	1343674	172.27	1.89	1.21
2014-15	1515802	194.33	2.14	1.36
2015-16	1732864	222.16	2.44	1.56
2010/11-2015/16			10.95	6.97

Source: Bangladesh Economic Review, 2016; CPEIR, 2012; Climate Protection and Development, 2017

Fund Focus

As mentioned above, data on funds received through BCCTF, BCCRF, GEF, PPCR, GCF and LDCF are distinctively climate finance. While the data on funds received through NGOAB and AIMS/ERD are on climate change related projects. This means, it is unclear whether these are climate finance or Overseas Development Assistant (ODA). The funds that are received for climate change related projects are implemented as adaptation project, mitigation project or 'adaptation & mitigation' (AdMit) project.

Key Facts

Table 3: The table shows climate change related investments for adaptation, mitigation and AdMit from different funding windows (in million USD)

Fund Type	Adaptation	Mitigation	AdMit	Total
Grant	\$887.33	\$85.00	\$65.33	\$1028.66
Loan	\$1977.54	\$1190.55	\$56.30	\$3224.39
Co-finance	\$826.66	\$49.60	\$47	\$923.26
BCCTF	\$213.61	\$26.66	\$35.64	\$275.91
Sub-Total	\$3896.14	\$1351.81	\$204.27	\$5452.22

Box 1. An overview of the funding windows (in million USD)

NGOAB	<ul style="list-style-type: none"> • \$ 12.64 million • Grant: 38 projects • Data from July 2016 - Feb 2017
ERD/AIMS	<ul style="list-style-type: none"> • \$ 4357.06 million • Grant: 51 projects; Loan: 19 projects; Co-finance: 4 projects • Data from July 2010 - June 2016
BCCTF	<ul style="list-style-type: none"> • \$ 275.91 million • Grant: 346 projects • Data from July 2011 - June 2016
BCCRF	<ul style="list-style-type: none"> • \$ 146.90 million • Grant: 10 projects • Data from Jan 2010 - May 2017
GEF	<ul style="list-style-type: none"> • \$ 310.48 million • Grant: 5 projects; Co-finance: 3 projects • Data from 2010 - 2017
PPCR	<ul style="list-style-type: none"> • \$ 109.75 million • Grant: 6 projects; Loan: 3 projects • Data from 2011 - 2015
GCF	<ul style="list-style-type: none"> • \$ 80 million • Grant: 1 project; Co-finance: 1 project • Data from 2015 - 2017
LDCF	<ul style="list-style-type: none"> • \$159.46 million • Grant: 5 projects; Co-Finance: 5 projects • Data from 2012 - 2014

- NGOAB** - NGO Affairs Bureau
ERD - Economic Relations Division
BCCTF - Bangladesh Climate Change Trust Fund
BCCRF - Bangladesh Climate Change Resilience Fund
GEF - Global Environment Facility
PPCR - Pilot Programme of Climate Resilience
GCF - Green Climate Fund
LDCF - Least Developed Countries Fund

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