Opportunities and challenges on climate finance

Md Golam Rabbani

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Bangladesh Centre for Advanced Studies (BCAS), Centre for Climate Change Centre for Climate Change and Environmental Research (C3ER), BRAC University, and International Centre for Climate Change and Development (ICCCAD) at Independent University Bangladesh, with support from PROKAS, British Council, and UK Aid organized the International Conference on Climate Finance (ICCF) during January 27-28, 2018 at the Bangabandhu International Conference Center (BICC), Dhaka.

The main objective of the conference was to create opportunities for local and international participants to exchange and debate on the present and future scopes, opportunities, and challenges of climate finance.

The conference also offered engagement of multi-stakeholder representatives from all sectors including research, academia, government, private sector, civil society, media, and local communities to build strong connections through knowledge-sharing related to climate finance issues.

Private sector can play vital role in not only mitigation but also in adaptation across the world

The ICCF 2018 accommodated about 200 national and international participants from Bangladesh, India, Nepal, Indonesia, Thailand, Vietnam, Ivory Coast, Liberia, Russia, Nigeria, Canada, Brazil, United Kingdom, Italy, and other countries.

Inaugural session

Mr Anisul Islam Mahmud, MP, Honourable Minister, Ministry of Environment and Forests (MoEF), Government of the People's Republic of Bangladesh inaugurated the conference as the chief guest. He described how the government is taking initiatives to address the effects of climate change in Bangladesh.

Mr Mohammad Muslim Chowdhury, Secretary in Charge of the Finance Division at the Ministry of Finance joined the conference as the special guest. He clearly mentioned the special allocation to address climate change since 2010. He also emphasizes on the integration of climate change in budget system.

Dr Saleemul Huq, Director of ICCCAD, Dr Paul Desanker of UNFCCC, and Mr Golam Rabbani of BCAS spoke in the inaugural session. Dr Atiq Rahman, Executive Director of BCAS chaired the session.

The inaugural speakers referred the Bangladesh Climate Change Trust Fund (BCCTF) and Bangladesh Climate Change Resilience Fund (BCCRF) initiative to address climate change within the country. Bangladesh was one of the first countries to try a "trust fund" approach and a number of countries have emulated this model later.

In his chair's speech, Dr Atiq said, "Bangladesh has prioritized adaptation, but mitigation and low carbon development is also very important to keep the planet green."

Technical sessions and plenary discussions on climate finance

The technical sessions of the conference covered a wide range of themes such as climate finance governance, climate finance gaps and challenges, financing private sector to address climate change, comparative analysis of climate finance in Bangladesh with other developing countries, allocation of climate funds to mitigation and adaptation activities, gender and youth focused climate finance, innovative climate financing mechanism, and mobilizing climate finance.

A total of 24 technical presentations were held under eight thematic areas to provide ideas, debate, and discuss the climate finance issues.

Mr Abul Maal Abdul Muhith, MP, Honourable Finance Minister of Ministry of Finance (MOF), spoke as the chief guest in the concluding session of the ICCF. He emphasized on the steps taken from his ministry to address climate change in Bangladesh.

He acknowledged the funding necessary to address loss and damages of the poor people during climatic disasters. He also underscored the importance of involving local communities as well as local government institutions in implementation of adaptation and mitigation projects.

Dr Kamal Uddin Ahmed, of the Planning Commission and Ms Nihad Kabir, President of MCCI attended the ICCF as special guests.

Dr Saleemul Huq, Dr Ainun Nishat, Professor Emeritus at BRAC University, Mr Joel Harding of UK Aid, Dr Shahnaz Karim of British Council, and Dr Monirul Q Mirza from University of Toronto also spoke in the concluding session. Dr Atiq Rahman, Executive Director, BCAS chaired the concluding session.

Key points related to climate finance discussed in ICCF 2018 are:

1. Improvement of climate finance governance: Based on the positive learning experiences, eg BCCTF, BCCRF, and the Indonesian Funding Initiative, the countries need to improve its governance mechanism to have access and effectively use of climate funds.

Development of budgeting and performance management was also identified as a crucial element of climate finance governance. Participation of multi-stakeholders and maintaining of transparency and accountability need to be ensured. Strengthen the local government's capacity to host an effective channel to design and implement pro-poor climate finance regime.

2. Addressing climate finance-gaps and challenges: Institutional capacity, current finance governance mechanism, accessing climate finance, and tracking of climate finance was identified as major challenges in the climate finance discourse. Local level climate finance framework and public-private partnership can be strengthened to overcome challenges and building long-term resilience.

3. Enabling environment for financing private sector to address climate change: It was well acknowledged that the private sectors are not adequately involved in the climate change decision-making process or implementation of government policy and strategies in many countries, including Bangladesh.

However, private sector can play vital role in not only mitigation but also in adaptation across the world. It is extremely important to share climate change knowledge, strategies, and technologies with the private sector for playing effective role.

If necessary, the government may introduce financial incentives and regulatory risk reduction frameworks to encourage the private sector to address climate change. Private-public partnership has been encouraged for technology development and technology transfer.

4. Effective allocation of climate finance: The countries, government, institutions need to prioritize vulnerable sectors for climate finance allocation. It is necessary that all governments encourage transition from traditional options to "innovations" and inter-disciplinary aspects for allocation on adaptation and mitigation projects.

Financing to increase carbon sink to facilitate green development is also important. Huge resources need to be allocated to address "climate related poverty, and loss and damage."

5. Gender and youth focused finance: Climate finance could be a tool for women's empowerment and resilience. Gender and youth integrated climate finance mechanism would address long-term vision and sustainability of the investment.

6. Mobilization of climate finance: Institutional capacity to access and utilize the climate finance is extremely important. The countries and relevant authorities have to identify, discuss, and negotiate to have access to all public, private, multi-lateral, and bi-lateral funds. Playing active roles by relevant organizations is pre-condition for mobilizing climate finance.

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ERD steering Bangladesh's journey to GCF: A reality check

Mohammad Iftekhar Hossain

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The term "NDA," that stands for National Designated Authority, is not new in multilateral cooperation mechanisms, especially for international climate finance sources. Clean Development Mechanism (CDM) of Adaptation Fund, for each of its member countries, has a Designated National Authority (DNA), which is the organization granted the responsibility by a country to authorize and approve participation in CDM projects.

The Adaptation Fund as a whole, at the country level, uses a DA (Designated Authority) who is a government official and acts as the point of contact. On behalf of the national government, the DA endorses the accreditation applications of national or regional Implementing Entities before they are sent to the fund's secretariat for assessment and/or proposals by national, regional, or multilateral Implementing Entities for adaptation projects and programs in the DA's country.

Green Climate Fund (GCF) has actually replicated this model with some modifications, like incorporating the international entities and not limiting the entities' number as was done for Adaptation Fund. GCF also has created an opportunity for the NDAs to directly access to their resources in the form of "preparedness and readiness supports."

According to GCF's financial architecture, for accessing the resources from GCF, the GCF board has made a requirement for the recipient countries to appoint NDAs.

NDAs are chosen by governments to act as the core interface between countries and the GCF. They are to provide broad strategic oversight of GCF's activities in a country and to serve as the point of communication with the fund.

Funding proposals will have to be submitted through these NDAs, ensuring that investments are aligned with local needs, national priorities, and climate change planning.

ERD's activities as Bangladesh's NDA to GCF

Since its establishment as NDA, ERD has been very active in building the road to GCF. It has taken quite a number of activities which include:

- Launching an inclusive consultation process with all the stakeholders, including government agencies, private sector, civil society organizations, and development partners
- Undertaking organizations' self and expert's assessments to find out the potential of public sector entities to become NIEs of GCF
- Organizing national consultative stakeholder workshops to short-list 14 national institutions as potential of being NIE(s) while meeting basic and specialized standards set by GCF
- Nominating finally six public sector entities (IDCOL, PKSF, LGED, Department of Environment, Bangladesh Climate Change Trust, and Bangladesh Bank) to apply for GCF's accreditation and get two of its nominated candidates (IDCOL and PKSF) accredited as NIEs. When IDCOL got its accreditation in June 2017, this was the very first time ever that a Bangladeshi organization got accreditation from a global financial fund, and made it possible to have direct access to an international financing source. Back to back, PKSF also got its accreditation in early October, 2017 and thus, Bangladesh became the second country in Asia to have two NIEs after India.
- Organizing a workshop to orient private sector entities about the opportunities of GCF for them
- Forming an Advisory Committee including representatives from all corners; government, public sector, civil society, and experts
- Sending two project proposals to GCF for funding and getting one of the projects, titled "Climate Resilient Infrastructure Mainstreaming (CRIM)" approved by GCF Board. Notable that it was one of the first seven projects that GCF Board approved globally. GCF would provide USD40 million as grants for implementing this LGED project. Another project, through UNDP, titled "Enhancing adaptive capacities of coastal communities, especially women, to cope with climate change induced salinity" to be implemented by Ministry of Women and Children Affairs, is now under the active consideration of the GCF Board.
- Undertaking a capacity assessment and subsequently received readiness support from GCF and GIZ for establishing a dedicated-functional and digital NDA secretariat
- Nominating LGED to receive GCF's readiness support for accreditation gap assessment and fulfilling the identified gaps
- Sending a proposal to receive GCF's readiness support for preparing National Adaptation Plan (NAP) of Bangladesh
- Starting to develop a Country Program (CP) that would present an overview of a country's national context, policy framework and plans, and summarize their respective climate action agendas. CP would also include a pipeline of projects or programs that a country would like to undertake with the GCF.

Selecting an NDA

The government of the recipient country has the full authority to select any national organization as its NDA. However, GCF recommends the NDA to be placed within a ministry or an authority conversant with the country's national budget, economic policies, and their interrelation with climate change-related priorities and development plans.

The selected institution should ideally have a mandate that enables it to work on and influence an appropriate combination of economic policy and development planning, along with climate change, energy, sustainability, and environmental resource management priorities, strategies, and plans.

The ability to convene representative stakeholders across these priority areas is a critical function of an NDA. Taking all these points into considerations, in November 2014, GoB made the conscious decision of nominating Economic Relations Division (ERD) to be the NDA of Bangladesh to GCF.

As one of the Divisions of the Ministry of Finance of GoB, ERD is responsible to mobilize external resources or ODA for socio-economic development of the country. ERD assesses the needs of external assistance, devises strategy for negotiations and mobilizing foreign assistance, formalizes and enables aid mobilization through signing of loans and grants agreements, determines and executes external economic policy.

Taking the involvements and requirements into consideration, ERD and the Ministry of Environment and Forests (MoEF) were inherently considered the most appropriate two organizations to be the NDA of Bangladesh to GCF.

However, as the single NDA, selection of ERD was reasonably agreeable taking the mandate and rules of business of ERD into account. At the same time, MoEF would be involved in climate change negotiations, but they would not have adequate knowledge on climate finance.

Moreover, the NDA's major role is financial diplomacy and ERD is better positioned in that respect. It is not only Bangladesh who has selected a Division of its Ministry of Finance as its NDA to GCF, rather quite a number of countries -- including China, Brazil, Nepal -- have selected their Ministries of Finance as their NDAs to GCF.

ERD should do the following in achieving those:

1. ERD as the NDA should develop a regular and functional coordination mechanism immediately to ensure all the stakeholders' participation effectively and achieving climate finance at a scale from GCF. NDA Secretariat should ensure frequent interaction with MoEF, planning wings of different ministries, Planning Commission and Finance Division on GCF Readiness, and seek support from them in advancing the country readiness. At the same time, NDA should develop an enhanced communication strategy to reach to stakeholders smoothly and build its capacity rapidly.
2. NDA secretariat should complete developing the digitized No Objection Letter (NOL) issuing system fast. However, the system should be "an accessible and open governance mechanism and a one-stop service center" for issuing NOL. It should be a time-bound process of proposal review and issuing NOL, which can ensure clarity of approval processing as well. At the same time "installation of advanced software for reviewing the GCF project proposals" should also be implemented immediately. In designing these systems and software, oversight has to be kept so that technicality does not take over, and NDA should create an opportunity to talk.
3. NDA should work fast in preparing the country program for GCF's investment, as this would help maintaining a project pipeline in line with national priority, as well as GCF's investment criteria.
4. NDA should "initiate dialogue with C&AG" to find out a way so that the present system can be twisted in such a way that the required financial statements for public sector entities can be generated to fulfill GCF's requirement. Alternatively, ERD can take up the fiduciary gap issues at a higher level (NEC, Cabinet Meetings, for example) and seek necessary directives for relevant government organs to bring reforms in the regulatory frameworks.
5. NDA should initiate "dialogues with PC" on how to avoid dual process by getting a project quickly cleared by PC, once the project is approved by GCF. In this connection, NDA should consult with Planning Minister or Secretary or Members of Planning Commission to find out a feasible solution or an appropriate mechanism.
6. NDA should organize regular orientation workshops on GCF procedures for potential entities, for making the institutions acquainted with the GCF procedures and enhance their capacities. ERD should have a non-stop motivational campaign on "go for GCF" that should describe the benefits of implementing projects with GCF funds, rather than from other DPs' funds.
7. To develop the capacity for developing project proposals, NDA can form a technical team who can organize a series of capacity-building workshops and consultations for relevant sectoral ministries and line agencies. Appropriate technical papers and handouts may be developed to facilitate the capacity building initiatives. Alternatively, ERD could commission others to do more capacity-building to project development. ERD should also suggest the respective ministries to work on how to develop a proposal.
8. As GCF is putting more and more emphasis on "co-financing" for the GCF's projects, ERD should push for building a "co-finance mechanism" such as, interested ministries may keep an allocation in MTBF or a pool of conditional national fund can be developed for co-financing. A guideline about co-financing in the projects may also be developed.
9. (a) NDA should have a dynamic website, (b) the Advisory Committee should be strengthened by incorporating more CC experts and experienced persons, and the committee should be activated fully.
10. ERD should increase human resources of NDA secretariat and include non-transferable positions (such as, research officer, consultants, financial experts, M&E experts etc) in the structure to build permanent capacity. Some incentives like introducing a higher or attractive financial package may be provided to attract and retain skilled manpower. A pool of national experts (whether working in private, public, non-governmental, or international organization) should be developed to support in technical aspects of the different funding projects to develop. A modality can be developed so that these experts can provide their support in cost or voluntarily.
11. ERD as the NDA should be more reactive and proactive at the same time, in terms of capacity and responses comparing with other agencies. It should utilize countries resources properly and effectively. As the role of ERD as NDA of GCF is very different than the traditional role of ERD, the NDA should not hesitate to go to others' doors, rather than waiting for others to come at its.

Barriers and challenges for NDA Bangladesh

Although ERD has made a reasonably good start, there are couples of challenges, like making the country's system GCF compliant, and enhancing institutional capacity and engagements that ERD as NDA needs to overcome.

Capacities like knowledge on national strategies, plans, and priorities; familiarity with CC activities and country's needs; ability to monitor and evaluate project proposals against GCF and country criteria; over-viewing capacity of international climate finance flows in the country and all the sources of international climate finance; ability to contribute and drive national strategies and plans; ability to run own and stakeholders readiness; ability to understand and internalize GCF's procedures and decisions, and ability to converting NDA into a service centre or helping body are essential in overcoming the challenges.

ERD as the NDA also needs to develop an accessible and open governance mechanism, and a one-stop service center for issuing No Objection Letter (NOL) in a timely and transparent manner.

ERD at its NDA secretariat has an acute human resource shortage. As NDA secretariat has no permanent setup till today, there is a high risk of institutional memory loss. NDA Secretariat needs immediate permanent setup, and engaging more people with some technical posts as well.

NDA also needs to show strong leadership or capacity to initiate or push for reforms like, in making the present planning process GCF aligned or making country's fiduciary system GCF compliant.

Way forward

Bangladesh fights with climate change for its own existence and it is a continuous fight that demands huge resource mobilization.

The largest fund ever built in the history of mankind, the Green Climate Fund, offers a great solution to Bangladesh in meeting this demand. ERD, as the NDA of Bangladesh, needs to steer the country's journey to GCF with proper planning, effective strategies and policies, good systems, strong institutions, stakeholders' coordinated efforts, and hard determination.

The writer is a Deputy Secretary

An analysis of the BCCSAP projects implemented in Bangladesh

Remeen Firoz Last updated at 11:14 pm February 16th, 2018 Published at 11:12 pm February 16th, 2018

The Bangladesh Climate Change Strategy and Action Plan (BCCSAP) 2009 demonstrates the country's commitment and understanding of climate change. It is a key document that reflects national priorities in terms of adaptation and mitigation.
In 2010, the Bangladesh Climate Change Trust (BCCT) Act was formulated and consequently the government set up the Climate Change Trust Fund (CCTF) for implementing urgent and immediate actions of the document.
This paper analyzes the thematic distribution of projects implemented by BCCTF in Bangladesh. Information for the study was gathered through semi-structured interviews and expert consultations, along with review of pertinent literature.

Analysis of projects

The government of Bangladesh used its own resources to create a fund that was channeled through BCCT, with the aim of reducing vulnerabilities and combating climate change. The following table summarizes the government's budget allocation from 2009-10 to 2016-17.From an analysis of the over 400 projects implemented, it has been observed that the highest number of projects allocated were in T3: Infrastructure development, followed by Food security, social protection, and health (T1), Mitigation and low carbon development (T5), comprehensive disaster management (T2), capacity building and institutional strengthening (T6) and research and knowledge management (T4) (see figure below).

SERIAL NUMBER	FISCAL YEAR	ALLOCATED AMOUNT (TK) (in crores)
1.	2009-2010	700.00
2.	2010-2011	700.00
3.	2011-2012	700.00
4.	2012-2013	400.00
5.	2013-2014	200.00
6.	2014-2015	200.00
7.	2015-2016	100.00
8.	2016-2017	100.00

Another study of projects implemented from January 2010 to February 2014 showed that over 70% has been allocated to the T3 thematic area of the BCCSAP, followed by mitigation and low carbon development (13%) and food security, social protection and health (10%).
A review of 82 projects (till June 2012) revealed that the highest amount of money (Tk434 crore) ie 44% of the total allocation, was allotted to infrastructure related projects such as repair and maintenance of embankments whereas food security, social protection, and health received only 16.84% for implementing 17 projects.
The most vulnerable sectors such as agriculture, livelihoods, and health have received the least allocation, compared to infrastructures. Contribution of the funds towards the theme research and knowledge management (T4) and capacity building and institutional strengthening (T6) were found to be minimal.
This will hinder systemic monitoring of climate change impacts over key sectors like agriculture, hydro-meteorology, and livelihood, as they are necessary for adaptation planning.
The analysis of projects indicated that although project allocation increased over the years from 2009-10 to 2015-2016, budget allocation overall had decreased (see following graph). During the years 2009-10, a total of 32 projects were implemented, out of which 31% was allocated to the Ministry of Environment and Forests.
The Ministry of Water Resources and Ministry of Agriculture received 16% and 13.5% of the total funding. The Ministry of Power, Energy, and Mineral Resources received only 3% and Ministry of Local Government, Rural Development, and Cooperatives got just 6% of the total funds.
From 2010 to 2016, the distribution has changed drastically, with the Ministry of Local Government, Rural Development and Cooperatives receiving 63% of the total funding and Ministry of Agriculture's share plummeting to merely 4% of the budget.
The Ministry of Disaster Management and Relief gets 1% of the CCTF funds for project implementation and the Ministry of Environment and Forests has a share of 15% which is almost half the funding this key ministry used to receive when the fund was first introduced.
According to several respondents, there was political influence and specialized funds were used for usual development interventions like construction of embankments. There was almost no innovation potential, as most of the money was spent on traditional infrastructures.
A counter argument given was that because water is a major cross-cutting issue, most projects focused on that sector. Another issue raised by informants was that there was almost no discussion between the ministries when projects were planned.
Except large projects that undergo EIA, most small projects had no climate screening and were unsustainable. One of the strong criticisms of the CCTF projects was also the fact that they did not follow the usual development process and this gave rise to governance issues of transparency and accountability.

Conclusion

CCTF has been acclaimed for their investments in strengthening LGIs in Bangladesh (municipalities). T1 is another theme where they invested a significant amount though initiating projects like floating gardens in water-logged areas, supplying pure drinking water, enhancing sanitation facilities in flood prone areas, innovation and introduction of stress tolerant crops in coastal areas.
CCTF prioritized projects with "co-benefits" like the ICS that promotes health, reduces air pollution, and also empowers women. Innovative projects include community-based projects that used "revolving funds" for solar electrification.
Projects such as "Community Based Adaptation in the Ecologically Critical Areas Through Biodiversity Conservation and Social Protection" and "Revegetation of Madhupur Forest through Rehabilitation of Forest Dependent Local and Ethnic Communities" have been internationally acclaimed for their innovation potential, sustainability, and catalytic impacts, beyond the project period.
In future, we need to diversify our ideas and be more creative about mixing themes and programs. The government can partner with institutions like PKSF and set up a strong monitoring mechanism. Projects need to follow the standard development process practiced in Bangladesh and modality of the projects should be programmatic for lasting impacts. Furthermore, technical capacity of the planners and policy-makers need to be enhanced for selecting and implementing projects which are befitting and beneficial for the most vulnerable communities impacted by the perils of climate change in Bangladesh.

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Climate finance and sustainable development go hand-in-hand

M Zakir Hossain Khan , M Zakir Hossain Khan

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The Paris Agreement on Climate Change and the UN SDGs reinforce the commitment made by developed countries to ensure the needs of developing countries to mitigate climate risks. Towards achieving SDG13 on climate action, especially in climate finance, Goal 16 is fundamental for effective, accountable, and transparent institutions, pertaining to climate finance at all levels.

Particularly, SDG target 13a emphasizes implementing the commitment undertaken by developed country parties to mobilize funds to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation, especially from the Green Climate Fund.

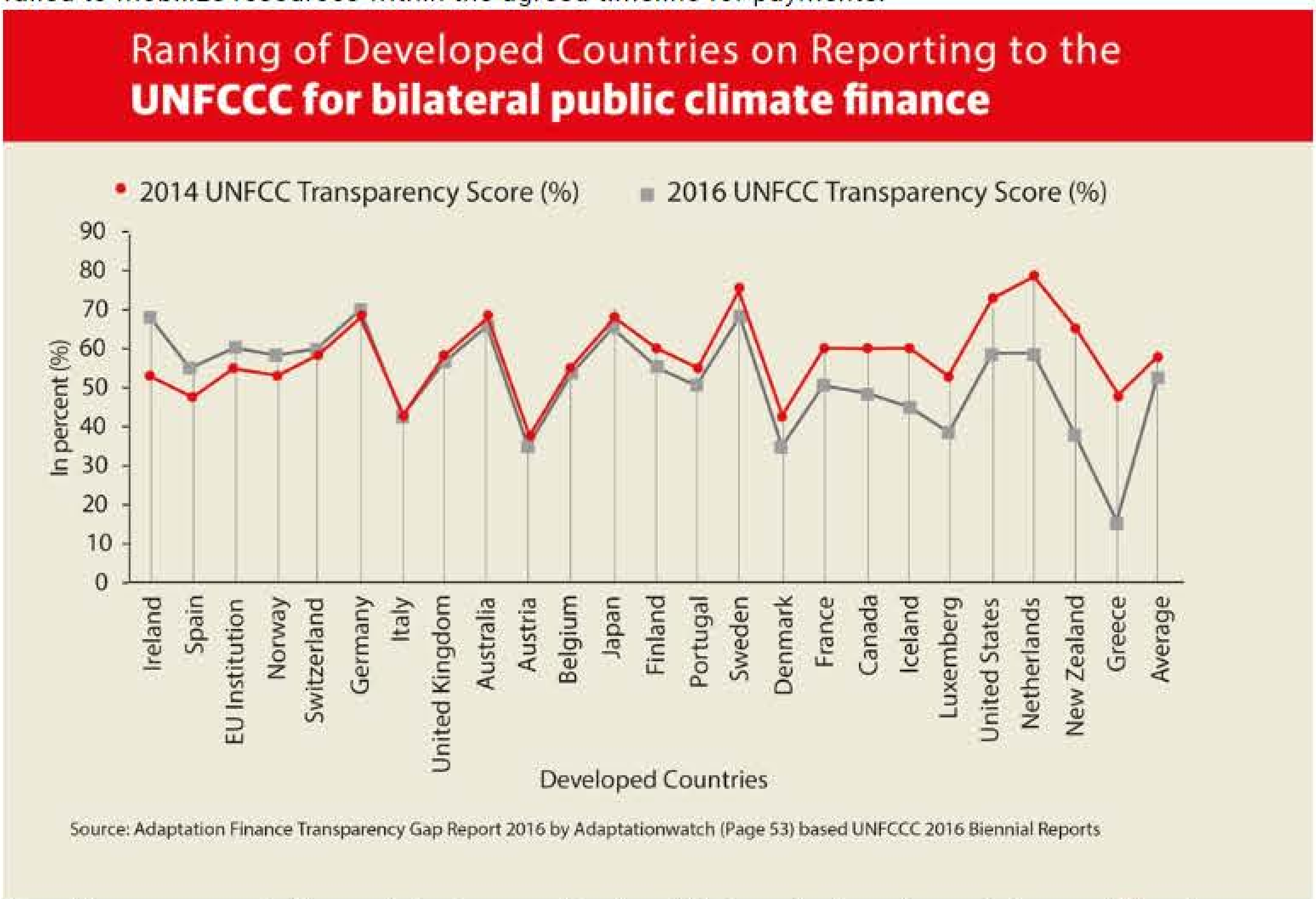
Under the Copenhagen Accord, developed countries have pledged “new” and “additional” $100 billion annually by 2025, to cope with adverse effects of climate change, especially in developing countries. The volume of climate finance is likely to increase for the use of developing countries.

Increased transparency, accountability, and integrity are pre-requisites to ensure effectiveness in the implementation of adaptation and mitigation actions to fight climate change. The vulnerable and affected countries deserve their just and equitable share of the climate finance. Also, the UN SDGs and the Sendai Framework on disaster risk reduction embed the Paris Agreement to implement the commitment undertaken by developed countries as soon as possible.

Yet developed countries hardly mention finance in their plans, and unmet financial expectations limit climate action in developing countries and undermine NDCs -- the key instrument to implement the Paris Agreement.

Consequently, there is increasing concern over the absence of concrete and time-bound commitments from the developed nations and scanty flow of grant-based public funds. While developing countries’ need is estimated to be $3.5 trillion by 2030 to curb the climate change impacts, altogether only $18 billion will be made available from public sources of developed countries by 2020.

Though attempts have been made to fill the gap created by the US withdrawing from the Paris deal, as per last report of UNFCCC, major carbon emitters such as China, Brazil, France, and Germany have failed to mobilize resources within the agreed timeline for payments.



Countries are expected to contribute according to a UN formula, based on relative wealth and development status, and the US should provide 21% of the core budget as CF. Within the backdrop, the executive secretary of UNFCCC has emphasized: “It is essential that the response of the international community also accelerates and is scaled up, so that countries can green their economies and build resilience to the inevitable impacts of climate change.”

The emission/pollution tax, eg aviation tax, should be imposed by developing countries to mobilize the grant-based climate finance for their sustainable development. Unfortunately, this has not yet been practiced properly, and in the absence of such tools, developed countries are dumping their coals into developing countries, ultimately damaging their ecology and environment, without taking emission liabilities.

Article 13 of the Paris Agreement has included a Transparency Framework emphasized to promote transparency, accuracy, completeness, consistency, and comparability of both demand and supply sides. However, the Adaptation Finance Transparency Gap Report 2016 by Adaptationwatch has identified that “Overall findings suggest that countries are not being adequately transparent in their reporting of climate finance, and at the very least are failing to meet UNFCCC guidelines in their reporting process.”

In the absence of an agreed definition of climate finance, considering the “polluter’s pay principle,” the earlier agreed “new” and “additional” to ODA has gradually been disappearing from the climate finance landscape.

The powerful multilateral development banks, some UN agencies, and experts are promoting loans for climate adaptation in vulnerable countries, in the name of private sector financing. That would ultimately deprive the legitimate rights of the vulnerable people and will lead towards a climate-debt burden.

It is also important to note that developing countries are already using their revenue for climate change adaptation, and individual donation, CSR, zakaat etc could play vital roles to protect recurring loss and damages.

On the other hand, countries that are adversely affected by global climate change also happen to be widely affected by governance deficit and corruption. The Global Climate Risk Index 2018 identified that Honduras, Haiti, Myanmar, Nicaragua, Philippines, Bangladesh, Pakistan, Vietnam, Thailand, and Dominican Republic are among the most vulnerable countries (between 1997 and 2016) in terms of climate change respectively.

However, according to Transparency International’s Corruption Perception Index 2016, Honduras ranked 123; Haiti 159; Myanmar 136; Nicaragua 145; Philippines 101; Bangladesh 145; Pakistan 116; Vietnam 113; Thailand 101, and Dominican Republic ranked 120. The Environmental Performance Index 2018 has revealed that “Good governance emerges as the critical factor required for balancing between distinct dimensions of sustainability, which are environmental health -- which rises with economic growth and prosperity -- and ecosystem vitality -- which comes under strain from industrialization and urbanization.”

Several vulnerable countries including Bangladesh are slow in meeting stringent fiduciary, environmental, and other standards for the direct access from the GCF. That’s why, in case of climate funds, the vulnerable countries should utilize scientific evidence of climate vulnerability, adaptation plans, projections of environmental, ecological and other impacts, and review innovative solutions and practices, prioritizing community-led adaptation.

To ensure the proper delivery of climate funds, strictly following the top-down approach is required for effective coordination among policy-makers and implementers. Subsequently, the level of people’s awareness is still not up to the mark, neither is the capacity of project implementers. Information regarding delivering climate finance should be well-accessible, and government and other agencies’ auditing capacity should be up to the standard. Even the adaptation fund needs to be utilized properly, by strengthening the project monitoring system and engaging communities at all levels of project implementation.

The Transparency Framework under the Paris agreement should follow the “whole-of-governance” approach in climate finance as well as finance for loss and damages. There is no one-size-fits-all approach in meeting SDGs, as industrialized, emerging, and developing, or least developed countries are facing different challenges and opportunities.

Climate finance could be a vehicle to meet SDG targets, but overall greening of the economy will depend on governance status, social equity or inclusion, resource endowments, particular environmental pressures, intensity of human capital investment, employment generation, and well-designed tax/transfer redistribution policies.

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