

Introduction

Forty per cent of Bangladesh's population of 150 million live below the poverty line, and millions struggle with malnourishment and hunger. The Fourth Intergovernmental Panel on Climate Change and other scientific studies list the country as among those most vulnerable to climate change.

In the last 30 years, Bangladesh has experienced nearly 200 disasters related to drought, extreme temperature, floods, and storms, which killed 181,307 people, caused damages costing \$16.4 billion, and destroyed the homes and livelihoods of more than 30 million. In November 2007, more than 4,000 people were killed and six million displaced or made homeless by Cyclone Sidr. When Cyclone Aila hit Bangladesh and India on 25 May 2009, it forced 400,000 people to leave their homes and communities. The reconstruction of the embankment took almost two years to make the area liveable again. As of 2011, Oxfam and other national and international organizations, as well as the government, continue to facilitate rehabilitation programmes in the area.

Sudden and unforeseen climate change-related hazards practically nullify development investments in poverty eradication before these can take root. The government has had to divert development financing to disaster relief, rehabilitation and safety net programmes.

Loss of livelihood and outward migration due to climate change¹

Related Event	Loss of Livelihood (no. per year)	External Migration (no. per year)	Frequency
Coastal and River Erosion	50,000–200,000	60,000	annual
Salinity	120,000	10,000–15,000	annual
Tidal Surge and Rough Sea	300,000–400,000	100,000–120,000	every three years
Water Logging	350,000	30,000	annual



Climate change in Bangladesh

The impact of climate change on the environment and people of Bangladesh includes increased:

- intensity and frequency of cyclones and tidal surges due to temperature rise;
- altitude and intensity of tidal surges, frequency of coastal floods and water logging, and increased salinity in the coastal region due to sea-level rise;
- magnitude of floods, flash-floods, and river erosion;
- drought due to lack of rain and erratic rainfall;
- uncertainty in seasonal changes.

¹ A.U. Ahmed and S. Neelormi (2008), 'Climate change, loss of livelihoods, and forced displacements in Bangladesh', http://www.csribd.org/pressrelease-/doc_download/22-climate-change-loss-of-livelihoods-and-forced-displacement-in-bangladesh

Policy Instruments and Implementing Tools

Mainstreaming adaptation into overall development planning and strategies is imperative, not only to make the country resilient to climate change-related hazards but also to accelerate achieving the poverty-reduction targets of the Millennium Development Goals and long-term sustainable economic development.

Bangladesh is one of the few countries that have successfully developed participatory disaster management. Since 2003, the Comprehensive Disaster Management Programme (CDMP) of the Ministry of Food and Disaster Management (MoFDM) has advanced government-wide and agency risk reduction efforts. The Ministry of Environment and Forests (MoEF), guided by the National Environment Council, which is chaired by the Prime Minister, tackles climate and environmental issues. Following recent structural changes, the MoEF's Climate Change Unit (CCU) now coordinates other ministries to implement climate change-related projects and programmes.

The draft version of the sixth five-year development plan (2011–15) set 16 core targets – for economic growth, employment, poverty reduction, human resources development, gender balance and environmental protection. Along with higher per capita income, the government's Vision 2021 manifesto projects a development scenario where citizens will have higher living standards, better education and social justice. It aims to ensure a more equitable socio-economic environment and sustainable development through better protection from climate change and natural disasters.

The government has earmarked more than \$10 billion in investments for the period 2007 to 2015 to make Bangladesh less vulnerable to natural disasters. Despite this effort, the direct annual cost of natural disasters over the last 10 years is estimated to be between 0.5 and 1 per cent of GDP.² (The social safety net budget is 2.1 to 2.8 per cent of GDP.) The first phase of the Comprehensive Disaster Management Programme (CDMP), successfully implemented by the MoFDM, cost about \$26 million.

National Adaptation Programme of Action (NAPA)

- Developed under the Least-Developed Country Fund (LDCF)/Global Environment Facility (GEF) initiative with the participation of civil society organisations (CSOs) as well as UN institutions.
- Focused on three particular effects of climate change: increasing sea-level rise, changing rainfall patterns; and increases in the frequency and intensity of extreme events.
- Identified 15 immediate and urgent projects that will address the country's vulnerability to climate change in the original plan and 18 specific projects in the revised plan. So far, only one of the 15 projects has been supported by LDCF/GEF.

Bangladesh Climate Change Strategy and Action Plan (BCCSAP)

- Established Bangladesh as the first of the least developed countries to finalise a national strategy and action plan on climate change.
- Aims to build a climate-resilient economy and society through adaptation to climate change as well as mitigation for a low-carbon development path.

² World Bank (2010), Economics of Adaptation to Climate Change Study (EACC): Bangladesh.

- Recommends projects under six main pillars – food security, social safety and health; comprehensive disaster management; infrastructure, research and knowledge; management, mitigation and low carbon development; and capacity building.

Both the government and CSOs have been active in international conventions and organisations to increase pressure for more stringent and legally binding agreements on climate change. CSOs are part of official government delegations and take similar positions, including on higher emission-reduction targets and stricter warming limitations to within 1.5°C.

On several occasions the prime minister has expressed her intension to invest heavily in the re-excavation of rivers and canals (to reduce vulnerability to floods and increase irrigation facility during dry season), and in income opportunities in areas where crop failure is more likely to occur. Between 2007 and 2010, the government invested significantly to build more than 1,000 new shelters to save lives during cyclonic storm surges.

Financing Mechanisms and Issues

Climate change adaptation financing has become a critical issue in discussions about national development financing. Donor-supported projects, often financed by loans from multilateral financing agencies such as the Asian Development Bank and the World Bank, focus mostly on infrastructure and lack community consultation, transparency, accountability, and the appropriate monitoring and evaluation. These loans are tied-in with numerous conditions, which, in most cases, reduce a country's policy space secured under different multilateral agreements.

Bangladesh Climate Change Trust Fund (BCCTF)

The controversial Multi-Donor Trust Fund (MDTF) proposed in 2008 was to be chaired by the World Bank and its secretariat based in the World Bank office in Dhaka. However, criticism of the MDTF by the Campaign for Sustainable Rural Livelihoods (CSRL) and a section of the government, combined with uncertain and inadequate finance, provoked the government to finance climate change adaptation initiatives from internal resources. This led to the establishment of the BCCTF to fund the BCCSAP. In mid-2010, the government allocated an initial \$110 million to the fund for 2009–10, and another \$110 million for the succeeding year.

As designed, two-thirds of BCCTF will be spent on projects and programmes. The remaining one-third would be kept as a fixed deposit, with the interest earned to be spent on projects recommended by a technical committee and approved by a board of trustees.

In 2009–10, an open-ended call for applications for financing under the BCCTF was issued where both government and non-government organisations (NGOs) could apply for adaptation and mitigation projects for a maximum period of two years. A maximum \$3.57 million was assigned for government projects, while the allocation for NGOs is yet to be finalised.

Bangladesh Climate Change Resilience Fund (BCCRF)

As a result of strong opposition from the CSRL and a section of the government, the MDTF evolved into the BCCRF in May 2010. The government put in place an innovative mechanism to channel \$110 million or more in grant funds to millions of Bangladeshis in order to build their resilience to the effects of climate change. BCCRF was established

Other Policies, Programmes and Mechanisms

- Vision 2021, Perspective Plan, and Sixth Five-Year Plan
- Standing Order on Disaster Management
- National Water Management Plan
- Climate Change Unit (CCU) under the Ministry of Environment and Forests, which coordinates focal points in all ministries
- Coastal Zone Policy and Coastal Development Strategy
- National Disaster Management Plan (2010–15)

with the signing of a Memorandum of Understanding between the government and five development partners. The Fund will support the implementation of the Bangladesh Climate Change Strategy and Action Plan (BCCSAP) 2009.

The Fund will be managed and implemented by the government, with initial contributions from Denmark (\$1.6 million), the European Union (\$10.4 million), Sweden (\$11.5 million) and the UK (\$86.7 million). The World Bank will provide technical support for a short period of time and ensure that due diligence requirements are met.

The Fund will have a two-tiered governance structure, consisting of a governing council and a management committee, both of which will be chaired by the government, and include representatives from line ministries, development partners and civil society.

Lessons Learned and Recommendations

1. Policy coherence

Although the government seems to have taken climate change seriously, the BCCSAP needs to be coherent and consistent with other national development policies and strategies. Mainstreaming climate change in national development programmes will be critical to successful climate change adaptation and mitigation.

To achieve Vision 2021, the government drafted a perspective plan and is preparing the Sixth Five-Year Plan. A committee has been formed at the Ministry of Planning to mainstream climate change into this national planning document.

The government's adoption of food security as a major investment plan for the next five years is commendable. However, the existing agriculture policy is not streamlined with the climate change strategies, particularly, that of adaptation of agriculture to climate change. Moreover, the newly finalised food security policy assigns inadequate attention to climate change. Before making any investment on food security, agriculture and climate change adaptation, a comprehensive strategy has to be in place so that related investments and initiatives complement each other. This, in turn, requires extensive research and consultation as well as policy advocacy at the national level.

Although the Prime Minister has articulated a general policy direction that Bangladesh will not receive loans, and only grants, for climate change adaptation programmes, bureaucrats at the Ministry of Finance have ignored this. Moreover, instead of focusing on adaptation, the MoEF is investing its own resource for mitigation and low carbon development path, contrary to the directions set forth by the BCCSAP.

2. Participatory processes

CSOs and NGOs expressed concern about the original BCCSAP completed in 2008. Oxfam contributed significantly to redefining a climate change action plan through the CSRL, which conducted extensive advocacy at national and international levels for the revision of the original BCCSAP. As a result, the 2008 BCCSAP was reviewed by a committee convened by the newly-elected government and a revised document was prepared and endorsed in 2009. The review process addressed the strategic part of the document, while the programmes remain to be finalised following a consultative process involving all relevant stakeholders.

The revised BCCSAP is expected to provide guidance to future climate change action programmes in Bangladesh.

3. Transparent fund management

Following multilateral negotiations on climate finance, more funds are expected. As well as regular development financing, two separate climate financing channels have been established. The government should ensure transparency and accountability in the use of these funds. As a first step, it needs to introduce specific selection criteria for the projects and programmes granted climate change funding. The government must be careful to follow the strategic guidelines set out in the BCCSAP. Any misappropriation of funds will discourage further bilateral and multilateral interest in financing climate change adaptation and mitigation in Bangladesh.

4. Multi-level monitoring and evaluation (M&E)

In the process of climate financing, the government needs to ensure improved M&E so that spending addresses the concerns of the poorest communities, who must be consulted in order to formulate better adaptation plans and modalities for small-scale projects. As adaptation projects become more participatory, there should be room also for participatory M&E, including supervision and surveillance by local communities. However, since the government's capital investment plans cannot be monitored in the same way, a strong independent body could be formed and given the mandate to ensure transparency and accountability on behalf of the state.

More information on this issue can be found in Oxfam's new briefing paper, *Owning adaptation: Country-level governance of climate adaptation finance*. To download your free copy of *Owning adaptation*, please go to www.oxfam.org.uk/publications.

As financing for climate change adaptation gathers pace, it has become fundamentally important to identify how it flows into developing countries. This is a major opportunity to shape the governance of funding at the national level so that the needs of the most vulnerable can be met. The core issue is country-level ownership of adaptation finance. Consequently, providers of adaptation finance must put developing countries in the driver's seat, and the countries themselves must exercise leadership and respond to the needs of those most affected by climate change. Most importantly, civil society and vulnerable communities must be able to steer and hold accountable the way in which adaptation finance is used.

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