

# **De-risking Strategies to Enhance Adaptation Finance:**

Private sector in Bangladesh's NAP, Bangladesh's collaboration with development partners, capacity building, innovative de-risking strategies, locally-led adaptation

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# Outline of the Presentation

- NAP and private sector engagement in NAP
- National Climate Finance
- Additional Climate Finance from National Budget
- Support by the Development Partners
  - Adaptation Pact between Bangladesh and France
  - Bangladesh Climate Development Partnership
  - GCA's initiative on LLA

# National Adaptation Plan (NAP)

- Bangladesh formulated and submitted the National Adaptation Plan to the UNFCCC in October 2023

# Objectives of NAP

- To reduce vulnerability to the impacts of climate change by building adaptive capacity and resilience;
- To facilitate the integration of climate change adaptation, in a coherent manner, into relevant new and existing policies, programmes, and activities, in particular development planning processes and strategies, within all relevant sectors and at different levels, as appropriate.



**Moving from short term, towards midium to longer term adaptation planning**

# Climate Stress Areas

## 14 Hazards



Monsoon  
Flood



Drought



Storm Surge



Landslide



Lightning



Cold Spell



Urban Flood



Flash Flood



Salinity



Excess Heat



River Erosion



Excess Rainfall

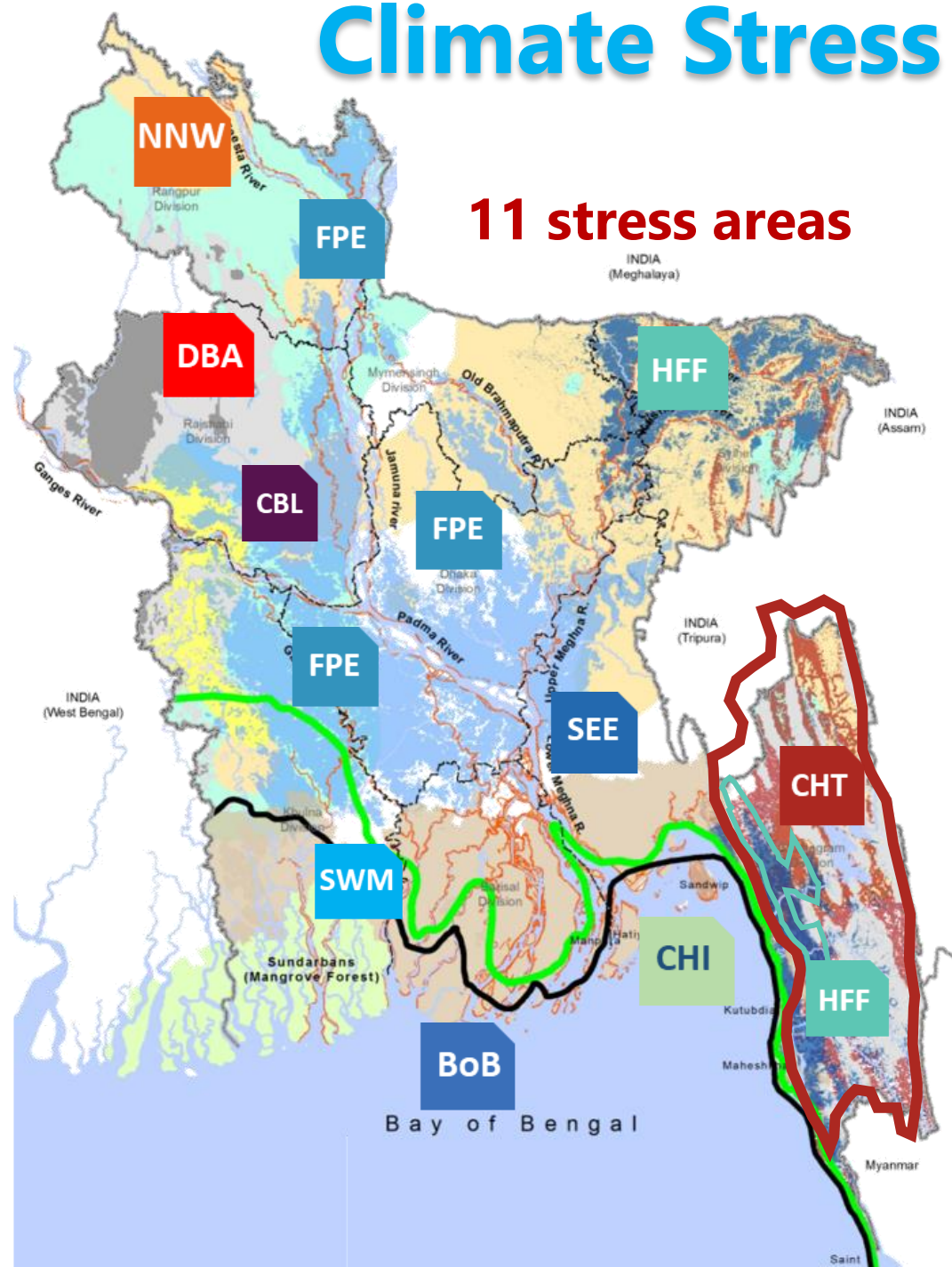


Sea Level Rise



Ocean  
Acidification

## 11 stress areas



**SWM** Southwestern coastal area and Sundarbans

**SEE** Southeast and eastern coastal area

**CHT** Chattogram Hill Tracts

**FPE** River, floodplain and erosion prone area

**HFF** Haor and flash floods area

**DBA** Drought Prone and Barind Area

**NNW** Northern north-western region

**CBL** Chalan beel and low-lying area of north-western region

**CHI** Char and Islands

**BoB** Bay of Bengal and Ocean

**URB** Urban Areas

# Devising Sectors of NAP



**Future Climate Change Scenario**



**Infrastructures related to**

water and disaster management,  
agriculture, aquaculture, livestock  
and urban drainage & heat  
island management



**Protection of communication  
infrastructures, rural WASH  
and health infrastructures** are

covered as cross cutting issues  
under these priority sectors.

## 8 Sectors Under NAP



**Infrastructures**



**WASH**



**Public  
Health**



**Gender, Youth, Elderly, Persons  
with Disability & Social Inclusions**



**Private  
Sector**





# Investment Plan of NAP



**113** interventions with total investment cost of **230 billion USD** for 27 years implementation period till 13th Five Year Planning cycle (2023-2050).

**Major portion of investment 184.5 billion USD** will be required for Water Resources (52%); Urban Area (16%) and Disaster, Social Safety and Security sectors (12%), Agriculture 8%

**Private sector investment potential are found 11.5 billion USD (5.1%)** of total investment cost at an annual rate of 0.42 billion USD



# Private Sector Engagement in NAP

MoF with MoEFCC, MoI, MoC, ERD, BSEC, BB, and NBR will track the progress of PSE and its financing & close coordination with large companies, BEZA, BEPZA, BIDA, FBCCI, BGMEA, BKMEA, IDCOL, PKSF, etc.

Increase coverage of incentives, subsidies and risk recovery mechanism such as crop insurance or tax/VAT rebate for climate resilient CMSMEs, production of blocks, cooperatives of dairy farmers, fish famers and agro-farmers.

Provide green credit guarantees, relaxing credit facilities and ease of credit or cash incentives by CMSMEs.

Dialogue for financial inclusion, awareness raising and skill development programs

Extended research and innovations for state-of-the-art technologies and bankable products

Introduce green bonds, popularize PPP providing required assistance and capacity building, review and update scope of existing CSER policy

Through development cooperation, leverage innovation potential and additional finance, i.e., grant, low-interest loan, etc.,





# Potential Business Products for PSE

- △ **Stress tolerant seeds**
- △ **Climate resilient and eco-friendly construction materials**
- △ **Climate resilient housing and infrastructures development**
- △ **Dredging & reuse of dredging materials**
- △ **Green and renewable energy based products**
- △ **Digital SMEs or ecommerce for aquaculture & agriculture value chain etc.**
- △ **Waste management and environment friendly recycling products**
- △ **Expansion of ports and water transport**
- △ **Eco-tourism**
- △ **Improving cold storage facilities**



# Institutional Arrangement and Coordination

Existing **National Environment Council** should be renamed as **National Council on Environment and Climate Change** and responsibilities will be added to oversee NAP and NDCs implementation

The existing **Inter-ministerial Steering Committee on Climate Change (ISCCC)** headed by Minister, MoEFCC **will steer the NAP implementation**

The **ISCCC will form National Technical Advisory Committee on Climate Change (NTACCC)** for NAP headed by the Senior Secretary/Secretary, MoEFCC

The NTACC will be supported by two groups:

1. **Technical Working Group on NAP implementation**
2. **Technical Working Group on NDC Implementation.**

The existing **District Development Coordination Committee** chaired by **Deputy Commissioner** will stock-take, guide, supervise and administer climate change adaptation related initiatives

**Multilateral and effective coordination with multi-level stakeholders** will be maintained

**A dedicated unit of MoEFCC** for accessing and managing enhanced climate finance

# Climate Finance Needs

The Government will require around **US\$ 230 billion for the period of 2023-2050 (which is about US\$ 8.5 billion per year)** as new and additional financing requirements for the implementation of the **National Adaptation Plan (NAP)**.

On the other hand, the full implementation of the proposed mitigation actions identified in the **NDC will require about USD 175 billion** within 2030;

# Financing Mechanism

**Accessing and mobilising funds from both domestic and international sources**

- **Domestic sources:** BCCTF, ADP, Private Sector Investment
- **UNFCCC sources:** GCF, AF, LDCF, GEF etc.
- **Other sources: Bi-lateral and multi-lateral development partners**

**Introducing innovative financing instruments** (green bonds, debt for swap, payment for ecosystem services etc.), risk transfer or insurance mechanism. **MoEFCC is already working with the WB on Partnership for Market Implementation on these innovative instruments.**

# National Climate Finance

- **Bangladesh Climate Change Trust Fund (BCCTF):** The Government established the Bangladesh Climate Change Trust Fund (BCCTF), a national financing mechanism from its own resources in FY 2009-10 to implement actions identified in the Bangladesh Climate Change Strategy and Action Plan (BCCSAP).
- So far, GoB has allocated about US\$ 490 million since FY 2009-10.
- So far, more than 856 projects have been financed by this fund.

# Major Initiatives of BCCT Fund

## Adaptation Projects

- 352.12 kilometers of embankments constructed
- 590.60 km of canals excavated/re-excavated
- 82 water controlling infrastructure constructed
- 14 schools cum cyclone shelter constructed
- 14,205 Volunteers and Coastal fisherman trained for Cyclone preparedness programme
- 19428 metric ton of stress tolerant seeds produced and distributed
- 8529 climate resilient house constructed
- 2451 water purification solar plant established
- 12900 floating vegetables bed in 210 villages
- 3 rubber dam built completed
- 2 Spars reconstructed
- 90 km of river-bank protective works completed
- 18 regulators, 16 outlets and 12 inlets constructed
- 200.64 km road constructed
- 128.7 km drainage system developed
- 4184 no. Deep tube-wells installed

## Mitigation Projects

- 71.146 million trees planted and 6921.7 hector of forest land brought under afforestation
- 9,00000 improved cook-stoves have been distributed and 6000 entrepreneurs built up
- 10908 solar home systems distributed, and 2 solar mini-grid plants installed in the remote off-grid areas
- 1751 solar streetlight have been set up
- 2451 no. solar water purifier have been installed
- 13 solar irrigation pumps have been mounted
- 7901 biogas plants installed at Household level along with 13 Community biogas plants



## Fund Received from Global Climate Funds

SL.	Name of the Fund	No. of Approved Project	Amount of Fund (million \$)		
			Grant	Loan	Co-finance
1.	Green Climate Fund (GCF)*	07	168.30	250.00	169.36
2.	Least Developed Countries Fund (LDCF)	07	34.41	-	187.94
3.	Adaptation Fund (AF)	01	9.99	-	-
4.	Global Environment Facility (GEF) **	08	24.66	-	402.62
<b>Total</b>			<b>237.36</b>	<b>250.00</b>	<b>759.92</b>

\* Considering only national projects

\*\*Considering projects under the climate change thematic areas only

# Additional Climate Financing from National Budget

- Bangladesh adopted Climate Fiscal Framework (CFF) in 2014 and updated it in 2020 to make climate inclusive Public Finance Management system.
- In FY 2023-24 the total climate-relevant budget allocation of the climate relevant 25 ministries/divisions accounts for 54.09% of the total budget of these ministries/divisions.
- Of the total budget of 25 climate relevant ministries/divisions 8.99% is specifically for climate relevant expenditures.
- Over the last five years, the climate-relevant budget allocation increased by 44.45%
- From Tk. 25,650.28 crore (about US\$ 2.3 billion) in FY 2019-20 to Tk. 37,051.94 crore (about US\$ 3.34 billion) by FY 2023-24.

# Support by the Development Partners

## FRANCE-BANGLADESH ADAPTATION PACT

**Background:** France and Bangladesh, witnessing the adverse impact of climate change on vulnerable communities, and recognizing, in line with the Paris Pact for People and the Planet (4P), that no country should have to choose between the fight against poverty and the fight against climate change, have agreed to launch the France-Bangladesh Adaptation Pact.

**Overarching principles:** This Pact aligns with the spirit of the four effectiveness principles of the Global Partnership for Effective Development Cooperation: Country ownership, Focus on results, Inclusive partnerships and Transparency and mutual accountability.

**Scope and objectives :** This Pact, backed up 1 billion euros by France, primarily in the form of concessional loans, as well as grants, over a five-year period, starting in 2023, is expected to pave the way for other stakeholders' involvement, in particular other development partners and the private sector.

# Pillar 1: Financing structural measures

The first pillar is intended to support investment in resilient infrastructures and nature-based solutions related to the following sectors:

- **Water resources:** water supply and sanitation infrastructures; protection against flash floods, erosion and sedimentation; river bank stabilization; desalination solutions; rehabilitation of polders;
- **Urban resilience:** integrated solid waste and drainage management, improved access to water and energy, small-scale infrastructures with social purposes, permeable pavements, sustainable and resilient housing;
- **Rural development, food and health security:** rainwater harvesting, improvement of storage facilities, rural roads, investments for climate-resilient fisheries and aquaculture;

## Pillar 2: Supporting climate-friendly institutional arrangements and governance

- The second pillar is key to establishing a conducive institutional environment for climate change adaptation and devising a redirection of climate finance (both public and private) to the local level, in line with the locally-led adaptation principles:
  - **Climate-informed policies for adaptation:** planning and monitoring mechanism for adaptation informed by research action on adaptive solutions; knowledge management; awareness and training of Governmental Bodies for ensuring funding allocation for the local level ;
  - **Local Government Strengthening:** ensuring that Local Government institutions are well-equipped to implement the NAP and supporting locally-led-adaptation actions at the community level; establishing governance schemes for adaptation at all levels;

## Pillar 2 contd..

- **Green public finance management (at the central and local level):** ensuring efficient fiscal policy, tax collection, budget planning and implementation, tracking of green expenditure and mainstreaming climate adaptation in public finance;
- **Mobilising private finance:** leveraging investment for climate change adaptation through financial inclusion and enhancing sustainable finance norms and standards.



## Pillar 3: Fostering community empowerment

- This third pillar will embody the commitment to reach the most vulnerable people more directly, while ensuring their full engagement to designing locally-led solutions to climate change adaptation:
  - **Community level Initiatives:** notably through grassroots implementation, ensuring continuance of safety and security in climate impacted areas;
  - **Awareness and advocacy:** supporting campaigns, leadership trainings, engagement of impacted communities to bring the problem to the fore with decision-makers, in particular through youth driven programs and solutions at national and individual levels;
  - **Most vulnerable groups:** climate-induced migrants, women, youth, elderly and disabled people are disproportionately affected by climate change. They will be the primary beneficiaries of the Pact, as key stakeholders in building solutions.

# Bangladesh Climate Development Partnership

- Bangladesh Climate Development Partnership (BCDP) aims to support GoB to:
  - i. mobilize climate finance;
  - ii. generate a robust pipeline of climate projects and integrate them into a financing strategy;
  - iii. enhance knowledge and capacity for delivering climate actions;
  - iv. attract private investments for climate actions; and
  - v. strengthen monitoring and evaluation system for climate outcomes.

# NAP Roadmap Formulation

- Ministry of Environment, Forest and Climate Change is working with Asian Development Bank to accelerate the implementation of the NAP;
- We expect to complete the road map by early 2025.

## Umbrella project focusing on a programmatic approach

- MoEFCC is looking forward to bring all NAP implementation relevant ministries, such as Ministry of Water Resources (MOWR); Ministry of Disaster Management and Relief (MODMR); Ministry of Local Government, Rural Development and Co-operatives (MoLGRDC); Ministry of Agriculture (MOA), and Ministry of Fisheries and Livestock;

# Community Resilience Partnership Programme (CRPP)

- The MoEFCC is the focal agency for CRPP, and under their leadership the Locally Led Adaptation (LLA) framework development is in progress.
- Under LLAF, MoEFCC will pilot innovative solution where ADB can provided direct support.
- ADB, UNDP and World Bank are partnering for a national framework for locally led adaptation, which will identify opportunities for scaling up gender-responsive investments in local adaptation.

# Global Centre on Adaptation(GCA) to promote LLA, NbS and Climate Finance

- GCA's Locally Led Adaptation (LLA) portfolio includes two business lines
  - **Business Line 1:** Global Hub on LLA
  - **Business Line 2:** Urban People's Climate Resilience Plans (PCRPs).



# Overview of LLA projects

Projects		Status	IFI Partner	IFI Investment (USD)	GCA Partner
BL1: Global Hub on LLA	1. 2024 Local Adaptation Champions Awards	Ongoing	N/A	N/A	Anna Manikowska Di Giovanni
	1. 2024 Stories of Resilience (LLA Publication)	Ongoing			Dalberg
	1. Media and youth training	Completed			BBC Media Action
	1. Global Hub on LLA knowledge management, capacity building and dissemination	Ongoing			MediaPark
BL2: PCRPs (Urban)	1. Sub-grant to BRAC [Mongla + 3 ADB towns]	Ongoing	ADB	310m	BRAC/ICCCAD/SPARC
	1. Chattogram Water Supply Improvement Project (CWSIP)	Ongoing	WBG	397m	WaterAid/DSK
	1. Bangladesh Smart Cities Development Project (BSCDP)	Ongoing	AIIB	360m	Save the Children International/YPSA

Thank you.