

BRIEF BACKGROUND PAPER
On
Climate Finance Transparency Mechanism (CFTM) Project

Context and Introduction

Bangladesh is one of the most climate vulnerable countries in the world and will become even more so as a result of climate change. As a result of climate change, floods, tropical cyclones and associated storm surges, riverbank erosion, landslides, drainage congestion in urban areas, and drought-like conditions are likely to become more frequent and severe in coming years.

The Government of Bangladesh (GoB) is aware of the threat posed by climate change, and has been preparing to face the challenge. Given the country's vulnerability to climate change, climate financing is a high priority. The GoB as well as the international community have and are expected to continue to invest in climate sensitive activities, both for mitigation and adaptation. Increasing the efficacy of climate change funds both from government and donors in tackling the impacts of climate change in Bangladesh, hence, is very crucial.

The GoB encourages greater transparency and information sharing. In 2009, it passed the Right-to-Information (RTI) Act and set up mechanisms to facilitate public disclosure of information. The current government actively supports these initiatives. An initiative to promote transparency on climate change is, therefore, in line with the current political climate.

Besides, GOB has also proposed a Climate Fiscal Framework (CFF) to track climate sensitive public expenditures and help the government to better predict the future resource demand to fulfill the BCCSAP. One of the important components of the CFF is a web system that tracks climate expenditure in concerned sectors. This initiative is in line with the provisions of the RTI Act that mandates the government to set up mechanisms facilitate public disclosure of information.

About the Project

To that end, an issue-based project (IBP) Climate Finance Transparency Mechanism (CFTM) has been initiated in January 2017. The CFTM project is being implemented by a consortium among the International Centre for Climate Change and Development (ICCCAD), the Centre for Climate Change and Environmental Research (C3ER), BRAC University and the Bangladesh Centre for Advanced Studies (BCAS) in association with the British Council.

The CFTM project is an innovative project that would not only enable the funding for climate change in Bangladesh to be more effective in helping the most vulnerable communities become better adapted to climate change impacts, but would also help improve the overall levels of transparency in governance in general in Bangladesh. The goal of this project is to increase the efficacy of climate change funds both from government and donors in tackling the impacts of climate change in Bangladesh. The CFTM project is an IBP and is funded by PROKAS (Promoting Knowledge for Accountable Society), an initiative of British Council funded by DFID.

Objectives and Expected Impact

Overall objectives of CFTM are to analyse, process and make information available and accessible on both fund receipt and disbursement (from donors and the Government) for climate change interventions approved by ERD through a climate finance information system. This will be done in close cooperation with the Economic Relations Division (ERD) of the Ministry of Finance (MOF) of the GoB and will be based primarily on developing a web-based platform, which will collate and display all relevant information. The platform will then be handed over to either the GoB or a multi-stakeholder foundation to maintain in the long-term.

This IBP aims to work at the central level to support ERD to make information on climate change under BCCSAP publicly available, demonstrate how the information can be used, and build stakeholders' trust in such a mechanism. Initial support will be given to ERD by the consortium members of CFTM project in close collaboration with the ERD, other key departments of the government and key donors. Some other local actors/stakeholders will also be engaged in the implementation process.

Proposed Major Activities by ICCCAD, C3ER and BCAS

Major Activities to be Implemented by the CFTM Consortium Partners		
ICCCAD	BCAS	C3ER
<ul style="list-style-type: none"> • Development of a web-based platform on climate finance information systems • Development of a robust climate change project monitoring and evaluation framework in order to facilitate IMED • Initiatives on bridging the gap between policy makers and local community • Organizing knowledge exchange visits (abroad) and on-site training 	<ul style="list-style-type: none"> • Assessment of the state, trend, challenges and opportunities on climate finance in Bangladesh • Study on private sector investment on adaptation and low-carbon development in Bangladesh • Research on linking local and national climate finance governance for Identifying gaps and opportunities • Organizing climate finance dialogues with key government organizations, donors/developments partners, NGOs, CSOs, researchers and academicians 	<ul style="list-style-type: none"> • Conducting stakeholder mapping and institutional analysis to identify national, regional and international bodies involved in the financing chain and also the public, private, academia and civil society institutions at the national level who utilize these finance • Development of Climate finance readiness tool and a monitoring and evaluation framework • Producing a risk governance framework to evaluate the sustainability of the funding sources • Capacity development for the stakeholder institutions

Brief Introduction of Consortium Partners of CFTM Project

Bangladesh Centre for Advanced Studies (BCAS)– established in 1986 – is an independent, non-profit, non-government, policy, research and implementation institute working on climate change adaptation and mitigation. BCAS has been working with different ministries e.g. Ministry of Environment and Forests (MOEF), Ministry of Disaster Management and Relief, Ministry of Agriculture and Ministry of Planning of the government of Bangladesh for years.

International Centre for Climate Change and Development (ICCCAD)– set up in 2009 at Independent University Bangladesh – aims to be a global center of excellence on climate change and development research based in Bangladesh, where Climate Change has a significant impact. Conducting action research on climate change and development, with a focus on adaptation to climate change has made ICCCAD a respectable name in this region.

Centre for Climate Change and Environmental Research (C3ER)– a research centre based at BRAC University – takes a holistic approach to climate change and environmental research, focusing on physical science, adaptation and mitigation measures. Their research has broadly focused on the adverse impact of climate change on health, food security, poverty, livelihood, displacement and migration, loss and damage, etc. The Centre maintains partnerships with other national and international organizations as appropriate.