

Readiness Proposal

with UNDP for the People's Republic of Bangladesh

25 October 2015 | Country Programming



**GREEN
CLIMATE
FUND**

(Please submit completed form to countries@gcfund.org)

Executive Summary (in one page)	
Country (or region)	Bangladesh
Submission Date	25 October 2015
NDA or Focal Point	Economic Relations Division (ERD), Ministry of Finance, Government of Bangladesh
Contact Point (both NDA/FP and delivery partner)	<p>NDA contact person: Name: Mohammad Mejbahuddin Position: Senior Secretary Email: mejbah_uddin@yahoo.com, secretary@erd.gov.bd, Tel: +88 02 933407 Full Office address: Room#03, Block#08, Economic Relations Division (ERD), Sher-e-Bangla Nagar, Dhaka-1207, Bangladesh</p> <p>Delivery Partner institution and contact person Institution name: UNDP Bangladesh Name of contact person: Pauline Tamesis Position: Country Director, UNDP Bangladesh Email: Pauline.tamesis@undp.org, Tel:55667788 Ext: 1802 Full Office address: IDB Bhaban, E-8, Begum Rokeya Sarani Sher-e-Bangla Nagar, Dhaka 1207, Bangladesh</p>
Readiness Area/s	<input checked="" type="checkbox"/> 2. Strategic frameworks for engagement with the Fund, including the preparation of country programmes
Request Summary (in 200 words)	<p>Activity area 2: Strategic Framework including the preparation of country programmes.</p> <p>The NDA will develop the following activities to ensure development of a sound country programme:</p> <ol style="list-style-type: none"> 1. Review and understanding of Bangladesh's 'low carbon and climate resilient development'-relevant plans and frameworks that includes Bangladesh Climate Change Strategy and Action Plan(BCCSAP), 7thFive Year Plan, the institutional and policy framework for climate change and of the relevant plans and strategies, with a view to identifying transformational investment opportunities in accordance with GCF's Investment Framework and Result Management Framework; 2. Strengthening/up-scaling the country coordination mechanism for GCF-related activities particularly to implement Bangladesh's programming priorities;

	<p>3. Identifying opportunities to involve the private sector, including micro, small and medium enterprises, and leveraging their ability to implement Bangladesh's programming priorities;</p> <p>4. Clarifying the roles of prospective public and private sector entities in implementing Bangladesh's programming priorities with respect to GCF;</p> <p>5. Developing clear metrics to screen project proposals for GCF submission, based on policies and strategies of the Government of Bangladesh, GCF and other global commitments;</p> <p>6. Developing a robust Monitoring and Evaluation (M&E) system in order to track progress, assess outcome/impact and to ensure accountability for use of resources. The Ministry of Planning's Implementation, Monitoring and Evaluation Division (IMED) can be a partner in this venture.</p> <p>The NDA may add other elements of the country program and will also undertake consultations with stakeholders, in accordance with the GCF's defined scope of work on developing strategic frameworks (See Annex II) including the preparation of country programmes.</p>
Anticipated Duration	15/11/2015-14/11/2016(12months)
Estimated total cost	US\$ 150,000

SECTION A: RATIONALE FOR REQUEST

A.1 Background

Since early 2000s, the government of Bangladesh (GoB) recognized risks associated with climate change and has taken keen interest to address those with (a) whatever limited means it has, and (b) financial and technical support from international sources including the multi-lateral process driven sources such as LDC-fund, Special Climate Change Fund (SCCF) and Adaptation Fund (AF). In 2005, GoB developed National Adaptation Programme of Action (NAPA), which highlighted adaptation projects that were needed on an immediate and urgent basis (Ministry of Environment and Forest - MOEF, 2005). GoB has taken a number of initiatives since 2009-2010 fiscal year:

- (a) GoB has set aside a budgetary allocation of BD Taka 700 crore (US\$100 million equivalent) annually to advance climate change activities with its own resources;
- (b) Developed Bangladesh Climate Change Strategy and Action Plan (BCCSAP) in 2009, showing GoB's full commitment to implement programmes on both adaptation and low carbon development (LCD); and
- (c) Initiated legal processing of two funds to administer multi-institutional implementation of climate change related activities in Bangladesh: (i) with its own fund (thereby creating the Bangladesh Climate Change Trust Fund, BCCTF) and (ii) with bilateral funds (thereby creating Bangladesh Climate Change Resilience Fund (BCCRF).

The BCCSAP highlighted areas where LCD objectives may be achieved in future. The following modalities have been mentioned in the BCCSAP:

- Develop a strategic energy plan and investment portfolio to ensure national energy security and power greenhouse gas emissions;

- Expand the social forestry programme on government and community lands throughout the country;
- Expand the 'greenbelt' coastal afforestation programme with mangrove planting along the shoreline;
- Seek the transfer of state-of-the-art technologies from developed countries to secure a low carbon growth path (e.g., clean coal and other technologies); and
- Review energy and technology policies and incentives and revise these, where necessary, to promote efficient production, consumption, distribution and use of energy (MOEF, 2009).

By 2010, GoB has taken initial steps towards institutionalizing the implementation of BCCSAP through a coordinated fashion, by engaging almost all the national stakeholder institutions. During 2010-2015, GoB has allocated a dedicated amount of USD 373 Million from its own resources for adaptation and mitigation, enabling its institutions to carry out projects under BCCSAP.

A number of institutions have been established by the GoB to address climate change, especially in view of BCCSAP. A brief account of the major new institutions is provided below:

- (a) Climate Change Trust: The institution has been set up within the Ministry of Environment and Forest (MoEF) to assist the ministry for back stoppage regarding implementation of various activities under the BCCSAP and especially to provide secretariat support services for the BCCTF.
- (b) Bangladesh Climate Change Trust Fund (BCCTF): The BCCTF has been set up by the GoB and is managed and coordinated by the MoEF. Government dedicated funding is provided to projects under the main pillars of BCCSAP, which include food security, social protection and health; disaster management; infrastructure; knowledge management; climate change mitigation; and capacity building and institutional strengthening. A high-powered Trustee Board involving a number of ministers has been set up, supported by a technical evaluation committee, to examine relevance of project requests and decide for eligible projects to be implemented by utilizing the dedicated national fund for climate change being set up through budgetary allocation.
- (c) Bangladesh Climate Change Resilience Fund (BCCRF): The BCCRF is a multi-donor grant fund, set up jointly by the GoB and its bilateral development partners. The objective of the Fund is to provide donor-funded support for the implementation of BCCSAP. The World Bank is invited by the GOB to administer the BCCRF, scrutinize projects, and provide administrative supports towards forwarding the fund and to monitor and evaluate progress of awarded projects. 10% of the fund is being handed over to Palli Karma Sangsthan Foundation (PKSF) to run an NGO-window for awarding and implementing community based small-scale projects to build local level adaptive capacity.
- (d) Designated Authority (DA) for Adaptation Fund: A person representing the GoB to liaise with the AF has been nominated by the MoEF to perform the role of the Designated Authority (DA). The DA is supposed to work with a National Implementing Entity (NIE) to seek project specific funds from the AF and to help the said NIE to identify fundable projects and their respective Executing Agencies. However, NIE accreditation has not yet taken place due to lack of decisions regarding identification of a suitable national institution with adequate fiduciary track records and project management capabilities. GoB has not yet been successful in ensuring accreditation of its NIE.

(e) National Designated Authority (NDA) for GCF: The Economic Relations Division (ERD) of the Ministry of Finance has been identified as the NDA for Bangladesh to deal with GCF formalities. ERD enjoys the mandate of the Government to work as the principle agency to mobilize and oversee all sorts of external resources. Thus, it has a long experience working with external resources. ERD as the NDA will work in between the Entities with potential to become GCF-accredited and the GCF to identify fund-worthy projects and to seek GCF finance towards implementing projects, following stringent fiduciary management practices. Currently, UN Wing of ERD is acting as the NDA Secretariat.

Following the NDA nomination for GCF, several national consultative stakeholder workshops were organised in collaboration with development partner, government agencies and civil society organizations.

A Climate Public Expenditure and Institutional Review (CPEIR) was conducted in Bangladesh which revealed that the GoB typically spends around 6 to 7% of its annual combined development and non-development budget on climate sensitive activities, which is around 1% of the GDP. The amount was estimated to be about US\$ 1 billion/annum (General Economics Division, 2012). The review also revealed that other than the major 37 ministries, a large number of local government institutions at Upazila¹ and Union *Parishad*² level carry out climate sensitive activities. About 17.5% of all direct spending of disaster management sector is in climate change adaptation (GED, 2012).

Other initiatives³ which provide inputs potentially useful for the development of Bangladesh's GCF Programme Framework include:

- Initiation of a process for developing Bangladesh's National Adaptation Plan⁴, and the launch of the REDD+ readiness process⁵ with UNDP support;
- Lessons from Bangladesh Climate Change Trust Fund (BCCTF) with funding from GoB's own resources and Bangladesh Climate Change Resilience Fund (BCCRF)⁶;
- Submitted INDC to UNFCCC;
- Climate Fiscal Framework (CFF), which is developed and now under implementation by Finance Division with the support of UNDP;
- No. of funding proposals reviewed by inter-ministerial coordination committee led by NDA;
- No. of funding proposals recommended or no objection provided by the NDA to the GCF.

In the context of the initiatives above, which support Bangladesh readiness programme with the Green Climate Fund, the country's GCF programme framework will be developed for Bangladesh to channel Climate Investment to Low Carbon Climate Resilient Development. This will basically be developed by reviewing, updating and upscaling the existing provisions in BCCSAP, 7th FYP, NAPA, NAP Road Map, and INDC. A GCF-specific strategic framework will take stock of existing provisions, and future directions from COP 21 will be a key contextual component of the work. In this Bangladesh's GCF programme framework, a clear set of performance indicators and a Monitoring and Evaluation (M&E) structure will be developed in partnership with IMED. Engagement of IMED

¹Sub district

² Union *Parishad* (council) is the lowest tier of Administrative unit in Bangladesh, which is governed by elected representatives.

³Beyond GCF readiness support asked for GCF's Programme Framework for Bangladesh

⁴The MoEF has developed a NAP Road Map in 2015 and currently a full NAP preparation is in process. The NAP process is not going to be funded by GCF readiness support.

⁵This is a GEF funded project already under implementation. The GCF readiness support for development of Bangladesh's GCF Programme Framework under package 2 will not fund

⁶A list of projects are funded under these two funds. The lessons will be very helpful for development of Bangladesh's GCF Programme Framework.

will be vital as the NDA has limitation of manpower to undertake onsite review of programme or project performance.

In that context, the expected outcome of the readiness support will be: **Strategic Country Framework for engagement with the GCF endorsed.**

They key outputs of the readiness support for Country Programme Framework will be (please also refer to the Logical Framework in Annex I):

- Country programme developed through stakeholder engagement process
- Multi-stakeholder engagement strengthening the country ownership of the Country Programme Framework
- Country coordination mechanism strengthened/scaled up for GCF related activities particularly to implement Bangladesh's programming priorities

A.2

Justification for request

Despite the country having a Climate Change Strategy and Action Plan, the CPEIR findings clearly demonstrate the need for a whole of Government approach in climate change and a comprehensive country programme framework based on new knowledge and needs. The NAP Road Map, Climate Fiscal Framework (CFF) and submitted INDC also need to be considered in developing the country programme framework.

Bangladesh seeks GCF's support for its readiness process for the activity-2 area in order to develop a country programme framework, thereby also **enhancing its capacity** to access international climate finance resources.

Enabling activities, such as NAP Road Map, BCCSAP, INDC, CFF and national communication processes have benefitted from support from multilateral executing entities such UNDP. Such projects were meant, among other things, to strengthen the institutional and operational capacities of the country. Yet, Bangladesh NDA still lacks adequate capacity in climate change to address the multiplicity of existing climate-related strategies, plans and programmes in Bangladesh, and to facilitate direct access to climate financing for the implementation of climate-related projects and programmes.

With the GCF readiness support, Bangladesh will collate, understand and review the mentioned plans and strategies at the national level, assess their adequacy, prioritise those with transformational potential, and identify gaps that may need to be filled in order to produce a robust country programme consistent with the Green Climate Fund's initial investment framework.

Readiness support will hence contribute to strengthening Bangladesh's institutional capacity at the national level to develop a GCF country programme and also to propose appropriate country programme frameworks for climate change in general. This framework will be helpful for channelling the climate investment proposals of Accredited Entities to the Green Climate Fund.

The country also envisages to identify geographic and thematic options for programming, and collecting additional data available to cover identified gaps. Such a process is expected to enable development of a comprehensive portfolio of funding proposals that will be submitted for consideration by the GCF.

In implementing these initiatives, the NDA will aim to avoid overlap or duplication with projects/programmes supported by other donor agencies.

SECTION B: SCOPE OF WORK

B.1

Description of activities (*Please provide detailed logical framework as an annex. See Annex I for content to build from.*)

Key activities are as follows:

- Recruitment of Consultants
- Development of Draft Country Programme Framework
- Workshops and Consultations (Regional and National)
- National Validation and Endorsement
- Formation of a multi-stakeholder national advisory council.

These activities will be further fine-tuned in the readiness Inception Document.

Experts will be recruited to carry out the activities presented in the Request Summary.

B.2

Expected results for Activity 2

Development, through a stakeholder engagement process, of a country programme to include elements provided in the GCF's Initial general guidelines for country programmes, which will include programming priorities and programme/project concepts consistent with the Fund's Initial results management framework and Initial investment framework.

Please also refer to the Logical Framework provided in Annex 1.

SECTION C: BUDGET (*include total cost and share of GCF funding*)

Category	Activity area 2 for GCF Funding
Consultancy	60,000
Travel	18,000
Workshop	45,000
Other Operating Cost (including audit costs)	6,700
Contingency	6,700
UNDP's Delivery Fees	13,600
Grand Total	150,000

SECTION D: IMPLEMENTATION PLAN

D.1

Implementation arrangements

UNDP, under the leadership and guidance of the NDA, will take responsibilities for fiduciary management of the readiness funding. UNDP as the delivery partner will implement the project in collaboration with an advisory council consisting of all national stakeholders such as Cabinet Division, Ministry of Environment and Forest, Ministry of Planning (Bangladesh Bureau of Statistics, Implementation Monitoring and Evaluation Division, Programming Division, General Economics Division), Ministry of Finance (Finance Division, Auditor General Office), Ministry of Disaster Management and Relief, Ministry of Women and Children Affairs, sectoral ministries, civil society representatives and private sector representatives.

The NDA, with support from 2 (maximum 3) individual consultants or a consulting firm, will deliver Activity 2 in accordance with the procurement plan and a detailed implementation plan, both of which will be further elaborated in the inception report.

The Economic Relations Division within Ministry of Finance (the NDA) will manage the readiness project. The Additional Secretary of UN Wing of Economic Relations Division will be the National Director and Additional Secretary of UN-1 of ERD will be the Alternate National Director for Readiness process and ensure regular monitoring of the GCF's activities. They will report to the Senior Secretary of ERD (NDA) on progress with regard to the GCF readiness activities in Bangladesh.

The contact point for the NDA (Deputy Secretary, UN-V) will act as coordinator of the readiness process, whose main task will be to ensure day-to-day management of readiness activities. UNDP will be the executing entity. The coordinator will operate under the authority of the ERD and with oversight from a multi-stakeholder National Advisory Council that will be set up, to facilitate access to information in relevant departments and monitor the implementation of readiness actions. Short-term specialist resources will be recruited to assist the coordinator.

The Planning Commission/National Economic Council (NEC)/ECNEC will provide a framework for consultation and guidance as it has a much broader, economy-wide outlook. It is composed of representatives of relevant government ministries, departments and agencies, and non-state actors such as stakeholders from the private sector, civil society and research institutions.

D.2	Disbursement and implementation schedule
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The funding will be transferred to UNDP (Bangladesh) in three tranches:

- The first disbursement, which amounts US\$ 60,000, will be transferred upon the submission of an inception report from the ERD, the NDA to the Fund, in form and substance acceptable to the Fund, which includes detailed implementation plan, procurement plan and budget;
- The second disbursement, which amounts US\$ 65,000, will be transferred upon the submission of the interim progress report, in form and substance acceptable to the Fund, including an expenditure statement, and
- The final tranche of US\$ 25,000 will be transferred upon submission of a final version of the Bangladesh's Country Programme Framework for GCF, project completion report and financial report, including an audited expenditure statement.

D.3	Procurement plan
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UNDP procurement processes will be used throughout the implementation of this project. UNDP (Bangladesh), under the guidance of the NDA, will competitively procure services consistent with its procurement policies:

- Consultants will be procured on a competitive basis and the terms of reference of consultants will be developed further to include the tasks outlined in the request summary. The NDA may also add other tasks to the ToRs of the consultants in accordance with the Fund's defined scope of work on NDA strengthening within the resource envelope in this proposal and any supplementary resources secured from other sources.
- For items such as venues and travel for stakeholder workshops to be organized, a shopping method will be used to procure such services consistent with UNDP's procurement policies.

Information on the process and the results of procurement undertaken will be included in the inception document where such information can be provided in advance, and in any case, in the interim progress or completion reports once such procurement has been undertaken and completed.

SECTION E: MONITORING & REPORTING PLAN

The reports to be submitted will be as per what is included in section D.2, and will include reporting against the logical framework included in Annex I.

SECTION F: RISK & MITIGATION MEASURES

Description of Risk	Risk Level	Mitigation Measures
1. Weak stakeholder engagement	Low	Bangladesh has started integrating climate change into national policy. The project team will ensure key government stakeholders are involved throughout the process
2. Lack of interest	Low	Sensitisation activities on climate finance opportunities for the private sector will be undertaken.

Annex I. Logical Framework

	PROJECT SUMMARY	INDICATORS	BASELINES
OUTCOMES	2. Strategic framework for engagement with the Fund developed	2.1 Engagement of private sector, civil society, government and local government stakeholders on priorities for engagement with the fund 2.2 Priorities for project and concepts to be developed for accessing the fund 2.3 Country programming document developed and published in adherence with the initial guidance from the Fund	No investment priorities available for engagement with the Fund. No Country programme (CP) available for engagement with GCF
OUTPUTS	2.1 Country programme, including elements provided in the Fund's Initial Guidelines for Country Programmes 2.2 Summaries of meetings of multi-stakeholder engagement, including list of participants	2.1.1 Copy of country programme, completed using the initial guidance on country programmes prepared by the GCF secretariat 2.1.2 Background documentation on the programme, and links to public dissemination channels 2.1.3 Agendas and summaries from workshops convened as part of the country programme process 2.1.4 Short note on lessons learned from country programming, and good practices in stakeholder engagement	

Annex II. Implementation and Disbursement Schedule

Implementation	Year 1											
	1	2	3	4	5	6	7	8	9	10	11	12
Output: Country programme developed through stakeholder engagement process.												
Activity 1.2.1.1: Develop an inception report in consultation with key stakeholders.												
Activity 1.2.1.2: Recruitment of Consultants.												
Activity 1.2.1.3: Development of Draft Country Programme Framework.												
Activity 1.2.1.4: Develop a performance based M&E system in partnership with IMED												
Activity 1.2.2.1: Workshops and Consultations (district/division level and National level)												
Activity 1.2.2.2: National Validation and Endorsement												
Activity 1.2.3.1: Formation of a multi-stakeholder national advisory council.												
Disbursement ⁽¹⁾ (specify amount & schedule)		USD 60,000 ⁽¹⁾					USD 65,000 ⁽¹⁾					USD 25,000 ⁽¹⁾

(1) The final disbursement schedule will observe conditions presented in Section D.2.