

Political economy ...

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protect the poorest citizens will also need to be aligned with climate vulnerability to ensure that the poorest and most vulnerable are protected from the adverse impacts of climate change.

In the energy, transport and industrial sectors as well, investments in cleaner energy sources will have to be weighed against similar investments in fossil fuels sources, whether indigenous or imported. In most cases it is becoming increasingly clear that investments in clean energy sources have many long term benefits, even if initial costs may be somewhat higher than that of fossil fuels.

Thus, over time, international funding for both development and climate change will have to be effectively blended with domestic sources of finance. For a poor and vulnerable country like Bangladesh, which never-theless aspires to become a middle income country within less than a decade, it presents a number of challenges as well as opportunities which are discussed below.

NATIONAL LEVEL

In Bangladesh, the history of climate funding includes a combination of domestic funds, such as the Bangladesh Climate Trust Fund (BCTF), which has invested several hundred millions of US

dollars of Bangladesh government's own funds in hundreds of projects over the last six years; as well as the Bangladesh Climate Resilience Fund (BCRF), which has invested several hundred millions with funds contributed by developed countries such as the UK, Denmark, European Commission and Australia through their bilateral aid agencies.

In addition, Bangladesh has received funds from the LDC Fund, UNDP, UNEP, World Bank and Asian Development Bank amongst others.

Most of these funds, which total well over half a billion US dollars over the last six years or so, have gone towards supporting hundreds of projects under the Bangladesh Climate Change Strategy and Action Plan (BCCSAP).

Thus, Bangladesh has invested a significant amount of both domestic and international climate funding, mostly on adaptation, although there has also been a significant investment in solar energy systems for mitigation over the last few years.

POLITICAL ECONOMY OF CLIMATE FINANCE IN BANGLADESH

The main challenge of what to do next in channelling climate finance in Bangladesh is to decide whether or not to continue the parallel track of having the two separate climate funds, which fund projects bypassing the national planning system, or to mainstream or integrate climate financing into the national planning and budgeting systems.

I believe that the time has come for Bangladesh to transition away from stand-alone climate funds (like BCTF and BCRF) and mainstream or integrate climate change activities into national, sectoral and local development planning. This can be begun in the 7th Five Year Plan (FYP) from 2016 to 2020, which is about to start and will become

fully mainstreamed by the time we plan and start the 8th FYP in 2021.

At the same time, the Finance Ministry, through the Economic Resources Division (ERD), can become the main channel for accessing global climate funds (primarily, but not exclusively through the GCF) and the Budget Division can track the climate finance expenditures through climate

This will all require good functional co-operation between different entities within and outside the government, for example, between the ministries of Planning and Finance with other line ministries, especially the Ministry of Environment and Forests (MOEF). It will also require good co-operation between the central and local govern-

order for Bangladesh to be able to effectively meet the twin challenges of escaping poverty and tackling climate change.

Fortunately, when it comes to tackling climate change, there is hardly any difference between the major political parties on the importance of tackling it successfully. Tackling climate change



PHOTO: STAR

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tracking systems that they have already developed.

The Independent Monitoring and Evaluation Department (IMED) also needs to develop the ability to monitor the effectiveness of climate expenditure made by different government as well as non-government organisations on climate change activities.

ments and between executive and legislative branches of the government.

Among important non-government actors are the many NGOs working at the grass roots level, media organisations, the private sector and the university sector. All the different actors will need to play their respective parts in

may even present a real opportunity for political parties to try to join forces in the national interest rather than oppose each other as they do on most other issues.

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“ALLAH DOES NOT WANT TO PLACE YOU IN DIFFICULTY, BUT HE WANTS TO PURIFY YOU, AND TO BESTOW HIS GRACE ON YOU THAT YOU MAY BE GRATEFUL.”

The Quran 05:06