

Climate Finance and local government

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| Climate Finance in Bangladesh | | | |
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| It is estimated by the Government of Bangladesh that it will cost the country \$5.75bn to adapt to climate change. The table below shows some of the major measures of climate funding | | | |
| Measures | Donor | Started at | Function |
| Bangladesh Climate Change Resilience Fund | DFID (Initial) EU, Denmark, Sweden | 2010 | Implement adaptation, mitigation, disaster management; Execute programmes of Bangladesh Climate Change Strategy and Action Plan; Promote transparency and coordinate between donors to avoid overlaps |
| Bangladesh Climate Change Trust Fund | GOB | 2009-10 | Implement BCCSAP |
| Special Program on Climate Resilience | Climate Investment Fund through World Bank and DFID | 2010 | Top up major investment projects |
| Comprehensive Disaster Management Program (CDMP)-II | UNDP, DFID, AusAid, Swedish International Development Agency (SIDA), EU, and Norway | | Reduce climatic vulnerability (* not climatic variability) |

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In order to encounter the odds of anthropocentric climate change, there is a pivotal need of financing losses, mitigation and adaptation measures. Financing is pivotal to address odds both at the short and long run.

An unprecedented amount of funding needs to be arranged and expended while the compensatory funds will be dispersed to developing countries. Industrialised countries bear the responsibility of carbon emissions and thus they have to bear the duty of providing “climate finance.”

Global estimates for climate finance ranges from \$150 to 200bn per annum and goes on till 2020. Funds for adaptation fall within a long range of \$13 to \$400bn till 2020.

The vast gap resembles the discourse on adaptation funding, but also reiterates the importance of the appropriate dispersion of this fund. Donor countries, bilateral and multilateral bodies have also pledged to provide a lumpsum of the adaption of fund.

The United Nations Framework Convention on Climate Change estimates that out of the \$182bn required for adaptation, \$67bn (high end estimate) is required in developing countries. Vulnerability of developing countries is partially based on the lack of resources. However, the question that arise is, even if developing countries are blessed with Aladdin’s lamp would countries like Bangladesh be able to deliver “climate financing” to the poorest, who are most vulnerable to the adversities of climate change?

How will funds be filtered from the donor stage to the grassroots? According to a report of Action Aid Bangladesh, Action Research for Community Adaptation in Bangladesh, and others from a Bangladesh perspective there are funding channels, however local governments are not geared up to provide adaptation funding.

Current local level funding channels

There exists a few channels where development funds trickle down to local governments, but none is geared from adaptation funding. The Ministry of Disaster Management implements CDMP-II, which is the flagship disaster management programme in Bangladesh focusing on risk reduction.

CDMP-II also aims to institutionalize risk reduction and as a result funds are allocated to the Local Disaster Risk Reduction Fund (LDRRF). The funds are further used to carry out Community Risk Assessments (CRA) and Risk Reduction Action Plans (RRAP) at the district and union levels.

The funds are then disbursed to Disaster Management Committees at the Upazila levels and to relevant NGOs.

The Local Governance Support Project (LGSP), which is funded by the World Bank and the Government of Bangladesh is needed to hike up resilience in Bangladesh.

The project intends to fund local governments so that community priorities are addressed. The Local Government Division funds projects by transferring funds to the bank accounts of Union Parishads, if they fulfill the basic criteria set up by the project authorities.

Another mechanism is disbursing funds through the Annual Development Program. The Upazila Parishad appraises bids from chairmen of Union Parishads. Funds are then released for implementation of proposed projects.

Local government not resilient

These channels of funding are a starting point for enabling adaptation finance to be useful at the local level. The current efforts seem to be of too little use to strengthen the routes of adaptation finance.

One of the main exogenous variables which determine the success of these programmes is efficiency of local government initiatives in executing respective responsibilities in a timely manner. There seems to be a vacuum in fathoming the utility of the funds.

Activities need to be coordinated very well within the different scales of the government and NGOs should help in carrying out these responsibilities.

Local participation is another key ingredient of successful planning and subsequent implementation of the project. The current mechanisms are handled by local authorities and community participation is quite inadequate.

Based on the predictions of climate change there is a need to revamp governance to cope with the predicted changes. Further, the resilience of local government needs to be addressed immediately. Otherwise, financing channels will not be sustainable.

Mal-governance in Bangladesh burdens the country with extra vulnerability, and is wholly unnecessary to the efforts of adaptation which are significantly positive.