Dhaka Integrity Dialogue 3: Equity and Transparency in Green Climate Funding
18 September 2018, Dhaka
Organized by Transparency International Bangladesh (TIB)
Venue: Bangabandhu International Conference Center (BICC)

Summary of the Plenary Sessions

Session 1: Transparency Accountability and Integrity in Mobilizing Green Climate Fund: Challenges and Prospects

- Reiterating climate change as a global issue, the session focused on the challenges the deficit of climate funds induce in dealing with the vulnerabilities induced by climate change. Gap between commitment and funding is major concern.
- Better mechanisms and greater amount of funds are a starting point. Planning needs to be strengthened, in order to access funds. Ensuring transparency and accountability throughout the process is a pre-requisite to achieve sustainable goals.
- Highlighting that the Paris Agreement is legally binding, making it imperative for participating nations to comply with, emphasizing on Article 9 and its sub-sections, which have clearly defined the role of developed nations in making sure that the GCF flow is not interrupted and scale up finance is available for both adaptation and mitigation projects.
- Vulnerable LDCs are supposed to be the primary beneficiaries of said funds. From the Bangladeshi perspective, relevant authorities have successfully negotiated for a preferential treatment, should they be promoted from LDC to middle-income nation status because of its vulnerability.
- Adversely affected, expressed worry about not able to implement adaptation and mitigation projects. Strengthening capacity in NIEs in order to qualify for funds is required. Out of the 14 NIEs, 6 have accreditation to GCF, which is very difficult to acquire. The current trend, apart from grant-based funds, suggests the flow of high-concessional loan with the interest rate being roughly 0.75%. It is up to us to decide whether we should take that up. We must also take into account, the impact derived from smaller projects.
- Governance of International Funds e.g. GCF include looking for quality projects, good governance of both governments and the funds themselves.
- The idea for a high-concessional loan for mitigation may seem justified but loans for adaptation projects may not be a good idea and that, we must focus on grants for such projects. Audience members also proposed looking into bilateral funding, besides GCF.

Recommendations:

- The Paris Agreement Article 2 that all countries must fulfill to mobilize adequate fund flow, which will address adaption needs in developing countries, on a global, national, regional and local needs.
- Developing countries would be held accountable in fulfillment of the commitment that they made in Copenhagen.
- Members of the audience suggested the need of differentiating between development aid and green climate funding in order to avoid confusion.
- To integrate space technologies with the meteorological department along with credible evidence, while stating the need for more research on climate vulnerability. Data is needed for developing and designing projects, effective implementation and monitoring.
- Developed countries must communicate indicative data on financial support to the global community every two years as well as provide transparent and consistent data to the receiving nations.
More transparency, as we lack a good reporting system for funding procedures, only proper
monitoring of intervention projects and transparency can bring in sustainable results. Allocation
of funds needs to be more balanced for adaptation and mitigation.

Governance is about stakeholder relations, which is how interactions between individuals and
organizations develops and occurs at different stages of planning, consultation and
implementation.

Quality of governance is measured by structural issues like meaningful participation and
productive deliberation. The government standard, principles and criteria operate at all of these
levels and can be implemented and measured at each level. There is a need for assessment of
governance quality and maintaining said governance standards.

Session 2: Access to Green Climate Fund by Vulnerable Countries: Prospects and
Challenges

The mayor of Satkhira informed that the municipality has around 200,000 people with another
50,000 having migrated to the town after cyclone Sidr and Aila from the most climate vulnerable
areas and we are yet to ensure the basic necessities, let alone focus on projects for adaptation and
mitigation.

The speakers blamed unnecessary bureaucracy and the lack of interest on the parts of government
officials behind the slowing down of the process of implementation. Furthermore, the speaker
alleged that there is corruption across all levels of the administration as well as private parties and
stakeholders of projects who seem to warrant a cut or commission from the funding.

Addressing the planning aspect of engaging with climate funds, including GCF. The process must
include stakeholders at multiple levels, not just including government officials but local
communities that are directly affected. The projects proposed must fit
into the national
framework, emphasizing the need for coordination, which will lead to faster and more effective
implementation.

For NDAs to be effective there is a need for good communication between parties, understanding
budget requirements, power to engage with other actors in the process, and relating to other
climate finance and development projects that may not fall under the GCF funding scope.

For the implementation stage, project selection, engagement with stakeholders and identifying
capacity gaps of implementing entities while facilitating implementation. Civil society
organizations need to make sure that in their engagement with GCF, they are not in support of
other corporations that work with fossil fuels.

Recommendations:

There is a need to ensure transparency in securing green climate funds which may be possible
through the implementation of policies that are parallel to global standards. To ensure
transparency and accountability, it is suggested that they involve members of the civil society to
monitor the process of implementation. The speakers reiterated the need to monitor the
implementation of projects at the root-level, along with ensuring participation from the
community and experts.

There should the aim to achieve a balance between adaptation and mitigation in funding to
developing countries.

Since there have been allegations of corruption in projects, a unique cell can be formed within the
Anti-Corruption Commission (ACC) which will oversee such matters.

Bangladesh needs to get more accreditation like NIEs to ensure the chances of securing GCF
funds. But it is imperative to develop articulated funding proposals. To do so, the speaker
recommended the government to employ a dedicated pool of fund and resources to develop new
projects. In terms of GCF, it is a must for the body to ensure a long term financial sustainability, while achieving credibility among the countries, especially the developing ones.

- According to the speakers, GCF also needs to improve their capacity to make a sustainable impact and better disburse the funds.
- In the light of the situation, the speakers suggested that equitable representation from developing countries in the GCF Board must be ensured to reap the benefits of the Paris Agreement.
- GCF has to revise their investment priorities in reflection of prioritized adaption actions aligning with NDCs, NAP and SDG targets, he added. In addressing the growing vulnerability, there is a need of pro-activeness of the GCF Board to enhance access to GCF through establishing country specific strategy with dedicated funds for the loss and damages especially e.g. welfare and rehabilitation of climate induced displaced people.

Session 3: Disbursement, Monitoring and Utilization of Green Climate Funds and Projects: Prospects and Challenges

- GCF has approved 74 projects so far, with 9 in the South Asian region. 847.6 million USD was budgeted but only 320.6 million USD was given by GCF. Of these funds, 100 million USD were as loans and the remaining 220.6 million USD were as grants.
- With this in mind, GCF has failed to give the amount of funding as was promised to developing countries like ours. Projects that have begun or gained approval this year have not received funding yet either.
- There are problems within the arrangements between GCF and our NIEs. There also issues in the accreditation process as it must be fixed during the first draft, making the entire process time-consuming to alter or acquire approval in the first place.

Recommendation

- Strengthening of governance mechanisms can reduce integrity risks and make climate change policy and action more effective
- Transparency, accountability and oversight are the key to ensuring successful adaptation processes
- Ensure data openness (Online version can provide feeding mechanism from local level)
- Ensure disclosure of information and promoting monitoring, evaluation and auditing
- Elaborate modalities and monitoring mechanisms to ensure transparency, accountability and participation for actors within the framework of climate finance
- Encourage and facilitate public participation in policy development at the local, national and international levels
- Provide a robust/remote/verifiable monitoring and evaluation system
- Explore possibilities to track climate finance cash flows into affected climate sectors
- Form a multi-stakeholder forum under NDA (private, public, CSOs, NGOs, project beneficiaries) to establish coordination among relevant actors
- Supporting NDA & potential/NIEs to develop their capacity and exchange of knowledge
- Building capacity of CSOs, journalists and influential citizens to track projects through orientation
- Macro & micro level analysis for prioritization, vulnerability assessment, effectiveness and sustainability of projects and implementation outcomes especially infrastructure, afforestation projects.