



Economic Relations Division

Workshop Proceedings Report

Bangabandhu International Conference Centre: 8 November, 2015



Accessing the Green Climate Fund

OPPORTUNITIES, OPTIONS AND CHALLENGES FOR PRIVATE SECTOR AND CIVIL SOCIETY ORGANIZATIONS



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Dhaka, Bangladesh
November 2015

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The **Accessing Green Climate Fund Opportunities, Options, and Challenges for Private Sector and Civil Organization** file can be electronically downloaded from <http://www.undp.org/content/bangladesh/en/home.html>

FOREWORD



Bangladesh is one of the most climate vulnerable nations of the world. The adverse impacts of climate change wipe out economic progress made through development programmes and projects. A conservative estimate shows that five major disasters since 1998 caused damage to economy roughly on an average of 2.7% of GDP per event. It seems that without having a robust protection against climate induced disasters, public investments through ADP will not have the desired development impact.

Given the link between climate change and development, world community has recently adopted the Sustainable Development Goals. SDG Goal-13 specifically says about taking urgent action to combat climate change. However, the task of tackling climate change is very complex as this will need not only policy response but also huge resource mobilization for predominantly adaptation purpose as well for mitigating the impacts of climate change and a bigger role for private sector to deal with such mammoth challenges for development. Active engagement of private sector is critical and extremely necessary as public sector alone cannot deal with the scale of climate challenge in Bangladesh. Despite having inconsequential contribution to global warming, huge progress in advancing renewable projects in Bangladesh is a testimony to our resolve to mitigate the adverse impacts of harmful carbon emissions.

With increasing intensity and frequency of climate change induced disasters, increased access to international climate finance has become a necessity in order to cope with the loss and damage inflicted by climate change and to undertake adaptation and mitigation measures. However, many entities in private sectors lack the knowledge and the technical and institutional capacity to access such funds.

The largest source of global climate finance is the Green Climate Fund (GCF). Established in 2010, is an operating entity mandated by the United Nations Framework Convention on Climate Change (UNFCCC) that supports projects, programmes, policies and other activities concerning climate protection interventions in developing countries. The GCF promotes the paradigm shift towards low-emission and climate resilient development pathways. The Economic Relations Division of Ministry of Finance is designated as the National Designated Authority (NDA) of Bangladesh to the Green Climate Fund.

This workshop was designed to sensitize and raise awareness among the private sector entities and CSOs on the different opportunities to access GCF funding. An open dialogue was established where both public and private sectors expressed their needs and challenges for investing in climate change mitigation and adaptation projects. Sharing knowledge helped clarify the relative roles and responsibilities of public and private sectors in combating impacts of climate change, increase awareness of the GCF's Private Sector Facility and establish a way forward for enhancing access to GCF's funding. The scourge of climate change can neither be faced in isolation by any country nor would the interventions be effective without active participation of all including public, private and civil societies.

Mohammad Mejbahuddin

Senior Secretary, Economic Relations Division &
National Designated Authority (NDA) for Bangladesh to Green Climate Fund

ACKNOWLEDGMENT

The workshop, 'Accessing Green Climate Fund: Opportunities, Options and Challenges for Private Sector and Civil Organizations' was held in Dhaka, Bangladesh on 8th of November 2015. Economic Relations Division of the Ministry of Finance organised the day-long workshop in partnership with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), International Institute for Environment and Development (IIED), International Centre for Climate Change and Development (ICCCAD), BRAC and United Nations Development Program (UNDP).

Honourable Minister for Finance, Mr. Abdul Maal A. Muhith, MP, graced the inaugural sessions as the chief guest. Honourable Minister for Industries Mr. Amir Hossain Amu MP and Deputy Minister for Environment and Forests Mr. Abdullah Al Islam Jacob, MP, Government of Bangladesh, also spoke on the inaugural session as the special guests. Presence of the Chief Guest and Special Guests has established Government's firm commitment on developing effective partnership with all actors for tackling climate change. Our sincere thanks go to Mohammad Mejbahuddin, the Senior Secretary of ERD and NDA of Bangladesh to the GCF whose leadership was instrumental in organizing the event.

Organizers would like to acknowledge the support of the facilitators and resource persons of GiZ, IIED, ICCCAD, BRAC and UNDP for sharing their knowledge, experience and critical inputs from global perspective with the participants. We sincerely thank Mr. Hyongkun Park, Financial Institution Specialist of GCF for his presentation on private sector facilities being offered by GCF. Furthermore, we would like to express our gratitude towards the participants from business houses, trade bodies, government and non-government agencies, civil society organizations, development partners, and academic institutions for their active participation and keen interest on GCF.

Organizers acknowledge the efforts were made by the colleagues of GIZ, BRAC, IIED and UNDP for the workshop with particular reference to Mr. AKM Mamunur Rashid and Ms. Sohara Mehroze Shachi of UNDP who prepared the proceedings report on the workshop.

Md. Ashadul Islam

Additional Secretary (UN)

Economic Relations Division

MESSAGES



I applaud the initiative of the National Designated Authority (NDA) for Green Climate Fund (GCF), Economic Relations Division of the Ministry of Finance for organizing this event to introduce the GCF to Bangladesh private sector and Civil Society Organizations with a special focus on the private sector facility (PSF) window of GCF and facilitating direct access of private sector/CSOs. This is a significant milestone for Bangladesh that marks the country as the “Climate Star” in the galaxy of nations towards its preparation to meet the challenges of climate change.

The threat from climate change is serious, not only in public sector but also in private sector. Climate change financing is urgent, and accessing international climate finance is a critical issue both for private and public sector. I believe the workshop successfully enhanced understanding about the Green Climate Fund (GCF), the Private Sector Facility (PSF) of the GCF and potential opportunities for the private sector and CSOs. It also developed a common understanding of the needs and challenges for the private sector actors and CSOs to invest or get involved in climate change projects. The workshop highlighted that there is strong relevance of private sector and civil society engagement in the climate change actions in Bangladesh. In my view, this is a clear step up signal towards a road to resilient Bangladesh.

The potential of private sector and CSO engagement is very high. There are many capable people and environment friendly private sector and civil society organizations, who are interested to invest their time and energy in combating climate change in Bangladesh. The private sector has both strong potential in mitigation and adaptation business in Bangladesh.

Yet, climate Change is yet perceived by many private sector either an irrelevant issue or at best an issue of an extension of their Corporate Social Responsibility (CSR). This mindset needs to be changed and a new business model has to be evolved keeping climate change in mind. My sincere appeal to all CSO and PSO participants is to design a more synergic and inclusive process in accessing, utilizing and governing climate change finance, where the bottom line is “effective reduction of climate change vulnerability for millions of vulnerable people in Bangladesh”.

I am optimistic that the workshop’s findings will create new energy among the private sector and CSOs to engage in low carbon climate resilient development in Bangladesh. I also want to express my happiness being one of the partners in organizing this workshop along with IIED, ICCCAD BRAC and GIZ under the leadership of ERD.

Robert Watkins
Resident Coordinator, UNDP

In 2009, at the Conference of the Parties (COP) in Copenhagen, developed countries agreed to mobilize by 2020 a combined \$100 billion annually from public and private resources to help poor countries reduce emissions and cope with climate change. This new channel of climate finance is called the Green Climate Fund (GCF). The decision was taken at COP 15 that "GCF shall be established as an operating entity of the financial mechanism of the Convention to support projects, programme, policies and other activities in developing countries related to mitigation including REDD-plus, adaptation, capacity-building, technology development and transfer," promoting a paradigm shift towards low carbon emission and climate resilient development pathways.

GCF aims to support local, small-scale businesses to invest in climate responsive technologies and ventures, and, to promote a paradigm shift towards low-emission and climate resilient development pathways.

In order to raise awareness of the GCF, the Government of Bangladesh, in partnership with UNDP, GiZ, BRAC, ICCCAD and IIED organized a daylong workshop to introduce the GCF to Bangladesh private sectors including Civil Society Organizations and non-government organizations, and, to encourage these sectors to apply for access to GCF for adaptation and mitigation actions.

At the opening of the workshop, Mr. Hyoungkun Park, Financial Institutions Specialist – Private Sector Facility, GCF Secretariat, South Korea presented an overview of the GCF followed by the three stages of the accreditation process and the role of the National Designated Authority (NDA). He then pursued his presentation by introducing the Private Sector Facility, which will enable the GCF to directly and indirectly finance mitigation and adaptation activities. Even if the emphasis was on private sectors, Mr. Park added that both public and private sectors can submit proposals for funding from the GCF.

The second part of the workshop was divided in two sections, first one with the private sector and the second with the civil society organisations (CSOs). Opportunities, challenges, and incentives for both sectors were covered separately with technical presentations from different institutions. Within the private sector's discussion, it was pointed out that the first step is to raise awareness and promote the benefit of green technologies to reduce carbon emission. These initial projects will act as pillars for future development. As for the public discussion group, it was strongly emphasized that even if there are many opportunities in mitigation and adaptation framework of the GCF, both public and private sectors need to work together to achieve a common goal of achieving direct access, as the current lack of communication may lead to misunderstanding that can be avoided.

The workshop came to a close with closing remarks by Mr. Md. Ashadul Islam, Additional Secretary, UN Wing, ERD, Government of Bangladesh.

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GENERAL CONTEXT

With the aim of introducing the Green Climate Fund (GCF) to the private sector and civil society organizations of Bangladesh and engaging them in the process, the Economic Relations Division (ERD) of the Government of Bangladesh, with Assistance from UNDP, GiZ, Brac, ICCCAD and IIED organized a daylong workshop titled “Accessing Green Climate Fund: Opportunities, Options and Challenges for Private Sector and Civil Society Organizations” on the 8th of November 2015.



PURPOSE OF THE WORKSHOP

The workshop aimed to introduce the GCF to Bangladesh private sector and CSOs with a special focus on PSF (private sector facility) window of GCF and facilitate direct access of private sector/CSOs.

SPECIFIC OBJECTIVES:

- To sensitize and raise awareness among the private sector entities and CSOs on the opportunities from the GCF and inform them on the GCF accreditation process.
- To share and gather relevant knowledge about the role of private sector in combating the impacts of climate change and how private sector and CSOs can engage in adaptation and mitigation.
- To foster an open dialogue with the private sector actors and CSOs to understand their needs and challenges for investing in climate change mitigation and adaptation projects.
- To strike a balance between the profit driven goals (private goods) of private sector and climate goals (global public goods).

The workshop comprised of an inaugural session, a tone setting session, two technical sessions on CSOs and Private Sector firms, Q/A, discussion and finally a closing session. The detailed schedule is annexed.



Mr. Md. Ashadul Islam

The workshop started with a welcome address by **Mr. Md. Ashadul Islam**, Additional Secretary (UN), ERD. He stressed on gaining direct access to GCF and outlined the role of Bangladesh's National Designated Authority (NDA) Economic Relations Division (ERD) and the activities undertaken by ERD with regards to the Green Climate Fund (GCF). NDA would like to facilitate the direct access of the promising private sector entities and CSOs to GCF, he added.



Mr. Matlub Ahmed

Mr. Matlub Ahmed, Chairman of the Federation of Bangladesh Chamber of Commerce and Industries (FCCI) represented the private sector. His speech centered on the need for the business community of Bangladesh to focus on climate change mitigation and to make use of the Green Climate Fund for this purpose.



Mr. Hyoungkun Park

Mr. Hyoungkun Park, private sector specialist of the GCF secretariat, congratulated Bangladesh for one of the projects getting GCF executive board's approval for funding on the first round. Private sector accounts for 2/3 of global GDP so their contribution to climate change efforts is crucial. The range of entities GCF would like to partner with is very large and Bangladesh, being one of the most vulnerable countries to climate change, has one of the largest business opportunities. He urged the private sector of Bangladesh to make use of GCF to achieve a paradigm shift.



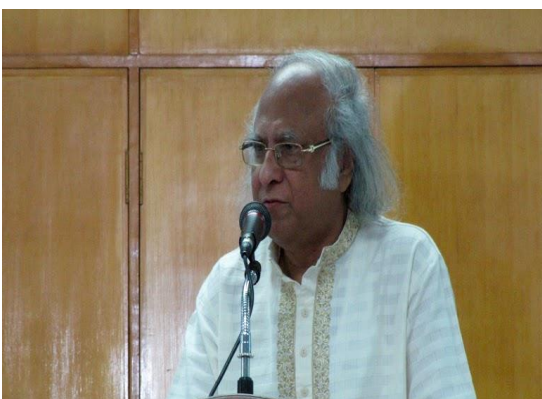
Mr. Robert Watkins

Mr. Robert Watkins, UN resident coordinator, spoke next and said this workshop is a timely and important initiative. He said a binding agreement needs to be reached in COP 21 to support vulnerable countries on the basis of their long term needs. Bangladesh, along with fragile African and small island states are consistently without the resources necessary to address the problems, and hence private sector involvement is crucial. This workshop is an excellent example of how the government and private organizations can invest in capacity building.



Md Nojibur Rahman

Md Nojibur Rahman, chairman of the National Board of Revenue and alternative member of GCF board, then took the floor. He said 2015 is a year that has been the junction of many achievements. The Sendai framework, SDGs and the Prime Minister Sheikh Hasina's winning of the Champions of the Earth Award has made this year the beginning of a new watershed era. One of the projects from Bangladesh has already got funded by GCF. It would help the country to get an even bigger amount and this event has brought everyone on board which would help in attaining that goal.



Dr. Q.K Ahmed

Dr. Q.K Ahmed, Chairman, Palli Karma Sahayak Foundation (PKSF), then spoke as a civil society representative. He stressed said climate financing should be additional, new and all grant. He did not support the idea of co-financing and loans as these are moving away from the original decision of UNFCCC on climate finance, in particular GCF. He said poor countries should not be burdened with such funding instruments as they are facing adverse impacts of climate change for which they are not responsible. He also mentioned that only funding is not enough, technology and knowledge transfer are needed as well.



H.E. Mr. Abdullah Al Islam Jacob

H.E. Mr. Abdullah Al Islam Jacob, MP, Deputy Minister of Environment and Forests, Government of Bangladesh and special guest, spoke next and said the current approach of GCF is very conservative and this needs attention. He pointed out that currently 78% of Bangladesh's climate change related expenditure comes from domestic resources and easier access to international sources of finance such as the GCF would greatly benefit the country.



Mr. Amir Hossain Amu

Mr. Amir Hossain Amu, MP, Minister of Industries, said technology and funding should be more relaxed to combat climatic risks and environmental pollution. Bangladesh needs to increase its institutional capacity and skill since there is a vast scope of doing so especially in the environment friendly SME sector. The Government of Bangladesh has taken environment friendly industrial regulations to prioritize establishment of green industries, such as provision of incentives for environmentally friendly ship breaking yards. He said SMEs in Bangladesh can benefit from GCF funding to become more environmentally friendly.



H.E. Mr. Abul Maal A. Muhith

H.E. Mr. Abul Maal A. Muhith, MP, Minister of Finance, Government of Bangladesh, said Paris negotiations are crucial for the survival of the world and he is optimistic about the future. The minister said the government does not have any objection with regard to taking soft loan from GCF. He said while funds have been created since the Copenhagen climate summit in 2009, access to funds remains a challenge and the government so far has primarily been using its own funds for climate change adaptation efforts. He stressed the need for a legally binding treaty in COP 21, and the need for involving private sector firms and CSOs to utilise their full potential on combating climate change.



Mr. Mohammad Mejbahuddin

Mr. Mohammad Mejbahuddin, Senior Secretary, ERD said Bangladesh has been proactive in undertaking mitigation and adaptation measures. In the INDC of Bangladesh it has committed to cutting down emissions by 5% which can be increased to 15% by 2030 if assistance is received. He highlighted that climate change cannot be disentangled from development. The Sustainable Development Goals for Bangladesh cannot be achieved unless agriculture and other important sectors are made resilient to climate change. The private sector can play a significant role in mitigation, while public private partnerships (PPPs) can also be utilized for adaptation. He added that the private sector can help in climate proofing infrastructure, research and development, such as by conducting research in developing climate resilient seed varieties. He said an advisory board of NDA will be set up where the private sector and CSOs can provide constructive suggestions.



Ms. Shamima Nargis

Ms. Shamima Nargis, Additional Secretary (UN 1), ERD, then took the floor and concluded the inaugural session with a vote of thanks to all participants and organizers of the workshop.



Audience at the event

GCF: OVERVIEW AND PUBLIC SECTOR FACILITY (PSF)



Mr. Hyoungkun Park

This presentation was delivered by Mr. Hyoungkun Park, Financial Institutions Specialist, Private Sector Facility, Green Climate Fund. He mentioned that the goal of GCF is to allocate 50% of the funds for mitigation and 50% for adaptation projects. He said from GCF's strategic interest viewpoint, there is special potential in the transport sector and agriculture sector is a priority. He said 6 investment criteria will be considered when evaluating proposals:

- Impact Potential
- Paradigm Shift Potential
- Sustainable Development Potential
- Needs of Recipient
- Country Ownership, and
- Efficiency and Effectiveness.

Next, he gave an overview of the private sector facility, stating that the PSF was created to catalyze and maximise private sector engagement in climate finance throughout developing countries. He said the private sector is a catalyst for change and is critical to ensure the mainstreaming of climate sensitive investing.

He added that the GCF will allocate a significant proportion of its resources to the PSF, and that the PSF is not an “add on”; it is a mainstream component of the fund.

He then gave a status update of the GCF, mentioning that the fund reached effectiveness in May 2015 and has made readiness commitments to 16 countries worth 4.25 million USD. It has 20 accredited entities so far and has proposed to accredit 9 more. Project ideas, concept notes and funding proposals worth more than 7 billion USD have been reviewed. And from Bangladesh, KfW's project titled “Climate resilient infrastructure mainstreaming in Bangladesh,” which is worth 80 million USD (of which GCF will provide 40 million as grant), was selected for receiving funding.

Mr. Park then focused on the 5 pillars: NDA strengthening, strategic framework development, accreditation support (only for public sector entities), pipeline development and information sharing. He stressed that unless an entity is accredited with GCF it will not be able to access the Fund. Basic accreditation only allows an entity to receive funds from GCF whereas specialized accreditation allows them to channel funds as well. Accredited entities have to get a no objection letter from the NDA to prove they are well aligned with the national priorities. Most of the time the NDA appoints an executing entity which undertakes the major operational activities.

Mr Park then focused on the financial instruments to be used by GCF, which are equity (cofinancing), grants (with or without repayment contingency), concessional loans (terms will be competitive with the market) and guarantees to cover specific risks. It can provide grants in addition to non-grant instruments. He elaborated the terms of the financial instruments, which include:

- Grant element tailored to incremental cost risk premium
- Right level of concessionality and financial structure
- Long term financial sustainability and indebtedness
- Minimization of market distortions
- Assessing risks and replacing risk sharing where possible

Next he outlined the GCF funding proposal review process steps:

- Completeness check
- Second level of due diligence
- Independent technical advisory panel (TAP) assessment

Finally, he identified some of the common gaps identified in submitted proposals for GCF funding, which include:

Incomplete information:

- missing budget information
- missing disbursement schedule

Missing documents:

- Feasibility study absent
- Environment and Social Management plan absent

Proposal not sufficiently advanced:

- Resettlement action plan requested but not developed
- Stakeholder consultation not conducted

He concluded his informative presentation with a vote of thanks.

GCF ACCREDITATION - IDCOL'S EXPERIENCE

Farzana Rahman, Vice President and Unit Head of renewable energy, IDCOL, gave a description of IDCOL's experience stating that IDCOL has been working to catalyze private sector participation in infrastructure, renewable energy and energy efficient projects. She spoke on the relevance of GCF to IDCOL, the challenges IDCOL faced and how they have overcome those. She said IDCOL had been nominated by NDA for accreditation to the fund and it has submitted an application to GCF for accreditation.



Ms. Farzana Rahman

Ms. Rahman outlined the timeline for the following stages:

- Self-assessment and readiness check
- Preparation and submission of application
- Post submission status

GCF accepted IDCOL's nomination on 21st October 2015.

She detailed of the Institutional Assessment and Completeness Check, which comprises basic fiduciary criteria, specialized fiduciary criteria and environmental and social safeguards.

The basic fiduciary criteria include:

- Management & administrative capacities
- Financial management & accounting
- Internal & external audit
- Control framework, procurement, code of ethics
- Conflict of interest, financial management and checking malpractice, investigation function, anti-money laundering and anti-terrorist financing

The specialized fiduciary criteria include:

- Project management capabilities
- Project appraisal/preparation/risk management guidelines & reports
- Implementation progress reports
- M&E framework and track record
- Financial Risk Management Policy

The challenges IDCOL faced during this process included the extensive supporting documentation and the huge effort required for establishing evidence against specific requirements.

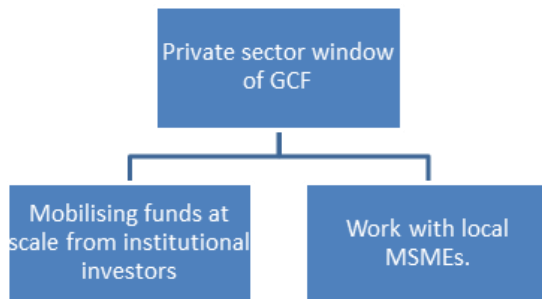
Opportunities and Challenges for Private Sectors: What opportunities does GCF offer for the Private Sector of Bangladesh?

This technical session highlighted the opportunities, challenges and incentives for the private sector in accessing Green Climate Funds. The session was moderated by **Mr Asif Ibrahim, Chairman of Business Initiative Leading Development (BUILD)**, a public private dialogue platform in Bangladesh and was followed by two technical presentations from IIED and GIZ.



Mr. Asif Ibrahim

Dr. Essam Yassin Mohammed, Senior Economist at IIED presented the scope the private sector offers, the barriers it faces and the opportunities it can harness for investments in climate related activities in Bangladesh through the GCF.



Dr. Essam Yassin Mohammed

The private sector in Bangladesh accounts for 93% of GDP and hence presents a huge opportunity for investment, but climate related investments are often viewed as corporate social responsibility only. High risk perception, lack of capacity of financial institutions to invest in climate related investments, the short-term nature of the local debt market, lack of upfront/seed capital, high transaction cost and lack of regular pipeline of bankable projects are identified as barriers to investing in green projects in Bangladesh.

The Private Sector Facility (PSF) of the GCF offers funding opportunities that share the risk faced by both large scale institutional investors and medium enterprises (SME) in Bangladesh. Support to SMEs in adaptation projects include:

- investments in supply chain management that incorporate climate adaptation risk management (e.g. supply source diversification, crop changes in agriculture)
- promoting guarantees to enable bank and supply-chain (i.e. accounts receivable/payable) debt rescheduling in the face of business disruptions resulting from temporal climate change impacts

The Fund's SMEs pilot programme is designed to channel concessional resources to improve SMEs access to finance through accredited entities. The Fund also makes provisions for SMEs by issuing a request for proposals (RFP) to entities that are able to demonstrate: a track record of successfully working with and financing SMEs, ability to monitor the results achieved through the SME Pilot Programme and ability to use financial resources to create a significant climate impact. In Bangladesh, national commercial banks, Bangladesh Bank, IDCOL, BRAC, Grameen Shakti already have a track record of working with SMEs on climate change projects and can become accredited entities.

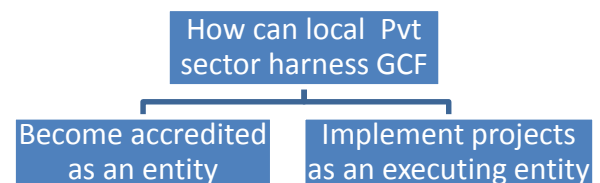
The PSF window of GCF offers a range of products particularly suited for banks, sovereign funds and insurance companies which include:

- Green/Blue Bonds - medium/long term instruments
- Commercial paper - short term debt instruments (particularly important for climate prone businesses and firms)
- Syndication and club deals – medium/long term instruments (low transaction cost, thus can be used to raise funding for smaller scale projects)

The GCF presents an opportunity to Bangladeshi private sector institutions to directly access funds by applying for accreditation as a National Implementing Entity (NIE) or as a Executing Entity (EE) who can use funds via an accredited entity. In Bangladesh, organizations from the following sectors are particularly well suited to access GCF funds:

- Commercial banking
- Buildings technology
- Clean technology - products or services that improve operational performance
- Renewable energy, energy efficiency
- Forestry
- Fisheries
- Transport
- Waste management
- Agriculture – Climate resilient crop varieties
- Housing- Climate resilient housing

The first step toward accessing funding from the GCF at this point is for Bangladesh to identify a National Implementing Entity who can channel the funds directly into its own projects or fund other climate resilient and low-carbon projects. Needless to say, the capacity of the private sector needs to be built to understand the complex process of accreditation and proposal development to meet the GCF requirements, which include fiduciary standards, and social and environmental safeguards. IIED has developed a handbook specifically for the organizations in Bangladesh to get this accreditation which can be downloaded here: (<http://pubs.iied.org/10151IIED.html?c=climate>)



Lars Andersen, Climate Finance Readiness Programme, GIZ, presented the instruments the public sector can use to incentivize private sector in low-carbon investments based on lessons learned from their activities around the world.



Mr. Lars Andersen

GIZ's Climate Finance Readiness Programme aims to improve the use of funds from international climate financing and has been providing technical support to the NDA Secretariat in the necessary functions to access GCF funding.

The majority of investments in low-carbon technologies is coming from the private sector, and private actors spent 90% of their investments in the country of origin. GIZ's analysis shows that domestic policy frameworks and stable macroeconomic conditions are critical drivers of investment for private investors and international climate finance.

Policymakers are faced with the challenge of creating a framework that enable private sector investors and end users (households, corporate manufacturers) of renewable technologies a return on their costs. To attract private investments, therefore, the government must include favourable policy and financial

conditions, mechanisms and instruments that support a low-carbon economy.

Policy and institutional conditions that favour private sector investors in green investment include:

- Long term plans and targets for low-carbon development such as those presented by ICDOL
- Institutional organization and capacity to implement and administer policies and funds effectively
- Regulatory instruments which might include efficiency standards, building codes, vehicle efficiency standards, biofuel standards
- Economic instruments such as eco-taxes, removal of subsidies, low-cost debt, emissions trading

Industry and financial conditions that favour private sector investors in green investment include:

- Financial sector's knowledge of green products which can mitigate the perception of risk in their investment decisions
- Stable financial sector with capacity to support green investment - Financial sector needs the knowledge to assess mitigation and adaptation projects and be liquid, mature and transparent to support green investment
- Project developers' capacity to develop and implement bankable projects - Financial and technical capacity to develop projects that are capable to attract finance. Project developers need to have engineering knowledge, technical and management skills to implement and operate projects
- Presence of a support industry and enabling infrastructure such as

manufacturers, construction companies, availability of technical service providers who are critical to project implementation.

Public Financing Instruments that have proved successful in promoting a green economy include:

- **Lending (Debt):** This includes providing loan capital to projects, investing in debt funds, purchasing bonds, or offering concessional/flexible loan terms. This gives a low-carbon company/project access to finance without relinquishing their ownership and can help attract additional finance (including both debt and equity) from the private sector
- **Equity Investment:** This refers to making a direct capital investment in projects or in funds that invest in projects. Equity provides initial finance for a project/company to grow its operations and access other sources of finance. It also reduces investment risks faced by debt investors
- **De-risking Instruments:** These are instruments that help investors reduce perceived investment risks, and thus improve the risk-reward calculus of low-carbon investments. Examples of de-risking instruments include loan guarantees, insurance, foreign exchange/liquidity facilities. The public sector may provide these instruments to the private sector project developers or to capital providers at no cost, or at a subsidized rate.

It is important to note that the first projects developed in a country raise awareness and illustrate the potential benefits of low-carbon

energy technologies among industry and other stakeholders. They are also instrumental in building industrial capacity to develop, finance, construct, and operate future projects. In many cases, the first projects undertaken in a country are small scale and structured as commercial operations, but with strong demonstration effects.

Developers may not have an incentive to invest in low-carbon energy technologies, because of the higher up-front transaction costs and greater risks of these less familiar technologies, so therefore, public funding for first-mover projects can be critical to attracting wider private sector engagement.



The Panel for Session 3 A

Dr Mizan R Khan, professor at North South University said despite climate related activities still remaining within the CSR activities of profit making organizations, he is optimistic that there is ability and understanding among current business leaders in the country to get on board.



Dr. Mizan R Khan

The private sector needs to be convinced of the options and scope of investing in climate related activities such as renewable energy. In adaptation, supply chain management, risk management and insurance sector could be the areas for the private sector. What is crucial to engaging them in climate change is sensitization, needs assessment and further capacity building. The GCF has very specific guidelines on fiduciary reporting and environmental safety standards and there is need for capacity building. This is where the NDA Secretariat can play a big role in building capacity of national private sector institutions.

Potential NIEs who can be made ready under the GCF's Readiness Program include:

- FBCCI
- Insurance Association of Bangladesh can play a strong role in risk management, risk transfer and loss & damage
- Small and Medium Enterprise (SME) Foundation

- Association of Agricultural Cooperatives
- Bangladesh Solar and Renewable Energy Association
- BUILD

Discussion

Following the presentation, the audience members raised some questions and comments.

A **representative from ACI** suggested for provision of consultancy services/support for private sector organizations by GCF (which currently does so only for public sector). While most focus is on renewable energy, food needs to be an area of focus, and example of ACI's long term investment in developing climate resilient crops from which returns will come after many years.

A representative from **Green Delta Insurance** said it is important to start a dialogue on how insurance companies can participate

A representative from **Solar-ic** suggested that GCF should not adopt a one size fits all approach.

A representative from **SME foundation** urged GCF and IIED to provide them readiness support so that SME foundation in turn could help small and medium enterprises' capacity building.

Dr. Essam Yassin Mohammad of IIED in conclusion said that while they cannot raise expectations to unrealistic levels, they will take the need for capacity building very seriously to see whether such support can be arranged.

SESSION 3B: GCF & CIVIL SOCIETY ORGANIZATIONS (CSOs)

This technical session tailored the opportunities, challenges and incentives for CSOs in accessing Green Climate Funds. The session was moderated by **Dr. Ainun Nishat, Professor Emeritus of BRAC University**, and a water resource and climate change specialist. It included two technical presentations from UNDP and BRAC.



Dr. Ainun Nishat

Dr. Nishat said it is important to not see the private sector and CSOs as separate and indicated that the experience with the GEF projects will be useful for the application process of the GCF, even if it will eventually handle over USD 100 billion on a yearly basis, as of 2020.

Mr. Terence Hay-Edie, Programme Advisor, GEF Small Grants Programme, UNDP Regional Office, Bangkok, gave a presentation on “Green Climate Fund: Opportunities and Challenges for CSOs”. The GCF, established in 2010, was created to combat climate change. It focuses on low-carbon and climate-resilient development projects, and is separated in two strategic areas: Adaptation

and Mitigation. GCF mostly supports revenue-generated activities through low interest loans.

There are currently 20 accredited entities with different levels, where UNDP’s accreditation allows funding medium size projects, up to USD \$250 million.



Mr. Terence Hay-Edie

Mr. Hay-Edie pursued the presentation on National Designated Authority’s (NDA) role and the opportunities of Civil Society Organizations (CSOs). He explained the purpose of GCF’s accreditation process and noted that only a few NGOs have the required experience to meet international fund requirements. Within the Environmental and Social Standards (ESS) assessment, the International Finance Corporations (IFCs) eight performance standards will be applied, while CSOs will act as watchdogs.

UNDP acts as the global implementing agency of GEF and UNOPS is the executing partner for fiduciary management. GEF uses a decentralised mechanism of national-level decision-making on project approval with average projects of USD \$28,000. Small Grants Programme (SGP) is used as a delivery mechanism for funding as it has a network and mechanism available to provide these services.

Dr. Muhammad Musa, executive director BRAC, presented on “How to gain access to GCF (focusing on potential CSOs of Bangladesh)”. He highlighted the steps required prior to accessing this fund, the current trends, and, what the civil society wants.



Dr. Muhammad Musa

GFC will be the main source of financing to assist adaptation and mitigation efforts in developing countries for both public and private sectors in order to address climate change. GCF is divided in two frameworks: 1) Mitigation strategic impacts, focusing on emission reduction, and, 2) Adaptation strategic impacts, focusing on increasing resilience. Each project submitted will have to meet strict investment criteria prior to consideration for funding.

In Bangladesh, there are lots of opportunities in adaptation, for example agriculture, coastal area management, food security, water management, disaster risk reduction, rural development, and mitigation, e.g. in renewable energy, afforestation and reforestation, reduction emission from transport, energy production and consumption, lowering agricultural emission.

Dr. Musa presented case studies on conservation and management of coastal resources as a potential **Adaptation** for sea level rise, including:

- Different approaches to overcome the consequences of salinization and other impacts of sea level rise and seawater inundation on coastal areas. Examples were presented, such as ecosystem-based adaptation, preparation of GIS maps, constructions and repairs of embankments and polders, and, awareness building in communities and establishment of community shelters.
- A successful project in west Nusa Tenggara province of Indonesia with the adaptation of climate change for improved food security was described. Different initiatives undertaken were presented.
- Feasible disaster risk reduction program in Bangladesh to address the projected increase in occurrences of climate change related disasters. Awareness raising and training programs, building and repairing current structures, preparing GIS maps of vulnerable areas and investment in climate resilience structures were proposed.

The second case study focused on **Mitigation**. Emphasis was placed on partnership with government, as it is a key step to promote successful mitigation practices. The following case studies were presented:

- Afforestation and reforestation as a method for carbon sequestration, and a solution to degraded lands to address food security and livelihood security. This project could work with new and ongoing afforestation programs and extensive wetland afforestation programs
- A second example was taken from Tajikistan, where the NAMA Support Project increased forest area cover, which was at its country low of 2%.

In his concluding remarks, Dr. Musa mentioned that current work in adaptation could lead to mitigation, even if the frameworks are separated. He also emphasized that all sectors (government, public, international organisations, research, private sectors) must stick together and that BRAC is interested in keeping partnerships.

Discussion

A representative from BRAC stated that public and private sectors should work together to address common issues. He gave the example of BRAC, which worked on a joint energy-heat initiative with private and public sectors.

A representative from Uttaran noted negative competition is occurring for funding. Some NGOs work on the same type of projects but never meet or communicate. Communication occurs solely with UNDP, but not among the NGOs, which acts as an impediment to achieving a greater impact.

Dr. Musa added that climate change will cause a wide range of issues and projects need to be strategized to have the maximum possible impact. Of course, there is a non-existing partnership between communities, private and public sector, which needs to be addressed.

The GCF will allow smaller project to be scaled up, however many challenges will need to be faced, such as timing, institutional mechanism, and technology scale-up. Many NGOs are looking to graduate from grants to loans. The main issue is to receive a subsidized loan, as the first-time partners are often not considered for funding, as they lack experience and may be too risky.

GCFs addresses this issue and focuses on including CSOs of different levels.

A Caritas representative noted that CSOs are eager to cooperate with private sector. These two sectors have many opportunities to address climate issues and there is a need to promote discussions between markets and public organisations and increase communication.

Mr. Hay-Edie added that the standards used to follow the GCF guidelines will come partly from the GEF program. In addition, experiences from smaller branch of GEF will help handling over the process. Any of these smaller projects will eventually scale up. There is no single solution for all problems and the proposed solution must be initially accepted by the communities where it is implemented, if not, it will eventually lead to a failure. He gave the example of afforestation projects among others. Mr. Hay-Edie stated the gap between research and implementation, where there is a 10-year gap before new technology reaches farmers.



The Panel for Session 3 B

CLOSING REMARKS

Asif Ibrahim said the barriers to engagement of private sector in climate change efforts include short term nature of debt market, high transaction costs and limited capacities. However there are some opportunities, which include mobilising funds at scale and availability of foreign funds for banks.

Lars Anderson said total global investment in climate funds has levelled up in developing and developed countries, but policies are required to address the risks. Moving ahead, banking entities will have an important role, but their capacity development is required.

Dr. Mizan R Khan said the private sector needs to be sensitized on its adaptation needs and capacity building is essential. Trade bodies can be looked at for accredited. He recommended that NDA and ministry facilitates a one-stop service for climate change and GCF.

Dr. Ainun Nishat said it is important to not see private sector and CSOs as two separate entities, and that the conference's goal was to create a discussion platform for both these sectors.

Pauline Tamesis, Country Director of UNDP, highlighted the need for a whole of government approach and said the workshop met the objective to create awareness of GCF among private sector and CSO organizations. She said it makes good business sense to climate proof businesses so it is important to create an enabling environment for the private sector and to focus on more risk informed planning.

Ashadul Islam said there is no alternative but to develop capacity to gain direct access to GCF and the ERD is flexible and open to hear all stakeholders. He requested the apex body of the private sectors e.g. FBCCI, Bankers Association, Insurance and CSOs to sit separately with Mr Hyongkun Park, the visiting Private Sector Specialist of GCF and explore opportunities under private sector facility window of GCF. As next steps he mentioned to open a regular channel of communication with private sectors and CSOs, find out potential NIEs in private sectors, identify their institutional capacity gaps fill those gaps.



Closing Session Panel

Hyongkun Park, said he was humbled by the overwhelming response received during the workshop. He said the role of GCF is not to over subsidise the private sector. Capacity development of private sector to create bankable, innovative projects is crucial and they need to explore partnership options to access funding. It is necessary to develop a mechanism to continue the process for engaging the private sector with GCF that this workshop has started. He brought the session to a close with a vote of thanks to all.

WAY FORWARD

The workshop garnered a lot of interest and enthusiasm from participating private sector organizations. It aimed to enhance knowledge among the private sector entities of Bangladesh on the Green Climate Fund. It also provided a platform to discuss the various challenges and shortcomings that need to be addressed for enable Bangladesh's private sector entities to access funding from GCF. Based on this a way forward can be devised comprising of a number of steps.

Getting direct access to GCF requires entities to be accredited to the Fund. The potential Private Sector Organizations and CSOs from Bangladesh therefore can get ready by a self-assessment process for accreditation. The other CSOs and PSOs can work with an accredited entity to forward funding proposals to GCF. GoB prioritize the PSO and CSO take a proactive role to be accredited to GCF.

The institutional capacity gaps of the private sector and CSO and barriers for accessing GCF need to be identified, for accessing GCF readiness fund. There is no alternative but to develop capacity to access GCF funding. A capacity self-assessment for GCF accreditation is a key step to start with if PSO and CSO are willing to direct access to GCF. At the same time, NDA is willing to support the interested entities time to time if they need further clarification and technical assistance. Innovative ways to support SMEs to access GCF funds need to be identified by NDA and PSOs and CSOs. For instance, creation of an enabling environment for the private sector was pointed out as a requirement.

The NDA secretariat needs to be made more responsive to private sector needs in harnessing international climate finance. NDAs institutional capacity to support interested entities to get accredited to GCF is a priority. Since the GCF readiness fund currently is catered only to the public sector, the private sector needs assistance from the public sector so that it can develop a pipeline of bankable innovative projects for GCF and also attain the capacity to be eligible for GCF funding.

A mechanism needs to be developed to continue the process initiated via this workshop for engaging the private sector with GCF via NDA. The senior secretary of ERD has said an advisory board of NDA will be set up where the private sector and CSOs can provide constructive suggestions. This can act as an effective platform to continue the dialog beyond the workshop.

Bangladesh, by virtue of being one of the most climate vulnerable nations, possesses a great opportunity for accessing GCF funds. It is time for the private sector to make use of this opportunity to gear the country towards a climate resilient and greener future.

ANNEXES

State of Play and Proposal Approval from GCF

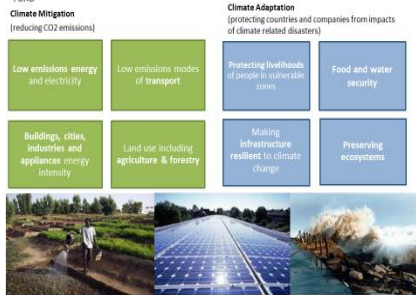


About GCF

- Mandated by the United Nations Framework Convention on Climate Change
- Promoting the paradigm shift toward low-emission and climate-resilient development pathways
- Global community has tasked the GCF to be the world's largest climate fund so as to address the climate change challenges in developing countries



Areas of Strategic Investment



Investment Criteria

Impact Potential	• Potential to achieve the Fund's objectives and result areas
Paradigm Shift Potential	• Potential to catalyse impact beyond a one-off project or programme investment
Sustainable Development Potential	• Potential to provide wider benefits and priorities
Needs of Recipient	• Vulnerability and financing needs of the beneficiary country and target groups
Country Ownership	• Beneficiary country ownership of and capacity to implement funded activities
Efficiency & Effectiveness	• Economic and financial soundness of programme/project; appropriateness of concessionality



Private Sector Facility Overview

- The GCF's Private Sector Facility (PSF) was created to catalyze and maximize private sector engagement in climate finance throughout developing countries.
- The GCF will allocate a significant proportion of its resources to the PSF.
- **The PSF is not an "add on"; it is mainstream component of the GCF.**

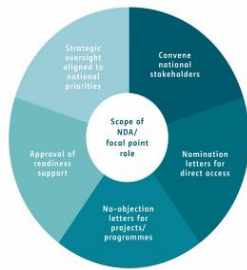


Green Climate Fund- status update

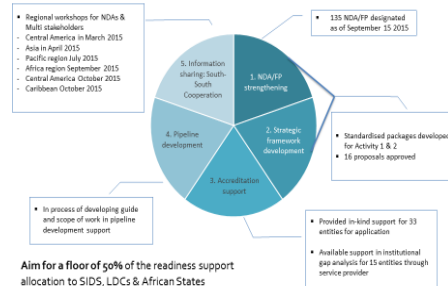
- The Fund reached effectiveness in May 2015 (total of 6 billion USD equivalent)
- Readiness commitments to 16 countries worth 4.25 million USD
- 20 entities accredited
- Strong demand for funding: project ideas, concept notes and funding proposals worth more 7 billion USD received



Roles of NDAs and focal points



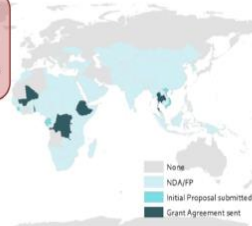
Readiness state of play



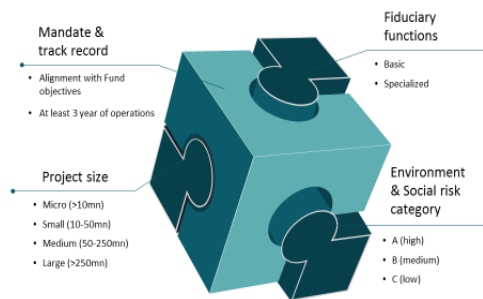
NDAs, focal points and readiness overview

GCF Readiness Requests (as of September 15)

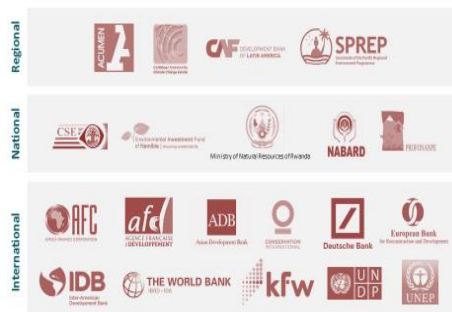
- 135 NDAs or focal points
- 82 readiness requests
- \$4.25 million committed to 16 countries
- \$1.8 million at evaluation stage with 5 countries



Fit-for-Purpose Accreditation

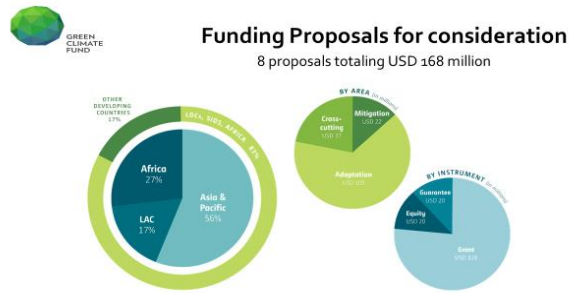
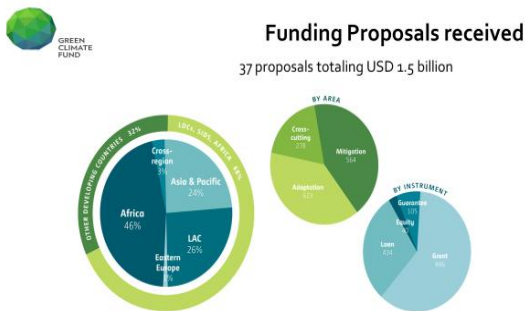
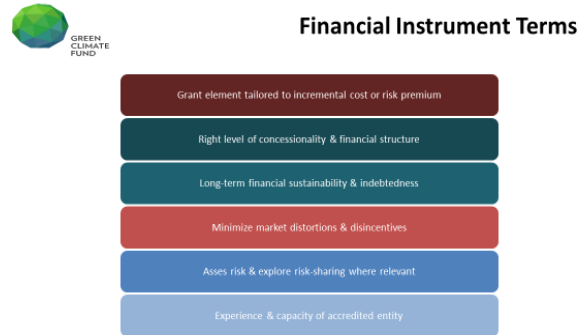
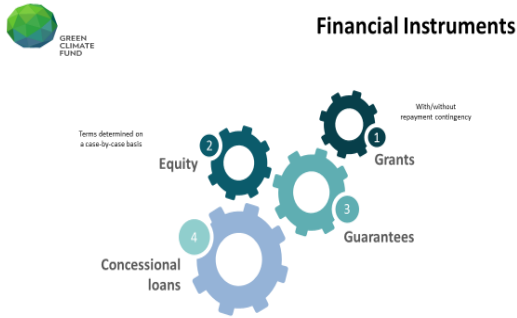


Accredited Entity - 20



Readiness for Accreditation supporting direct access entitie

- Provided in-kind support for **33 entities** for application
- Institutional gap analysis for **6 entities** under way, 9 more entities expected by the end of 2015



Funding Proposals for consideration
8 proposals totaling USD 168 million for BM11

No.	Project name	Accredited entity	Country/Region	Mitigation/adaptation/cross-cutting	Public/private	GCF funding requested (in million USD)
FP 001	Building the Resilience of Wetlands in the Province of Dajau del Marañon in Peru	Protonpage	Peru	Crosscutting	Public	6.2
FP 002	Modernized Climate Information and Early Warning Systems in Malawi	UNDP	Malawi	Adaptation	Public	12.3
FP 003	Increasing the Resilience of Ecosystems and Communities through the Restoration of the Productive Basins of Salted Lands in Senegal	CSE	Senegal	Adaptation	Public	7.6
FP 004	Climate Resilient Infrastructure Mainstreaming in Bangladesh	KfW	Bangladesh	Adaptation	Public	40
FP 005	Kavachi Ventures Fund in Eastern Africa	Acumen	Multiple (Africa)	Crosscutting	Private	25
FP 006	Energy Efficiency Green Bond in Latin America and the Caribbean	IDB	Multiple (Latin America)	Mitigation	Private	22
FP 007	Supporting Vulnerable Communities in Maldives to Manage Climate Change-Induced Water Shortages	UNDP	Maldives	Adaptation	Public	23.6
FP 008	Urban Water Supply and Wastewater Management Project in Fiji	ADB	Fiji	Crosscutting	Public	31
Total funding requested (in million USD)						168

Climate Resilient Infrastructure Mainstreaming in Bangladesh

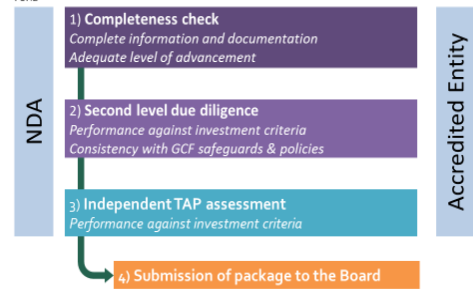
Objectives	<ul style="list-style-type: none"> Integrate climate change adaptation systematically into decision-making for infrastructure planning, supervision and maintenance of the Local Government Engineering Department (LGED) Increase the resilience of the most vulnerable people and communities and the resilience of infrastructure
Components	<ol style="list-style-type: none"> Create the dedicated Climate-Resilient Local Infrastructure Centre (CR LIC) - a Center of Climate Change Adaptation Excellence- within LGED Build 45 new multipurpose cyclone shelters, rehabilitate 20 existing shelters to a climate-resilient standard, provide 80 km of critical rural access road connectivity Provide climate-resilient urban infrastructure in the city of Satkhira
Beneficiaries	<ul style="list-style-type: none"> The direct and indirect beneficiaries are estimated at 130,000 people and 10.4 million people respectively
Co-financing	<ul style="list-style-type: none"> The GCF will fund \$40 million across components 1 and 2 The Government of Germany will contribute \$15 million towards component 3, and the Government of Bangladesh will co-finance \$25 million
Conditions	<ul style="list-style-type: none"> Submission of detailed budget and procurement plan



Proposal Approval Process



Funding Proposal Review Process



Second level due diligence

Performance against investment criteria	Consistency with GCF policies
Impact potential	Environmental and social safeguards
Paradigm shift potential	Gender
Sustainable development potential	Risk
Needs of the recipient	Fiduciary standards
Country ownership	Results management and reporting
Efficiency and effectiveness	Legal compliance



Common Gaps Identified in Completeness Check

- 1) Incomplete information**
 - Budget breakdown missing
 - Disbursement schedule not provided
- 2) Missing documentation**
 - Feasibility study not complete
 - Environmental and Social Management Plan needed, but not available
- 3) Not sufficiently advanced**
 - Resettlement action plan needed but not developed
 - Stakeholder consultation not conducted



Strengthening Performance against Investment Criteria

- 1) Climate impact potential**
 - Use a robust methodology to calculate emission reductions or number of beneficiaries
 - Provide an adaptation rationale based on scientific evidence of climate-related impact
- 2) Long term sustainability**
 - Improve financial viability of economic activities, based on the interest of indigenous communities
 - Duly consider Operation & Maintenance plans and costs
- 3) Efficiency and effectiveness**
 - Identify additional sources of co-financing, crowding-in of funds



Enhancing Consistency with GCF Policies

- 1) Gender assessment**
 - Identify differentiated impacts and livelihood opportunities for women
 - Disaggregate targets by gender
- 2) Logic framework**
 - Strengthen cause-effect relation to effectively tackle barriers
 - Narrow down the scope of activities to focus resources
- 3) Risks**
 - Solidify risk mitigation measures to minimize risk profile



Mobilizing private investments for low-carbon projects and climate change activities

Lessons learned international experience



Lars Andersen, GIZ Climate Finance Readiness Programme
Bonn, Germany

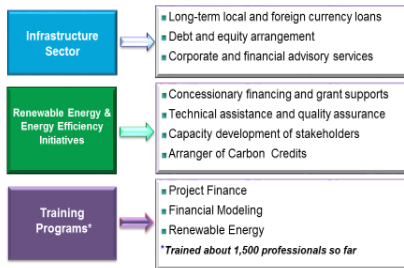
Workshop Accessing GCF: Opportunities, Options and Challenges for Private Sector and CSOs, 8 November, Dhaka

Page 1

Overview of IDCOL

- A fully Government owned financial institution
- Started operation in 1997
- Mission: to catalyze private sector participation in infrastructure, renewable energy, and energy efficient projects
- Largest financier in private sector infrastructure projects
- Market leader in renewable energy sector
- Funded by the government and multiple development partners i.e. the World Bank, KfW, GIZ, ADB, IDB, GEF, GPOBA, USAID, DFID, JICA and SNV

What We Offer



Snapshot of RE Activities

Project/Program	Target	Achievement
SHS Program	6 ml by 2018	3.84 ml
Domestic Biogas Program	100,000 by 2019	39,800
Improved Cook stove	1 ml by 2018	146,122
Solar Irrigation	1,550 by 2018 50,000 by 2025	178
Solar Mini-grid	50 by 2018 500 by 2025	7
Biogas based Power Project	130 by 2018	9
Solar Telecom BTSs	As per demand	138

*IDCOL will need USD 280 million loan and USD 90 million grant to achieve 2018 target.
**IDCOL plans to receive a portion of this amount from GCF.

Climate Change Impact of IDCOL RE Activities

Project/Program	Population covered	Fossil fuels replaced (ton/year)	CO ₂ ER (ton/year)
SHS Program	17.3 million	167,564	444,211
Domestic Biogas Program	179,100	1,085	2,878
Improved Cook stove	657,549	2,657	6,517
Solar Irrigation	4,450	583	1,429
Solar Mini-grid	13,500	131	347
Biogas based Power Project	6	418	1,026
Total	18.1 million	172,438	456,408

Relevance of GCF to IDCOL

- GCF aims to assist developing countries reduce emission and cope with climate change by mobilizing resources from public, private bilateral and international sources.
- Bangladesh being a low-lying delta is exposed to global warming due to sea level rise and increasing threats of natural disasters.
- Bangladesh needs access to adequate international finance to combat climate change.
- IDCOL is one of the pioneer in promoting RE technology in Bangladesh since 2003
- IDCOL RE activities contribute towards mitigating impact of climate change by fossil fuel replacement and CO₂ emission reduction
- IDCOL RE projects/programs have access to international finance and facilitates private sector financing

Current Status

- **Direct access:**
 - IDCOL had been nominated by ERD for accreditation to the fund in May 2015.
 - IDCOL has submitted application to GCF for being accredited under the fund.
- **Indirect access:**
 - KfW has submitted a proposal to GCF for USD 75 million grant to support following activities of IDCOL in next 5 years:
 - Solar irrigation pump : 3,000
 - Solar mini-grid : 35
 - Biogas based power project : 200

Key Timeline

9 Dec' 2014	: Notified and instructed by ERD to conduct self-assessment on accreditation criteria
Self-assessment and readiness check	
Jan-Jun' 2015	: Consultation and follow-up with ERD regarding preparedness <ul style="list-style-type: none"> ▪ Pre-assessment in assistance with Ms. Emelia Holdaway, Technical Consultant ▪ Attended workshop on 'Getting Bangladesh Ready for the Green Climate Fund' ▪ Follow-up meetings with ERD
19 May 2015	: Nominated as an applicant entity along with 6 other entities
Preparation and submission	
1 Jul' 2015	: Accepted nomination of officials for access to Online Accreditation System (OAS)
2-14 Jul' 2015	: Sought and received account details (username and password) on OAS
5 Jul' 2015	: Received instruction from ERD to submit application
Jul-Sep' 2015	: Prepared supporting documents and application form
13 Sep' 2015	: Submitted Application
Post-submission status	
27 Sep' 2015	: Received initial feedback
5 Oct' 2015	: Responded to GCF feedback
21 Oct' 2015	: GCF accepted IDCOL's nomination provided by ERD

Institutional Assessment and Completeness Check(1/2)

Steps	Status
Legal status	• Non-bank financial institution, public limited company
Registration, permits, licenses	• Trade license, Bangladesh Bank license, Certificate of Incorporation, MoA
Track record	• IDCOL is pioneering promoting RE technology in Bangladesh
Institutional presence & relevant networks	<ul style="list-style-type: none"> • IDCOL has well established presence in RE sector. • It has network of partner organizations to implement RE projects. • Partner organizations also mobilizes private financing. • IDCOL has access to pool of internal and external expertise developed over the years. • It has established network with development partners to access resources required for implementing projects/programs.
Readiness	• Explained in the following slide
<ul style="list-style-type: none"> • Basic fiduciary criteria, • Specialized fiduciary criteria • Environmental and Social safeguards 	

Institutional Assessment and Completeness Check(1/2)

Steps	Status
Basic fiduciary criteria	<ul style="list-style-type: none"> • Management & administrative capacities • Financial management & accounting • Internal & external audit • Control framework, procurement, code of ethics • Conflict of interest, manage financial management and malpractice, investigation function, anti-money laundering and anti-terrorist financing
	<ul style="list-style-type: none"> • Organogram with clear reporting structure, list of internal oversight bodies and their ToR, etc. • Mission, strategic plan, objectives, budgets, provision for periodical review. • Audited financial statements, internal audit procedures, manual, plan • Procurement policy, Internal Control and Compliance guideline • Code of Ethics, Ethics Committee, conflict of interest review and resolution procedure, investigation mechanism to handle financial and other malpractice, KYC and due diligence procedure for combating anti-money laundering, etc.
Specialized fiduciary criteria	
<ul style="list-style-type: none"> • Project management capabilities e. g. • Project appraisal/preparation/risk management guidelines & reports • Implementation progress reports • M&E framework and track record • Financial Risk Management Policy 	<ul style="list-style-type: none"> • Project Appraisal Manual/RE Operating Guideline • Credit Risk Management Guideline • Project appraisal reports • Project implementation progress report • Project monitoring procedures, M&E reports • Financial Risk Management Policy
Environmental and Social safeguards	• IDCOL has detail Environmental and Social Management Framework intended to address E&S risks and gender issues under IDCOL RE program/projects.

Challenges and Mitigation

Challenges	Mitigation
• Huge documentation required to be provided as supporting documents	• Dedicated officials engaged for compiling and preparing application document.
• Detail effort required for establishing evidence to specific requirements	<ul style="list-style-type: none"> • ERD arranged workshop, one-to-one meeting with GCF representatives as well as consultants clarify issues. • ERD has resources to provide guidance. • ERD facilitates communication and cooperation with GCF.

Thank You

Opportunities and challenges for private sector in climate related investments in Bangladesh. What can GCF offer?

Opportunities and challenges for private sector in climate related investments in Bangladesh

What can GCF offer?

Dr Essam Yassin Mohammed

Senior Economist

@EYMohammed



Private sector in Bangladesh

- Private sector has been the engine of economic growth and employment in Bangladesh
- PS accounts for **93% of GDP**, 81% of total investment and 80% of domestic credit
- Loans to PS in Bangladesh reached an all time high of **5376.05 Billion BDT** (\$68,772,582,020) in June of 2015 – *almost the size of Sri Lanka's GDP!*



Private sector and climate change: what's the catch?

Climate change poses both **threats** as well as new investment **opportunities** to the private sector.
e.g. In SEA - the aquaculture industry may have to spend \$190 million annually to adapt to climate variability

There are multiple ways that private sector can engage in climate related interventions:

- As institutional investors who can unlock finance in such investments.
- As financiers (e.g. MFIs etc.)
- As suppliers of climate related goods and services – thereby harnessing new opportunities (e.g. Rahimafrooz Ltd. on renewables)



Barriers to private sector engagement

Despite obvious benefits/opportunities – PS engagement is limited and climate related investment is often viewed as a mere CSR (not profitable).

What are the barriers for private sector engagement in Bangladesh?

- High risk perception:** Lack of precedence and capacities of financial institutions to invest in climate related investments. As a result FIs often find it difficult to develop appropriate financial products
- Short-term nature of the local debt market
- Lack of upfront/seed capital**
- High transaction cost (e.g. SMEs and renewables)**
- Limited technical capacities - lack of regular pipeline of bankable projects**



What opportunities does GCF offer?

- 3 funding windows**- Adaptation, Mitigation and Private Sector Facility (PSF).
- Nearly 20% of fund likely to flow through PSF window (not finalised!!)
- PSF offers 2 alternative mechanisms.



What opportunities does GCF offer?

- For institutional investors-** The GCF will offer different types of products
e.g. banks, insurance companies and sovereign/trust funds
- Green/Blue Bonds-** medium/long term instruments
- Commercial paper-** short term debt instruments (particularly important for climate prone businesses and firms)
- Syndication and club deals – low transaction cost,** thus can be used to raise needed fund for smaller scale projects.



What opportunities does GCF offer?

2) For local private entities including MSMEs- an SMEs pilot programme will channel concessional resources to improve SMEs access to finance through accredited entities. E.g

- supply chain financing (provides short-term credit that optimizes working capital for both the buyer and the seller)
- trade financing.

The Fund would issue a request for proposals (RFP) to entities that are able to demonstrate:

- A track record of successfully working with and financing SMEs;
- The ability to monitor the results achieved through the SME Pilot Programme; and
- The ability to use financial resources to create a significant climate impact.



2 ways private sector can engage with GCF



- Finance for private sector can be channelled through an accredited entity that meets **fiduciary criteria** of the fund.
- These accredited entities can then channel concessional resources to improve SMEs access to finance.
- The accredited entities can send pipeline proposals or the Fund will issue a request for proposals (RFP)
 - E.g. Local commercial banks, Central bank, Agencies such as IDCOL, BRAC, Grameen shakti



SMEs in Adaptation projects

The fund will support

- investments in supply chain management that incorporate climate adaptation risk management (e.g. supply source diversification, crop changes in agriculture);
- promoting guarantees to enable bank and supply-chain (i.e. accounts receivable/payable) debt rescheduling in the face of business disruptions resulting from temporal climate change impacts.



Potential private sector that can engage in Bangladesh

- Commercial banking
- Buildings technology- Efficient lighting, improved insulation, solar heating
- Clean tech-Products or services that improve operational performance
- Energy- renewable energy, energy efficiency
- Forestry
- Fisheries
- Transport
- Waste management
- Agriculture – Climate resilient crop varieties
- Housing- Climate resilient housing.



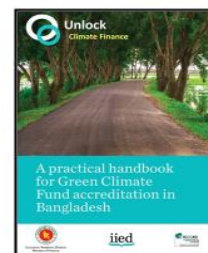
Way forward

- Identify entities for accreditation
- Or link up with already accredited entity
- Identify capacity needs for private sector
- Access capacity development – readiness fund
- Develop pipeline projects
- Identify ways to support SMEs to access finance



How can IIED help?

- Equitable benefit sharing mechanisms
- Social and environmental safeguards
- Transparency
- Capacity needs assessment
- Promoting financial inclusion
- Demystifying complex processes



Thank you



Mobilizing private investments for low-carbon projects and climate change activities

Mobilizing private investments for low-carbon projects and climate change activities

Lessons learned international experience



Lars Andersen, GIZ Climate Finance Readiness Programme Bonn, Germany

Workshop Accessing GCF: Opportunities, Options and Challenges for Private Sector and CSOs, 8 November, Dhaka

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GIZ

- GIZ's mission is to promote international cooperation for sustainable development and international education work.
- GIZ operates in more than **130 countries**
- GIZ has more than **16,000 staff members** (70% are employed as national personnel).
- Focus:** long-term tailor-made results-orientated capacity development



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Climate Finance Readiness Programme

- Objective**
Improve the conditions needed to achieve results-oriented, transformational and efficient use of funds from international climate financing – in particular from the GCF.
- Implementers**
GIZ and KfW (German Development Bank)
- Volume (GIZ)**
€ 15 million



Page 1

11 partner countries and one region



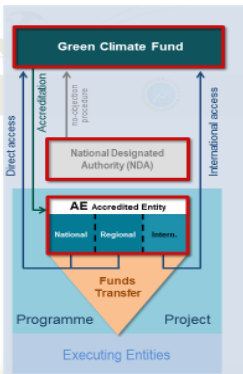
Climate Finance Readiness Programme Project Countries

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Our Offer for support

Based on country needs, including:

- National Designated Authority (NDA) Support**
Enhancing the functionality
- Support on developing a **Strategic Framework**
- Accredited Entity (AE) Support**
Identification of a suitable institution and supporting the accreditation
- Support in the project and pipeline development
- Promoting **private sector engagement** through supporting governments in enhancing their investment climate and promoting public-private-dialogue
- Green Climate Fund knowledge exchange** through International information and experience sharing



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CF Ready in Bangladesh

- Supporting NDA to become functional in overseeing readiness, accreditation and project/ programme related activities
- Improved national coordination and capacity-building for access to international climate finance and the Green Climate Fund through the identification and capacity development of the NDA and NIE
- No-objection procedure & coordination mechanisms, Climate Finance Training (ClFIT)
- Awareness Raising and Workshop on GCF Access Modality/ Direct Access
- Support NDA to engage private sector

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The 100 bn. Dollar question - Mission Impossible?

"Developed country Parties to the United Nations Framework Convention on Climate Change (UNFCCC) committed to a goal "of mobilising jointly **USD 100 billion** per year by 2020 to address the needs of developing countries... from a **wide variety of sources, public and private, bilateral and multilateral**, including alternative sources".

(UNFCCC, 2010)



The 100 bn. Dollar question - Mission Impossible?

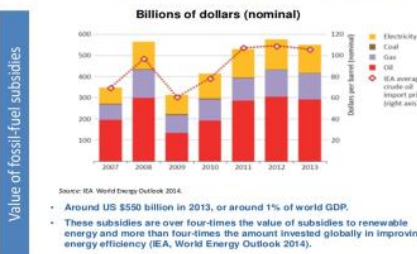
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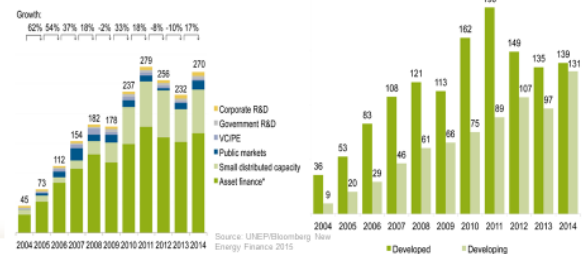
But other flows also continue...

The size of global fossil-fuel subsidies

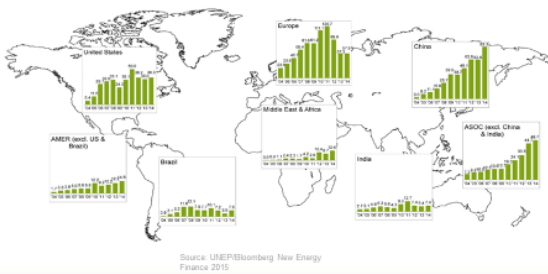



RE-Investments: Who is investing & Where?

GLOBAL NEW INVESTMENT IN RENEWABLE ENERGY BY ASSET CLASS, 2004-2014, \$BN






Where is being invested?




Why private Investments? In a nutshell

- ✓ **\$100 bn.** Copenhagen Commitment
- ✓ Estimates from experts for financing needs in Developing Countries **exceed CPH commitments by far**
- ✓ **Majority of investments** in low-carbon technologies is coming from the **private sector**
- ✓ **Public Budgets are scarce** (Financial & Economic Crisis, other Budget priorities such as Health, Education, Security, MDGs/SDGs etc.)
- ✓ **\$102 trillion Assets under Mgt in 2020** waiting to be channeled to climate change activities

How to do it?

So, the question is:
How to attract the private sector?

24.11.2010 Page 13

Private sector perspective: Why should the the private sector engage?

Opportunities vs. risks from a private sector perspective

	Renewable energies	Energy efficiency	Adaptation	(Transport sector)
Opportunities	Good financial return on investment (short, medium, long term) Technological leadership New successful cooperation public-private cooperation models Market share increase Improved image			
Policy /Regulatory Risks	<ul style="list-style-type: none"> Lack of coherent Regulation Change In Regulation High fossil fuel subsidies 	<ul style="list-style-type: none"> Political Instability Foreign Exchange Risk Business and Investment Climate 	<ul style="list-style-type: none"> High upfront costs Lack of experience with technology Little in-country Experience 	<ul style="list-style-type: none"> Availability of Finance Lack of Experience in Financial Institutions

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To cut it short

Private actors base their investment decisions on an individual set of criteria. Based on these, the returns have to outweigh the costs:

invest	not invest
<ul style="list-style-type: none"> increased market share good image guaranteed returns high potential profit 	<ul style="list-style-type: none"> lack of incentives changing legal framework long payback period cost

The role of public policy is to create an enabling environment for positive investment decisions, to develop and provide information about market opportunities and how to access them with public support

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Conditions for attracting private investment (I)

Policy and institutional conditions

Plans and targets for low-carbon development	Institutional organization and capacity to implement policies effectively
<ul style="list-style-type: none"> Legally binding With inclusive participatory process Providing investors with certainty and low term vision 	<ul style="list-style-type: none"> Strong technical, managerial and administrative capacities Engaging civil society and expert community Based on GFG principles
Regulatory instruments	Economic instruments
Establishing a rule and / or objective that must be fulfilled by the polluters who would face a penalty in case of non-compliance with the norm, e.g. efficiency standards, building codes, vehicle efficiency standards, biofuel standards	Incentivizing policies to increase attractiveness of green investment options as compared to conventional technologies / projects , e.g. taxes, (removal of) subsidies, low-cost debt, emissions trading etc.

Source: WRI, 2013, Mobilizing Climate Investment The Role of International Climate Finance in Creating Readiness for Scaled-up Low-carbon Energy. IPCC, 2007 and 2014

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Conditions for attracting private investment (II)

Industry and financial conditions

Project developers' capacity to develop and implement bankable projects	Presence of a support industry and enabling infrastructure
<ul style="list-style-type: none"> Financial and technical capacity to develop projects that are capable to attract finance Engineering knowledge, technical and management skills to implement and operate projects → developing local expertise 	Presence of industry, infrastructure and services necessary for project implementation, e.g. manufacturers, construction companies, availability of technical service providers
Knowledge of resource availability	Stable financial sector with capacity to support green investment
Information on domestic and international financing resources potentially available allows estimating options for investment requirements and expected rate of return	<ul style="list-style-type: none"> Access to short- and long term finance indicates maturity of financial sector Lack of liquidity, maturity and transparency of financial sector increase project cost Financial institutions lack understanding and technical capacity to assess mitigation or adaptation projects → capacity building needed to remove inflated risk perceptions and develop appropriate financial

Source: WRI, 2013, Mobilizing Climate Investment The Role of International Climate Finance in Creating Readiness for Scaled-up Low-carbon Energy. IPCC, 2007 and 2014

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Instruments available to the public sector to addressing Risks & Barriers

Risks and Barriers	INSTRUMENTS		
	International Level	Domestic Level	Joint Efforts
Policy and Regulatory Risks	Int. Carbon Price Emission Trading	Feed-in Tariff Tender Schemes PPAs, Investment Climate, Approval Processes, Land Rights, stable legal frameworks	Technical Assistance, Int. Support Schemes (Get FIT)
Country and Political Risks	De-Risking Instruments, Export Credits, Risk Insurance		
Access to Finance	Grants, Concessional Finance (GCF, MDBs, bilaterals)	SHS Programme, Micro-credit	
Lack of Experience Financial Sector / Lack of Skilled Labor		Increase R&D, Pilots, Vocational Training	Technical Assistance, Capacity Development

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Example – Renewable energy: The Barriers



Renewable energy projects are - from an investor's perspective – sometimes less attractive compared to 'traditional' projects, due to their high upfront capital costs and long-term financing requirements.

Other market barriers include:

- Domestic regulations, subsidies and financing are geared toward fossil fuel-based sectors;
- Regulatory Risks: No standardized PPAs, too lengthy procedures
- Lack of connecting grid infrastructure;
- Limited technical/labour capacity to execute and maintain projects cost-effectively;
- Cost of finance / no long-term finance available

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Example – Renewable energy: Germany



Public support mechanisms: **Reliable & long-term policy framework**

In 2000 the EEG (German RE Law) introduced a feed-in-tariff (FIT):

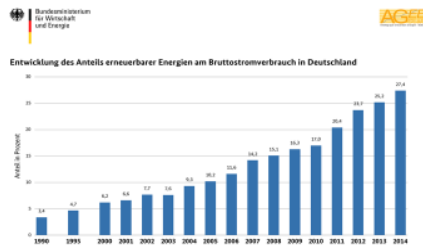
- ✓ Priority access regarding grid connection
- ✓ Electricity feed-in priority
- ✓ Purchase obligation of electricity produced
- ✓ Liberalized energy market with wide variety of IPPs
- ✓ Provisions of a constant tariff for each kWh of electricity produced for a period of 20 years
- Advantage: Stepwise decrease and the goal of final phase-out of FIT acts as an incentive for RE-industry to become competitive within a given period of time
- Tariff differentiated by plant size and technology



Case Study German Energiewende



Share of RE as part of electricity Demand



The Ruhrgebiet in the 1960s



Other Case Studies

- Bangladesh (SHS/IDCOL)
- South Africa, India, Peru (very successful Tender/Bidding Schemes)
- Morocco (Biggest CSP plant to be build in the world)
- Uganda (innovative Business Models with mobile phone masts)
- Energising Development (Energy Access Programme)



Lessons Learned from int. experience

1. There is **no one-fits-all** solution
2. **Long-term, reliable** and stable policy frameworks are key
3. **Carefully analyse risks** and barriers
4. **Select suitable instruments** addressing the specific risks/barriers
5. **Evaluate & Learn** from your own experiences (IDCOL/SHS/ BB Green Credit Programme) Success Factors to be replicated?
6. **Exchange of needs and expectations:** regular informal & formal dialogue between SMEs, business, the financial sector and the public sector
7. **Financial incentives alone are not sufficient:** readiness activities, incl. awareness and communication campaigns and capacity-building activities to familiarize banks with the technology
8. **Be innovative!** First-mover advantage! Create innovative Business Models!

Questions for Discussion



- What are the major barriers & risks in Bangladesh when it comes to private investments for climate change activities?
- What can be done to overcome these? Which Instruments to use?
- What incentives can be set or which instruments can be used by the government or your institution to engage these actors?



Let's get ready!



Thank you for your attention!

Green Climate Fund: opportunities and challenges for CSOs

United Nations Development Programme



Green Climate Fund: opportunities and challenges for CSOs

Dr. Terence Hay-Edie, UNDP-GEF Small Grants Programme
Dhaka, Bangladesh, 8 November 2015



What is the GCF?

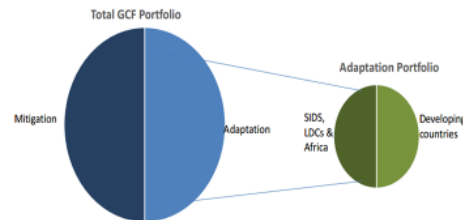


- Fund established in 2010 under UNFCCC
- Purpose is to make a **significant and ambitious contribution** to the global efforts towards attaining the goals set by the international community **to combat climate change**.
- June 2015 : **\$10.2 billion** in pledges from 33 countries. **\$5.47 billion** in signed contribution agreements.

Funding projects before Paris

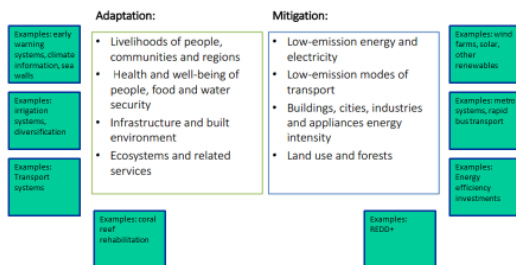


GCF allocation framework



- Aim for geographic, reasonable and fair balance
- Significant allocation to Private Sector Facility (PSF)
- Significant resources for readiness activities
- Grant and non-grant (loans, equity, guarantees)

Strategic impact areas for investment

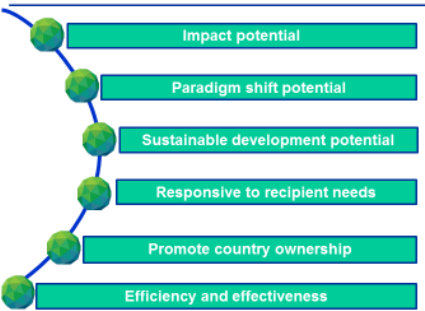


GCF investment policies



- **Maximum potential for paradigm shift** towards low-carbon, climate-resilient development
- Provide **minimum concessional funding needed** to make project / programme viable
- Financing may be **blended with resources of accredited intermediaries**
- Fund will **not 'crowd out'** other private or public investment
- Loans will support **revenue-generating activities with loans only if they are financially sound**

Six high-level investment criteria



Access is through accredited entities

- Any public or private entity at national, regional or international level approved by GCF Board following 'fit-for-purpose' approach (project size/E&S risk/investment type).
- Need to meet basic fiduciary criteria, elective specialized fiduciary criteria (project management, grant-award, blending/on-lending) and gender standards.
- 20 entities approved so far with different accreditation levels. Numerous applications in pipeline. Many more expected.



GCF set to allocate resources before Paris Climate Change Conference

Board accredits first entities

Seoul, Republic of Korea, 26 March 2015) - The Green Climate Fund Board to first seven entities that will be allowed to channel the Fund's resources into developing countries. Access to GCF resources will be managed through national, regional and lending entities (IE) and intermediaries that have been accredited by the Board.

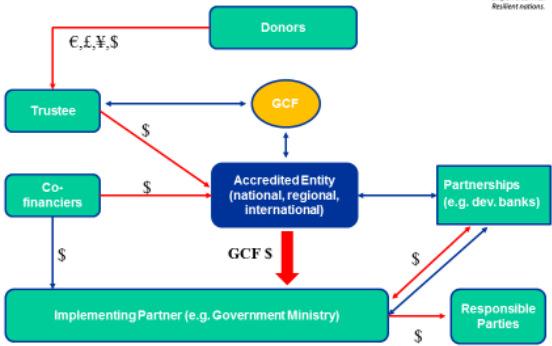
Five areas of GCF readiness support



Any GCF funding proposals need to align with anything identified or developed in the readiness support stage



Flow of resources to countries

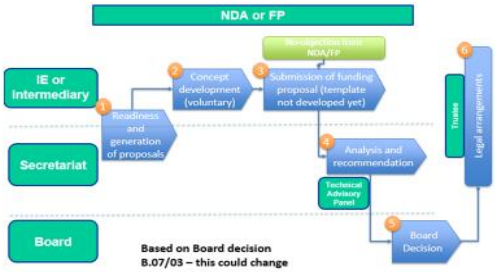


UNDP's current accreditation level to GCF

Project management for medium size up to \$250 million (including co-financing) and up to medium environmental and social risk.



Initial GCF project cycle



NDA and no-objection procedure



- Each GCF eligible country must have a **National Designated Authority (NDA) or Focal Point** before funding can be accessed
- 135 NDAs/Focal Points as of October-2015
- **Country ownership:** NDA/Focal Point must provide no-objection before a funding proposal can be submitted to the GCF by UNDP or other MIE

Role of Bangladesh NDA (ERD, Ministry of Finance)

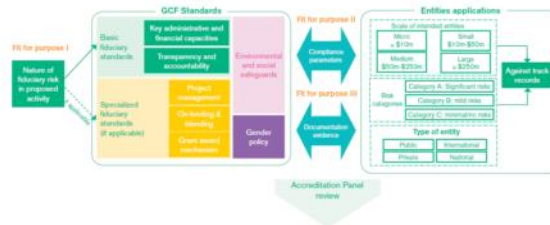


What is the role of the NDA? Opportunities for CSOs?



NDA	• National designated agency – focal agency
IEs	• Implementing entities – act as programme managers of fund (grants) • Legal accredited entities
Intermediaries	• Have broader scope • Expected to administer grants, loans and also blend funds with their own
EEs	• Executing entities • Have implementation responsibilities

Fit for purpose GCF accreditation process



Environmental & Social Standards



- **IFCs eight performance standards** will be applied through a modular, scaled, risk-based approach
- Possible role for CSOs as **"watchdog"** function for Environmental and Social Standards (ESS)

PERFORMANCE STANDARDS	REQUIRED COMPETENCES	DEMONSTRATION EVIDENCE
PS1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS	<ul style="list-style-type: none"> • Identify funding proposal's environmental and social risks and impacts • Adopt mitigation hierarchy: anticipate, avoid, minimise, compensate or offset • Improve performance through an environmental and social management system • Engage with affected communities or other stakeholders throughout funding proposal cycle. 	Institutional-focused: <ul style="list-style-type: none"> • ESMS • Institutional capacity and commitment to execute ESS in track records of previous practices

Environmental and social risks



Category	Definition	Examples
A	Activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented	Large scale coastal defenses Large dams Major irrigation projects Groundwater abstraction Large municipal wastewater treatment plants Municipal solid waste processing and disposal facilities Large infrastructure projects Large thermal and hydropower developments Significant involuntary resettlement or economic displacement
B	Activities with potential limited adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures	Shared waterways Large-scale land reclamation Large-scale primary agriculture or forestation Projects which are planned to be carried out in sensitive locations Projects which may result in significant adverse social impacts to local communities or other project affected parties. Energy, energy efficiency, renewables Adaptation of crop farming systems Energy efficiency of buildings Energy efficiency of industrial process Low emission power generation
C	Activities with minimal or no adverse environmental and/or social risks and/or impacts	Policies, regulations, or rules Plans and studies including physical assessment of climatic conditions Capacity building including workshops Monitoring programmes Small scale water storage/retention Small scale reforestation

GCF Fiduciary Standards, EES and Gender Policy



BASIC FIDUCIARY STANDARDS	ESS
Key administrative and financial capacities Transparency and accountability	Policy level: Performance standard (PS) 1: Assessment and management of relevant PS1-8 (see below) environmental and social risks and impacts through an institutional environmental and social management system
Specialised fiduciary standards Project management Grant award and/or funding mechanism On lending and/or blending	Project level: PS2: Labour and working conditions PS3: Resource efficiency and pollution prevention PS4: Community health, safety and security PS5: Land acquisition and involuntary resettlement
Gender policy Policies, procedures and competencies	PS6: Biodiversity conservation and sustainable management of living natural resources PS7: Indigenous peoples PS8: Cultural heritage

Considerations from GEF Small Grants Programme modality



- GEF Small Grants Programme piloted initially 1992 for **direct access to funding by CSOs**
- Decentralised mechanism of **national-level decision-making** on project approval (average \$28,000)
- SGP currently operating in **129 countries** worldwide
- Use **national languages** for small grant development
- UNDP global **implementing agency of GEF**, with UNOPS as the executing partner for fiduciary management
- SGP increasingly considered a **"delivery mechanism"** for multiple sources of funds (GEF, bilateral donors, loan guarantees with SMEs)

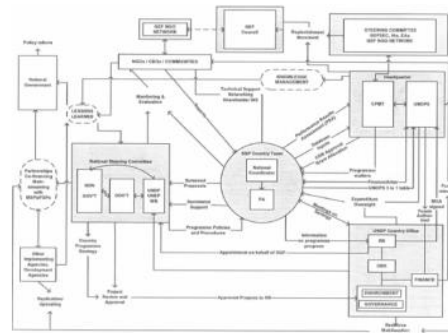
Small Grants Programme: established delivery mechanism



- Track record **operational country level** mechanisms
- Active and **capable network** of community level grassroots constituencies
- Ready **"infrastructure"** for rolling out global programme for funding community interventions
- Above characteristics ensure **effective delivery of funding to poor communities** increasingly vulnerable to CC risk.



SGP modality: checks and balances Strong fiduciary track record



SGP track record in Community-Based Adaptation (CBA)



Building the resilience of communities and the ecosystems upon which they rely in the face of climate change impacts



Key information resources



- GCF Operations Manual (work in progress)
- GCF Guide to Engaging with the GCF
- GCF Global Readiness Inventory
- GCF Pledge Tracker
- GCF Board Documents
- IIED / ICCCAD / Bangladesh Min Finance 'A practical Handbook for Green Climate Fund accreditation in Bangladesh' Nov 2015

Available at: www.gcfund.org

Green Climate Fund, R WE READY?

GREEN CLIMATE FUND

R WE READY?

FUNDING WINDOW

- ❑ Funding windows: **adaptation, mitigation**
- ❑ Aims to balance between adaptation and mitigation projects
- ❑ Allocates resources to engage the Civil Society

Source: RD 2015

3

IS THERE ANY INVESTMENT CRITERIA?

- ❑ **The fund has six high level investment criteria:**
 - **Impact Potential**
 - **Paradigm Shift Potential**
 - **Sustainable Development Potential**
 - **Responsive to recipient needs**
 - **Promote country ownership**
 - **Efficiency and effectiveness**

4

GREEN CLIMATE FUND

- ❑ **GCF** is designed to be **the main source of financing** to assist developing countries with their climate change **adaptation and mitigation efforts**
- ❑ Both **public sector and private sector** facilities active to address climate change will be financed by the fund
- ❑ Countries can access GCF finance through three funding windows: adaptation, mitigation and private sector facility
- ❑ **Economic Relations Division** is the National Designated Authority and the **primary contact point for the Fund Bangladesh**

Source: <http://www.gcfund.org/about-the-fund.html>

BASIC INVESTMENT AND PROJECT CRITERIA

WHAT KIND OF PROJECTS/PROGRAMMES DO YOU WANT TO UNDERTAKE?

ADAPTATION	MITIGATION
<ul style="list-style-type: none"> ○ Increased resilience and enhanced livelihoods of the most vulnerable people, communities, and regions ○ Increased resilience of health and well-being, and food and water security ○ Increased resilience of infrastructure Increased resilience of ecosystems and ecosystem services 	<ul style="list-style-type: none"> ○ Reduced emissions through low-emission energy access and power generation ○ Reduced emissions through increased access to low-emission transport ○ Reduced emissions from buildings, cities, industries and appliances ○ Reduced emissions from land use, deforestation, forest degradation, and through sustainable management of forests

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OPPORTUNITIES

ADAPTATION	MITIGATION
<ul style="list-style-type: none"> ○ Agriculture ○ Coastal area management ○ Food security, social protection and health ○ Water Management ○ Disaster Risk Reduction ○ Rural Development 	<ul style="list-style-type: none"> ○ Renewable energy development ○ Afforestation & reforestation ○ Reduced emission from transport sector ○ Energy production and consumption ○ Lowering emission from agricultural land ○ Urban waste management ○ Efficient water and energy use in built environment ○ Expansion of use of energy saving devices

ADAPTATION: POTENTIAL ACTIONS & SAMPLE CASE STUDIES

OPPORTUNITIES- ADAPTATION (Contd.)

□ Coastal area management:

Nearly 35 million people live in coastal areas of Bangladesh. The coastal belt of Bangladesh is vulnerable to salinity intrusion, tidal flooding, sea level rise, cyclones and storm surges

Potential action areas

- Ecosystem based adaptation such as mangrove reforestation, constructing green belts
- Survey of the condition of coastal structures and preparation of GIS maps with present coverage of areas protected by them
- Build and repairing structures such as embankments, sea wall, dams and polders
- Awareness building in communities and establishment of Community Shelter Committees and running of training programmes, including regular rescue and rehabilitation practice

Source: BCCSP 2009

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Source: BCCSP 2009

OPPORTUNITIES- Case Study

Adapting to Climate Change for Improved Food Security in West Nile (Zanzibar Province) *Indonesia*

□ Objective is to secure livelihoods and food security against rainfall variability and address anthropogenic drivers of land degradation and increased the vulnerability

Actions include:

- institutional capacity to develop climate-sensitive integrated watershed management plans
- build more climate resilient livelihoods for rainfall-dependent farming households and develop alternative livelihoods
- mainstreaming the consideration of climate change risks and strengthen the links between planning and action at local levels

□ Fund: 5.99 million USD; IE: World Food Programme (MIE of AF)

OPPORTUNITIES- ADAPTATION (Contd.)

□ Disaster Risk Reduction:

Measures need to be taken to address projected increase the occurrences and intensities both rapid and slow onset climatic events in Bangladesh

Potential action areas

- Awareness raising and training programmes on disaster management
- Review and improvement of meteorological information, warning systems and dissemination to communities
- Build and repair/upgrate structures such as cyclone shelters, flood and erosion management structures, urban drainage systems
- Planning and investment for climate resilience in coastal, char, hilly and wetland regions
- Prepare GIS maps of areas disaster vulnerable areas, develop and test adaptive measures for disaster prone areas

Source: BCCSP 2009

OPPORTUNITIES- Case Study

Reducing Risk and Vulnerability to Climate Change in the Region of La Depresion Momposina; *Columbia*

- The Mojana subregion experienced severe flooding in recent years which affected 200,000 people. Mining pollutants and human activities have altered local wetlands and flows of water

Actions include:

- Strengthen climatological and environmental information system
 - Rehabilitation of wetlands and their hydrology in the target area
 - Introduction of climate change-resilient agroecological practices and building designs
 - Strengthen local governance for mainstreaming climate risk management and adaptation measures
- Fund: 8.5 million USD; IE: UNDP (MIE of AF)

MITIGATION: POTENTIAL ACTION & SAMPLE CASE STUDIES

OPPORTUNITIES- MITIGATION (Contd.)

□ Afforestation and Reforestation

- Forestry is an important way to sequester carbon. In addition, the afforestation and reforestation of degraded land contributes to food security and livelihood security

Potential action areas

- New and ongoing coastal afforestation programmes
- Extensive wetland afforestation programme
- Study the scope for carbon credits under REDD and invest in reforestation of degraded forests
- Homestead and social forestry programmes
- Research the suitability of various tree species for their carbon-locking properties for designing forestry programmes

Source: BCCSAP 2009

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OPPORTUNITIES- Case Study

Forestry NAMA Support Project; *Tajikistan*

- Forests in Tajikistan were heavily exploited which left the country with a forest cover of around two per cent. The NAMA Support Project aims towards forest renewal, conservation and sustainable management, contributing to climate change mitigation.

Actions include:

- Addressing the systemic barriers affecting the implementation of forestry sector reform
- Build national and local institutional capacity to transform the entire sector to a net carbon sink development path
- Incentivize local people and the private sector to lease land and get involved with forest management, as well as generating investment in the sector.

□ Fund: 13 million Euro

□ The NAMA Support Project will sequester 2.01 million tonnes CO₂ by 2030 (154,700 tonnes CO₂ per year)

Source: NAMA Facility 11

OPPORTUNITIES- MITIGATION (Contd.)

□ Energy and Water Efficiency in Built Environment

Due to rapid increase in urban population there is an increasing demand for water and energy in urban areas. Adaptation of existing buildings and provisions for residential capture of water and energy technology may cater to the growing demand

Potential action areas

- Roof top rainwater harvesting and solar panel or small windmill installation programmes
- Building code revision for use of energy saving devices in all infrastructures
- Less energy intensive construction technology programs

Source: BCCSAP 2009

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BRAC hopes this will help potential CSOs to develop basic understanding of the application procedure.

BEST OF LUCK!!!

PARTICIPATING ORGANIZATIONS' LIST

- BGMEA
- WaterAid
- Solaren Foundation
- SREDA
- Navana Group
- ERT
- BBMOA
- SME Foundation
- Rahimafrooz
- IWM
- IUCN
- NACOM
- BIFFL
- BCCT
- IDF
- CEA
- Uttaran
- European Union
- ICDDRB
- Mutual Trust Bank
- BOPMA
- Midas Financing
- RISDA Bangladesh
- USAID
- GHAIL
- Green Delta Insurance
- Mercantile Bank
- SNV - Netherland Development Organization
- Sherpa Electronics
- CTO Forum
- Swanirvar Bangladesh
- WEAB
- Ibrahim Herbal
- Ship Breaking Association
- DFATD, Canada
- BWCCI
- Solaric
- North South University
- MBL
- Planning Commission
- Practical Action
- Sajida Foundation
- Wave Foundation
- IDCOL
- Prodipon

- Osiris Fund
- FAO
- ACI
- BUILD
- DoE
- BIFFL
- Bonik Barta
- Eastern Bank
- POJF
- German Embassy
- CNRS
- Bangladesh Pous
- LGED
- ICCCAD
- BRAC
- RSF
- Concern Worldwide
- IRD
- UCEP Bangladesh
- ADAB
- Unicef
- GIZ
- Bangladesh Bank
- IIED
- Pl.com
- CCDB
- Cabinet Division
- Waste Concern
- KfW
- WFMEAB
- Srizony Bangladesh
- BURO Bangladesh
- UNIDO
- Channel 9
- AM Economic Zone
- Banglanews24.com
- Ministry of Commerce
- Arannayak Foundation
- Caritas
- Prime Bank
- Walton
- Navana
- YPSA
- GCF
- Bright Green Energy Foundation
- Abdul Monem Limited
- Future Carbon
- Social Development Foundation

- PSFL
- Embassy of Netherlands
- DAM
- Save the Children
- RDRS
- DANIDA
- Bangladesh NGO Foundation
- IDMVS
- Embassy of Sweden
- Ministry of Foreign Affairs
- IMED
- CARB
- SDF
- Shushilan
- High Commission of Canada
- RSF
- Ministry of Agriculture