

Bangladesh's NDA Secretariat to the Green Climate Fund (GCF)

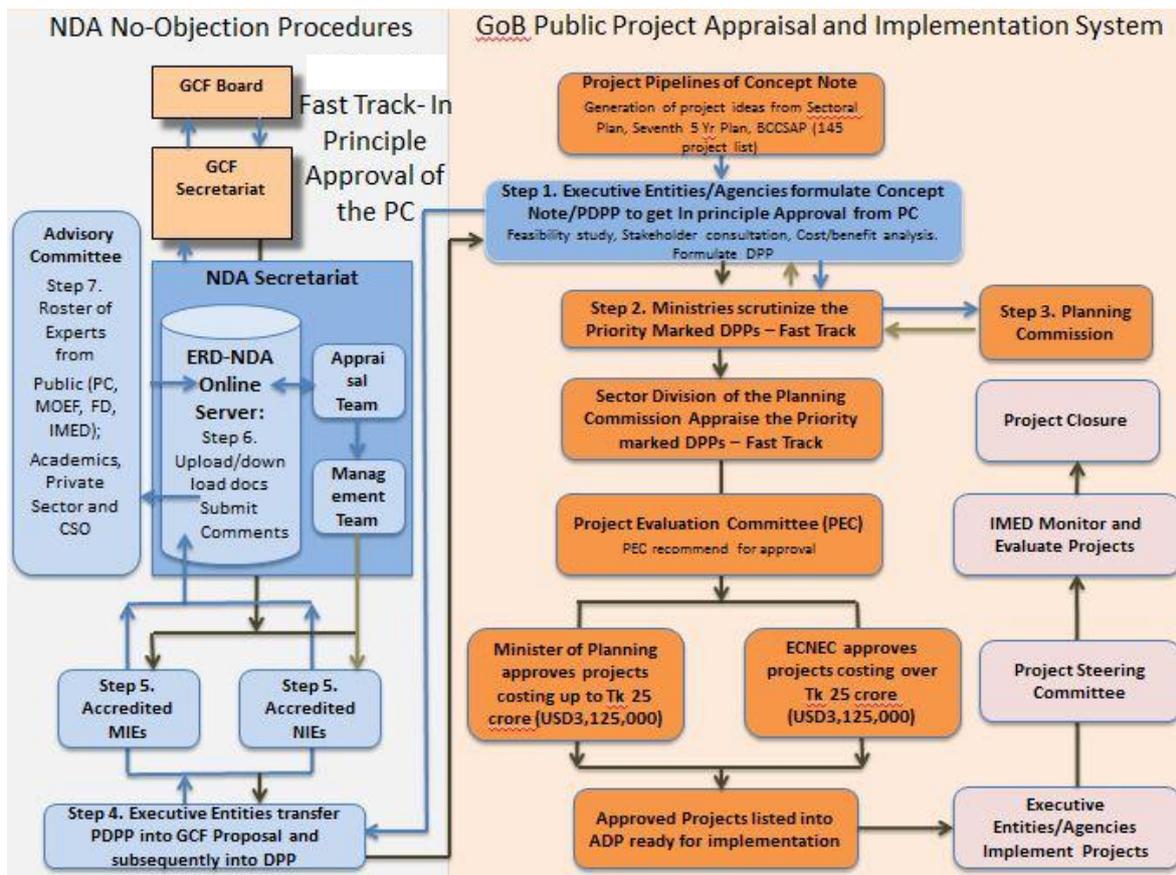
At the United Nations Framework Convention on Climate Change (UNFCCC) Conference of the Parties in Copenhagen, Denmark, 2009, the international community took the decision to set up the Green Climate Fund (GCF) as a new international climate finance mechanism. The Fund functions to transfer money from the developed to the developing world, and to assist developing countries in their adaptation to climate change and their actions to mitigate against it. Expectations are that it will be the main mechanism for climate finance in the future, replacing other smaller climate funds. The GCF Secretariat became operational in 2014 and intends to invest USD2.5 billion in 2016. In November 2014 the Government of Bangladesh nominated the Senior Secretary of the ERD to be the National Designated Authority (NDA) of Bangladesh to the GCF. NDA will act as the interface between the country and the GCF. He will be focal point for all sorts of activities of the GCF in a particular country.

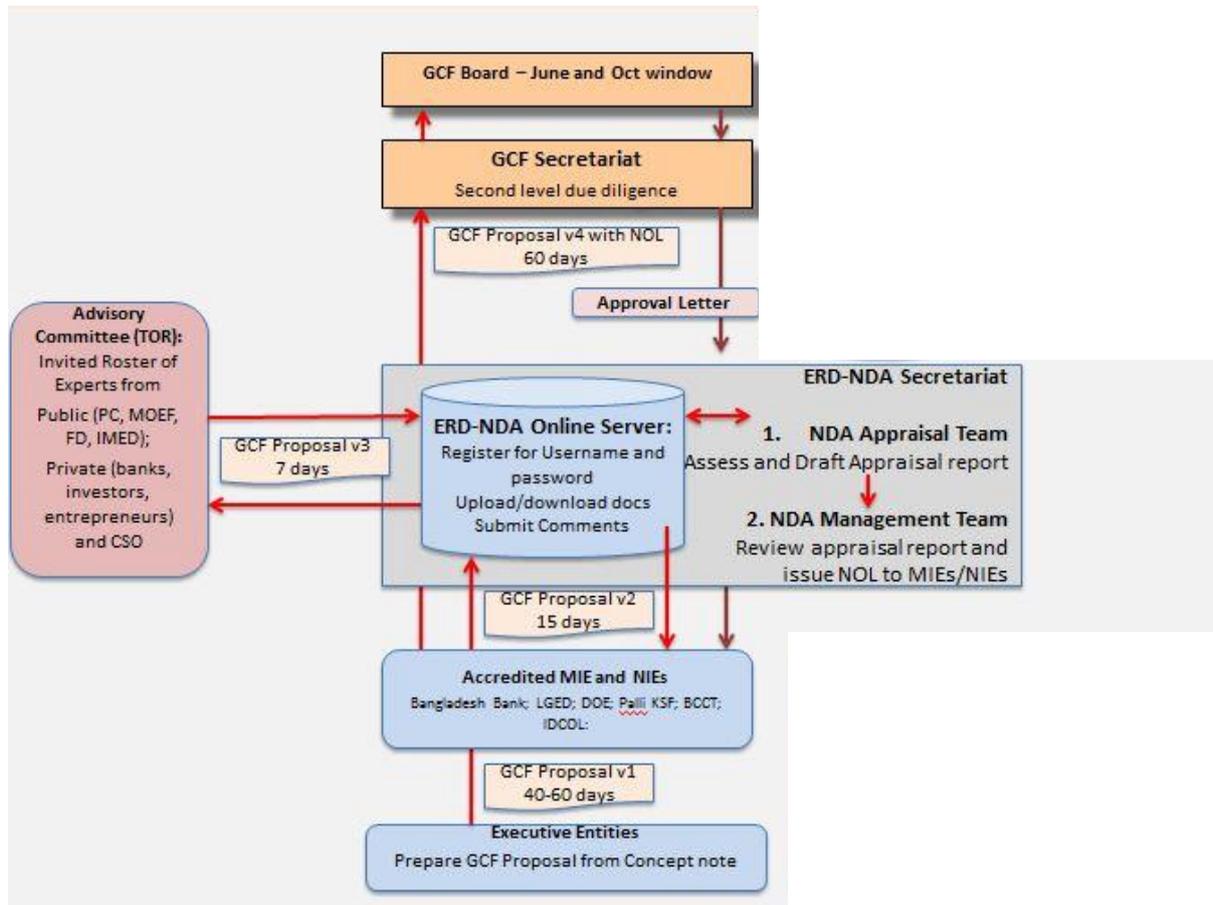
No-Objection for the Project/Funding Proposal to the GCF

The NDA will recommend funding proposals from Implementing Entities (IEs) to the GCF Board in the context of national climate strategies plans and through a rigorous country coordination and multi-stakeholder engagement process. The funding proposals also need to be aligned with GCF process (financial and investment criteria, and Environmental and Social Safeguards (ESS) including gender policy) and at the same time be consistent with national processes (relevant national laws, national climate change strategies and plans, and gender plans).

After rigorous consultation with the ERD, the Planning Commission and key ministries, the following no-objection procedure, designed to align GCF requirements with the GoB's project proposal appraisal, approval and implementation system, will be followed (Figure -1). Under this procedure, executive entities or agencies will act as the interface between the two systems, creating an entry and exit point to the GCF system.

Figure 1 : NDA's No-Objection Procedure for the Project Proposals intended for the GCF's funding





i. Appraisal criteria for proposal

- Is the proposal in compliance with Bangladeshi environmental laws, standards and regulations?
- Is the proposal in coherence and alignment with i) national priorities for development, and ii) climate change mitigation and adaptation?
 - a. Is the proposal coherent and aligned with the BCCSAP, NDC & Five Year Plan?
 - b. Does the proposal address a demonstrated priority need or has it been identified by the government as a priority investment?
 - c. Do the proposal objectives support the realisation of the objectives of the Seventh Five Year Plan and NSDS?
 - d. Does the proposal duplicate an activity already funded or are there alternative sources of funding readily available?
 - e. Do the potential benefits of the project for society at large outweigh any potential negative impacts?
- Has an adequate stakeholder engagement process been undertaken?
 - a. Was the stakeholder engagement process inclusive and representative of the diversity of opinions?
 - b. Was the feedback received adequately addressed?

ii. Documents to be submitted

Each Multilateral Implementing Entity (MIE)/National Implementing Entity (NIE) submits a letter of request, full proposal and supporting documents, via the NDA Secretariat server.

iii. ERD-NDA Secretariat website and server system

- Representatives from the public and private sectors, and CSO partners are invited to join the NDA Secretariat server system (which preferably should be embedded within the ERD website).

- Interested parties register online. NDA appraisal team reviews each application; upon approval by NDA management team, representatives of the applicant are issued with username and password.
- Registered users use the server to communicate with NDA Secretariat, to submit requests for no objection and NIE nomination letters, and for support.
- Upon request, selected members of the Advisory Committee can also submit comments on the server, as detailed below.

iv. Advisory Committee and respective ToRs

- Representatives from the public sector (e.g. shadow PEC from PC, Finance Division, MoEF, IMED, auditor), private sector (banks, investors, entrepreneurs) and CSO partners are invited to serve as sector experts on the Advisory Committee.
- Upon approval by NDA Secretariat management, members are issued with a username and password to enable them to access the server facility.
- Rather than having to be present in meetings, experts are invited to provide their comments (on GCF proposals and IE nominations) online.
- The ToR for AC members is:
 - a. The Advisory Committee will meet at least once a year to review progress and areas for improvement.
 - b. Members must submit comments within the time stipulated.
 - c. Names of members will appear on the NDA website.
 - d. Members will serve for a fixed term; this can be renewed upon request in writing to the NDA Secretariat.
 - e. The NDA may call for a meeting in-person for the Advisory Committee to discuss specific proposals as required.
 - f. If an expert from the Advisory Committee has a prior engagement during the proposal review period, other available experts from the database may be contacted.

Nomination for National Implementing Entities (NIEs)

The priority of Bangladesh's NDA is to gain Direct Access to the GCF. For this eligible entities are required to be accredited to the GCF as the National Implementing Entity (NIE). To submit the application to the GCF Board, an entity must have the Nomination Letter, issued by the NDA.

Procedures for nomination of prospective NIEs

i. Requesting a nomination letter for GCF accreditation from NDA Secretariat

Step 1: Prospective IE requests a nomination letter

- a. Prospective IE uploads request with supporting documents to NDA Secretariat server.

Step 2: Nomination appraisal

- a. NDA appraisal team downloads the request and acknowledges receipt of application; the team reviews application and draft appraisal report.

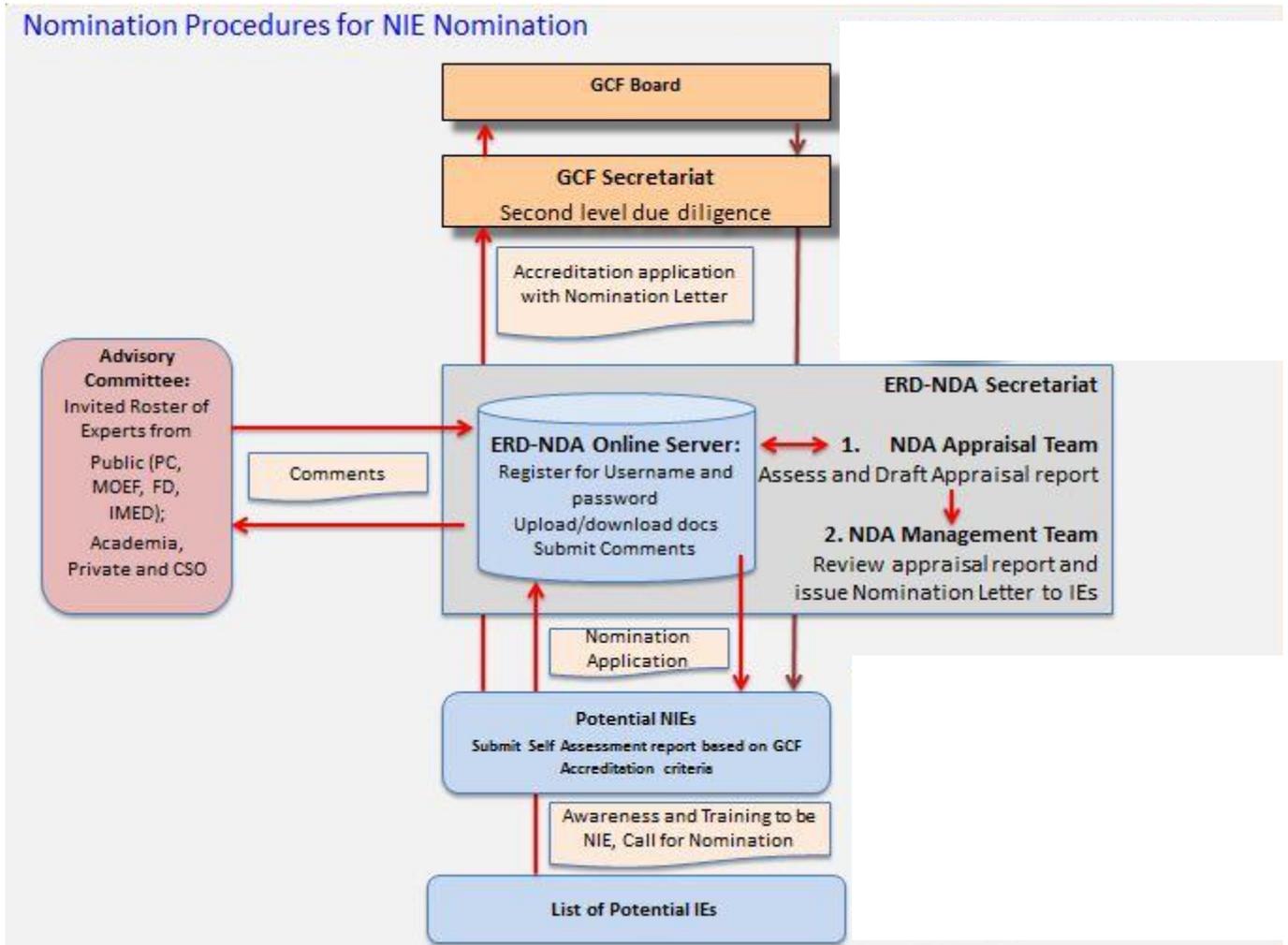
Step 3: Appraisal request for AC support

- a. NDA appraisal team requests AC members to comment on the application; this should be done within seven days.
- b. AC members submit comments to the server.

Step 4: NDA manages the prospective IE request for nomination letter

- a. NDA appraisal team finalises the appraisal report and either rejects the application or recommends appointment of IE to NDA Executive Director.
- b. If ED accepts the recommendation, the same would be forwarded to the NDA for consideration

c. After the NDA's decision, NDA secretariat issues nomination letter to the entity.



ii. NIE nomination and accreditation assessment criteria

The following criteria should be used by NDA to evaluate each applicant:

- Is there a clear and articulated vision of how the applicant intends to use GCF funds?
- What value can the applicant add to meet GCF and national objectives?
- Are there evidence and a demonstrated understanding of GCF accreditation standards and process?
- Is there evidence of the applicant's status as a legal entity?
- Is there evidence of the applicant's complementarity with other NIEs and confirmation there is no duplication or redundancy?
- Does the applicant have a track record of undertaking and implementing fiduciary standards and EES, of developing innovative project proposals, and of project management skills (MRV procedures)?

The NDA might also factor in some strategic considerations related to the applicant's capacity (in terms of mutual accountability), such as:

- Does the applicant have a track record of zero tolerance for fraud, which is demonstrated by its top management?
- Can the applicant demonstrate a working environment free from direct and indirect fraud and corruption, both on the part of its own staff and on the part of third parties?
- Does the entity have the ability to resolve any allegations of fraud or misconduct in a transparent and complete manner, involving the required authorities as appropriate?

- Are there no obvious reasons to deny nomination because of reputational issues?
- Is there an obvious lack of alignment between the applicant's mission and the GCF objectives?
- Does the applicant have demonstrable experience of oversight and accountability during a project cycle?
- Does the applicant have a track record of assessing and handling potential conflicts of interest?

iii. Documents to be submitted

- request for nomination for GCF accreditation letter;
- statement of purpose reflecting entity's vision of how it intends to use GCF funds and the value it can add to GCF and national objectives;
- document demonstrating understanding of i) the accreditation standards and requirements, and ii) the application process, and
- document confirming legal status of applicant.