

Bangladesh Climate Change Resilience Fund

An innovative Governance Framework



Bangladesh Climate Change Resilience Fund (BCCRF) is an innovative partnership between the Government of Bangladesh, Development Partners and the World Bank to address the impacts of climate change.

This fund, one of the first of its kind in the area of climate change, was established in May 2010, with financial support from Denmark, European Union, Sweden and the United Kingdom. Switzerland subsequently joined the Fund in December 2010. This mechanism is enabling the Government to channel in over US\$125m grant funds to millions of Bangladeshis to build their resilience to the effects of climate change.

The objective of BCCRF is to support the implementation of Bangladesh's Climate Change Strategy and Action Plan for 2009-2018. The Bangladesh Government leads on the management and implementation of BCCRF. On behalf of the contributing Development Partners, and in consultation with the Government of Bangladesh, the World Bank, for a limited duration, is ensuring due diligence requirements on the BCCRF (including fiduciary management, transparency and accountability) and is ensuring projects are implemented with due regard to economy, efficiency and effectiveness.

BCCRF is a country-led financing mechanism. The Governance framework of BCCRF ensures full ownership and leadership of the Government of Bangladesh.

How is BCCRF Governed?

BCCRF has a two tier governance system:

A **Governing Council** which provides overall strategic direction and guidance to BCCRF and ensures its alignment with Bangladesh's Climate Change Strategy and Action Plan.

A **Management Committee** which provides technical advice is responsible for developing a work programme, ensuring that the BCCRF is implemented in line with the agreed implementation manual and considering grant requests submitted by various line ministries and other eligible institutions.

Both the Governing Council and the Management Committee are chaired by

the Government. A **secretariat** (currently in the process of being set up), based in the Ministry of Environment and Forests, is responsible for providing support to the Governing Council and Management Committee; and for providing advocacy, communication and coordination support to all agencies implementing activities funded by BCCRF.

The **Governing Council** is a high level committee chaired by the Minister of Environment and Forests and comprises of Ministers from Ministry of Agriculture, Ministry of Finance, Ministry of Food and Disaster Management, Ministry of Foreign Affairs, Ministry of Water Resource and Ministry of Women's and

Children Affairs; Secretaries from Prime Minister's Office, Ministry of Environment and Forests, Economic Relations Division, Ministry of Finance, Ministry of Planning; two representatives from Contributing Development Partners; two representatives from Civil Society, and the Country Director of the World Bank as an observer.

The primary responsibilities of the **Governing Council** are to provide advisory guidance on program strategic goals and alignment with Government's climate change strategy, grant criteria, and high-level issues, such as, transfer of fiduciary management responsibility to the government. The Governing Council also

oversees the management and utilization of the fund. In particular, it approves projects to be funded and reviews the achievement of results.

The **Management Committee** is a small technical committee chaired by the Secretary of Ministry of Environment and Forests and includes two other representatives from the same ministry (Joint Secretary (Development) and Deputy Secretary (Environment)), one senior representative from Economic

Relations Division (Additional Secretary) and Planning Commission (member – General Economic Division), two representatives from contributing Development Partners, representative from the World Bank and one representative from civil society.

The primary responsibilities of the **Management Committee** are to carry out a detailed review of grant requests submitted by the secretariat, ensure that grant requests submitted are in

line with the agreed implementation manual and recommend projects for preparation. It also reviews and endorses the Implementation Manual, the work program and budget allocations and reports prepared by the secretariat for submission to the Governing Council as well as for public dissemination. If funding is required for project preparation, the Management Committee approves the amount of funding with intimation to the Governing Council.

Role of the World Bank

The World Bank is responsible for ensuring that there is adequate fiduciary management, transparency and accountability in executing BCCRF and that the projects funded are implemented with due regard to economy, efficiency and effectiveness. The World Bank is also providing

some analytical and advisory support for implementation of Bangladesh's Climate Change Strategy and Action Plan via BCCRF.

The wide experience in managing trust funds gives World Bank the privilege of providing financial management services to BCCRF on behalf of the development

partners. For example, in 2009 the Bank had more than 1,000 active trust funds with above \$20 billion funds, from 217 donor agencies (representing 53 countries). World Bank is also uniquely positioned to share analytical and research works on international best practices in development.

Current Status

November 2011

BCCRF is now **fully** operational; US\$87 million of the total US\$125 million will be committed by March 2012.

An **Implementation Manual** detailing the governance and operational mechanism for BCCRF was agreed between the Government of Bangladesh, Development partners and the World Bank in December 2010. The fund became operational with the first Management Committee

held in February 2011. Since then, the Management Committee has met five times and reviewed more than 50 proposals submitted by different ministries in response to the two calls for proposal made by Ministry of Environment and Forests.

The first **Governing Council** meeting was held in May 2011 and it approved: (i) a project for building 56 new cyclone shelters and rehabilitating about 50 damaged shelters for US\$25 million; (ii) the designation of Palli Karma-Sahayak Foundation as an apex organization to channel about US\$12.5 million to Civil Society Organizations and NGOs for community based climate change resilience activities and (iii) an allocation of

US\$0.2 million to set up the first phase of the secretariat in the Ministry of Environment and Forests.

In addition to recommending the above projects for Governing Council approval, the Management Committee has also recommended three more projects for preparation to date. These include projects on agricultural adaptation in climate risk prone areas (US\$ 23 million), climate resilient participatory afforestation/reforestation (US\$ 25 million) and a pre-preparation expert consultancy study for review of supporting documentation provided for building a cross-dam between Noakhali and Urirchar (two islands in the south of the country).

