

## National Budget 2018-19 and Climate Finance

### Ensure prioritized and additional budget allocation in building climate resilient economy and adaptive capacity of coastal people

#### 1. Climate financing in national budget: A good initiative of our government

In order to achieve transparency and accountability, government has been develop climate financing and it management system especially on program implementation and reporting mechanism through national budgetary process. This initiative is worth the praise and a milestone of our government financial management system. Although this system has been developed in collaboration with donors in the pursuit of monitoring the purpose and performance of climate financing in Bangladesh and favoring the global fund to climate related activities. Nevertheless we hope; government will introduce the same process in case of other non-climate development program and activities. Making it public will be benefited obviously of both public and government.

#### 2. Proposed climate funding for the new fiscal year 2018-19

The government has included 20 ministries in the process of climate financing under the national budget of FY 2018-19 and proposed BDT 2, 14,851 core (US\$ 25.57 billion). In this proposed allocation, BDT 18,948.76 core (US\$ 2.25 billion) will be spend for climate related activities.

**Government also claimed that climate finance is allocated as 8.82% of national budget and 0.75 % of GDP (Gross Domestic Product) and this ratio is increasing.** The government has claimed that budget is allocated for climate change activities following the core planning document of BCCSAP-2009 (Bangladesh Climate Change Strategy Action Plan 2009) and its six thematic areas those are (i). Food Security, Social Protection and Health, (ii). Comprehensive Disaster Management, (iii). Infrastructure development, (iv). Research and Knowledge Management, (v). Mitigation and Low Carbon Development and (vi). Capacity Building and Institutional Strengthening).

According to the analysis, the highest allocation 46.01% is proposed for thematic area 01 (Food Security, Social Protection) and second highest allocation is propose for thematic area-03 (Infrastructure development) which is 28.43% of total climate finance. The other 04 thematic area especially Comprehensive Disaster Management 9.70%, Mitigation and Low Carbon Development 6.61%, Capacity Building and Institutional Strengthening 4.68% and Research and Knowledge Management 4.57%. **But critical analysis showing that only BDT 9,632 corer (US\$ 1.14 billion) is proposed as development budget for 20 ministries which 4.48%.** Apart the ministry of agriculture, water resource and disaster management those are main stake in related with climate change activities are proposed less than 20% of total development budget under climate finance

#### 3. Proposed Climate Financing: There is nothing new except the inclusion of ministries

Here we are saying that because; the 20 ministries those included under climate finance were exist and worked with the same activities before climate change issues and discourse. These 20 ministries has been formed since independence of Bangladesh and involved with development activities related with economic development and sustainability issues. Bangladesh is vulnerable in context of natural calamities due to its geographic location and these ministry are continuously including disaster management and food security strategies in their development plan. So we're going to see that in the budget of FY 2018-19 in the case of climate funding, adopting to interconnect these ministries only the techniques of government but funding is traditional. Now a day's, climate change are impacting the intensity and frequencies of natural disaster with an increased way. So that to increase the capacity to face these disasters additional funding is required. The proposed budget of new included 20 ministries in

fact nothing additional allocation for climate change adaptation. We mentioned before **the climate financing process is actually being administered as part of the compliance of donors prescribed "Climate Fiscal Framework". This has developed with only added more ministries without any additional funding. If the government supposed to have any sincerity or good wishes in this regard, additional money will be allocated out of the traditional funding strategy.**

#### **4. Climate change has increased our problem and vulnerabilities**

It is true that due to geographical location, the people of Bangladesh are more vulnerable and climate change is increasing this vulnerabilities day by day. **About 35% of total population lives in the coastal areas of Bangladesh and according to government, the most vulnerable communities are about 20 million.** Due to climate change, Bangladesh facing different natural disaster such as sea level rise, cyclone, tidal surge, flood, river bank erosion, water logging, drought and salinity and the loss of socio economic damage is visible to us. As a result of climate change, in the last 30 years, there are 234 different types of natural disaster strikes, including about 0.2 million people died. **The cyclone SIDR in 2007 has occurred a damage of US\$ 03 billion which has resulted in a loss of 5% of our GDP. This damage still cannot be retrieved. Cyclone Aila in 2009 has destroyed coastal embankment around 200 kilometer and yet to be repaired.** Chronological increase of sea level rise contributing the salinity increasing which hampering the huge coastal population livelihoods and make them displace. Due to climate change there is a probability that 75% of the world heritage of the Sundarbans will be disappeared by 2030. During dry season, upstream water flow has been decreased and salinity is being intrude into 240 km upper riverine areas.

#### **5. Inconsistency observe between govt. commitment and financing to climate change**

This has been observing that our government are very active and vocal in both national and

international level since the global climate discourse. Government has been playing this role in order to present the country as most vulnerable to climate and also to have universal support especially for financing from international level.

As well as the government also trying to show her own capacity regarding climate change issues. That's why climate change policy and action has got priority issue in all the government program and strategies and promised to take effective measure to reduce the impact. As for example, government long term plan is "Vision -2021", midterm plan is 7<sup>th</sup> five years development plan and national budget on all section government has mentioned the climate change effects and also mentioned that if government fail to solve these problems effectively development of the country will be hamper and poverty will increase. For this reason additional strategies will be taken out of the traditional development plan and also have to ensure additional finance. **From this thinking government has implement the BCCSAP on 2009 and demand additional 05 billion dollar out of traditional funding only for climate change adaptation and keep the trend of development on right track. Out of government World Bank has also predict within 2050 every year 166 million dollar is needed for climate change adaptation.** The reality is government has promised and plan but not allocated an additional single dollar and we cannot say that it is a climate budget.

#### **6. Proposed ADP hardly ensure the survival rights of vulnerable communities**

This is clearly mentioned in Bangladesh Climate Change Strategic Action Plan and 7<sup>th</sup> Five years plan that, no development and achievement will be sustain if we cannot tackle the climate change effectively. The prior development sector is adaptation in fighting the climate change impact and government has agreed to ensure and invest adequate fund through her strategic plan

But in ADP (Annual Development Plan), government has given priority on communication and investment infrastructure. The climate related critical infrastructure like development of

coastal embankment, reducing salinity, developing irrigation and pure drinking water got less allocation and less priority in the adaptation sector. **It is no doubt that we have needed the above development plan but without coastal protection any kind of investment would be meaningless. Due to climate change, around 30-40 million coastal people are under threat of vulnerabilities.** The vulnerabilities are cyclone, tidal surge, river bank erosion, sea level rise. Besides due to increases of salinity the opportunity of agriculture is exhausting. Survival on this area is now become difficult and for survival the vast amount of people are migrating to town. Do not wait to say that tendency of internally displace of vulnerable people making clear pressure on government other investment benefits.

## **7. Existing context of vulnerability and priority demand in adaptation sector**

### **a. Developing coastal embankment should investment priority to save the people**

The coastal embankments of Bangladesh were constructed during 1960 decade in consideration of protecting the high tide, protect agricultural land from tidal surge and implement of agricultural revolution. For this the height of the embankment is determine based on normal tide height and constructed. But the period of time most of the embankments has damaged and reduces the height due to different natural calamities especially cyclone and tidal surge of last 6 decades. **According to government statistics there are about 7555 kilometer embankments on the country of them about 4000 kilometer are coastal embankments. These embankments are not maintaining and repairing timely and plan wise. Due to the climate change different natural disaster and tidal surge gradually increasing have increases the destruction of the embankments.** According to World Bank coastal area is 32 % of total land area of Bangladesh and within 2050 the predicted population will be about 60 million. So government responsibilities is to support the huge immigrant poor population in order to safeguard their life span.

### **b. The government has left responsibility to ADB & WB for developing embankment**

We see that government has increase the collection of domestic resources mobilization in every year but 80-90% allocation has been going to the non-development sector (e.g. govt. salary & benefits). To ensure sustainable development the honorable finance minister accept the importance of climate change adaptation, but he did not allocate sufficient finance for embankment construction and coastal development he has left the responsibility of development of the embankment to the World Bank (WB) and the ADB (Asian Development Bank). The reality is that World Bank and ADB is not financing until ensure their interest. As a result for protecting coast sufficient fund is not available on time. **Currently by the finance of World Bank and ADB a five years Coastal Embankment Improvement Program Phase -01 is running up to 2020. By this project it will be repaid and develop 17 polders embankments and the budget is 300 million dollar.** Based on the result of first phase it may extend up to second phase and budget may be 02 billion dollar. **Yet this activities is very small against the need of coastal people because of tackling climate change not only polders but also need to repair and develop the whole embankments and this is the community prior needs that we think.**

## **8. Proposed budget for 2018-19 and our demand to climate finance**

### **a. Government have to ensure additional allocation and investment for climate change**

It is entirely recognized that traditional funding is not protect us from climate change vulnerabilities. Again talking about climate change vulnerabilities if we look forward on global support we do not seem to run. If we think about that for receiving global support on climate change we have formed 'Fiscal Framework' for tackle that problem the additional work plan and fund is necessary will be very hard task for us. **Secondly for consideration of our physical problem and solution we have implement the climate change plan 2009 and for get rid from climate vulnerability have to give priority on**

**coastal adaptation sector and have to allocate 01% of GDP on from 2010 to 2020 on climate finance.** It is a matter of annoying that government is trying to convert the traditional development budget into climate budget which cannot be termed as 01% of GDP. So Government have to allocate additional fund and that will be the out of the traditional budget.

**b. Set priority sector for investing in climate finance development**

Government has given priority on infrastructure development. In an analysis of the budget allocation proposal, it is easy to imagine that the government has given importance to the growth-Centered Infrastructure. We are not opposed to this, but the growth will not be sustainable if adaptation-centric infrastructure (Embankment, Cyclone Shelter, coastal afforestation) is not given importance. According to BCCSAP 09 estimation construction of 6000 Kilometer dam is necessary, for which there is not sufficient budget allocation, there are recommendation of constructing 2000 cyclone shelter, 200 flood shelter and 9000 kilometer afforestation but on proposed budget there are not reflection of recommendation.

**c. Expedite the NAP preparation for effective climate finance**

The government has taken initiate to prepare the NAP (National Adaptation Plan) for the purpose of having global fund. We believe that it will not be done due to donors' advice rather it will work for our own long-term interests. So that, preparing NAP must be ensure peoples participation and according to their openion not any representatives of so-called experts.

**d. Government have to develop IDP policy and ensure funding.**

It is globally recognized that Bangladesh is most vulnerable country. Every year millions of people are facing damage of asset and lives and being compelled to live permanently or temporarily as displace people for livelihood pressure. It should also be acknowledged that the disaster happened and even today. But how much the frequency and intensity of these disasters have increased are the result of long-term climate change effect. **As for example as a result of climate change if the sea level rise one meter 40 to 45 million coastal people will displace from their habitat. These huge amount of displace people will create pressure on land and economy and on the other hand for maintaining these people government have lack of capacity which causes the increases of poverty.** So in future for effective initiatives government must have develop an IDP (Internal Displacement Policy) and have to allocate sufficient fund.

**e. Climate Financing will be through transparency and accountability.**

For tackling climate change effect and capacity building and for implementation of Bangladesh Climate Change Strategic Action Plan 2009 government have established Climate Change Trust Fund and still now allocated 3200 core taka through implementation of more than 400 project that have implemented through different ministries and NGOs. But the question remains of the fact that the impacts of these projects implemented for tackling the climate change. We think the process of funding from the Trust fund will bring in a good governance and that's possible through involvement of all stakeholders in its management. Moreover the project approval, funding and implementation information should be disclosed in the public and the policy of public involvement will be adopted in the implementation and evaluation process.

Organizer: BAPA, BIPNET-CCDB, CDP, CCDF, CPRD, BCJF, FEJB, BCAS and EquityBD

Secretariat: COAST Trust, House# 13 (1st Floor) Metro Melody, Road# 2, Shyamoli, Dhaka 1207.

Tel: +88-02-8125181, 8154673, Fax: +88-02-9129395, Email: info@coastbd.net

Web: [www.equitybd.net](http://www.equitybd.net) www.coastbd.net