



Learning Hub Event (LHE) report 2017

***Private Sector Facility (PSF) of Green Climate Fund (GCF) and Climate Finance Tracking:
Prospect of Bangladesh***



This Learning Hub Event (LHE) was made possible by the support of the American people through the United States Agency for International Development (USAID). The contents are the sole responsibility of the Gobeshona programme and do not necessarily reflect the views of USAID or the United States Government

Copyright © 2017 International Centre for Climate Change and Development (ICCCAD)

All rights reserved. ICCCAD encourages fair use of this material for non-commercial purposes, with proper citation. This publication is based upon the outcomes of the Learning Hub Event (LHE) on August 16, 2017 and has been compiled from the rapporteur notes. The publication is a summary from the organizer's point of view, and does not necessarily express the views of each individual participant.

International Centre for Climate Change and Development (ICCCAD)

At Independent University, Bangladesh (IUB)

Plot 16, Block B, Aftabuddin Ahmed Rd

Bashundhara R/A

Ph: 88-02-840-1645-53 Ext. 3311

Fax: 88-02-840-1991

Web: <http://www.icccad.net> , <http://www.gobeshona.net> , <http://www.iub.edu.bd>

LHE Title:	<i>Private Sector Facility (PSF) of Green Climate Fund (GCF) and Climate Finance Tracking: Prospect of Bangladesh</i>
Date & Time:	<i>Wednesday, August 16, 2017, 01.30 pm – 04.30 pm</i>
Organizers:	<i>Bangladesh's NDA Secretariat, Economic Relations Division (ERD), International Centre for Climate Change and Development (ICCCAD), Independent University, Bangladesh (IUB).</i>
Funded by:	<i>USAID</i>
Venue:	<i>NEC-2, ERD, Sher-e-Bangla Nagar, Dhaka</i>
Chair:	<i>Mr. Quazi Shofiqul Azam, Secretary, ERD & NDA of Bangladesh to GCF</i>
Moderator:	<i>Dr Saleemul Huq, Director, ICCCAD</i>
Presentation 1:	<i>Private Sector Facility of GCF</i> by <i>Ayaan Adams</i> , Director, PSF, GCF & <i>Arsalan Ni</i> , Senior Advisor, PSF, GCF
Presentation 2:	<i>Capacity Building and Leadership in Climate Change Sector</i> By <i>Dr. Saleemul Huq</i> , Director, ICCCAD
Author:	<i>Shaila Mahmud, Research Officer, ICCCAD</i>
Photographer:	<i>Tasfiq Mahmood</i>
Photo Album:	<i>Please go to Event photos</i>
Editor:	<i>Mohammad Iftekhar Hossain (Deputy Secretary, ERD), Yousuf Mahid and Tasfiq Mahmood</i>

Participants' List (Arranged as per the registration form)

Name	Designation
Ms. Syeda Amina Fahmeen	Deputy Secretary, ERD
Ms. Rokeya Khaton	Deputy Secretary, ERD
Ms. Sayeda Masuma Khanam	Deputy Secretary, ERD
Mr. Shah Mohammad Habibul Hasan	Senior Assistant Chief, ERD
Mr. Nawsher Ahmed Sikder	Assistant Chief, ERD
Ms. Marzia Sultana	Assistant Chief, ERD
Ms. Bibi Karimunnesa	Assistant Chief, ERD
Mr. Asadul Haque	Assistant Chief, ERD
Mr. Jamal Hossain Mazumder	Deputy Secretary, ERD
Mr. Kamalah Kar Das	Joint Secretary, ERD
Mr. Md. Serajul Islam	Asst. Programmer, ERD
Mr. Jahirul Islam	Assistant Chief, ERD
Mr. Md. Motasim Billah	Deputy Chief, ERD
Mr. Md. Mahfuzar Rahman	Senior Assistant Chief, ERD
Dr. AKM Matiur Rahman	Deputy Secretary, ERD
Ms. Zannatul Ferdous	Senior Assistant Secretary, ERD
Ms. Aparna Baidya	Senior Assistant Secretary, ERD
Ms. Mrittika Jaman	Junior Consultant, UNDP Dhaka Office & NDA Secretariat, ERD
Ms. Mahbuba Hasin	Senior Assistant Chief, ERD
Ms. Sayeda Tamanna	Assistant Chief, ERD
Ms. Anar Kali	Deputy Secretary, ERD
Ms. Khadija Parveen	Senior Assistant Chief, ERD
Mr. Md. Hafizur Rahman	Deputy Secretary, ERD
Mr. Mohd. Abdus Sobhan	Systems Analyst, ERD
Dr. Aminur Rahman Md Tariq	Joint Secretary, ERD
Mr. Md. Jewel Hossian	Assistant Maintenance Engineer, ERD
Dr. Nurun Nahar	Deputy Chief, Programming Division, Planning Commission
Mr. Md. Ruhul Amin	Deputy Secretary, ERD
Mr. Md. Waliullah Mia	Deputy Secretary, ERD
Ms. Naina Begum	Deputy Secretary, ERD
Mr. Mohammad Nazim Uddin	Deputy Secretary, ERD
Ms. Dewan Afrida Hamid	ERD
Ms. Fahmida Khanom	Deputy Secretary, ERD
Ms. Masuma Akter	Senior Assistant Chief, ERD
Ms. Shaila Mahmud	Research Officer, ICCCAD
Mr. Sarwar Mahmud	Joint Secretary, ERD
Mr. Anwar Hossain	Deputy Secretary, ERD
Mr. Jahid Hossain Munshi	Deputy Secretary, ERD
Mr. Bashir Ahmed	Deputy Secretary, ERD

Mr. Md. Mahbub-ul Islam	Joint Secretary, ERD
Ms. Fatema Begum	Sr. Asst. Chief, ERD
Ms. Nazia Afrin Chowdhury	Sr. Asst. Chief, ERD
Ms. Nusrat Noman	Deputy Secretary, ERD
Mr. Md. Humayan Kabir	Deputy Secretary, ERD
Mr. Najmus Sayadat	Deputy Secretary, PPP Authority
Ms. Fatima Yasmin	Joint Secretary (ADB-1) , ERD
Mr. Abu Sadat Md. Marjan Nur	Research Associate,
Mr. Md. Zahidul Hasan	Assistant Secretary, ERD
Ms. Nusrat Mehjabin	Deputy Secretary, ERD
Ms. Mst. Masuda Begum	Asst. Chief, ERD
Mr. Md. Mehedi Hasan	IT officer, ICCCAD
Mr. Md. Anwar Hossain	Additional Secretary, ERD
Mr. Md. Zahangir Alam	Joint Secretary, ERD
Mr. Md. Mahbub-ul Islam	Joint Secretary, ERD
Mr. Arsalan Ni	Senior Advisor, Green Climate Fund
Mr. Leo Park	GCF Secretariat, South Korea
Dr. Saleemul Huq	Director, ICCCAD
Ms. Zeinab Ayaan Adams	GCF Secretariat, South Korea
Mr. Noor-E-Elahi	Project Officer, ICCCAD
Mr. Delwar Hossain	PS to Secretary, ERD
Mr. M. Humayun Kabir	Joint Secretary (ME), ERD
Mr. Miraz Mohammad Ali Reza	Senior Assistant Secretary, UN-5, ERD
Ms. Saleha Binte Siraj	Deputy Secretary, ERD
Ms. Salina Parvez	Deputy Secretary, ERD
Mr. Md. Shaheenur Rahman	Senior Assistant Chief, ERD
Mr. Md. Abul Fazal Mir	Deputy Secretary, Local Govt. Division
Dr. Sebastain	SOLshare, MD
Mr. Adnan Rafid	Director, ERI
Mst. Asia Khatoon	Joint Secretary, ERD
Ms. Fatema	Assistant Chief, ERD
Ms. Rokhsana Khan	Deputy Secretary, ERD
Mr. Tasfiq Mahmood	Research Associate, ICCCAD
Mr. Shahrier	IDLC
Mr. Yousuf Mahid	Coordinator, ICCCAD

Event Agenda:

Time	Activities	Responsible person
1.30-2.30pm	Registration and lunch	ICCCAD team
2.30-2.40pm	Welcome Speech	Shamima Nargis , Additional Secretary, ERD, Ministry of Finance
2.40-2.55pm	Introductory remarks	Kazi Shofiqul Azam , Sectary, ERD, Minstry of Finance and NDA of Bangladesh to GCF
2.55-3.10pm	Setting the tone	Dr. Saleemul Huq , Director, ICCCAD
3.10-3.30pm	Presentation 1: Private Sector Facility of GCF	Ayaan Adams , Director, PSF, GCF & Arsalan Ni , Senior Advisor, PSF, GCF
3.30-3.50pm	Presentation 2 Capacity Building and Leadership in Climate Change Sector	Dr. Saleemul Huq , Director, ICCCAD
3.50-4.30pm	Open discussion	All participants
4.30-4.40pm	Closing speech	Kazi Shofiqul Azam & Dr. Saleemul Huq
4.40-4.45pm	Note of thanks	Mohammad Iftekhar Hossain , Deputy Secretary, ERD, Ministry Finance

Report on Learning Hub Event On *Private Sector Facility of Green Climate Fund and Climate Finance Tracking: Prospect of Bangladesh*

Main Outcomes

- To develop robust transparent systems of tracking and monitoring climate finance in the country.
- To carry out long-term capacity building measures (such as short courses, masters programmes and LHEs) on climate finance.
- To identify appropriate strategies or policies to integrate components for a successful climate change finance mechanism.
- Create a framework to encourage private sector engagement in the climate change finance process at national level.

LHE on Private Sector Facility (PSF) of Green Climate Fund (GCF)

On 16th August, 2017, the National Designated Authority (NDA) Secretariat, Economic Relations Division (ERD), Ministry of Finance; USAID; and the International Centre for Climate Change and Development (ICCCAD) at Independent University, Bangladesh (IUB) co-organised a Learning Hub event (LHE) on “Private Sector Facility (PSF) of Green Climate Fund (GCF) and Climate Finance Tracking: Prospect of Bangladesh”. The LHE held at the Planning Commission premises was attended by over 70 policymakers from all concerned line ministries as well as experts from national and international organizations to set up a platform for sharing views and ideas about climate finance mechanism for mitigation and adaptation through interactive dialogue exchange between the public and private sector.

The LHE was designed to encourage discussion on private sector engagement in the climate change finance process at national level together with discovering appropriate strategies to ascertain potential scopes to integrate elements for a successful climate change finance mechanism for Bangladesh. The LHE found that the efficacy of private sector to back climate action in business and understand potential benefits of engaging in PSF opportunities, i.e. the new climate finance body of the GCF through readiness and preparatory activities.

i. Summary of the Discussions

Ms. Shamima Nargis, Additional Secretary, ERD, Ministry of Finance opened the LHE. She emphasised that the potential collaboration between public and private sector will lead a new

thrust of climate finance mechanism in Bangladesh. Accreditation of the Infrastructure Development Company Limited (IDCOL) as the first National Implementing Entity (NIE) in Bangladesh by the GCF Board earlier this year has enabled the development and submission of climate funding proposals for consideration by the Board. Similarly project proposals have been set forth through multilateral implementing entities (MIEs); the “Climate Resilient Infrastructure Mainstreaming (CRIM)” project of the Local Government Engineering Department (LGED) is an MIE which was submitted through KfW. The Palli Karma-Sahayak Foundation (PKSF), another public entity is currently undergoing



Ms. Shamima Nargis, delivering welcome speech

the accreditation process for qualifying as an NIE. “Though ERD as an NDA has so far assisted six public sector bodies (including IDCOL) to apply for NIE status, it promotes private sector parties to comprehend with the modus operandi of PSF of the GCF”, stated Ms. Shamima Nargis. Bangladesh has been restively breaking new grounds to tackle climate change by means of adaptation, however to date – efforts of the climate concern private companies of the country – is mitigation focused.

The second session of the event focused on cultivating collective effort of the public and private sector in channelling climate financing to fight climate change. “Inadequate knowledge, capacity and skills have created an impermeable barrier in the way to mobilize private actors on climate compatible development”, said Mr. Kazi Shofiqul Azam, Secretary ERD, Ministry of Finance and NDA of Bangladesh to GCF. Understanding the need to abridge the existing gap between public-private collaboration in climate actions and investment, the government of Bangladesh in its attempt to achieve the 17 Sustainable Development Goals has made provision for strengthening the result orientation and quality of the budget, expanding domestic resource mobilization in ways that enhance social redistribution and climate compatible development and leverage private sector resources. As we are moving from an LDC to a middle-income country, we need to be well capacitated on the nitty-gritty of climate financing.



Dr. Huq, moderating the event

Followed by the introductory remarks, Dr. Saleemul Huq, Director, ICCCAD at IUB set the tone of the event. While setting up the tone, Dr. Huq explained the objective of LHE as a step forward in building long-term iterative capacity in the field of climate change as per Article 11 of the Paris Agreement. Regular LHEs with the Ministries of Planning, and Finance in the auspices of experts from related line of ministries and international bodies act as catalysts in stimulating debates on climate change to bring multi-faceted discussion on different topics.

Bangladesh largely relies on Official Development Assistance (ODAs) and concessional loans from bi-lateral and multi-lateral sources; however it will exhaust eligibility to access these funds as soon as it graduates as a middle income country by 2021. Although Bangladesh will no longer receive development funds, the country still will be eligible for international climate funding through UN bodies such as the GCF. GCF, a relatively new financing body under the convention pledges to mobilize \$100 billion of climate finance per year to help developing countries achieve their ambition for low carbon resilient development. In conjunction with the two building-blocks: mitigation and adaptation; GCF has created a special private sector facility (PSF) to pursue this goal. Thus it is imperative that the private sector of Bangladeshis is enabled, encouraged, and educated on the fundamentals of climate financing under PSF of the GCF.

The fourth session of the event welcomed PSF experts Ms. Ayaan Adam, Director of PSF of GCF; Mr. Arsalan Ni, Senior Advisor, GCF; and Mr. Leo Hyoungkun Park, GCF as speakers. The session highlighted that GCF expanded the PSF in 2017 with the purpose to unleash the potential of the private sector for clean energy and climate resilience projects in developing countries. The main objective of the PSF is to fund and mobilize institutional investors and leverage GCF’s funds to encourage corporates to co-invest with them through a diverse range of actions: de-risk investments; bundling small projects into portfolios; supporting capacity-



Ms. Adam presenting

building; developing public-private infrastructure resilience partnerships; and encouraging innovation. “The key message for PSF is that it is not an “add-on” but an integral component of the GCF”, said Mr. Park. PSF introduces flexible financing instruments, including debt and guarantees, equity, structure products, concessional loans, and grants; which are further divided into areas of strategic investment: clean energy; energy efficiency; climate-related innovation; resilient infrastructure; products and services for vulnerable communities, and agriculture, forestry, food, water security, and ecosystem preservation. PSF encourages countries to take ownership in delivering projects on the basis of most suitable areas. In line with this, the fund has adopted its six high-level investment criteria: impact potential; paradigm shift potential; sustainable development potential; responsive to recipients’ needs; promote country ownership; and efficiency and effectiveness. Currently, PSF has approved 11 projects totaling USD 1.2 Billion which reflects 55% of GCF funding amount by sector (public and private). GEEREF Next is one of the biggest PSF approved projects so far with GCF financing of USD 265 million and advised by the European Investment Bank.



Mr. Park during his presentation

It is an innovative Fund-of-Funds catalyzing private sector capital into clean energy projects in developing countries and economies in transition. The private sector has to be core of discussion when it comes to tackling climate change. In order to do so support from a very active local engagement is desired. The countries may process their private sector proposals through an accredited entity (IDCOL for Bangladesh) or apply for accreditation following due diligence. “IDCOL as an NIE, serving as the representative of GCF in Bangladesh is a gateway for others to access GCF financing through them”, articulated Ms. Adams. “GCF also issues Requests for Proposals (RFPs) to attract private sector investment in response to situations where the NIE fails to identify the potential of any project”, expressed Ms. Adams. GCF has allocated USD 500 million to mobilize private sector investment support for both mitigation as well as adaptation. “Country ownership is the key to GCF financing”, mentioned Mr. Ni. Bangladesh has been banking on conventional adaptation technique for many years which can be deployed as a mean at disposal to explore new possibilities for climate financing.



During open discussion

The fifth session of the event underlined the need for developing a robust system to demonstrate a transparent financial mechanism to support Bangladesh to access the global climate grants by means of a competitive and well prepared manner. “We have to think beyond immediate short-term gain (which is receiving the fund) by evaluating results and ensuring that the most vulnerable communities, for whom the funds are intended, actually benefit in terms of enhancing their adaptive capacity and resilience”, said Dr. Saleemul Huq.

The Development Effectiveness Wing of ERD has already set up a web-based public and transparent Aid Information Management System (AIMS) that tracks Development Assistance from bilateral and multilateral donors; however it is yet to track climate financing sources. Thus, the Ministry of Finance and ERD have entered into a long term collaboration with a coalition of ICCCAD at IUB, the Bangladesh Centre for Advanced Studies (BCAS), and the Centre for Climate Change and Environmental Research (C3ER) based at BRAC University, to provide long-term support in terms of research, technical advice, and capacity building to develop robust systems of tracking and monitoring climate finance in the country”, revealed Dr. Huq.

The LHE event took an interactive form at the end. Participants emphasized on the need for capacity building and readiness support, in terms of applying for accreditation to the GCF, enabling access to funds, and demonstrating transparent climate tracking systems to enhance accountability. Also the need for establishing a system to sieve through climate projects from development projects came forward during the discussion. The participants were hopeful that the private sector can benefit from the opportunities provided by international climate finance.

Takeaway messages from the Event

Bangladesh is likely to emerge as a global leader to tackle climate change and is already leading the way with many key policy documents. Nevertheless, implementing these policies single handed will be a task too big for the government. Thus, all stakeholders, including business houses, will need to commit to bold collective action to build resilience in a climate-constrained world. This need, in turn, requires a new emphasis on collaboration.