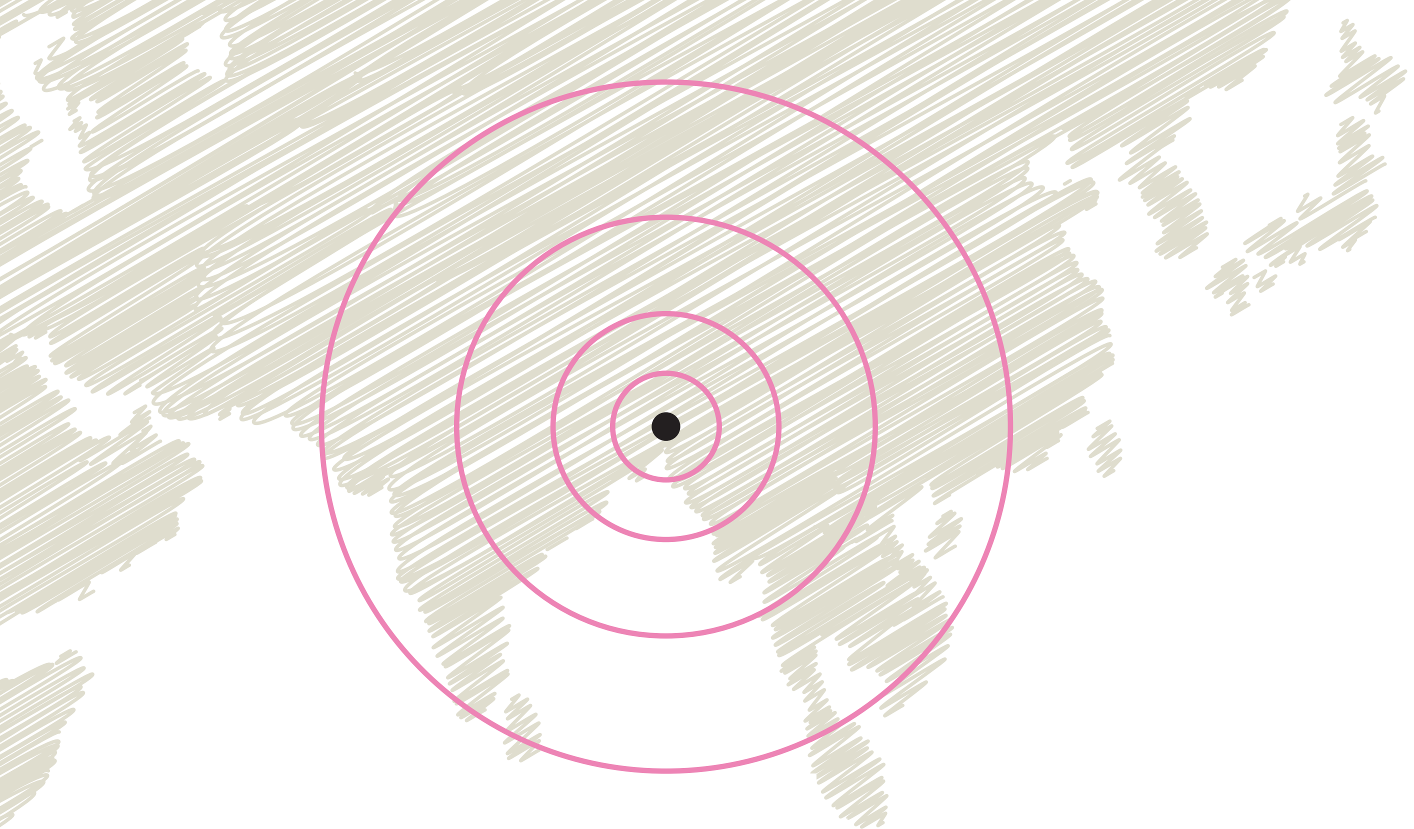

# Climate Investment Funds

## Pilot Programme for Climate Resilience (PPCR) in Bangladesh – a status review

Neha Rai and Barry Smith

Country Report
September 2013

**Climate change**

*Keywords:*
Climate Investment Funds; Pilot Programme for Climate Resilience (PPCR); Bangladesh; climate finance; adaptation

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## Produced by IIED's climate change group

The Climate Change Group works with partners to help secure fair and equitable solutions to climate change by combining appropriate support for adaptation by the poor in low- and middle-income countries, with ambitious and practical mitigation targets.

The work of the Climate Change Group focuses on achieving the following objectives:

- Supporting public planning processes in delivering climate resilient development outcomes for the poorest.
- Supporting climate change negotiators from poor and vulnerable countries for equitable, balanced and multilateral solutions to climate change.
- Building capacity to act on the implications of changing ecology and economics for equitable and climate resilient development in the drylands

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The Climate Investment Fund (CIF) is a funding channel designed to assist developing countries pilot low emission and climate resilient development approaches. As the fund unfolds, lessons can be gathered from the early stages of the programme.

IIED is undertaking case studies of selected countries participating in two Strategic Climate Fund (SCF) programmes, one of which is the Pilot Programme for Climate Resilience (PPCR).

This country report looks at the status of PPCR in Bangladesh. These initial reflections point to areas where further in-depth political economy analysis will be needed to understand how planning and implementation decisions are made and be able to attribute the real cause behind observed trends.

## Contents

# Introduction

Developing countries require an estimated US$100 billion per year in climate finance by 2020 to move towards climate resilient and low carbon development paths (as per the Copenhagen Accord). The Climate Investment Fund (CIF) is one donor commitment designed to assist developing countries to pilot low emission and climate resilient development approaches.

1

CIF financing is disbursed through two different multi donor trust funds – the Clean Technology Fund (CTF) and the Strategic Climate Fund (SCF) – with targeted programmes designed to address the issues of adaptation and mitigation.

As part of a broader political economy study on CIF, IIED is undertaking case studies of selected countries participating in two SCF programmes – the Scaling up Renewable Energy Programme (SREP) and the Pilot Programme for Climate Resilience (PPCR). The studies examine how SREP is helping **Nepal** and **Ethiopia** shift to a low green-house gas development pathway, and how effective the PPCR is at helping **Nepal** and **Bangladesh** shift towards to a resilient, sustainable and poverty-cutting development path.

This paper is a country status report that provides a cursory narrative around the status of PPCR in Bangladesh, prior to deeper political economy analysis. A policy process matrix approach is used to understand PPCR programme processes, actors involved in different stages of PPCR, likely points of contention and hindrances going forward, and highlight facets of the programme requiring further investigation. This paper also serves the broader purpose of informing the subsequent analysis of the political economy and development effectiveness of CIFs.

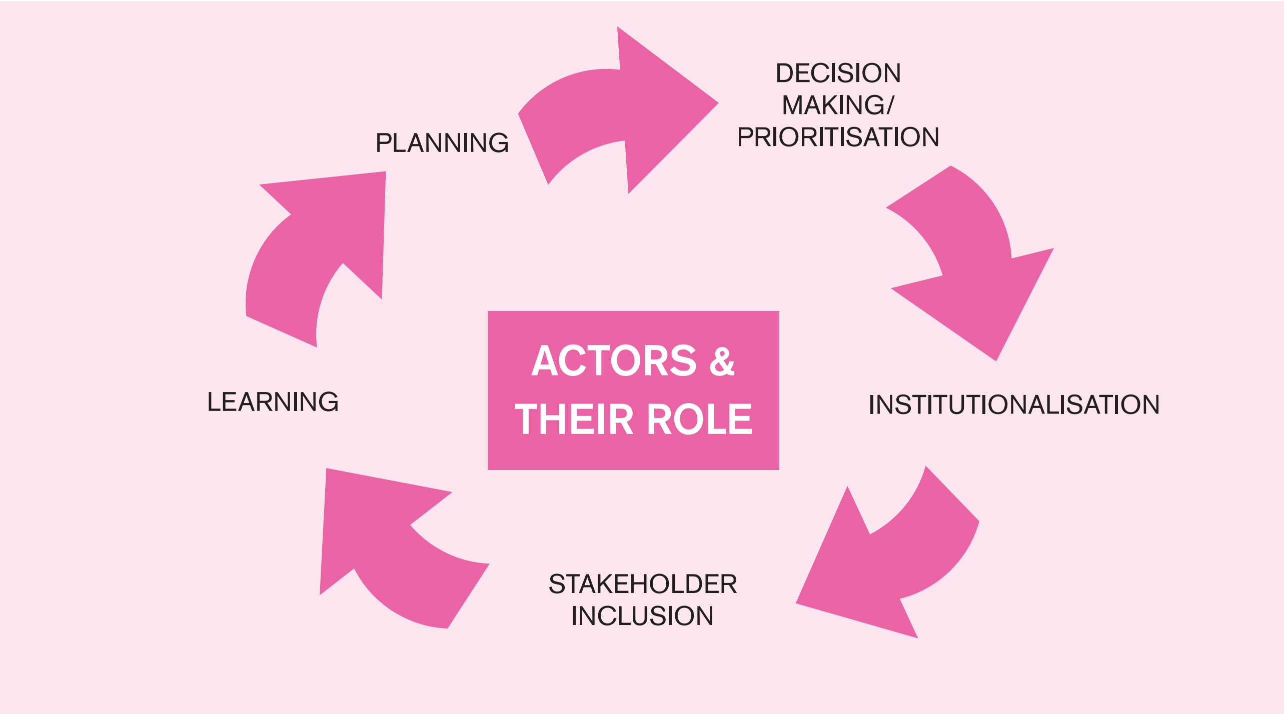
The policy matrix approach[1] (Guldbrandsson et al., 2005) is applied by adapting and amalgamating the policy process approach[2] (Howlett and Ramesh, 2003, Kingdon, 1995, Tanner and Allouche, 2011) and actor-structural approach[3] (Elster, 1982, Popper, 1966, Mayhew, 1980) to understand:

(a) How PPCR is operationalized in Bangladesh during different stages of the programme process – planning, decision making/prioritisation, institutionalisation, stakeholder inclusion, and learning.

(b) The different actors who are involved and their roles within these processes.

This country paper reflects Bangladesh's experiences with each of the PPCR process stages and the actors involved.

Figure 1 – Policy Process Approach




1 A **policy matrix approach** assumes different stages of policy/programme processes are influenced by different actors and the environment that they operate in. Within this paper we have simply tried to assess the state of affairs – particularly how processes are taking shape under CIFs and the key actors involved in the process. This paper doesn't give a detailed view of how actors and their environment influence PPCR processes. These aspects will be touched more in detail within the political economy studies being conducted in the second stage of the assessment.

2 **Policy process approach** states that the policy processes involve distinct phases, including agenda setting, conceptualisation, negotiation, policy formulation, decision making, implementation, evaluation and termination or renewal.

3 **Actor structural approach** underlines that both actor and their structure have the ability to influence to their policy processes.

# Overview of the PPCR

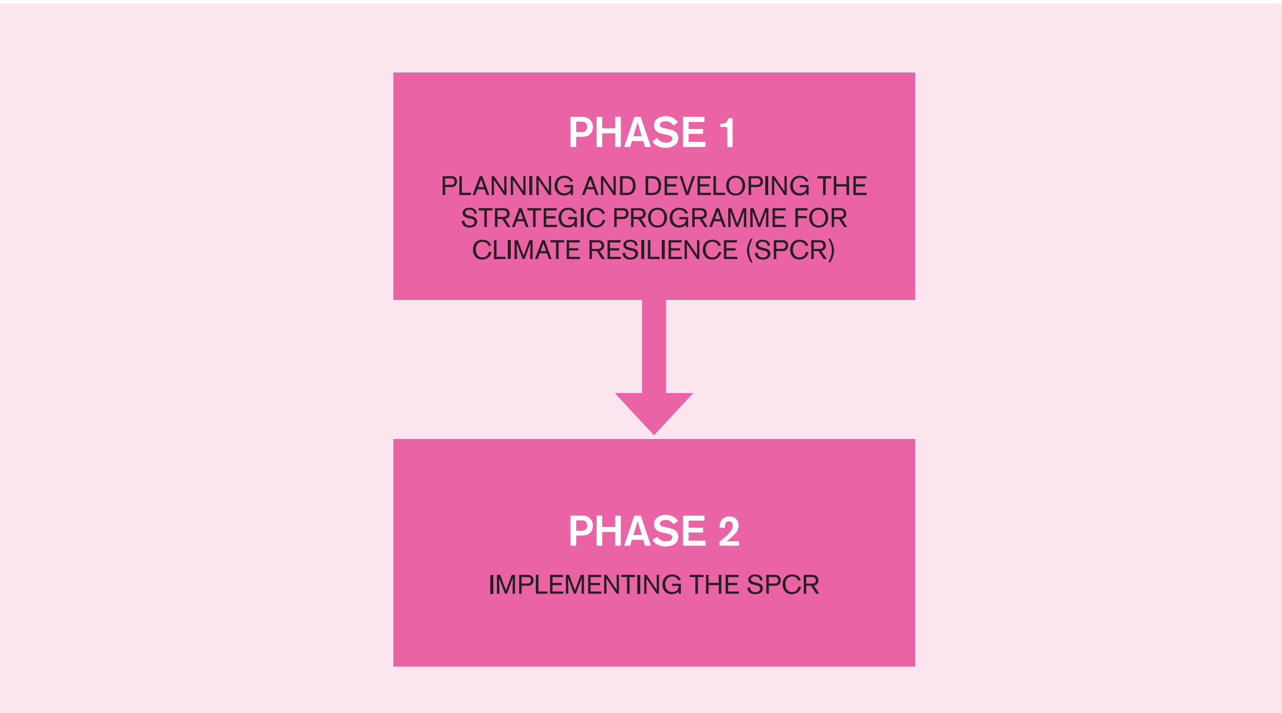
The Pilot Programme for Climate Resilience (PPCR) approved in November 2008, was designed to demonstrate ways to integrate climate resilience into core development planning and implementation in participating countries. It was the first programme under the SCF to become operational, and aims to create an integrated, scaled-up approach to climate change adaptation in a number of participating low-income countries, preparing them for future adaptation finance flows such as those emerging from the UNFCCC processes(Tanner and Allouche, 2011). The programme is being piloted in 18 countries, including Bangladesh, Bolivia, Cambodia, Mozambique, Nepal, Niger, Tajikistan, Yemen and Zambia, and two pilot regions including six Caribbean island countries and three Pacific Island countries.

PPCR seeks to effect transformational change by taking a paradigm shift from the 'business as usual' project-led approach, to a programmatic and coherent strategy to achieve climate resilience at the national level. PPCR programs are designed to be country-led and build on National Adaptation Programs of Action (NAPAs), which are expected to dovetail with existing adaptation funds. The PPCR is expected to complement existing development efforts and support actions based on comprehensive planning consistent with countries' poverty reduction and development goals.

There has been a total of $1 billion in contributions to the PPCR(CIF, 2011). Funding is provided in two stages:

1. The first stage involves planning and includes a preparation grant which ultimately results in the proposal for a Strategic Program for Climate Resilience (SPCR). The SPCR includes funds for two types of investment; i) technical assistance and ii) investment programme. Technical assistance is used to allow developing countries to integrate climate resilience into national and sectoral development plans, and includes grant-funding for policy reform, capacity building, and long-term institutional strengthening. The finance element is for investment components or on the ground investments, which focus on one to three themes or sub-regions within the country and are financed through a combination of grants and loans.
2. The second stage provides financing of up to $60 million in grants and up to $50 million in loans for actual investments and incentives for scaling up. This stage also includes technical assistance such as capacity building and integration of climate resilience measures.

Figure 2 – Programme stages of PPCR



These phases are deigned to be flexible and iterative and the amount of time taken by countries to plan and implement SPCR depend on the country's readiness or what stage the country is in addressing their climate risks.

## Governance of PPCR

The PPCR and each of the CIF programmes are administered by the World Bank led CIF admin unit. The decision-making arrangement for PPCR within the SCF comprises of a PPCR Sub-committee, Observers and an Expert Group.

- **The PPCR Sub-committee** is established by the SCF Trust Fund Committee to oversee the operations of PPCR. It comprises of six representatives from donor countries, six representatives from recipient countries, the developing country chair or vice-chair of the Adaptation Fund Board, and one representative of a recipient country that is under Sub-committee consideration for funding. The first three groups of representatives are the key decision-makers who serve a one-year term and can be reappointed. The selection process of the early developing country representatives on the Sub-committee involved exclusive consultation between World Bank executive directors and MDB representatives, and four out of five countries originally selected were invited to participate as pilot countries in the PPCR.
- There is also an **Expert group** established by the PPCR Sub-committee which comprises eight members with varied expertise in climate change from specific sectors such as forestry, agriculture and fisheries. The Expert Group was tasked with identifying countries based on those eligible for financing under the PPCR, taking into account the vulnerability and eligibility (preparedness to move towards climate resilient development plans, and willingness to adopt a strategic approach) of that country as the chief selection criteria when recommending countries, as well as the country distribution across regions(CIF, 2009).
- **Observers** for the PPCR Sub-committee include four Civil Society Organisation (CSO) representatives, two private sector representatives, one community-based organisation and two indigenous people's representatives. Whilst the observer role of CSOs can be viewed as a progressive move in terms of transparency and accountability, CSOs do not have any latitude to participate in decision-making, and as such cannot actively help safeguard equity in the decision-making process(CIF, 2011).

These programmatic phases and governance mechanism are common across all pilot countries. However, the participating pilot countries were at different stages of addressing their climate risks, so a "one-size-fits-all" approach to shaping climate mainstreaming would not have worked. Country contexts and MDB approaches have significantly determined the way PPCR has operationalized in pilot countries. The following sections provide an overview of the vulnerability and governance context of Bangladesh and also describe how PPCR is operating along different programme stages, including: (a) planning the PPCR; (b) prioritising investment components; (c) defining institutional mechanisms; (d) stakeholders' participation; and (e) developing a learning framework.

# Country context

Bangladesh's growing vulnerability to climate change makes it a suitable candidate for PPCR finance. Bangladesh is categorized as the most climate vulnerable country in the world(Harmeling, 2012). For 2010 it was estimated that the loss of life attributed solely to climate change was 15,000 (DARA, 2012). In 2007 Bangladesh was in a state of emergency due to Cyclone Sidr which killed over 3,000 people, and caused an economic loss of $1.7 billion, as well as consecutive monsoon floods which caused damage of $1.1 billion. These major disasters prompted debate about the link to climate change, followed by efforts to tackle long-term adverse climate change impacts.

2

Over the last 35 years Bangladesh has invested over $10 billion in preventing and minimizing the consequences of natural disasters, such as flood management schemes, coastal polders, cyclone and flood shelters, the raising of roads and highways, state-of-the-art warning systems and disaster preparedness(MoEF, 2008).

In 2005 The National Adaptation Programme of Action (NAPA) was prepared by the Ministry of Environment and Forest (MoEF). The NAPA had the broad objective of a countrywide programme that coordinated with pre-existing programmes in alignment with sustainable development goals, and taking into account the different levels of governance. The NAPA was designed as a set of actions complementary to national goals, as well as the objectives of other multilateral environmental agreements to which Bangladesh is a signatory(MoEF, 2005a).

Following the NAPA in 2008 the Bangladesh Climate Change Strategy and Action Plan (BCCSAP) was drafted. The principle objective of the BCCSAP is to mainstream climate change constraints and opportunities into economic and social development. Overall, the focus of the BCCSAP is very heavily weighted towards climate resilient strategies, which is unsurprising given its genesis in Bangladesh's NAPA, as well as the fact that the BCCSAP is largely reactionary to Sidr and flooding on a massive scale(MoEF, 2005b). There is also a focus on low carbon growth without compromising economic growth. The BCCSAP is however considerably more realized that then NAPA, and is a 10 year programme resting on 6 main pillars (thematic areas) for 2009–2013(Khan, 2012):

1. food security, social protection and health
2. comprehensive disaster management
3. infrastructure development
4. research and knowledge management
5. mitigation and low carbon development
6. capacity building and institutional development.

Bangladesh has made several attempts to internalise climate change measures into core development planning of the country, e.g. the Sixth Five Year Plan (FY 2011 – FY 2015) emphasises mainstreaming and strengthening climate change adaptation across sectors (PC, 2011).

Under its Poverty, Environment and Climate Mainstreaming project, the Planning Commission, supported by UNDP, has started an initiative to enhance institutional capacity of certain stakeholders, allowing them to integrate poverty-environment-climate linkages into national development planning and budget processes, and mainstream climate change in its medium- and long-term plans (Geissler, 2012).

Pilot Programme for Climate Resilience is another financing facility for further adaptation and resilience building in the country. Bangladesh was the first country to be selected for funding. In October 2010, an amount of US US$110m with $50m in the form of grants and $60m in concessionary loans were approved for Bangladesh. The lead agency operationalizing PPCR in Bangladesh is the Asian Development Bank (ABD) with the World Bank (WB) and International Finance Corporation (IFC) taking responsibility for specific investment components.

# Planning and prioritisation

The PPCR is carried out in two different phases: Phase 1 is focussed on planning the Strategic Programme for Climate Resilience; and Phase 2 involves implementing the SPCR. The planning phase supports countries to assess their mainstreaming needs and develop a proposal with investment priorities (within their Strategic Programme for Climate Resilience (SPCR)). The first phase also prepares the countries to implement the SPCR. This includes identifying policies, strategies and development plans that need to be updated to achieve climate resilience; defining key agencies; deciding division of tasks among government, MDBs and other partners; and developing a high-level results framework with key performance indicators to track progress(CIF, 2009).

3

# Planning

In Bangladesh, the SPCR was endorsed earlier than other pilot countries in 2010. Bangladesh leapfrogged the first phase of PPCR which is meant to prepare the countries institutionally and to arrive at a common investment programme for climate resilience. The SPCR proposals were built on priorities identified by GoB's executing agencies and were aligned with the priority areas in the BCCSAP and the NAPA.

Bangladesh was able to move beyond the planning stage and straight to implementation on account of the well-established policy and institutional framework for addressing climate change, and their advanced adaptation planning experience while developing the NAPA and the Bangladesh Climate Change Strategy and Action Plan in 2009. Due to the existence of a clear strategy, a detailed planning phase was considered inessential and a potential delay for initiating the phase 2 components and accessing the PPCR credit and grants. However, circumventing the dedicated preparation phase has also meant roles and responsibility were not clearly defined, latterly causing interruptions in delivering the SPCR (Rai, 2013b).

# Prioritisation process and decision outcomes

Government of Bangladesh (GoB) has considerable experience in planning for climate change programmes and therefore were more experienced in driving the SPCR planning and prioritisation process. The GoB chose SPCR components from amongst the 44 priority themes detailed in the BCCSAP and NAPA. The primary focus of the SPCR was to integrate climate resilient interventions into specific sectors – agriculture, food security, water and sanitation – and 'climate proof' coastal infrastructure – water, sanitation, roads and embankments. The technical assistance component was designed to address specific technical needs including capacity building and knowledge management for MoEF (GoB, 2010).

The GoB narrowed its activities predominantly in coastal zones and prioritised three investment projects and two technical assistance projects in its SPCR (refer table 1).

Bangladesh has attempted to apply a programmatic approach by deciding a PPCR program that will focus on coastal areas and deal with different strategic needs in the extremely vulnerable coastal belt. There was an agreement that World Bank will facilitate rehabilitation of embankments while ADB will help with the improvement of infrastructure within embankment areas. Such decisions also considered comparative advantages and institutions working in these sectors and areas. A stronger focus on infrastructure type investments over softer investments, capacity building or mainstreaming climate resilience is also evident, given that Bangladesh had already initiated a process of mainstreaming via the pre-existing policy and institutional machinery established post BCSSAP. Additionally, prioritisation decisions in Bangladesh, whilst being country-led, were predominantly steered by some key ministries and MDBs that prioritised infrastructure investments in alignment with the line ministries and MDBs existing priority areas.

Some civil society groups have criticised the SPCR in Bangladesh for focusing exclusively on short- and medium-term adaptation needs, to the neglect for longer-term activities. For example, the large investment in coastal embankment improvements and afforestation is described as responding to current and medium-term adaptation needs. The issue of coastal infrastructure has a long history of donor investment, and not necessarily with overwhelming success and as such has attracted particular contention (Hedger, 2011).Under-emphasising the need for planning around climate-induced migration has also attracted criticism.

However, these programs are in their early stages and still unfolding. A more realistic commentary about orientation of these programmes, the contentions around them, and their possible long term development impacts will be explored in detail in our full political economy study in the later stages of this assessment.

Table 1: Strategic Programme for Climate Resilience (SPCR) – Key Components

| PROGRAMME | PPCR FINANCE (IN USD) | IMPLEMENTING AGENCIES | STATUS (OCTOBER 2012) |
|---|---|---|---|
| **Investment Project 1:** Promoting Climate Resilient Agriculture and Food Security. | Grant and loan: $25m PPCR grant and $300m IDA credit. | **MDB:** IFC<br>**GoB:** Department of Agricultural Extension (DAE) of the Ministry of Agriculture and Bangladesh Meteorological Department (BMD) was identified at the initial stage. | Request for EOI for scoping study floated in March 2012. Consultants have since been recruited, with estimated timeline for completing task in September/October 2012. |
| **Investment Project 2:** Coastal Embankments Improvement and Afforestation. | Grant and loan: $25m PPCR grant and $300m IDA credit. | **MDB:** World Bank<br>**GoB:** BWDB, the Forest Department (FD) and the Bangladesh Forestry Research Institute (BFRI). | Concept note review was held in April 2012 with plans to submit proposal for approval to the PPCR Sub-committee in April 2013. |
| **Investment Project 3:** Coastal Climate Resilient Water Supply, Sanitation, and Infrastructure Improvement.<br>Project 3a: Climate Resilient Infrastructure Improvement in Coastal Zone Project<br>Project 3b: Coastal Towns Infrastructure Improvement Project | Grant and loan: Total $71m<br>Total $90m: $30m PPCR fund ($10m grant plus $20m concessional loan), $20m from ADB, $17m (co-finance) from KfW and $23m from GoB.<br>Total $120.4m: $40.4 PPCR ($30m concessional loan plus $10.4m grant), $60m from ADB, $20m from GoB. | **MDB:** ADB<br>**GoB:** LGED, Department of Public Health and Engineering (DPHE), Ministry of Food and Disaster Management, Water Supply and Sewerage Authority. | PPCR Sub-committee approved in September 2012 for $30m in PPCR funding. |
| **Technical Assistance 1:** Climate Change Capacity Building and Knowledge Management. | Grant only: Total $0.5m | **MDB:** ADB<br>**GoB:** MOEF and ERD | MoF cleared the proposal in February and March 2012. Process to recruit consulting firm targeted to be completed in September 2012. |
| **Technical Assistance 2:** Feasibility Study for a Pilot Program of Climate Resilient Housing in the Coastal region. | Grant only: Total $0.4m | **MDB:** IFC<br>**GoB:** MOFDM/LGED | Has been commissioned, with plans to submit program proposal to the PPCR Sub-committee in October 2012. |

# Institutionalisation of PPCR in Bangladesh

PPCR supports the pilot countries to define an institutional mechanism to implement the programme in the short run, as well as strengthen and establish institutions to address climate change in the long term. The prior existence of a national arrangement to address climate change has significantly affected the way PPCR is institutionalised in pilot countries. For example, Bangladesh that has a well 'established' institutional arrangement for climate change has decided to harness their existing institutions to steer the PPCR process.

4

# Existing national arrangement for addressing climate risk

Following the establishment of BCCSAP, GoB has set up institutional machinery within MoEF for managing climate change related issues. These include management and technical committees for **Bangladesh Climate Resilience Fund (BCCRF) and the Bangladesh Climate Change Trust Fund (BCCTF).**

The BCCRF is a donor financed fund with a two-tier governance system: a Governance Council, which provides strategic guidance and ensures alignment with Bangladesh Climate Change Strategy and Action Plan (BCCSAP), and the Management Committee, which provides technical advice and guidance in implementation of BCCRF.

The BCCTF is the Government's own trust fund capitalised from the national non-development budget. The MoEF has set up three committees to implement the fund: (i) Inter-ministerial Climate Change Steering Committee; (ii) Climate Change Technical Committee; and (iii) the Trust Fund Board. The technical committee and the steering committee for Trust Fund also sit within the Governing Council under MoEF in parallel with the MC of BCCRF.

The GoB has established Climate Change Cells (CCC) in various line ministries, housed within the Department of Environment of MoEF. The purpose of the CCCs is to coordinate the integration of climate change concerns within the activities of line ministries as well as at the local level. A climate Change Unit (CCU) – established within the MoEF – facilitates and coordinates the CCCs. The CCU has the mandate to build government capacity for mainstreaming climate change and adaptation into developmental activities. In addition, the unit also creates awareness, strengthens partnerships and enhances capacity to support the adaptation of local livelihoods in changing conditions. The GoB has also established a Trust Fund Unit within the MoEF to manage the climate change funds. Going forward, the MoEF is also planning to establish a Department for Climate Change (DCC).

Bangladesh thus has well defined policy frameworks for addressing climate risks and climate change is institutionalised within ministries, departments, and agencies.

# Institutionalisation of PPCR

Bangladesh has put in place an institutional machinery for addressing its climate risks. PPCR therefore builds on existing national arrangements to implement the programme. The existing BCCRF arrangement is harnessed to host PPCR under the MoEF. Both the Ministry of Finance (MoF) and Ministry of Environment and Forest (MoEF) have a prominent role to play in PPCR; the MoF plays a focal administrative role, while the MoEF is the executing agency. The office of the Joint Secretary (Development) in MoEF maintains overall responsibility for overseeing implementation of the SPCR program.

The MoF plays a direct role as a focal agency as they have pre-existing relationships with MDBs and a high level of authority to convene across various ministries that have a direct and indirect role to play in cross sectoral issues of climate change. The MoEF continues to play a prominent role in all major technical decisions related to selection and execution of SPCR.

Under the SPCR, respective MDBs have responsibility for providing technical and operational support to the GoB implementing agencies, and to facilitate cross-learning between implementing agencies and the MDBs. The World Banks CIF admin unit leads the task of collating quarterly report updates as well as emerging lessons which are widely circulated. Where necessary, in conjunction with the MDBs, the Bank would organise project implementation debriefing sessions with government and donor counterparts[4].

Though BCCRF has a strong pre-existing mechanism, which plays a direct role in coordinating PPCR in Bangladesh, the focal and implementing ministries find the mechanism to be less clearly defined for PPCR. Both agencies have made a proposal to the MDBs to create a separate steering committee with a clear PPCR mandate to manage and co-ordinate PPCR activities. As per this proposal, BCCRF will continue to serve as a strong high-level strategic coordinating entity, while the new lower-level committee would operationalize PPCR plans on ground. This proposal is still in discussion.

4 See Meeting of PPCR Pilot Countries and Regions October 30, 2012 – Istanbul, Turkey – Progress Updates from PPCR Pilots.

# Stakeholder inclusion and Results framework

Stakeholder inclusion in the PPCR processes is crucial for ensuring country priorities are defined and investment proposals are developed through a cross-sectoral dialogue. Ostensibly a participatory process was followed for the development of PPCR in Bangladesh with broad civil society and private sector involvement.

5

# Civil society involvement

A stakeholder consultation workshop was held with the participation of CSOs and NGOs to prioritise programmes in PPCR(DARA, 2012). However, many CSOs that have not been entirely in favour of the PPCR process have not directly participated in the consultation (Rai, 2013a). Consequently, in Bangladesh the PPCR has been discrete in engaging civil society.

There is concern from a number of CSOs that grants are only a small element of much larger loans that in turn may increase indebtedness. It is claimed that the net impact is that by pushing loans for adaptation, the World Bank, as the trustee of the CIFs, is facilitating the potential increase in debt levels of developing countries (Equitybd, 2011).

# Private sector involvement

The CIFs are committed to deploying PPCR funding to help foster private sector development and leverage additional private investment for adaptation. National governments have proposed specific climate resilient actions that they anticipate to deliver by engaging the private sector, for example – in Bangladesh, the IFC is working with private stakeholders to promote climate resilient agriculture and food security (e.g. through improved practises and distribution chains) using $13m from the PPCR grant and concessional financing. IFC is also exploring ways to engage private sector in providing low-cost housing for coastal populations.

However, the preliminary efforts to engage the private sector in adaptation has proved challenging. In Bangladesh, some key issues that deter private sector engagement include a limited understanding about potential commercial opportunities in adaptation; and the limited support provided by the public sector to private activities.

There is often a 'critical mismatch' of the short-term versus the long-term perspectives; the private sector is driven by the desire for immediate high returns, and sees no immediate effect of climate change on their business affairs, and as such it is largely viewed as extraneous to short-term strategy. Inadequate evidence of benefits from climate-focused investments and a lack of tested business models for addressing what are relatively novel and risky issues further discourages the private sector from getting involved (IFC, 2010).

Relationships between national government and the private sector are also less cooperative, particularly in the agriculture sector of Bangladesh which may prove to be an obstacle to effective private sector involvement(Hedger, 2011). For example, in agriculture any new seed variety (e.g. saline resistant varieties) is released by the public sector. The breeder seeds and patents are transferred to a central public sector company. As a result, 99% of the private sector in Bangladesh relies on the government for developing any new seed varieties as they don't have their own R&D labs. The private sector therefore has no level playing field for accessing new varieties directly. In this way public sector barriers deter private investment in new and risky areas such as climate resistant agriculture(Rai, 2013b).

A significant concern voiced by the private sector is that if PPCR money was administered by a government ministry then the bureaucratic procedures could make the operation of funds and the process of obtaining either loans or grants unwieldy(Martin et al., 2012). It has been highlighted that the much vaunted Public Private Partnership (PPP) programme designed to involve the private sector in infrastructure development alongside the government, had yet to be operationalized more than a year later, and has since been plagued with mismanagement and delays(Kabir, 2013).

A consensus theme amongst the private sector in reaction to the SPCR was a concern that the bulk of climate change funding would be administered by the government with a lot of the implementation undertaken by NGOs. Hence, there was little incentive or motivation for companies to commit scarce and valuable senior management time to consider opportunities in tackling Climate Change. As such, there was support for a specific strategy and modalities to more effectively engage the private sector in the PPCR programme(Martin et al., 2012)

# Learning framework for PPCR

PPCR results are tracked through a framework that indicates the programmes expected impact, outcomes and outputs. This is also intended to guide countries and MDBs in developing country-specific results frameworks that encourage integrating PPCR indicators into country-owned M&E systems.

Ministry of Environment and Forest has also integrated the PPCR results framework. Each implementing agency is to monitor its own set of project and/or technical assistance indicators, and the MoEF will be responsible for overall monitoring of the results framework[5].

5 See Implementing a Simplified Results Framework – Bangladesh SPCR Presentation, Ministry of Environment & Forests and Ministry of Finance, Government of the People's Republic of Bangladesh, March 2012 Livingstone, Zambia

# Conclusion and key issues

# 6

Although Bangladesh experienced a quick start followed by slow progress, the PPCR is beginning to move towards implementation. Various projects have received subcommittee and MDB approvals and implementing agencies are now more optimistic about progress.

As PPCR further unfolds there is still more to learn from the early stages of its operations. We conclude with some key findings from the PPCR processes that can direct us to areas that need further exploration.

- **Planning PPCR** – Although PPCR planning was flexible, in the absence of a comprehensive and fully realised planning phase, interruptions and delays ensued during the implementation.
- **Prioritisation and decision making** – Bangladesh has designed a programmatic proposal with a focus on vulnerable coastal areas. Prioritisation decisions in Bangladesh, whilst being country-led, were predominantly steered by a few ministries that selected infrastructure investments – considering the comparative advantage and institutions working in this area.
- **Institutionalisation** – PPCR has harnessed existing national institutional architecture, but the absence of clear definition of roles and responsibilities for PPCR has caused ambiguity and subsequent delays.
- **Private stakeholder inclusion** – The relationship with the private sector will require careful management; the private sector see little incentive for engaging in climate adaptation interventions as there is a dearth of tried and tested commercial models in adaptation. Inadequate evidence of financial returns from climate investment and a lack of tested business models for addressing adaptation issues also discourage private sector involvement. Private sector also perceives limited public sector support for private sector activities.

This paper provides a wide-angle snapshot of issues and interim findings about the way in which the PPCR is operating in Bangladesh. These initial reflections point to areas where further in-depth political economy analysis is needed to understand and attribute the real cause behind observed trends.

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The Climate Investment Fund (CIF) is a funding channel designed to assist developing countries pilot low emission and climate resilient development approaches. As the fund unfolds, lessons can be gathered from the early stages of the programme. IIED is undertaking case studies of selected countries participating in two Strategic Climate Fund (SCF) programmes, one of which is the Pilot Programme for Climate Resilience (PPCR). This country report looks at the status of PPCR in Bangladesh. These initial reflections point to areas where further in-depth political economy analysis will be needed to understand how planning and implementation decisions are made and be able to attribute the real cause behind observed trends.

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