



CONCEPT NOTE PROPOSAL FOR SINGLE COUNTRY

PART I: PROJECT/PROGRAMME INFORMATION

Title of Project/Programme: Green, Resilient and Adaptive Chattogram Economy (GRACE) -LoCALplus

Country: Bangladesh

Thematic Focal Area: Multisector

Type of Implementing Entity: Regional Implementing Entity

Implementing Entity: International Centre for Integrated Mountain Development (ICIMOD)

Executing Entities: Ministry of Environment, Forests and Climate Change of Bangladesh;
Ministry of Local Government, Rural Development and Cooperatives of Bangladesh
Hill District Development Board;
Three Hill District Councils;
United Nations Capital Development Fund (UNCDF);
Arannyk Foundation

Amount of Financing Requested: 10,000,000 (in U.S Dollars Equivalent)

Project Formulation Grant Request (available to NIEs only): Yes No

Amount of Requested financing for PFG: n/a (in U.S Dollars Equivalent)

Letter of Endorsement (LOE) signed: Yes No

Stage of Submission:

This concept has been submitted before

This is the first submission ever of the concept proposal

In case of a resubmission, please indicate the last submission date: N/A

Project/Programme Background and Context:

Overview of the project country and context: Bangladesh and the Chattogram Hill Tracts

1. Bangladesh is one of the most vulnerable countries to climate change.¹ Bangladesh ranks the 7th most climate-vulnerable country on the Global Climate Risk Index.² At the same time, the country has experienced rapid socioeconomic development over the last five decades since its independence, and Bangladesh has been a leader in adaptation and disaster risk management. These successes bolster the country against uneven shocks such as climate change and COVID-19 but also reiterate the need for proactive and robust adaptation investments, particularly to safeguard the continued potential of sustainable development. However, this development is not uniform across the country. Chattogram Hill Tracts (CHT), located in Bangladesh's eastern and southern regions, is lagging on several fronts.



Figure 1: Different climate hazards in Bangladesh, with project area outlined in black, showing hazards of Flash Flood-Drought (Source: Asian Development Bank, 2021)

2. CHT, bordering India and Myanmar, is Bangladesh's only extensively hilly area. It was considered a single district until 1984 when it was divided into three districts: Bandarban, Khagrachari and Rangamati (**Figure 1**). The region has a rich history and is home to various Indigenous tribes. In 1860, the British East India Company annexed and integrated the area into the Chattogram District. After Bangladesh gained independence in 1971, tensions arose between the government and the Indigenous population over land rights, cultural autonomy, and self-governance. This led to a prolonged conflict known as the Chattogram Hill Tracts insurgency, which lasted from 1975 to 1997. The conflict ended with the signing of the Chattogram Hill Tracts Peace Accord in 1997.

3. Bangladesh's Chattogram Hill Tracts (CHT) face more significant challenges because of its hilly terrain, inaccessibility, remoteness, and two decades of conflict. In CHT, much of the population relies on subsistence farming, especially jhum farming practices, followed by the cottage and small industries and service sectors. With increased environmental degradation and a low capacity to adapt to the impacts of climate change, the current agricultural practices can no longer sustain the region's population. However, CHT provides essential ecosystem services that play a significant role in economic development, environmental protection, ecological sustainability, and human well-being, both in the CHT itself and downstream. The region remains one of the most disadvantaged regions in the country and lags in almost all development indicators.³

¹ World Bank. (2022). Key Highlights: Country Climate and Development Report for Bangladesh.

<https://www.worldbank.org/en/news/feature/2022/10/31/key-highlights-country-climate-and-development-report-for-bangladesh>

² Global Climate Vulnerability Index (2021), developed by GermanWatch:

https://www.germanwatch.org/sites/default/files/Global%20Climate%20Risk%20Index%202021_2.pdf

³ Tripura and Rasul. (2016). Achieving the Sustainable Development Goals in Chittagong Hill Tracts – Challenges and Opportunities <https://lib.icimod.org/record/32373>

4. Owing to its rich diversity and unique geography, CHT offers huge potential for harnessing comparative advantages of niche products and services such as: agro-eco tourism, value chain development of sustainable agriculture, non-timber forest-based products, shifting cultivation, and handicrafts. There is a need to understand the specific context of the targeted Upzilas, the ethnic and cultural diversity, the nature of the vulnerability, local adaptation (and maladaptation) practices and emerging demographic trends and opportunities.
5. What is known is that CHT is particularly vulnerable to the impacts of climate change (as described below) and is highlighted in Bangladesh's National Adaptation Plan as one of eleven targeted climate stress areas of the country. CHT will require actions to reduce hazards (such as ecosystem-based measures to reduce flooding or droughts), vulnerability (such as livelihood diversification or hazard-proof infrastructure), and exposure (such as early warning systems and evacuations). Not only is the area lagging behind the rest of the country in adaptation action currently, but even more will also be needed for a 2-degree-plus world, so there is a need to advance from incremental adaptation to transformational adaptation.
6. Therefore, this project will address the problem of adaptation investment deficits in hazards, vulnerability, and exposure in the hilly regions of Bangladesh in the Chattogram Hill Tracts (CHT) of south-eastern Bangladesh through innovative financing that rewards local government authorities for their performance. This project will apply principles of fiscal decentralisation through localised public financial management to climate change adaptation. It will build on the experience of the Local Climate Adaptive Living (LoCAL) Facility, an internationally-recognized country-based mechanism designed by the United Nations Capital Development Fund (UNCDF). This mechanism promotes access to climate finance by local government authorities (LGAs) for investments in locally-led climate action, implemented in 28 countries, of which 22 are Least Developed Countries (LDCs), currently including Bangladesh.⁴
7. The project is being proposed by the International Centre for Integrated Mountain Development (ICIMOD),⁵ a Regional Implementing Entity focused on critically important ecosystem and climate issues of the Hindu Kush Himalayas region. CHT, a part of this region, is one of the most disadvantaged and vulnerable regions in Bangladesh in terms of geographical and remote settings and performs lowest on almost all major development indicators: income, employment, poverty, health, water and sanitation, education, and access to infrastructure. CHT has a significant Local tribal population, who are natural resource-dependent for their livelihoods.

Observed climate and environmental resources in Bangladesh and the CHT

8. **Climate baseline:**⁶ Historically, Bangladesh has experienced average temperatures around 26°C, ranging between 15°C and 34°C throughout the year. However, the temperatures have been rising significantly in recent decades. The average surface air temperature has risen far more sharply in the past three decades than in the previous three decades⁷ (See **Figure 2**). Similar observations were noted in the CHT, including uneven seasonal changes, an ever-shrinking winter season and increasing temperatures in the

⁴ Bangladesh is scheduled to graduate from the LDC list by 2026: <https://www.un.org/ldcportal/content/bangladesh-graduation-status>

⁵ Adaptation Fund (2023). Regional Implementing Entities. <https://www.adaptation-fund.org/ie/international-center-for-integrated-mountain-development-icimod/>

⁶ World Bank. (2021). Climate Change Risk Profile: Bangladesh. https://climateknowledgeportal.worldbank.org/sites/default/files/country-profiles/15502-WB_Bangladesh%20Country%20Profile-WEB.pdf

⁷ Government of the People's Republic of Bangladesh – Ministry of Environment, Forest, and Climate Change (2022). National Adaptation Plan of Bangladesh (2023-2050). Dhaka, Bangladesh.

summer.⁸

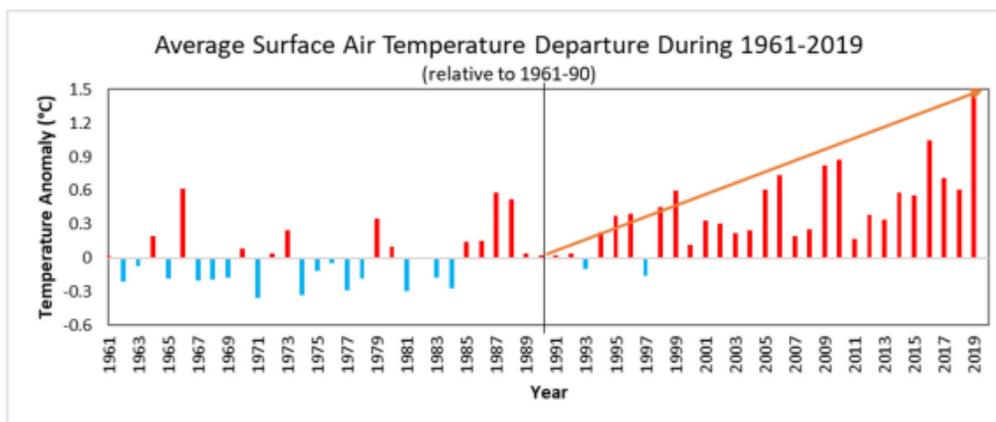


Figure 2: Departure of average annual temperature in Bangladesh relative to climate typical of 1960-1990 (Source: CEGIS analysis based on BMD data)

9. Bangladesh's humid, warm climate is influenced by pre-monsoon, monsoon and post-monsoon circulations and frequently experiences heavy precipitation and tropical cyclones.⁹ Bangladesh receives about 2,400 millimetres (mm) of rainfall annually, 70% of which falls during the monsoon (July to September).¹⁰ Over the past few decades, winters have become drier and monsoons wetter, and extreme rainfall events have become increasingly frequent; for example, 408 mm of rainfall occurred in 24 hours in Chattogram in 2007.¹¹ From 1985 to 2015, 12 flash flood events occurred in the CHT region, which caused substantial damage to the local population and economy.¹² The torrential rain event of 23 June 2015, triggered a flash flood that affected approximately 1.8 million people in Chattogram, Bandarban, and Cox's Bazar districts.¹³ Lightning events have killed 368 persons per year in Bangladesh over the past six years¹⁴ and deaths have been more common in the hilly regions of Bangladesh.¹⁵ And since 1990, Bangladesh has experienced more than 30 landslide events in the hilly regions, with a death toll of approximately 200 people and massive economic and property losses.¹⁶

10. **Environmental resources:** The country's warm and wet tropical climate allows for a rich diversity of flora and fauna. CHT has a mountainous, rugged terrain with deep forests and lakes, providing a divergent character compared to the rest of the country. A large part of CHT

⁸ Manusher Jonno Foundation. (2020). Climate Change Trends, Situation and Impacts in Chittagon Hill Tracts of Bangladesh. <http://www.manusherjonno.org/wp-content/uploads/2021/01/Climate-Change-Report-2020.pdf>

⁹ World Bank. (2021). Climate Change Risk Profile: Bangladesh. https://climateknowledgeportal.worldbank.org/sites/default/files/country-profiles/15502-WB_Bangladesh%20Country%20Profile-WEB.pdf

¹⁰ Government of the People's Republic of Bangladesh – Ministry of Environment, Forest, and Climate Change. (2022). National Adaptation Plan of Bangladesh (2023-2050). Dhaka, Bangladesh.

¹¹ Government of the People's Republic of Bangladesh – Ministry of Environment, Forest, and Climate Change. (2022). National Adaptation Plan of Bangladesh (2023-2050). Dhaka, Bangladesh.

¹² Government of the People's Republic of Bangladesh – Ministry of Environment, Forest, and Climate Change. (2022). National Adaptation Plan of Bangladesh (2023-2050). Dhaka, Bangladesh.

¹³ Adnan et al. (2019). The use of watershed geomorphic data in flash flood susceptibility zoning: a case study of the Karnaphuli and Sangu River basins of Bangladesh. In: Government of the People's Republic of Bangladesh – Ministry of Environment, Forest, and Climate Change (2022). National Adaptation Plan of Bangladesh (2023-2050). Dhaka, Bangladesh.

¹⁴ Bangladesh Bureau of Statistics. (2022). BBS. Key findings and detailed tables on Bangladesh Disaster-related Statistics 2021: Climate Change and Natural Disaster Perspectives. In: Government of the People's Republic of Bangladesh – Ministry of Environment, Forest, and Climate Change (2022). National Adaptation Plan of Bangladesh (2023-2050). Dhaka, Bangladesh.

¹⁵ Holle, R. L., Dewan, A., Said, R., Brooks, W. A., Hossain, M. F., & Rafiuddin, M. (2019). Fatalities related to the lightning occurrence and agriculture in Bangladesh. In: Government of the People's Republic of Bangladesh – Ministry of Environment, Forest, and Climate Change (2022). National Adaptation Plan of Bangladesh (2023-2050). Dhaka, Bangladesh.

¹⁶ Government of the People's Republic of Bangladesh – Ministry of Environment, Forest, and Climate Change. (2022). National Adaptation Plan of Bangladesh (2023-2050). Dhaka, Bangladesh.

is a forest with a unique ecosystem.¹⁷ CHT is a biodiversity hotspot: the area possesses over 2000 species of flowering plants and a variety of flora and fauna, although it has experienced denudation and land degradation, which have impacted the provisioning of ecosystem goods and services.¹⁸

11. Given this climate and environmental baseline, the country has been historically exposed to various and wide-ranging climatological (e.g., drought), hydrometeorological (e.g., cyclones, storm surge, flood), and other geophysical (e.g., landslides and erosion) hazards. As highlighted in Bangladesh's National Adaptation Plan (NAP), the hazards specific to CHT are rainfall variability, flash floods, tropical cyclones, storm surges, and drought. Households in CHT have faced damages due to landslides (2.4%), droughts (3%), and lightning (7.2%) in recent years.¹⁹ Average losses and damages from disasters were BDT 11.5 billion for CHT during 2016-2021, mainly driven by climatic stresses.²⁰ Climate change is predicted to exacerbate climate hazards in the region (as described in the next section) and is due to have increasingly damaging impacts without significant adaptation interventions.

Projected climate change and impacts in Bangladesh and the CHT

12. The global environment is currently experiencing alterations in the climate system, primarily temperature and its concomitant effects on evapotranspiration and precipitation, due to the increasing carbon dioxide concentration in the atmosphere. This section documents key trends in these two aspects, using secondary sources from the World Bank and the Asian Development Bank (ADB), which use climate projections downscaled to about 1-kilometre grid level for representative concentration pathways (RCPs) 4.5 (intermediate scenario) and 8.5 (worst-case scenario) from accessed 50-kilometre resolution regional climate models (RCMs), which in turn were taken from global climate models (GCMs).

13. **According to the ND-GAIN Country Index,**²¹ which assesses a country's readiness to leverage private and public sector investment for adaptive actions, **Bangladesh has a high vulnerability score (29th most vulnerable globally), with a concomitant low readiness score (167th most ready country to adapt to climate change).** Therefore, in a climate-vulnerable context like Bangladesh, it is vital to map out the trends and patterns of these changes and their impact on society and the environment.

14. **Temperature:** Downscaled models show a consistent warming trend that varies by the country's emissions scenario. Bangladesh's NC3²² reports average, daily maximum, and daily minimum temperature rises of 0.16°C, 0.2°C, and 0.12°C per decade, respectively, from 1977 to 2008. The Berkeley Earth dataset suggests an average temperature rise of 1.03°C in Dhaka from 1900 – 1917 to 2000 – 2017. Observations indicate that the temperature rise was strongest in the monsoon season. **Tables 1 and 2** below, generated from the World Bank Climate Change Knowledge Portal, provide information on temperature projections and anomalies for the four RCPs over two different time horizons, presented against the reference period of 1986 – 2005. It should be noted that although monthly and annual average temperatures are most commonly used for a general estimation of climate change, the daily

¹⁷ Government of the People's Republic of Bangladesh – Ministry of Environment, Forest, and Climate Change. (2022). National Adaptation Plan of Bangladesh (2023-2050). Dhaka, Bangladesh.

¹⁸ Khan, M.H. (2001). Biodiversity. In Nishat, A. Ullah, M., Haque, A. K. E (eds.) Bangladesh Environmental Outlook. Centre for Sustainable Development. Dhaka, Bangladesh.

¹⁹ Bangladesh Bureau of Statistics. (2022). BBS. Key findings and detailed tables on Bangladesh Disaster-related Statistics 2021: Climate Change and Natural Disaster Perspectives. In: Government of the People's Republic of Bangladesh – Ministry of Environment, Forest, and Climate Change (2022). National Adaptation Plan of Bangladesh (2023-2050). Dhaka, Bangladesh.

²⁰ Ibid.

²¹ The Notre Dame-Global Adaptation Index (ND-GAIN) Country Index is a free opensource index that shows a country's current vulnerability to climate disruptions. ND-GAIN brings together over 74 variables to form 45 core indicators to measure vulnerability and readiness of 192 UN countries from 1995 to the present.

²² Ibid. Available at: <https://unfccc.int/documents/192278>

maximum and minimum can explain more about how everyday life might change in a region, affecting key variables: the viability of ecosystems, health impacts, the productivity of labour, and the yield of crops, which are often disproportionately influenced by temperature extremes.

Table 1: Projected anomaly (changes in °C) for Maximum, Minimum, and Average Daily Temperatures in Bangladesh for 2040–2059 and 2080–2099, from the reference period of 1986–2005 for all RCPs. The table presents the median of the CCKP Model Ensemble and the 10–90th percentiles in brackets. (Source: The World Bank, 2021).

Scenario	Average Daily Maximum Temperature		Average Daily Temperature		Average Daily Minimum Temperature	
	2040–2059	2080–2099	2040–2059	2080–2099	2040–2059	2080–2099
RCP2.6	1.1 (-1.3, 3.7)	1.2 (-1.3, 3.8)	1.2 (-0.8, 2.9)	1.3 (-0.8, 3.0)	1.1 (-0.5, 2.7)	1.2 (-0.5, 2.8)
RCP4.5	1.5 (-0.9, 3.9)	2.2 (-0.3, 4.9)	1.6 (-0.5, 3.2)	2.1 (0.1, 4.1)	1.4 (-0.2, 3.2)	2.1 (0.3, 4.0)
RCP6.0	1.2 (-1.6, 3.7)	2.6 (-0.1, 5.6)	1.2 (-0.9, 3.1)	2.5 (0.4, 4.6)	1.2 (-0.3, 2.9)	2.6 (0.7, 4.4)
RCP8.5	1.9 (-0.5, 4.4)	3.9 (1.4, 6.7)	1.9 (0.0, 3.8)	3.9 (2.0, 6.2)	2.0 (0.4, 3.8)	4.2 (2.3, 6.3)

Table 2: Projections of Average Temperature anomaly (in °C) in Bangladesh for different seasons (three-month time slices) over different Time Horizons and Emissions Pathways, showing the median estimates of the full CCKP Model Ensemble and the 10th and 90th percentiles in brackets. (Source: The World Bank, 2021).

Scenario	2040–2059		2080–2099	
	Jun–Aug	Dec–Feb	Jun–Aug	Dec–Feb
RCP2.6	0.6 (-1.1, 2.9)	1.5 (-0.7, 2.8)	0.6 (-0.9, 3.2)	1.7 (0.7, 2.9)
RCP4.5	1.0 (-0.6, 3.3)	1.6 (-0.4, 2.9)	1.6 (-0.1, 4.2)	2.3 (0.3, 4.0)
RCP6.0	0.7 (1.1, 3.4)	1.5 (-0.7, 2.8)	1.8 (0.1, 4.8)	2.9 (0.8, 4.5)
RCP8.5	1.6 (0.0, 4.0)	2.2 (0.0, 3.8)	3.4 (1.7, 5.9)	4.5 (2.4, 6.2)

15. **Precipitation:** According to Bangladesh’s NAP,²³ rainfall variations due to future climate change will range between 0.1-1.4% in the 2030s and 2.4-3.5% in the 2050s; CHT will receive even higher rainfall. It also indicates that CHT will have some of the highest climate-change-induced rainfall variability in the country. Climate change is expected to increase the monsoon and post-monsoon rainfall in the hilly regions by 5-10%, which will likely further aggravate the landslide risk for vulnerable areas. Additionally, according to the Asian Development Bank (ADB): in **RCP 4.5:** The north-western and eastern portions – where the CHT is located – will receive the highest amounts of precipitation in the country from 2011 to 2050 – which will have spillover impacts on flash floods, soil runoff and increased exposure of vulnerable populations. **RCP 8.5:** Districts in northeast Bangladesh and CHT are projected to experience increased rainfall. See **Figures 3** and **4** below for district-wise projections for each RCP.

²³ Government of the People’s Republic of Bangladesh – Ministry of Environment, Forest, and Climate Change. (2022). National Adaptation Plan of Bangladesh (2023-2050). Dhaka, Bangladesh.

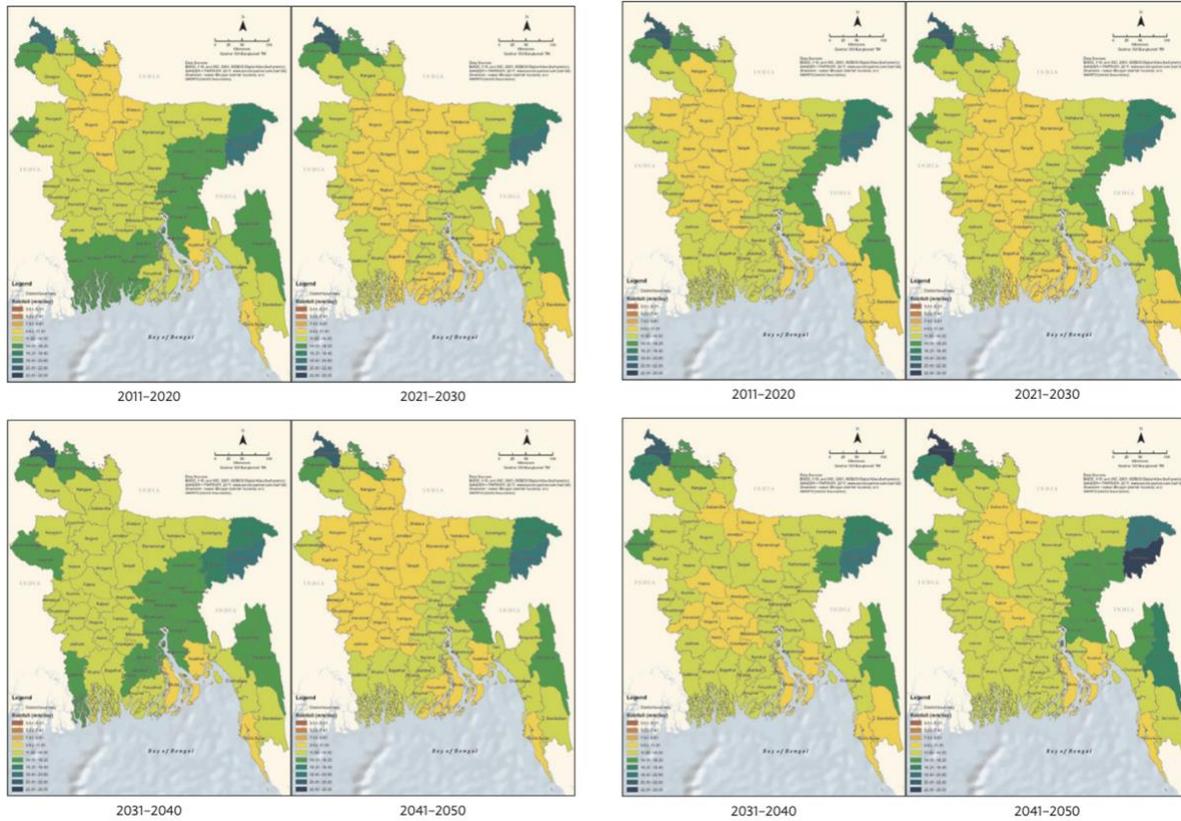


Figure 3: Annual extreme rainfall by district (RCP 4.5) Figure 4: Annual extreme rainfall by district (RCP 8.5)

16. These projected climate trends – and their spatial variabilities in different scenarios – will combine with individual and localised vulnerabilities to create uneven impact, risks and exposure. The recently published Intergovernmental Panel on Climate Change (IPCC) Six Assessment Report (AR6)²⁴ includes similar projections, stating that Bangladesh is at high risk of facing climate-induced extreme events, which would hamper the food security, livelihood, health, and overall well-being of individuals. As the data shows, CHT is predicted to experience changes in precipitation patterns, which will have spillover effects on increased flood risks, crop damage, and soil erosion. Climate change, therefore, is impacting as – and will continue to be – a threat multiplier in the hilly ecological zones of Bangladesh.

Demographics and political context of Bangladesh and CHT

17. **Demographics:** Bangladesh has a population of Bangladesh of 171 million and one of the highest population densities in the world.²⁵ There are about 45 distinct Local tribal communities in Bangladesh, accounting for about 1.8% of the total population, and the largest concentration is in CHT. *Chakma, Garo, Manipuri, Marma, Munda, Oraon, Santal, Khasi, Kuki, Tripura, Mro, Hajong and Rakhineare* some of the well-known *adivasi/ ethnic minority communities of Bangladesh. Figures 5 and 6 present the population pyramid and distribution of Local tribal peoples in the CHT division.*

²⁴ Intergovernmental Panel on Climate Change. (2022). Working Group 11 – Impacts, Adaptation and Vulnerability. Available at: https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_FullReport.pdf

²⁵ World Population Review – Bangladesh. (2023). Bangladesh Population. <https://worldpopulationreview.com/countries/bangladesh-population>

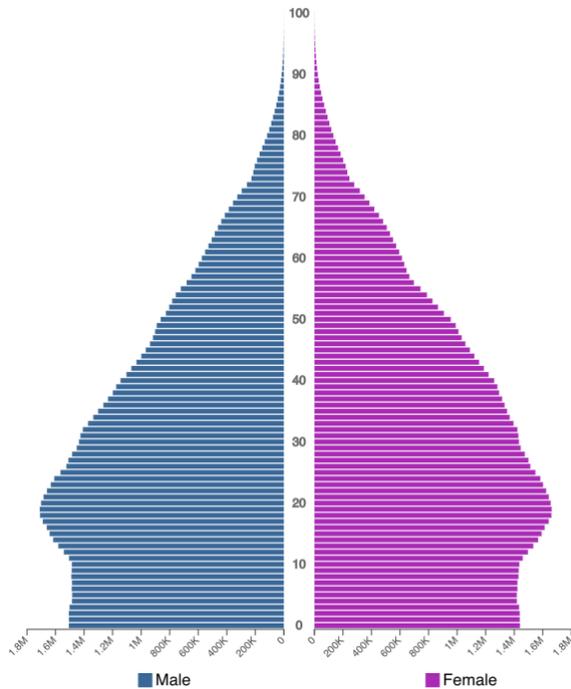


Figure 5: Population pyramid of Bangladesh (Source: World Population Review, 2021)

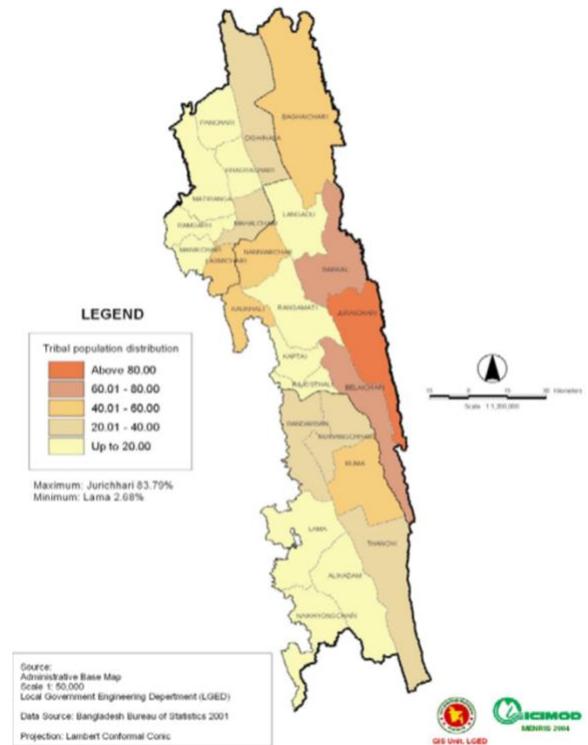


Figure 6: Distribution of the Indigenous population in the CHT (Source: ICIMOD, 2008)

18. **Political context:** The proposed project will work closely with local government authorities (LGAs) within the project area due to the trend in recent decades towards decentralisation. Bangladesh is a parliamentary representative republic, and the Constitution mandates the transfer of power to local government bodies, which has been bolstered by primary legislative texts, including Acts covering: *zila parishads* (ZPs) or districts (2000); *upazila parishads* (UPs) or sub-districts (1998, amended 2009), union parishads (UnPs) (2009), *pourashavas* or municipalities (2009), and hill district councils or HDCs (1989). The local government division within the [Ministry of Local Government, Rural Development and Cooperatives](#) is responsible for local government, except the hill district councils, which are under the [Ministry of Chattogram Hill Tract Affairs](#).

19. The country remains relatively centralised in distributing functional and administrative authority to local governments. Fiscally, LGAs are also dependent on the central government for transfers. Local revenues are usually limited and constitute income from property taxes and user fees on select services and tolls. LGAs often receive external funding through donor aid, particularly infrastructure projects in urban areas, which limits agenda-setting through community and household participation. LGAs are often plagued with limited service-delivery capacities, which can be attributed to needing more functional and planning authority, lack of technical and human resources and paucity of financial resources and autonomy.

20. At the same time, civic participation has increased due to these decentralisation processes in Bangladesh. In rural areas, UPs that have solicited local participation are likelier to have more efficient service delivery. In Bagerhat ZP, UNCDF has benefitted from the proactive inclusion of communities through consultation processes and has mainstreamed findings into service delivery (in this case: climate-resilient rainwater harvesting units that have increased water access in the area at high risk of saline intrusion).

21. This project will improve the climate change resilience of local communities due to intervening at this identified localised level (in the target UPs of the CHT) and funding adaptation activities through the Performance-Based Climate Resilience Grants (PBCRG) model and capacity development (CD) support. These grants will provide a financial top-up to cover the additional costs of making investments climate resilient and are channelled through existing government fiscal transfer systems (rather than parallel or ad hoc structures).

22. The Government of Bangladesh (GoB) recognises that climate change is a serious threat to the country's sustainable development goals, the current performance in development indicators and the future of the livelihoods, safety and security of Bangladeshis. Bangladesh's NAP and its Third National Communication to the UNFCCC (NC3)²⁶ identify the impacts of climate change in key sectors such as agriculture, water resources, coastal erosion, and human health as priority concerns. Bangladesh's NC3 also reflects the country's adaptation and mitigation efforts to respond to climate change impacts across key sectors. Part II Section D of this concept note provides an analysis of the proposed project's alignment with the government's climate policies, including the NAP.

23. [The Ministry of Environment, Forest, and Climate Change](#) is the coordinating agency of Bangladesh's Central Government on all matters related to the environment. It sets the climate change agenda for the country. The government developed the Bangladesh Climate Change Strategy and Action Plan (BCCSAP) in 2009²⁷ and has been working towards updating the document to integrate climate adaptation and mitigation with the sustainable development framework in 2022. The National Adaptation Program of Action (NAPA)²⁸ was also identified in 2009 to respond to climate change-induced development risks. The country's National Plan for Disaster Management 2021 – 2025 (NPDM)²⁹ was prepared based on the four key principles of Disaster Risk Management (preparedness, early warning and alert, emergency response, and Rehabilitation, Reconstruction and Recovery) adopted from the Sendai Framework for Disaster Risk Reduction (SFDRR) and Standing Order on Disaster (SOD). These strategies are supported by the Second Perspective Plan of Bangladesh 2021–2041,³⁰ which the National Economic Council approved on February 25, 2020, the 8th Five-Year Plan (2019) for economic growth and development, and the Bangladesh Delta Plan 2100 (2018)³¹ approved in December 2020. Bangladesh ratified the Paris Agreement and its initial Nationally Determined Contribution (NDC) on September 21, 2016, another interim NDC 2020 on December 31, 2020, and its Updated Nationally Determined Contribution on August 26, 2021. Bangladesh's climate change efforts are further supported by the Bangladesh Country Investment Plan for Environment, Forestry and Climate Change 2016 – 2021.³² Bangladesh assumed the presidency of the 48-nation Climate Vulnerable Forum (CVF) and the Vulnerable Twenty (V20) Group of Finance Ministers in 2020 and has developed the Mujib Climate Prosperity Plan,³³ which is the first of the CVF plans, and aims to put in place a strategic investment framework to mobilise financing, primarily through international cooperation, for implementing renewable energy and climate resilience initiatives. Lastly, the government has

²⁶ NC3. (2018). Ibid. Available at: <https://unfccc.int/documents/192278>

²⁷ Bangladesh Climate Change Strategy and Action Plan (BCCSAP): <https://policy.asiapacificenergy.org/sites/default/files/Bangladesh%20Climate%20Change%20Strategy%20and%20Action%20Plan%202009.pdf>

²⁸ National Adaptation Program of Action (NAPA): <https://unfccc.int/resource/docs/napa/ban01.pdf>

²⁹ National Plan for Disaster Management 2021 – 2025: https://www.adrc.asia/documents/dm_information/BGD_NPDM2021-2025Draft.pdf

³⁰ Second Perspective Plan of Bangladesh 2021–2041:

<http://oldweb.lged.gov.bd/uploadeddocument/unitpublication/1/1049/vision%202021-2041.pdf>

³¹ Bangladesh Delta Plan 2100:

<https://oldweb.lged.gov.bd/UploadedDocument/UnitPublication/1/756/BDP%202100%20Abridged%20Version%20English.pdf>

³² Bangladesh Country Investment Plan for Environment, Forestry and Climate Change 2016 – 2021:

<http://nda.erd.gov.bd/en/c/publication/bangladesh-country-investment-plan-for-environment-forestry-and-climate-change-2016-2021>

³³ Mujib Climate Prosperity Plan: https://mujibplan.com/wp-content/uploads/2021/09/Mujib-Climate-Prosperity-Plan_26Sept2021.pdf

recently released their NAP for 2023-2050, which outlines the latest information on climate risks and vulnerabilities (including the identification of eleven climate stress areas, of which CHT is one), adaptation priorities of the country (including specific sectors to which the proposed project's investments/measures will be aligned), and strategies for implementation and monitoring and evaluation.

Gender, socioeconomic and social inclusion in Bangladesh and CHT

24. **Socioeconomic overview:** Bangladesh is widely considered a pioneer among developing nations in poverty reduction and shared prosperity. However, CHT remains a disadvantaged region in Bangladesh.³⁴ National studies show that around 52% of the CHT population is below the poverty line, and 21% are multidimensionally poor, compared to 32% and 18%, respectively, in rural and urban Bangladesh. A socioeconomic survey³⁵ in the CHT showed around 62% of households in the region, irrespective of ethnicity, to be below the absolute poverty line in terms of daily calorie intake per capita (below 2,122 kcal) and 36% to be severely poor (below 1,805 kcal). The annual household income in CHT is around BDT 66,000 (approximately USD 850), which is considerably lower than the national average for rural areas of BDT 84,000 (approx. USD 1,080) as reported by the United Nations Development Programme (UNDP) and the Food and Agricultural Organization (FAO).

25. The ongoing Covid pandemic has affected Local tribal communities globally but has created a unique and critical situation in CHT due to local customs, beliefs, practices, and traditions.³⁶ These communities did not have access to detailed information about COVID-19, nor facilities or effective services for communities to gain access to masks, hand washing, or hand sanitiser. Additionally, because these resources are generally unavailable, members of these communities have not understood the importance of these products.³⁷ Even within these vulnerable communities, certain groups have been impacted more by COVID-19 than others, particularly children, young girls, lactating mothers, and pregnant women, who face problems regarding nutrition, mental health, and physical treatment.³⁸

26. **Non-income poverty is also higher in the CHT than in other parts of Bangladesh:** 15 ZPs (out of the total 64 ZPs nationally), the GoB have been identified as the least developed and most deprived in terms of roads, electricity, credit, education, health, water supply, and overseas employment – include all three of the districts in the CHT. Bangladesh's highest poverty levels are found in the CHT ZP of Bandarban. The Ali Kadam, Thanchi, Rowangchhari, Ruma, and Naikkongchhari UPs in Bandarban are the most deprived in the country.

27. **Water, Sanitation and Hygiene (WASH) in CHT:** Performance on human development indices, according to ICIMOD, also remains very disappointing in the CHT region, although Bangladesh overall has made considerable progress. CHT's access to safe drinking water is limited due to the area's topography. It is exacerbated by natural and climate-induced flash flooding in the region. Only 65% of people have access to safe drinking water in CHT, compared to 75% of rural people in Bangladesh. Furthermore, open defecation is still standard practice in many parts of CHT, which causes health and nutritional problems. The

³⁴ International Centre for Integrated Mountain Development – ICIMOD. (2015). A Strategic Framework for Sustainable Development in the CHT of Bangladesh. <https://lib.icimod.org/record/31134>

³⁵ Barakat, A; Halim, S; Poddar, A; Badiuzzaman, M; Osman, A; Khan, MS; Rahman, M; Majid, M; Mahiyuddin, G; Chakma, S; Bashir, S (2009) Socioeconomic baseline survey of Chattogram Hill Tracts. Dhaka, Bangladesh: Human Development Research Center.

³⁶ United Nations Office of the Secretary-General's Envoy on Youth (2020). <https://www.un.org/youthenvoy/2020/08/the-experiences-and-challenges-of-tripura-Local-tribal-youth-in-chittagong-hill-tracts-bangladesh-during-covid-19/>

³⁷ Ibid.

³⁸ Ibid.

Bandarban and Khagrachhari ZPs rank near the bottom in almost all health and nutrition indicators. Many local people need access to essential health services and potable water due to geographical constraints, limited human resources and medical facilities. The prevalence of stunting, being underweight, and wasting among children under five is 42, 34, and 7%, respectively. The poor water and sanitation conditions compound the vulnerability of children to morbidity and mortality from diarrhoea and other preventable water-borne diseases.

28. **Gender and socioeconomic development in Bangladesh:** The UN Convention of the Elimination of All Forms of Discrimination against Women (CEDAW) was ratified by the GOB in 1984. Bangladesh's government has committed to taking the necessary measures to eliminate discrimination against women in all forms. The Constitution of Bangladesh (Articles 27, 28, 29 and 31) guarantees equality and non-discrimination on account of sex, religion, ethnicity, and place of birth to provide scope for affirmative action in favour of the “backward section of citizens”. Article 24 promised to ensure religious freedom within a pluralist, national framework, and Article 28 (sections 1,2 and 3) ensures equality in all spheres of life between women and men. However, the *de jure* legislative frameworks depart significantly from the *de facto* realities of gender and socioeconomic development in Bangladesh, despite recent progresses in specific matrices. In Bangladesh, 20.6% of parliamentary seats are held by women, and 39.8% of adult women have reached at least a secondary level of education compared to 47.5% of their male counterparts. For every 100,000 live births, 173.0 women die from pregnancy-related causes; the adolescent birth rate is 83.0 births per 1,000 women aged 15 – 19. Female participation in the labour market is 36.3% compared to 81.4% for men.

29. **Table 3** below provides scores of three different UNDP composite indices: the Human Development Index (HDI), Gender Inequality Index (GII) and Gender Development Index (GDI), as well as the World Economic Forum (WEF)’s Global Gender Gap Index (GGGI) as points of departure.

Table 3: HDI, GII, GDI and GGGI scores of Bangladesh (Sources: UNDP, 2019 and WEF, 2022)

INDEX (SCALE, ORGANIZATION)	RANK (YEAR)
Human Development Index, out of 189 countries (UNDP)	133 (2019) ³⁹
Gender Inequality Index, out of 162 countries (UNDP)	133 (2019) ⁴⁰
Gender Development Index clustered with group (UNDP)	Group 4 (2019) ⁴¹
Global Gender Gap Index out of 153 countries (WEF)	71 (2022) ⁴²

30. **Gender and climate impacts in Bangladesh:** An increasing body of research has shown that climate-related impacts affect human populations in many areas, including agricultural production, food security, water management and public health. People's coping strategies depend heavily on their socioeconomic status, sociocultural norms, access to resources, poverty (discussed above), and gender. The proponents of this project (ICIMOD and UNCDF) recognise that the lack of a gender-responsive and socially inclusive approach, particularly stemming from poor or missing gender analysis or assumptions that climate services or

³⁹ Bangladesh's HDI value for 2019 is 0.632— which put the country in the medium human development category—positioning it at 133 out of 189 countries and territories. Between 1990 and 2019, Bangladesh's HDI value increased from 0.394 to 0.632, an increase of 60.4 percent. <https://hdr.undp.org/sites/default/files/Country-Profiles/BGD.pdf>

⁴⁰ Bangladesh has a GII value of 0.537, ranking it 133 out of 162 countries in the 2019 index. Ibid.

⁴¹ The 2019 female HDI value for Bangladesh is 0.596 in contrast with 0.660 for males, resulting in a GDI value of 0.904, placing it into Group 4. In comparison, GDI values for Nepal and Pakistan are 0.933 and 0.745. Ibid.

⁴² Among the eight regions covered in the GGGI report by the WEF, South Asia ranks the lowest, although Bangladesh and Nepal are regional leaders in closing their gender gap. WEF (2022), available at: https://www3.weforum.org/docs/WEF_GGGR_2022.pdf

adaptation actions are gender-neutral;⁴³ side-lining of gender needs or Local tribal vulnerabilities in adaptation design, capacity-building and resilience;⁴⁴ and lack or scant allocation of financial resources and gender-responsive budgeting, will limit the potential, inclusiveness and success of the project objective in the CHT and Bangladesh. The key factors, according to the World Bank, that account for the differences between women's and men's vulnerability to climate change risks include: gender-based differences in time use; access to assets and credit, treatment by formal institutions, which can constrain women's opportunities; limited access to policy discussions and decision making; and a lack of sex-disaggregated data for policy change. These are determined by overall gendered and social inclusion trends in the country. The World Economic Forum's Global Gender Gap Report provides a nuanced overview.⁴⁵

31. Various micro-level studies also indicate that women are more vulnerable than men, both to short-term recurring climatic events (major natural disasters) as well as long-term climate-induced changes (sea level rise, salinity intrusion in water and soil, land erosion, drought) because they magnify existing social and gender inequalities. Social norms and family responsibility reduce women's survival chances in rapid-onset climate events. In surveys conducted in southern, cyclone-prone Bangladesh, women respondents indicated that they are reluctant to use shelters because it is difficult to leave their homes and/or stay in a shelter without a male relative.

32. Women and adolescent girls also face specific difficulties due to climate variability, such as lack of sanitation facilities, because of their fuel and water collection responsibilities for their families, and from increased external and domestic violence.

33. According to IUCN data, women also play a crucially important role in food production in Bangladesh. In recent years, poverty, women empowerment, and male migration have led to the systematic "feminisation" of the agricultural labour force in Bangladesh. By 2008, 66% of all women participated in agricultural activities, and women constituted 45.6% of the total farming population. In the absence of their male counterparts, the woman's role morphed from that of an unpaid family worker to a farm manager, but in the context of climate change, which has resulted in women having to maintain an increasingly difficult responsibility for both farming as well as household subsistence production.

34. **Overlapping vulnerabilities of Local tribal peoples and gender in CHT:** The impacts of climate change are evident in the social, economic and political spheres of the least developed and developing nations and happen due to overlapping vulnerabilities, which include gender but also other factors of social inclusion/exclusion: Local tribal populations, youth and elderly, as well as differently-abled people. As discussed previously, CHT faces socioeconomic hardships across indicators, and these issues are concentrated among the concentrated Local tribal communities in the region. Like gendered vulnerabilities, Local tribal communities are more vulnerable to extreme weather events when compared to non-Local tribal groups, as many of them live in climate-sensitive areas and greatly depend on natural resources for survival. In addition, Local tribal communities often face social exclusion, and

⁴³ Current literature on climate change, and its effects and emergent risks, are predominantly produced in scientific circles. Yet, there is increasing evidence that adopting social science methods, and situating resilience and adaptation practice within a broader science-policy interface and right-based perspectives, can gear projects towards environmental and socioeconomic co-benefits. Particularly, this could better prepare communities to avoid resource strife and respond to the complexity of social arrangements, reducing far-reaching impacts of climate risks. See Butterfield, R. (2018) 'Bringing rights into resilience: revealing complexities of climate risks and social conflict' in Disasters.

⁴⁴ Poor or missing gender analysis, or the lack of gender-responsive action, may lead to planners or personnel depending on women to assume a central role in their coping strategies, which may not be the practical reality for many vulnerable communities. Further, this also glosses over the existing burdens on women among such groups. See Nelson, V., Meadows, K., Cannon, T., Morton, J., & Martin, A. (2002) 'Uncertain predictions, invisible impacts and the need to mainstream gender in climate change adaptations' in Gender and Development. Journal Article.

⁴⁵ World Economic Forum (2022). Global Gender Gap Report 2022. https://www3.weforum.org/docs/WEF_GGGR_2022.pdf

their limited access to fundamental rights makes them more susceptible to climate-induced disasters. Such adverse conditions exacerbate the socio-economic challenges, impacting their livelihoods and health and threatening their traditional practices and cultural activities.

35. Case study: Research among the Rakkhain (a CHT Local tribal group) has demonstrated these trends of overlapping vulnerabilities.⁴⁶ The Rakkhine community is a minority group in CHT which possesses distinct social and cultural values. The women in the Rakkhine community are gifted craftsmen, and like many other minority groups, these women face poverty and gender biases within their community. This inequity is exacerbated during climate-induced events. Literacy in Bangla is limited, and although some follow the issuance of cyclone warnings, they are reluctant to seek safe haven in nearby cyclone shelters due to concerns of conflict and marginalisation by other groups living in the area. Rakkhine men often climb to seek higher ground to escape flash flood events, while women stay behind to care for the elderly, children, and other vulnerable individuals. Accordingly, they are exposed to higher risks.

36. Relevant policies on gender and climate change: Bangladesh has progressively included these issues in its climate change policies and has recognised the differential impact of climate drivers on social groups, including women and Local tribal communities. One of the Transformation Pillars under the BCCSAP (2022) is: Education, Gender and Inequality. The BCCSAP further recognises that ecologically critical areas – such as the CHT – often face gendered and Local tribal vulnerabilities. With support from the IUCN, the MoEFCC also produced a Climate Change Gender Action Plan that can be updated and used along with Bangladesh’s existing plethora of policies.⁴⁷ The Department of Environment, housed within the MoEFCC, also has its Gender Policy (2016), with an aim to create a gender-sensitive organisation. Further, gender has also been included as a cross-cutting factor in national climate vulnerability assessment frameworks, indicating that Bangladesh is poised to expand its current repertoire of adaptation actions towards gender-responsive programmes and activities.

37. This proposed project can facilitate local access to critical adaptation investment in this context. This investment will enable the application of locally appropriate climate-resilient knowledge. Furthermore, it will capitalise on opportunities for gender mainstreaming and socially inclusive practices led by Local tribes and implemented by LGAs. In the short term, scaling up of current LoCAL functions of UNCDF, using ICIMOD’s expertise in hilly ecosystems, can address the adaptation deficit in the vulnerable CHT region. In the medium to long term, LoCAL Bangladesh can contribute to an increased transfer of climate finance to local governments through national institutions and systems for building verifiable climate change adaptation and resilience measures, as well as scaling up standard and recognised country-based mechanism that supports improved access to international climate finance, which is increasingly focused on locally-led adaptation and using grants and concessional financing for climate additionality in projects and programmes.

⁴⁶ Climate Change Adaptation Research. (2008). Climate Change, Gender and Vulnerable Groups in Bangladesh. <https://core.ac.uk/download/pdf/48024281.pdf>

⁴⁷ Government of the People’s Republic of Bangladesh. (2013). Climate Change and Gender Action Plan (<https://genderandenvironment.org/bangladesh-ccgap/>)

Project Objectives:

38. The overall objective of the project is to increase the climate resilience of local communities (and particularly women and Local tribal communities), ecosystems, and economies in the Chattogram Hill Tracts (CHT) region of Bangladesh by establishing a Performance-Based Climate Resilience (PBCRG) top-up financing mechanism targeting concrete Climate Change adaptation interventions. Local governments in CHT are best placed to understand the diversity and complexity of local social, economic and ecological systems and thus to identify mountain-specific solutions and concrete climate change adaptation actions that best meet local needs and address climate vulnerabilities specific to mountain communities. While local governments typically have the mandate to undertake the small- to medium-sized adaptation investments required for building climate resilience, they do not necessarily have the technical and financial resources to do so – particularly in a manner that would achieve lasting changes aligned with established local decision-making processes and planning, budgeting and budget execution cycles. The overall goal of the proposed project is to strengthen the climate resilience of vulnerable mountain communities, ecosystems, and economies by working with a broad representation of stakeholders at the upazila/sub-district level within the three districts of CHT (Bandarban, Khagrachhari and Rangamati) in sectors targeted as priorities in Bangladesh’s NAP: agriculture, water resources, and ecosystems, wetlands, and biodiversity (including forests).

39. The project will directly contribute to the following Adaptation Fund outcomes and outputs:

- Outcome 2: Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses.
- Output 2.2: Increased readiness and capacity of national and sub-national entities to directly access and program adaptation finance.

40. The interventions funded by the project will lead to a set of outcomes that will align with the following relevant Adaptation Fund Outcomes:

- Outcome 3: Strengthened awareness and ownership of adaptation and climate risk reduction processes at the local level.
- Output 6: Targeted individual and community livelihood strategies strengthened in relation to climate change impacts, including variability.

41. The project will be accomplished through two integrated components for concrete climate change adaptation strategies, namely:

1. Capacity building and mainstreaming Climate Change Adaptation (CCA) into local government system for resilience interventions in line with the PBCRG mechanism.
2. Grant facility and PBCRG mechanism for adaptation intervention

Project/Programme Components and Financing:

Table 4: Project components, expected outputs and outcomes and financing

Project Components	Expected Concrete Outputs	Expected Outcomes	Amount (UDS)
1. Capacity building and mainstreaming Climate Change Adaptation (CCA) into local government system for resilience interventions in line with the Performance-Based Climate Resilience Grant (PBCRG) mechanism	<ul style="list-style-type: none"> Output 1.1: Awareness and technical capacities are enhanced to respond to climate change impacts and risks at the local level Output 1.2: Climate change adaptation is mainstreamed and integrated into local governments plans and programmes 	<ul style="list-style-type: none"> Improved capacity of local government and communities on planning, designing, executing and reporting on climate change adaptation projects Strengthened capacity of Local governments and their respective communities to sustain project activities and outcomes after phase-out Knowledge generated during project implementation is documented, archived, and disseminated widely, including across the Hindu Kush Himalaya region Local climate data and information is collected and made accessible for project design and planning 	1,617,000
2. Grant facility and PBCRG mechanism for adaptation intervention	<ul style="list-style-type: none"> Output 2.1: Adaptation interventions are implemented in line with the PBCRG mechanism Output 2.2: The PBCRG system is institutionalised to increase the amount of climate finance available to local governments Output 2.3: M&E and reporting in the form of the “Assessing Climate Change Adaptation Framework” is linked and complementary to the national M&E frameworks and deployed for quality assurance 	<ul style="list-style-type: none"> Local government climate adaptation planning framework and budget systems are strengthened Compliance, performance, and allocation of funds are effectively linked, with a robust eligibility criterion for projects Local government investments contribute to climate-resilient development and economic growth Emergence of a monitoring system at the local level and a practice for planning, accountability and participatory planning and budgeting towards climate change adaptation in local communities Scaling up, replication and sustainability of other LoCAL projects in Bangladesh and globally are informed by experience, project design, best practices and lessons learned 	6,800,000
3. Project/Programme Execution cost			799,615
4. Total Project/Programme Cost			9,216,615
5. Project/Programme Cycle Management Fee charged by the Implementing Entity (if applicable)			783,385
Amount of Financing Requested			10,000,000

Projected Calendar:

Table 5: Milestones (48 months – October 2023 to October 2027)

Milestones	Expected Dates
Start of Project/Programme Implementation	October 2023
Mid-term Review (if planned)	October 2025
Project/Programme Closing	September 2027
Terminal Evaluation	October 2027

PART II: PROJECT / PROGRAMME JUSTIFICATION

A. Describe the project/programme components, particularly focusing on the concrete adaptation activities of the project, and how these activities contribute to climate resilience. For the case of a programme, show how the combination of individual projects will contribute to the overall increase in resilience.

42. The project builds on the implementation of the Local Climate Adaptive Living (LoCAL) mechanism globally and of the "Local Government Initiative on Climate Change (LoGIC)" project in Bangladesh. Implemented by UNDP and UNCDF, LoGIC has provided performance-based climate resilience grants (PBCRGs) to local government authorities (LGAs) for climate-resilient investments. Community participation with local authorities in the scaling up of LoGIC will be enabled through gender-sensitive awareness-raising on climate vulnerabilities and identifying local priorities for climate adaptation measures. This project aims to scale up the climate resilience of communities and strengthen the local economies in Bangladesh through climate change investments additionality combined with technical and capacity-building support at the policy, institutional and individual levels.

43. The LoCAL Facility is designed and hosted by the UN Capital Development Fund (UNCDF) to promote green and climate-resilient communities and local economies by establishing a standard, internationally recognised country-based mechanism to channel climate finance to local authorities in developing countries, particularly in the Least Developed Countries (LDC), Small Island Developing States and African nations, for its effective use. LoCAL combines performance-based climate resilience grants (PBCRGs) – in the form of financial top-ups to cover the additional costs of climate change adaptation – which ensure programming and verification of climate change expenditures at the local level while offering solid incentives for performance improvements in enhanced resilience – with technical and capacity-building support. The PBCRG can be seen as an earmarked cross-sectoral grant with conditions attached to the use of its funding for climate change adaptation beyond business as usual.

44. Combined with regular grant allocations, PBCRGs enable 100% of the investments in climate-sensitive and disaster-prone sectors to become climate resilient. They include minimum conditions, performance measures and a menu of eligible investments. This standard approach to the LoCAL model is shown in **Figure 7**. Recognising that solutions must be tailored to mountain communities, the investment menu will focus on mountain-specific adaptation measures that align with activities proposed in Bangladesh's NAP, the current Five-Year Plan, and other plans and policies outlined in Section D.

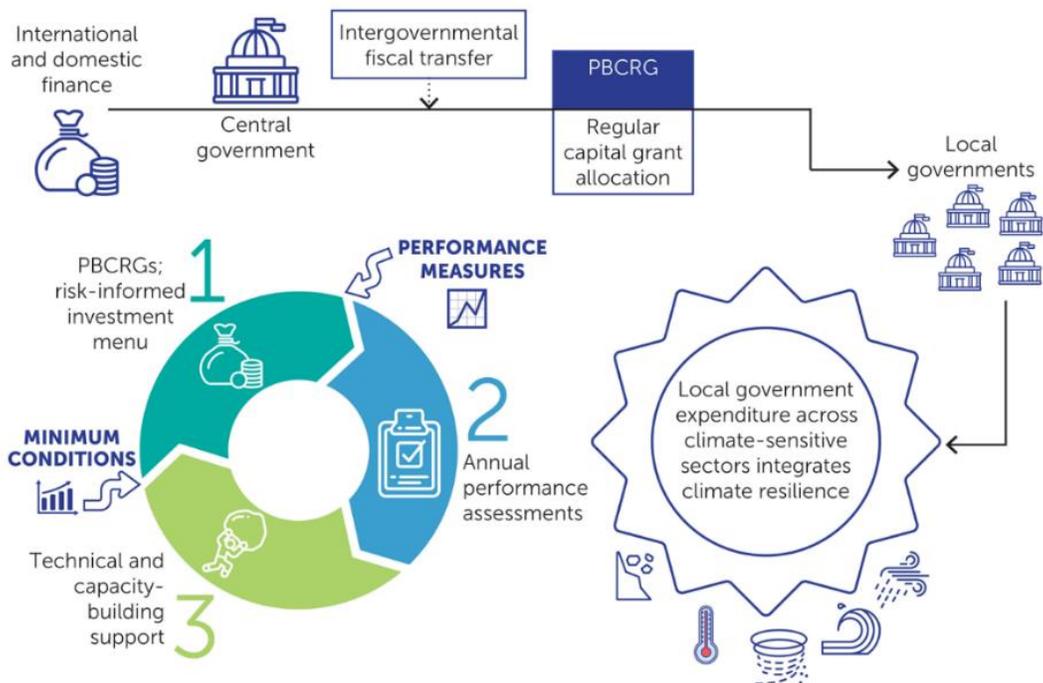


Figure 7. Performance-Based Climate Resilience Grant Cycle

45. In this instance, the EDA funding will allow on-granting by the Ministry of Environment, Forest, and Climate Change to LGAs at the upazila level based on local climate change needs and continuously on performance measures towards resiliency. The PBCRGs will flow from the treasury managed by the Ministry of Finance with oversight from UNCDF to upazilas in the three target districts in the Chattogram Hill Tracts by their approved annual allocations, determined through the process of the yearly assessment of LGAs. Since the performance metrics include the active participation of vulnerable groups (including at least 50% women and marginalised ethnic and Local tribal groups, where relevant) in the decision-making process of determining sub-projects, financial flows will lead to impacts for the most vulnerable communities at the local level.

46. LoCAL responds to the Paris Agreement, advances NAP implementation and contributes to achieving climate-related Sustainable Development Goals (SDGs)– with concrete action at the subnational level, where it is most needed. As of today, 28 countries are engaged in LoCAL, of whom 22 are LDCs, 6 are SIDS and 17 are from Africa. Global programme results can be found in the 2021 Annual Report.⁴⁸

47. LoCAL typically operates through three phases based on the country's context.

- Phase I – Piloting consists of initial scoping and testing in two to four local governments. Phase I countries include Tanzania, Lao PDR, Lesotho, Nepal and Tuvalu. Mali and Niger are preparing to enter Phase II.
- Phase II – Learning occurs in a country's 5–10 local governments. It involves collecting lessons and demonstrating the LoCAL mechanism's effectiveness at a larger scale. The Gambia, Ghana, Benin, and Mozambique are currently in Phase II.
- Phase III – Scaling-up is the national roll-out of LoCAL based on the results of the previous phases and lessons learned (Besides Bangladesh, both Cambodia and

⁴⁸ UNCDF. (2021). LoCAL Annual Report 2021 accelerating climate change action through locally led adaptation. <https://www.uncdf.org/article/7713/local-annual-report-2021>

Bhutan are currently transitioning from the second to the third phase). During this phase, LoCAL is gradually extended to all local governments, with domestic or international climate finance, and becomes the national system for channelling adaptation finance to the local level. This is the phase Bangladesh is preparing to enter.

48. This project will cover the start of Phase III in Bangladesh. LoCAL Bangladesh will promote climate change resilient communities and economies by increasing financing for and investments in climate change adaptation at the local level in target districts, contributing to achieving goals under national priorities as outlined in Bangladesh's plans, policies, and strategies. More immediately, LoCAL seeks to improve the budgets available for climate change adaptation to LGAs in Bangladesh and the responsiveness of their plans to increase resilience, as expressed by the local population.

49. The scaling up during Phase III will start with the Chattogram Hill Tracts of Bangladesh, in the Rangamati, Khagrachhari and Bandarban districts. These are the areas where ICIMOD, the Regional Implementing Entity of this project, has the most expertise and experience. For their work on climate change adaptation in the area, they have worked closely with governments and other partners on knowledge sharing, income generation, livelihood improvement, watershed management, disaster risk reduction, capacity building, and skills development. ICIMOD engages with key organisations on strategic issues of importance to Bangladesh and applies regional knowledge and expertise on hill and mountain issues in Bangladesh to find solutions to climate change adaptation problems in collaboration with other partners.

50. The intended beneficiaries are the upazilas within the districts of Rangamati, Khagrachhari and Bandarban and their communities of women, men and children. This includes, for example: the public sector (government leaders, officers, and administrators), private sectors (cooperatives, Micro, Small, and Medium Enterprises, etc.), civil society organisations, and other community stakeholders. The PBCRGs will allow for more robust stakeholder engagement in decision-making on proposed resilience initiatives and their financing at sub-national/local levels to reduce their particular vulnerabilities, particularly in finance and capacity for LGAs and the communities they serve. Local beneficiaries – particularly groups led by women – can make specific funding requests and be involved in proposal development, review, and decision-making for PBCRGs in partnership with the LGAs of their particular districts. The needs and the problems outlined in Part I will be addressed through the following components, to have the active participation of at least 50% of women at all levels in all activities and through all phases of the project:

Component 1. Capacity building and mainstreaming Climate Change Adaptation (CCA) into local government system for resilience interventions in line with the Performance-Based Climate Resilience Grant (PBCRG) mechanism

51. ICIMOD will lead an assessment of the capacity needs of the target LGAs of the project and will then provide capacity-building support at the upazila level on context-specific climate change adaptation topics relevant to the Chattogram Hill Tracts of Bangladesh. Training materials will be developed and disseminated for capacity building for LGAs, particularly for those working in planning, statistics and monitoring; engineering; water; agriculture, irrigation and cooperative services; forestry, land, and natural resources; and community development and social welfare.

52. Training and awareness-raising activities on using the PBCRG mechanism will be undertaken. At the LGA and central government level, awareness-raising activities will be conducted on the new system, grant guidelines, eligible investments, the M&E system,

performance measures on climate change, etc. This will include training LGA staff on identifying, prioritising, planning, procuring, and managing climate-resilient investments.

53. In the LoCAL mechanism, knowledge is shared within the country and with other countries. The experience acquired informs the efforts of Bangladesh to directly access international climate finance and the overall LoCAL programme. Therefore, a midterm review will be carried out and will lead to a proposal for further up-scaling to eventually cover all upazilas in the country. Additionally, it will inspect the progress in decentralisation and public finance management to propose further integrating LoCAL into country systems.

54. The LoCAL programme results in improved awareness among communities and target government authorities of the relevance of addressing climate change impacts at local levels, as well as among the LGAs and local communities of the impact of climate change-related impacts and risks and the relevance of and need for localised adaptation measures. This will result in improved technical and institutional capacities of local authorities for the better local governance of climate change adaptation and improved access to weather and climate information. Local climate risk assessments are undertaken to inform the planning and budgeting processes.

55. Component 1, which is particularly aligned with Outcomes 2 and 3 of AF's Strategic Results Framework, will be delivered through two different outputs:

- 1.1: Increased awareness and technical capacities which are enhanced to respond to climate change impacts and risks at the local level
- 1.2: Local government plans and programmes have climate change adaptation mainstreamed and integrated into them.

Component 2. Grant facility and PBCRG mechanism for adaptation intervention

56. This component is to implement the PBCRG system for locally-determined adaptation interventions, institutionalising the PBCRG system within the upazila and national government structures, and monitoring, evaluating, learning, and communicating the impacts of the project.

57. LoCAL PBCRGs seek to ensure that adaptation works to build the resilience of the communities. It is, therefore, key that the local population and particularly vulnerable and marginalised groups (women, girls, ethnic minorities and Local tribal groups) be engaged in, and not just informed of, the needs analysis and the planning of the adaptation activities. LoCAL PBCRGs incentivise this through Performance Measures (PMs) and an increase in the subsequent year's allocation. It inherently builds on a spirit of constructive competition between the selected upazilas. The upazilas will be required to inform the population, convene meetings in union parishads, and choose how to ensure effective and inclusive planning. This will be done with the support of the LoCAL Committee, the Ministry of Environment, Forest, and Climate Change, ICIMOD, Regional Secretariats and UNCDF, which will provide technical support to the target upazilas.

58. The objectives of the support will be to:

- Ensure that adaptation plans are updated (from year 2) and take climate change risk analysis and baseline information into consideration;
- Support dialogue with the population and prioritisation of the activities;
- Help translate the plans into annual activity programs, ensuring adherence to the LoCAL menu, budgeted within the financial year;

- Provide support during the execution and for preparing the annual assessments;
- Train the Upazila Nirbahi Officer (civil servant); the upazila chairperson, a vice-chairperson and a woman vice-chairman (political positions); and the population willing to engage on climate change impact, risks and adaptation; and,
- Help in drafting annual reports, including the LoCAL grant implementation.

59. Component 2, which is particularly aligned with Outcome 4 of AF's Strategic Results Framework, will be delivered through three different outputs:

2.1: Adaptation interventions which are implemented in line with the PBCRG mechanism

2.2: The PBCRG system, which is institutionalised and increases the amount of climate finance available to local governments

2.3: M&E and reporting in the form of the "Assessing Climate Change Adaptation Framework," which is linked and complementary to the national M&E frameworks and deployed for quality assurance

B. Describe how the project/programme provides economic, social and environmental benefits, with particular reference to the most vulnerable communities and vulnerable groups within communities, including gender considerations. Describe how the project/programme will avoid or mitigate adverse impacts, in compliance with the Environmental and Social Policy and Gender Policy of the Adaptation Fund

60. Climate change has economic, social, gendered and environmental impacts associated with irregularities introduced by temperature and precipitation patterns, leading to flash floods, biodiversity loss, unpredictable microclimates, heat bulb effects, and WASH issues in CHT and its constituent UPs. The [impact of climate change](#), particularly on Local tribal communities, is multifold because they are natural-resource dependent for their livelihoods:⁴⁹ drying up of streams and wells, groundwater depletion, depletion of wildlife, infertility of crops, the mortality of seedlings; disaster vulnerability resulting from irregular and heavy rainfall, storm surge, soil erosion, landslides; climate-induced diseases such as respiratory dysfunction, arsenic, skin diseases and social competition regarding scarce natural livelihood resources. The remote and underserved upazilas in which these groups traditionally reside are particularly at risk of climate-related disasters and the subsequent humanitarian and recovery work, which is significantly more difficult and expensive. Furthermore, regarding the gender dimension, women and girls are at particular risk due to their role in domestic tasks, which keeps them close to home and often implies climate-sensitive work such as water and fuel provision. These tasks lead them into increasingly risky areas, exposing them to many location-specific climate-caused dangers. The project envisages supporting the targeted areas in target sectors prioritised in the NAP for the CHT region (agriculture, water management, and ecosystems/wetlands/biodiversity). This will also consider Bangladesh's Eighth Five-Year Plan 2020-2025, and the Strategy for water resources in Chattogram Hill Tracts, to ensure alignment and complementarity with ongoing governmental efforts. It will aim to generate economic, social, and environmental benefits for the target population through PBCRGs. More specifically:

Economic benefits

61. The successful implementation of the two project components will include locally determined activities to contribute to climate-resilient economic growth. Since the most

⁴⁹ Atlas Institute for International Affairs. (2020). Impact of Climate Change on Indigenous Communities in Bangladesh. <https://www.internationalaffairhouse.org/impact-of-climate-change-on-indigenous-communities-in-bangladesh/>

significant sector for the economy and workforce in CHT is agriculture, increasing agricultural productivity is vital for the food security of Local tribal communities. And since initial stakeholder consultations and ICIMOD engagement in the region have revealed particular needs in these areas, activities will focus on developing an investment menu that tailors to the CHT region. Increased productivity in agriculture will lead to improved income generation and the upliftment of local economies in CHT, particularly through closing the productivity gap between women and men.

62. Since UNO and LGAs at the UP level are responsible for certain service provisioning, investments in water and other public goods will help improve the region's performance on socioeconomic indicators. Sustained water availability through tailored investments, which has been an issue in CHT due to topographical difficulties, will enhance the health of women and men and overall households of Local tribal communities. Incomes, too, will be improved as water is embedded in the livelihoods of these regions. For example, women and men of target ZPs can benefit from the increased sale of organic vegetables, food crops and animal products. Solar-powered water-harvesting and irrigation technologies will make agriculture more productive in the region and allow for the production of diversified and higher-value crops. They will make food production systems more resilient to climate change impacts. The renewable energy element can be crucial for the productive end-use of agricultural /forest commodities across all value chain nodes. They will be considered when and where applicable for improving climate change adaptation. The improved local economy will increase the capacity of the community members to meet basic needs such as food security, education and medical care. The UNO will also generate more local revenue and income from the markets' income tax. With improved capacities, LGAs can access further resources, particularly in the form of finance, for expanded CCA programmes. In addition, the local economy will be stimulated as LGAs will work with local contractors/SMEs to implement the envisioned adaptation investments, which will also create local jobs in the green sector. Project formulation activities will be used to conduct a cost-benefit analysis of options in each sector considered for the top-up grant scheme. The project's economic benefits will be made more apparent as the project's activities are planned in the water, renewable energy, agriculture and forestry sectors.

Environmental benefits

63. CHT comprises 10% of the total land area of Bangladesh and falls within the Indo-Burma Biodiversity Hotspot, which undoubtedly renders it the richest biodiversity hotspot in Bangladesh.⁵⁰ However, due to limited governance coverage and the general remoteness of this region, the CHT remains the least explored area in Bangladesh. According to UNDP, the CHT possesses unique characteristics and ecology as it is covered by Bangladesh's largest forest (43%). The mountainous, rugged terrain with deep forests and lakes gives it a divergent character compared to the rest of the country (**Figure 8**).

UNDP has found that although horticulture is the primary source of livelihood, it has emerged as a threat to forest conservation efforts, creating a hard choice between livelihoods and conserving the natural ecosystem. This offers an opportunity to engage with communities on non-timber forest product cultivation. Especially those that would allow for perishability-reducing value-added processes at the communal level, building on past ICIMOD experience and expertise. Providing adaptation investments to address climate change in the region with improved livelihoods that can prevent harmful deforestation practices, preserve the endemic natural ecosystems of CHT, and increase income. The NAP outlines particular adaptation options for CHT, which include the conservation of village common forests (VCFs) and co-

⁵⁰ A Preliminary Wildlife Survey of Sangu-Matamuhuri Reserve Forest, Chattogram Hill Tracts, Bangladesh – Creative Conservation Alliance

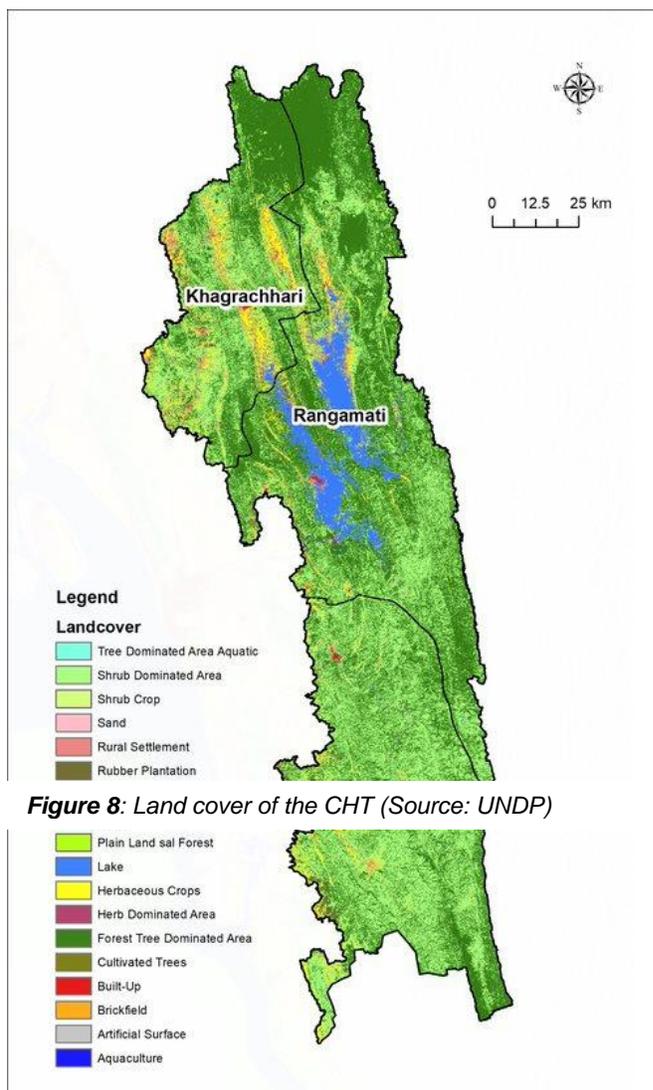


Figure 8: Land cover of the CHT (Source: UNDP)

management of watersheds, which are items to be included in the indicative investment menu.

64. While the investment menu items for the top-up grant for project activities has been cross-checked for environmental and social screening criteria to meet local, national, and international standards and guidelines, as well as the ESP of the Adaptation Fund, the nature of having more local engagement and input into the decision-making process of project formulation means that there are Unidentified Sub-Projects (USPs). These USPs will be formulated and more thoroughly screened during the project formulation phase, applied to strengthen and complement the outcomes of other major project activities, or where there are clear benefits that we cannot anticipate *ex-ante*. More information on the risks of these activities is detailed in Part II Section K. All funded projects will be subject to and will follow Bangladesh’s applicable social and environmental regulations. This will also be assessed as part of the annual performance assessments of target districts.

Social benefits

65. The proposed project will have several social and gendered benefits for the CHT. Activities focused on agriculture, water, and public service provisioning will have numerous impacts on local communities in target districts. As discussed previously, CHT local tribal communities live in climate-sensitive areas and greatly depend on natural resources for their survival. Adverse climate change impacts and developmental deficits exacerbate their socio-economic challenges, impacting their livelihoods and health and, most importantly, threatening their traditional practices and cultural activities.⁵¹ Women – in Local tribal communities – face double marginalisation (i.e., they are **subjected to multiple levels of discrimination and abuse, which include issues of gender and minority communities**).

66. **Adaptation investments, when designed with gender and social inclusion, can yield robust results, which are crucial to safeguard the continued potential for sustainable development. For example, USPs in improving water access in the CHT can improve gendered time poverty⁵² in the region.** Since the region remains riddled with the lack of water safety (quality) and security (quantity), including specific issues: limited year-round

⁵¹ UNDRR. (2022). The impacts of human-induced climate change are exacerbating social and economic inequalities of Indigenous Peoples – A case study from Bangladesh. <https://www.preventionweb.net/news/impacts-human-induced-climate-change-are-exacerbating-social-and-economic-inequalities>

⁵² Time poverty can also be as the lack of enough time for rest and leisure after accounting for the time that has to be spent working, whether in the labor market, doing domestic work, or performing other activities such as fetching water and wood. See: Bardasi, E., Wodon, Q. (2010) “Working long hours and having no choice: time poverty in Guinea” in Feminist Economics.

service for most water points and inadequate output to cover daily water requirements, which means women often face inequitable gender-based allocation of unpaid domestic and care work (which includes water provision, representing a double workday'. Time poverty has important repercussions for women's economic opportunities and health. It can actually limit them from accessing and benefiting from project interventions, training and adaptation strategies for increased climate resilience and improved economic opportunities.

67. The proposed project will make considerable efforts to ensure the inclusion of women, youth, and ethnic/Local tribal and marginalised groups, in line with the SDG agenda of leaving no one behind and according to the AF policies. Young people are increasingly aware of the challenges and risks of the climate crisis and the opportunities to shift the trajectory towards sustainable development. They are also valuable contributors to climate action and are change agents, entrepreneurs and innovators. Through education, science and technology, youth are increasing their efforts and using their skills to accelerate climate action. The project will engage youth in various ways, including education, awareness, advocacy activities and campaigns, training and capacity building, and directly via adaptation activities focused on livelihood development, diversification and income generation.

68. The project will apply gender mainstreaming and social inclusion best practices throughout the project, including developing specific interventions to advance gender equality and the empowerment of women and girls:

- provisioning for gender sensitisation workshops for project partners, including community leaders and government officials;
- promoting youth engagement in climate action at the community level;
- ensuring at least 50% women's participation in CCA meetings, dialogues and decision-making;
- capacity-building training focused on the specific needs and climate vulnerabilities of women and girls;
- promoting partnerships with microfinance and other grassroots CSOs active in the CHT; and,
- including gender equality and social inclusion indicators as part of the PBCRG performance assessment system and awarding LGAs accordingly.

69. One of the benefits of the LoCAL PBCRG system is that it enables more active participation of project stakeholders in the project design and decision-making processes, and this project will include youth, gender and marginalised Local tribal groups in these processes so that the impacts of the projects are socially inclusive and sustainable. During the full proposal stage, an Environment and Social Impact Assessment, along with a Gender and Social Inclusion Assessment, will be developed, and an Action Plan will be formulated, in close consultations with communities and LGAs, to address the identified issues.

C. Describe or provide an analysis of the cost-effectiveness of the proposed project/programme.

70. The added value of the LoCAL compared to other mechanisms directly targeting local governments is the institutionalisation of the mechanism, which guarantees its appropriation, sustainability and effective scaling up. Successful implementation of the Performance-Based Climate Resilience Grant (PBCRG) system means that cost-effectiveness can be built into the dispersal of funds as a Performance Measure (PM), and Local Government Authorities can be rewarded for running the most cost-effective adaptation activities. The PBCRG facility is designed to maximise the impact of funding disbursed to Local Governments while minimising transaction costs as it is aligned with existing country systems, particularly the established intergovernmental fiscal transfer mechanism. The project will maximise the investment in concrete interventions chosen by local communities. Direct partnering with local communities will also increase their ownership, build their capacity, and therefore reduce the costs of the interventions. The anticipated benefits from implementing project components will significantly exceed the costs and prevent climate change-induced losses.

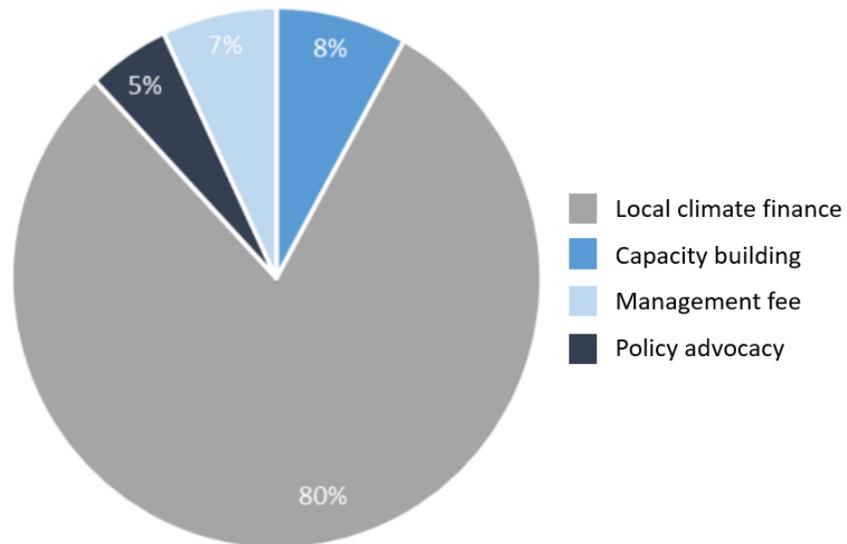
71. Extensive implementation of the LoCAL model globally has demonstrated that if targeted technical assistance is delivered and PBCRGs are implemented, performance improvements in enhanced resilience will be possible. Climate funds will be effectively and efficiently channelled locally with ownership of climate responses. Feedback from current initiatives shows that (i) the PBCRG incentive system works and contributes better consideration of climate issues at the local level, the amount of year-to-year grants being impacted by the relative scores of the previous year; (ii) integrating the facility into government systems avoids the creation of parallel planning and funding management systems; (iii) integrating the facility into government systems allows efficient scaling (geographic expansion) and facilitates national ownership of the facility; (iv) using performance measures ensures a progressive reinforcement of the capacities of the local governments. LoCAL is now joined by 28 countries around the globe, consolidating its proven track record with 14 already implemented between Phases 1 to Phase 3. Global programme results can be found in the UNCDF LoCAL 2021 Annual Report.⁵³

72. LoCAL top-up grants are disbursed as part of a local government's regular budget envelope. They can thus finance the adaptation element of more significant investments, allowing for holistic responses to climate change. The funds incentivise local governments to integrate adaptation and climate-proof local development and, therefore, a cost-effective approach to adaptation interventions. In addition, by tracking small funds allocated at the local level, LoCAL helps improve transparency and allows for more targeted activities with public input and local co-benefits.

73. For Phases I and II of LoCAL Bangladesh, the staffing costs were around 12%, which appears reasonable given the Technical Assistance (TA) component. Generally, a programme's Value for Money (VfM) is measured by the economy, efficiency, effectiveness, and equity with which it is implemented. Some of these parameters have been assessed and compared with available benchmarks or study reports. Only some VfM studies are available against which to benchmark climate adaptation projects. A broad analysis of project expenditures for Phases I and II of the project in Bangladesh shared with the evaluation team reflects the following breakdown as shown in **Figure 9** below.

⁵³ UNCDF. (2021) LoCAL Annual report 2021 accelerating climate action through locally led adaptation. <https://www.uncdf.org/article/7713/local-annual-report-2021>

Figure 9:
Overview of
breakdown of
expenditures
for Phase I and
Phase II of the
project in
Bangladesh



74. On the economy, the staffing costs are around 12% which appears reasonable given the focus on providing technical assistance and financial support. The commonly used parameter for calculating effectiveness is a benefit-cost ratio (BCR). However, it is difficult to analyse this for LoGIC due to difficulties monetising the benefits of PBCRGs. There are instances of a few PBCRG schemes from the first phases of the project as LoGIC, where there has been some co-funding from LGA's sources of funds and other schemes implemented by LGAs in Bangladesh.

75. Literature suggests that investments in capacity-building information and awareness have high benefits to cost ratios as these involve low costs. The project has invested 8% of its expenditure on capacity building which is expected to yield better results and benefit-cost ratios.

76. Capacity building is among the most effective options for climate change adaptation, particularly in areas with severe climate change risks and challenges, such as the Hill Tracts of Bangladesh. Furthermore, several studies report that these capacity-building and institutional strengthening options lead to higher benefits for outcome-based options (e.g., water management, agriculture) as they enhance the effectiveness and efficiency of these options. In the first phases of the project, LoGIC invested 8% of its expenditure on capacity building, which is expected to yield better results and benefit-cost ratios. This project will also continue to include knowledge management focusing on monitoring, information, and learning. These options provide high cost-effectiveness through benefits from improved decision-making and more effective delivery of interventions.

Project component	Tangible adaptation benefits	Averted losses	Alternative interventions and trade-offs
<p>Component 1: Capacity building and mainstreaming Climate Change Adaptation (CCA) into local government system for resilience interventions in line with the Performance-Based Climate Resilience Grant (PBCRG) mechanism</p>	<ul style="list-style-type: none"> • Capacity building at local institutional and community levels, with learning components • Strengthened capacity of Local governments and their respective communities allow for sustainability of project activities and outcomes after phase-out • Climate change adaptation is mainstreamed into local government plans and budgets • Climate change funds are targeted at local levels • Local community members, and particularly women and other groups most vulnerable to climate change, have more opportunity to participate in the planning and implementation of climate change projects 	<ul style="list-style-type: none"> • Investing in capacity building has high benefit to cost ratios. It also enhances effectiveness and efficiency of other aspects of the project. • Local governments and communities have no voice in the prioritization of adaptation activities • Continued disparities between men and women 	<p><i>Capacity building and the implementation of large-scale interventions at the national level</i></p> <p>Trade-offs</p> <ul style="list-style-type: none"> • Gap in knowledge and understanding between the national level and at the local level where key decisions are made and resources deployed. • Large-scale interventions are expensive and do not necessarily addressing problems that would be prioritised at the local level.
<p>Component 2: Grant facility and PBCRG mechanism for adaptation intervention</p>	<ul style="list-style-type: none"> • Incentives are in place for interventions to be implemented efficiently and effectively • PBCRGs for locally led adaptation are scaled up to other areas of Bangladesh 	<ul style="list-style-type: none"> • Losses due to inefficiencies, ineffectiveness, or corruption 	<p><i>One-off grant without performance measures or minimum conditions</i></p> <p>Trade-offs:</p> <ul style="list-style-type: none"> • More risks of interventions being ineffective • More difficult to scale up into other areas of Bangladesh

Table 6: Proposed project's tangible adaptation benefits, averted losses, and alternative interventions and trade-offs.

D. Describe how the project/programme is consistent with national or sub-national sustainable development strategies, including, where appropriate, national adaptation plan (NAP), national or sub-national development plans, poverty reduction strategies, national communications, or national adaptation programs of action, or other relevant instruments, where they exist.

77. Over the last three decades, Bangladesh has implemented various initiatives to address different climate change impacts, including progressive policies and action plans that the GoB has domestically funded and accessed climate finance for. In a multi-level governance arrangement, addressing climate change impacts can often be constrained by limited mainstreaming across overlapping mandates, particularly regarding decentralisation and public finance management issues.

78. UNCDF has worked with the Ministry of Local Government, Rural Development and Cooperatives and introduced the PBCRG model at the *Union Parishad* level. With this proposed project, UNCDF will partner with ICIMOD to bring this model to the climate and socially vulnerable CHT and provide capacity building and technical support to LGAs in the institutionalisation of the mechanism, which guarantees its appropriation, sustainability and effective scaling up. In doing so, the project will deliver on the following national and sub-national strategies, laws and policy frameworks:

National Adaptation Plan 2023-2050⁵⁴

79. Care has been taken to align with Bangladesh's recently-released National Adaptation Plan (NAP) for 2023-2050. The CHT project area is one of eleven identified climate stress areas of the country. Recognising that climate impacts are undercutting hard-won human development gains, Bangladesh has already taken strides in adaptation planning over the last decade by implementing the National Adaptation Plan of Action (NAPA – see the section below), setting-up climate change trust funds and pioneering community-based adaptation approaches. However, institutional arrangements and a coordinated strategy for mid- and long-term climate change adaptation investment are not yet in place. To meet this gap, the project *Formulation and Advancement of the National Adaptation Plan (NAP) Process* is being executed by the Department of Environment and financed by the [Green Climate Fund \(GCF\)](#). NAP will allow Bangladesh to identify country-specific adaptation needs, develop and implement strategies to address the adaptation needs and help her decide on actions to protect vulnerable communities.

The Bangladesh Climate Change Strategy and Action Plan⁵⁵

80. The GoB's Vision is to eradicate poverty and achieve economic and social well-being for all Bangladeshis. This will be achieved through a pro-poor Climate Change Strategy, which prioritises adaptation and disaster risk reduction and addresses low carbon development, mitigation, technology transfer and the provision of adequate finance. Sections I to V of the document provide the context, outline the implications and likely impacts of climate change in Bangladesh, provide an overview of different adaptation strategies and briefly outline mitigation issues. Sections VI to VII describe a ten-year programme to build the capacity and resilience of the country to meet the challenge of climate change over the next 20-25 years. The Climate Change Action Plan, dating to 2009, is built on six pillars: 1) food security, social protection and health; 2) comprehensive disaster management; 3) infrastructure; 4) research and knowledge management; 5) mitigation and low carbon development; and 6) capacity building and institutional strengthening.

81. The PBCRG model delivers on five of the six BCCSAP pillars and will also introduce an innovative financing model in the CHT, a climate-vulnerable biodiversity hotspot with limited socioeconomic development. In 2022, the GoB was working towards updating the document.

The Bangladesh Country Investment Plan for Environment, Forestry and Climate Change⁵⁶

82. The Bangladesh Country Investment Plan for Environment, Forestry and Climate Change (EFCC CIP) is a cross-sectoral and whole-of-government investment framework for mobilising and delivering effective, coordinated, sustainable and country-driven investment programmes

⁵⁴ [https://www4.unfccc.int/sites/SubmissionsStaging/Documents/202211020942---National%20Adaptation%20Plan%20of%20Bangladesh%20\(2023-2050\).pdf](https://www4.unfccc.int/sites/SubmissionsStaging/Documents/202211020942---National%20Adaptation%20Plan%20of%20Bangladesh%20(2023-2050).pdf)

⁵⁵ <http://nda.erd.gov.bd/en/c/publication/bangladesh-climate-change-strategy-action-plan-bccsap-2009>

⁵⁶ <http://nda.erd.gov.bd/en/c/publication/bangladesh-country-investment-plan-for-environment-forestry-and-climate-change-2016-2021>

in environmental protection; sustainable forest management; climate change adaptation and mitigation; and environmental governance. It is a tool to translate government policies into investment programmes and projects. The EFCC CIP responds to the urgent need to address environmental degradation in Bangladesh and to improve the country's ability to meet the threats posed by climate change.

83. The EFCC CIP lays out priority investment areas organised in four pillars, 14 programmes and 43 sub-programmes. At least 77 Government of Bangladesh (GoB) agencies (ministries/divisions/departments) will implement various EFCC investment programmes.

Mujib Climate Prosperity Plan⁵⁷

84. Under the Mujib Climate Prosperity Plan (MCP), the country will enhance resilience, grow the economy, create jobs and expand opportunities, using the action on climate change as the catalyst. Bangladesh also intends to obtain 30% of its energy from renewables by 2030. The CVP countries are now reviewing Bangladesh's plan as a blueprint for their CPP. MCP inculcates measures supporting robust delivery of the SDGs and exploring green opportunities. The plan has a strategic investment framework to mobilise finance for renewable energy and climate resilience activities.

85. The proposed project will deliver on the MCP by allowing LGAs across the country to build capacity on accessing and using climate finance effectively for building verifiable climate-resilient local economies, infrastructure and communities. In this project, capacity-building interventions will be designed for the district-level staff on climate financing. UNCDF maintains a network of *zila*-level Climate Finance Officers, which will aid in mobilising this effort faster. The climate change initiatives designed through this programme will contribute to ensuring the climate change resilience of communities and local economies by using a country-based mechanism to channel climate finance to LGAs. The initiative responds to the Paris Agreement and its associated Nationally Determined Contributions (NDCs). It contributes to achieving climate-related SDGs – with concrete actions at the local level, working closely with local governments and communities to help them access climate finance and support what they need to respond and adapt to climate change.

Bangladesh Delta Plan 2100⁵⁸

86. The Bangladesh Delta Plan (BDP) 2100 is a long-term integrated techno-economic mega plan that incorporates all delta-related sector plans and policies, enveloping a Delta Vision and strategies that make it possible to integrate sector plans and policies for the long term and to present actionable interventions with a roadmap for realisation. The GoB has approved the Delta Plan 2100 on September 4, 2018, to secure the future of water resources and mitigate the likely effects of climate change and natural disasters.

87. The BDP 2100 is a broad-based, long-term vision of the likely changes and necessary interventions to make the Bangladesh Delta safe by the end of the 21st Century. The BDP 2100 mission states: *Ensure long-term water and food security, economic growth and environmental sustainability while effectively reducing vulnerability to natural disasters and building resilience to climate change and other delta challenges through robust, adaptive and integrated strategies and equitable water governance.*

National Adaptation Program of Action – 2009⁵⁹

⁵⁷ https://mujibplan.com/wp-content/uploads/2021/09/Mujib-Climate-Prosperity-Plan_26Sept2021.pdf

⁵⁸ <https://oldweb.lged.gov.bd/UploadedDocument/UnitPublication/1/756/BDP%202100%20Abridged%20Version%20English.pdf>

⁵⁹ <https://unfccc.int/resource/docs/napa/ban02.pdf>

88. The National Adaptation Programme of Action (NAPA) for Bangladesh was prepared by the Ministry of Environment and Forest (MOEF, now MoEFCC) as a response to the decision of the Seventh Session of the Conference of the Parties (COP7) of the United Nations Framework Convention on Climate Change (UNFCCC). The basic approach to NAPA preparation was along with the country's sustainable development goals and objectives, where it recognised the necessity of addressing environmental issues and natural resource management with the participation of stakeholders. Government policymakers, local representatives of the government (*Union Parishad* Chairman and Members), scientific community members of the various research institutes, researchers, academicians, teachers (ranging from primary to tertiary levels), lawyers, doctors, ethnic groups, media, NGO and CBO representatives and Local tribal women contributed to the development of the NAPA for Bangladesh.

Bangladesh Climate Change Trust Fund Act – 2010⁶⁰

89. This is intended as the government's quick-start domestic response to climate change adaptation activities planned through the BCCSAP. As such, this Act is closely linked to the BCCSAP. It stipulates allocating an initial budget of USD100m annually for three years between 2009 and 2011. It stipulates that 66% of its budget will be spent on implementing projects/programmes prioritised in the BCCSAP. The remaining 34% will be maintained as a deposit for emergencies. Interest accrued on the deposit will be spent on project implementation. Funds from the BCCTF can be used to finance public sector and non-government projects. Spending the total grant within a given financial year is not mandatory.

Bangladesh Climate Change Trust Fund – 2010⁶¹

90. The Bangladesh Climate Change Trust is a government trust in Bangladesh that utilises funds to take action against problems caused by [climate change](#). The trust fund has operated since 2010 and collaborates with government ministries, NGOs, and the private sector to implement and evaluate [climate change mitigation projects](#). The BCCT undertakes a range of functions by funding climate change adaptation mitigation projects:

- the overall management of the Climate Change Trust Fund
- provide secretarial support to the Trustee Board on Climate Change and Technical Committee
- review projects from different government ministries/divisions
- coordinate with other government ministries/divisions to progress climate change mitigation projects
- connect with beneficiaries, civil society, NGOs, the private sector and international organisations related to climate change
- undertake monitoring and evaluation of projects under implementation

Bangladesh Climate Fiscal Framework – 2014⁶²

91. The Climate Fiscal Framework (CFF), published by the Ministry of Finance, provides principles and tools for climate fiscal policymaking (CFP), helping to identify the demand and supply sides of climate fiscal funds (expenditures vis-à-vis revenue or finance, respectively), and to ensure that CFP is transparent and sustainable in the longer term. The CFF determines the equitable division of climate funds and their allocation to relevant sectors; the division of services, identification of the demand for climate funds, and expenditure areas of financial

⁶⁰ <http://nda.erd.gov.bd/en/c/publication/climate-change-trust-act-2010>

⁶¹ <http://www.bcct.gov.bd/index.php/ab-bcct>

⁶² <http://nda.erd.gov.bd/en/c/publication/bangladesh-climate-fiscal-framework-cff-2014>

authority for raising revenue, for national and international financing options, and for fiscal tools; and a governance framework for climate change funds under the national fiscal policy. The CFF also recommends a set of climate codes designed to (i) track climate change expenditures for policy analysis and reporting and (ii) estimate long-term climate finance needs by identifying potential climate-related public expenditures across government ministries.

Perspective Plan 2021-2041⁶³

92. The Perspective Plan - Vision 2041 continues Digital Bangladesh Vision 2021 and seeks to take the nation to the development path. Specifically, Vision 2041 aims to eliminate extreme poverty and reach Upper Middle-Income Country (UMIC) status by 2031 and High-Income Country (HIC) status by 2041. Two principal visions underpin the PP2041: (a) Bangladesh will be a developed country by 2041, with per capita income of over USD 12,500 in today's prices, and entirely in tune with the digital world; (b) Poverty will be eliminated. The transition—indeed transformation—can be realised through rapid inclusive growth leading to eliminating poverty while increasing the productive capacity, building an innovating knowledge economy and protecting the environment.

8th Five Year Plan⁶⁴

8FYP has been formulated to implement PP2041 to bring Bangladesh closer to attaining UMIC status, achieving primary SDG targets, and eliminating extreme poverty by FY2031. Against the backdrop of these factors, the 8th Plan takes the lead from PP2041 and centres on six core themes: • Rapid recovery from COVID-19 to restore human health, confidence, employment, income and economic activities; • GDP growth acceleration, employment generation, productivity acceleration and rapid poverty reduction; • A broad-based strategy of inclusiveness to empower every citizen to participate in and benefit from the development process and help the poor and vulnerable with social protection-based income transfers; • A sustainable development pathway that is resilient to disaster and climate change, entails sustainable use of natural resources; and successfully manages the inevitable urbanisation transition; • Development and improvement of critical institutions necessary to lead the economy to UMIC status by FY2031; and • Attaining SDG targets and mitigating the impact of LDC graduation.

E. Describe how the project/programme meets relevant national technical standards, where applicable, such as standards for environmental assessment, building codes, etc., and complies with the Environmental and Social Policy of the Adaptation Fund.

93. The project will comply with the Environmental and Social Policy of the Adaptation Fund. All activities will adhere to the Environmental and Social Principles of the Fund.⁶⁵ It will also adhere to ICIMOD's Environmental and Social Safeguards Policy 2020, which aims to enhance the sustainable benefits of ICIMOD's work and avoid unnecessary harm to the environment and affected communities.⁶⁶

94. Regulatory requirements for the protection and conservation of the environment and various environmental resources, as well as the social environment from adverse impacts

⁶³ <http://oldweb.lged.gov.bd/uploadeddocument/unitpublication/1/1049/vision%202021-2041.pdf>

⁶⁴ <https://www.prb.org/wp-content/uploads/2022/03/8th-Five-Year-Plan-compressed.pdf>

⁶⁵ https://www.adaptation-fund.org/wp-content/uploads/2013/11/Amended-March-2016_-_OPG-ANNEX-3-Environmental-social-policy-March-2016.pdf

⁶⁶ https://www.icimod.org/wp-content/uploads/2020/10/ICIMOD_EnvironmentalAndSocialSafeguardsPolicy2020.pdf

associated with project activities, have been set out by the GoB and will be upheld during project implementation to their strictest requirements. Since the project is in a biodiversity hotspot of Bangladesh, where Local tribal populations are concentrated, relevant national statutes and laws will apply to ensure robust environmental and social safeguarding. Further, the project will implement a gender-responsive agenda through the adaptation investments (USUPs) it makes, and therefore gender-related legislation and policies will also apply.

The Constitution of Bangladesh 1972⁶⁷

95. The Constitution of Bangladesh ensures affirmative action for Local tribal peoples. It prohibits discrimination, among other things, on the grounds of race, religion or place of birth, Article 23A of which provides, “the State shall take steps to protect and develop the unique local culture and tradition of the tribes, minor races, ethnic sects and communities”. Article 28 (4) also states that “nothing in this Article shall prevent the State from making special provision in favour of women or children or for the advancement of any backward section of citizens”. Five major Acts address the crucial aspects of the rights of Local tribal peoples in the CHT: (i) the CHT Regulation (1900); (ii) the CHT Development Board Ordinance (1976); (iii) the Hill District Council Acts (1989); (iv) the CHT Regional Council Act (1998); and (v) the CHT Land Disputes Resolution Commission Act (2001).

National Environmental Policy 1992⁶⁸

96. The Bangladesh National Environmental Policy, approved in May 1992, sets out the basic framework for environmental action and broad sectoral action guidelines. Key elements of the Policy are: • Maintaining ecological balance and ensuring sustainable development of the country through protection and conservation of the environment; • Protecting the country from natural disasters; • Identifying and regulating all activities that pollute and destroy the environment; • Ensuring environment-friendly development in all sectors; • Ensuring sustainable and environmentally sound management of the natural resources; and • Maintaining active association, as far as possible, with all international initiatives related to the environment. The Policy, among other things, seeks to ensure that transport systems, including roads and inland waterways, do not pollute the environment or degrade resources. The Policy states that an Environmental Impact Assessment (EIA) should be conducted before projects commence.

National Environment Management Action Plan 1995⁶⁹

97. The National Environmental Management Action Plan (NEMAP) is a wide-ranging and multi-faceted plan that builds on and extends the statements in the National Environmental Policy. NEMAP was developed to address issues and management requirements from 1995 to 2005 and sets out the framework through which various decisions, plans, legislative measures, rules and regulations toward safeguarding the environment and natural resources, including those of biological diversities, are to be implemented.

The Environment Conservation Act, 1995 (subsequent amendments in 2000 and 2002)

⁶⁷ [The Constitution of the People's Republic of Bangladesh
http://bdlaws.minlaw.gov.bd/act-367](http://bdlaws.minlaw.gov.bd/act-367)

⁶⁸ <http://nda.erd.gov.bd/en/c/publication/environment-policy-1992#:~:text=The%20objectives%20of%20the%20policy,are%20identified%20in%20the%20document>

⁶⁹ <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/329001468741610744/bangladesh-national-environment-management-action-plan-nemap>

98. The provisions of the Act authorise the Director General (DG) of the Department of Environment to undertake any activity he deems fit and necessary to conserve and enhance the quality of the environment and to control, prevent and mitigate the pollution. The main highlights of the act are: • Declaration of Ecologically Critical Areas; • Obtaining Environmental Clearance Certificate; • Regulation concerning vehicles emitting smoke harmful to the environment; • Regulation of development activities from an environmental perspective; • Promulgation of standards for quality of air, water, noise, and soils for different areas and for different purposes; and • Promulgation of acceptable limits for discharging and emitting waste.

National Biodiversity Strategy and Action Plan (2004)

99. Conserve and restore the biodiversity of the country for the well-being of the present and future generations; maintain and improve environmental stability for ecosystems; ensure the preservation of the unique biological heritage of the nation for the benefit of the present and future generations; guarantee the safe passage and conservation of globally endangered migratory species especially birds and mammals in the country; stop the introduction of invasive alien species, genetically modified organisms and living modified organisms.

National Water Bodies Protection Act, 2000

100. The characterisation of water bodies as rivers, canals, tanks or floodplains identified by municipalities in division and district towns shall not be changed without the approval of the concerned ministry.

The Forest Act, 1927 and subsequent amendments in 1982 and 1989; National Forest Policy, 1994

101. Categorisation of forests as reserve, protected, and village forests; Permission is required for the use of forest land for any non-forest purposes and Conservation of private forests and afforestation on wastelands

The National Water Act, 2013

102. The National Water Act 2013 is based on the National Water Policy, 1999 and provides the legal framework for integrated development, management, abstraction, distribution, usage, protection and conservation of water resources in Bangladesh. The Act authorised DoE to prevent water pollution. The Act denotes water pollution as 'direct and indirect harmful changes of water's physical, chemical and organic properties.

Right to Information Act, 2009

103. The Act ensures the free flow of information and people's right to information. The freedom of thought, conscience and speech is recognised in the Constitution as a fundamental right, and the right to information is an alienable part of it. Since all powers of the Republic belong to the people, ensuring the right to information for their empowerment is necessary. The right to information shall ensure transparency and accountability in all public, autonomous and statutory organisations, and private organisations run on government or foreign funding shall increase, corruption shall decrease, and good governance shall be established. It is expedient and necessary to make provisions for ensuring transparency and accountability.

Relevant gender legislation and policy framework

104. The Constitution of Bangladesh emphasises equal rights for all and prohibits discrimination and inequity based on sex. Especially concerning women, Article 28 states, 'Women shall

have equal rights with men in all spheres of state and public life”. Therefore, the government is fully committed to ensuring women become part of the solutions to climate change by creating space for them to contribute to all aspects of sustainable development in Bangladesh.

105. Further, the government has enacted and ratified the following additional policy frameworks/legislation and international treaties. The Government of Bangladesh ratified the CEDAW on 6 November 1984. The Government of Bangladesh submitted a National Review Report on the Implementation of the Beijing Declaration and Platform for Action as part of the Beijing+25 review process in July 2019. With the support of IUCN, the Ministry of Environment and Forest (MoEF) of the Government of the People’s Republic of Bangladesh produced a national climate change gender action plan.⁷⁰ The ccGAP defines the role that the MoEF will play in initiating and facilitating efforts internally and with strategic partners at the national, regional and international levels. It seeks to mainstream gender in climate change advantage of opportunities that promote gender equality and facilitate transformational change as we build a climate action outlined in the BCCSAP, the NAPA and other policy documents.

F. Describe if there is duplication of project/programme with other funding sources, if any.

106. Bangladesh has several climate change and water management-related projects and initiatives; however, only some focus on creating a system of climate resilience investments at the local government level, and we have yet to find any of those that are performance-based.

107. The proposed concept will be able to avoid duplication and maximise results through synergies, leveraging resources and lessons learned with other projects. The proposed project will build on, complement, learn from, and augment the results of other projects listed in the table below. Initial screening for potential overlaps has yet to suggest any issue between existing projects and the proposed pilot in technical, spatial, and/or temporal dimensions. This is particularly the case regarding the PBCRG system, which is unique to this project. At the stage of full proposal development and consultations, a dialogue with all other relevant climate resilience projects in the hill regions of Bangladesh will be further coordinated to ensure best alignment and screen for more parallel initiatives at regional and global levels.

108. The main complementary projects are listed in below **Table 7**.

⁷⁰ <https://genderandenvironment.org/bangladesh-ccgap/>

Other relevant laws and policy frameworks:

<https://unfccc.int/sites/default/files/resource/BANGLADESH%20Mirza%20Shawkat%20Ali.pdf>

Table 7: Main complementary projects with GRACE LoGICplus

No	Relevant Project / Programme	Description	Goals	Complementary potential	Project Timeline
1	Local Government Initiatives on Climate Change (LoGIC)	LoGIC focuses on local climate change adaptation (CCA) in 7 climate vulnerable districts of Bangladesh. LoGIC is designed to enhance the capacity of Local Government Institutions (LGIs), vulnerable communities, and civil society organizations (CSOs) to engage in effective and inclusive local-level planning and financing. It is a joint United Nations Capital Development Fund (UNCDF) and United Nations Development Program (UNDP) project with funding support from the European Union (EU) and the Embassy of Sweden.	LoGIC is centered around three key pillars: (i) Strengthening the capacity of vulnerable people and local stakeholders for accountable planning and financing of CCA/Disaster Risk Reduction (DRR) actions for building resilience. (ii) Enhancing access of LGIs and vulnerable households to climate funds for climate-resilient infrastructures and adaptive livelihoods. (iii) Establishing evidence-based advocacy for a mechanism for financing local resilience.	The proposed concept will be the next phase of LoGIC. The proposed concept will be the beginning of the scaling-up phase, while incorporating lessons learned from the first phases of LoGIC, including working at the upazila/sub-district level rather than the union parishad level, and working with all upazilas within three districts rather than scattering the project more thinly over a larger area. It will also work in a different area of Bangladesh with a different set of adaptation needs.	2018-2023
2	Adaptation Initiative for Climate Vulnerable Offshore Small Islands and Riverine Charland in Bangladesh	This is an Adaptation Fund project implemented by UNDP and executed by the Ministry of Environment, Forest, and Climate Change, with the objective of enhancing the climate resilience of vulnerable communities who live on coastal islands and riverine chars in Bangladesh.	The resilience of people living on coastal islands and riverine chars will be achieved through: 1) enhanced climate resilient housing, renewable electrification and safe drinking water; 2) climate risk mapping, cyclone and flood preparedness climate-resilient infrastructure; 3) improved income and food security through climate-resilient livelihoods practices; and 4) enhanced knowledge and capacity of communities, government and policymakers to promote climate resilient development on riverine and offshore islands.	The proposed concept can learn from the project about climate-resilient housing, infrastructure, livelihoods, and development, and to incorporate lessons learned into the Chattogram Hill Tracts region where applicable.	2019-2024
3	Adaptation to Climate Change into the National and Local Development Planning II	Commissioned by German Federal Ministry for Economic Cooperation and Development (BMZ) and executed by Bangladesh Planning Commission, Ministry of Planning, Government of the People's Republic of Bangladesh to strengthen the climate resilience of public investments	The objective is for the Bangladesh Planning Commission, Ministry of Planning, and the Government of the People's Republic of Bangladesh to increasingly use climate risk information during planning and appraisal processes to strengthen the climate resilience of public investments.	The project will focus on urban areas to ensure that more investment projects consider climate risks, whereas the proposed concept will be able to build on this while adding in performance measures and also working in rural areas.	2019-2023
4	GEF Project 8036: Integrating	GEF Project 8036	The project outcomes are: (i) Reduce vulnerability and increase resilience through innovation and technology	The proposed concept will be able to build on the coordination mechanisms and	2021-2025

	Climate Change Adaptation into Sustainable Development Pathways of Bangladesh		transfer for climate change adaptation; (ii) Mainstream Climate Change Adaptation and Resilience for Systemic Impact; and (iii) Foster enabling conditions for effective and integrated climate change adaptation	knowledge management systems and to learn lessons from their work on restoration of natural forests in degraded land and the promotion of community agroforestry in Rangamati District.	
5	GEF Project 10207: Building climate resilient livelihoods in vulnerable landscapes in Bangladesh (BCRL)	This is a GEF project run by FAO along with the Department of Environment (DoE) and the Department of Agricultural Extension (DAE) an objective to improve the resilience of people, communities, and ecosystems to climate change, and improve livelihoods through increased value addition in the agricultural food systems of Bangladesh.	The main outcomes of the project are (i) Technologies and innovative solutions piloted or deployed to reduce climate-related risks and/ or enhance resilience; (ii) Innovative financial instruments and investment models enabled or introduced to enhance climate resilience; (iii) Strengthened cross-sectoral mechanisms to mainstream climate adaptation and resilience; (iv) Adaptation considerations mainstreamed into investments; and (v) Institutional and human capacities strengthened to identify and implement adaptation measures	The project will work in three upazilas of the Chattogram Hill Tracts: Manikchhari, Khagrachari Sadar, and Kawkhali upazilas. The proposed concept will be able to incorporate lessons learned from cashew and mango agroforestry and to consider its inclusion in the investment menu of the proposed concept.	2021-2026
6	GCF FP004: Climate Resilient Infrastructure Mainstreaming (CRIM)	This GCF project is run through the KfW Development Bank and executed by the Local Government Engineering Department (LGED) in Bhola, Barguna, and Satkhira. It integrates climate change adaptation systematically into decision-making for infrastructure planning, supervision and maintenance of the LGED, which is responsible for local infrastructure throughout Bangladesh	The project establishes a national centre of excellence to gather, develop, and share climate resilience infrastructure knowledge. Rural infrastructure development will be supported by constructing 45 new cyclone shelters and renovating 20 existing shelters, used as primary schools in normal times. The improvement of 80 km of critical access roads to the rural shelters will also be undertaken. Pilot climate-resilient urban infrastructure projects will also be undertaken in the city of Satkhira.	While the proposed concept will work in different areas of Bangladesh with communities who will have different infrastructure needs for adaptation, the proposed concept can benefit from lessons learned from the project.	2018-2024
7	GCF FP069: Enhancing adaptive capacities of coastal communities, especially women, to cope with climate change induced salinity	This GCF project is run through the United Nations Development Programme (UNDP) and executed by the Ministry of Women and Children Affairs (MoWCA) with the objective of strengthening the adaptive capacities of coastal communities, especially women, to cope with impacts of climate change-induced salinity on their livelihoods and water security.	The strengthening of adaptive capacities in this project is projected to reduce the adverse impacts to agricultural livelihoods that are freshwater dependent, and to address the availability and quality of drinking water in vulnerable coastal communities. This community-based approach in planning and managing climate-resilient water supply targets the highly vulnerable, specifically women and girls.	While the project is working in a different area from the proposed concept and will therefore also have different adaptation needs, the proposed concept can benefit from lessons learned about enhancing adaptive capacities at the local level.	2018-2024

G. If applicable, describe the learning and knowledge management component to capture and disseminate lessons learned.

109. Knowledge management is woven throughout the project design and is inherent to the LoCAL framework. This will build on ICIMOD's almost 40 years of experience as a regional knowledge broker; in this context, ICIMOD has worked closely with its eight regional member countries to ensure that its organisational commitment to outcomes aligns with areas of regional relevance and that the knowledge produced is actionable and relevant to international, regional, national and local partners. Accordingly, the capture and dissemination of lessons learned will be an integral part of the second component of the proposed project. Effective knowledge management will be assured by applying the performance measure (PM) indicators of the LoCAL model. If an LGA performs well in knowledge management and other performance measures during its Annual Performance Assessment (APA), it will be allocated an increase in the Performance-Based Climate Resilience Grant (PBCRG) for the subsequent year. On the other hand, LGAs that perform poorly or do not comply with the APA indicators will need to agree to a set of corrective measures before receiving a new PBCRG allocation. So, not only will there be assurances that knowledge is managed correctly, but there will be incentives for LGAs to perform. Regional Secretariats, PO-RALG, the Accountant General and the Auditor General will be involved to link LoCAL lessons to their ongoing public finance reform efforts and improve management at a decentralised level.

110. Knowledge will be shared within the country as well as with other countries. Knowledge will be co-created with stakeholders, including the national government, Chattogram Hill Tracts Development Board, LGAs, and target beneficiaries, including women and youth. The proposed project will take advantage of the LoCAL network globally to learn lessons from other projects for the successful implementation of this pilot and in disseminating its lessons to other established LoCAL projects globally, as well as for integrating LoCAL into other country systems.

111. Lessons learned will also inform further scaling up of the project when funding will be sought from various sources to scale up the LoCAL system into the remaining upazilas of Bangladesh. A midterm review will be conducted and will lead to a proposal to this end. Lessons learned regarding adaptation activities, responsiveness to locally expressed needs, local implementation, and awareness-raising of the population will be drawn. Through annual workshops, the LoCAL Committee will ensure that lessons are shared with national and sub-national stakeholders and other donors.

112. For the first phases of the project, LoGIC established widespread communication and visibility of the project and its development partners and all relevant stakeholders at the district and national levels. LoGIC organised 16 episodes of broadcasting to raise awareness of climate change and climate-adaptive livelihoods through community radio programs across four districts. Local celebrities, the Deputy Director of the Local Government, Upazila line department officials, journalists, CRF Partners, and youth representatives attended the on-air programs. Each radio station produced and broadcasted four episodes weekly, which were also re-broadcasted. The discussions highlighted beneficiaries' success stories and successes in local-led climate-adaptive livelihoods, bank transfers, and developing unified business plans for building climate resilience. The discussions also profiled climate change issues in the area and disseminated information on the climate change context of each region. Profiling LoGIC's activities on climate change through community radio facilitated the climate change discourse in the area. They increased the visibility and interest of other stakeholders in discussions of advocacy and planning for climate change.

113. In the context of COVID-19, the project raised awareness of social distancing and hygiene

measures to all beneficiaries, project staff and relevant stakeholders of the local government institutions. During the climate hazards of Cyclone Yaas and floods in the project areas, LoGIC ensured strong messaging on resilience building and climate change adaptation to its project communities and households. LoGIC distributed branded vests to all 18,000 newly selected CRF beneficiaries, and project staff were provided with branded umbrellas and caps during the monsoon season. In 2021, LoGIC continued to regularly update its social media platforms to communicate the activities and results of the project to its followers.

114. On Bangladesh's most popular social media platform, Facebook, LoGIC's page has reached 315,956 audience members so far, engaging them in climate change discussions. LoGIC has also established a strong presence on Twitter, with daily updates on climate change issues, project outcomes, and the project's approach to working towards sustainable solutions through innovative techniques. LoGIC's website ([https:// logicbd.org](https://logicbd.org)) is regularly updated and is a knowledge hub for national and international climate action. To ensure widespread visibility of project activities, key events, and successes at the district and national levels, LoGIC has been featured in local and national media, including TV news, radio channels, and other offline and online media. Quarterly newsletters/E-bulletins have been disseminated to all stakeholders at district and national levels, providing information on the project's significant highlights, events, achievements, learnings, media visibility, visits from local government representatives, and inaugurations of schemes. Additionally, blogs, human interest stories, and write-ups have contributed to highlighting the project's progress and achievements.

115. Demonstrating proven solutions in community knowledge parks would also encourage peer-to-peer learning and increase the potential of adopting and scaling climate-resilient solutions by local communities and governments. ICIMOD's experience in Nepal reiterates the importance of peer-to-peer learning in spawning community-led adaptation interventions. Specifically, ICIMOD's Knowledge Park at Godavari can be seen as an example of the impact generated through this methodology.⁷¹ This park has been serving as a community resource platform since 1993. Some of the methods developed and piloted are of particular relevance: the improved nitrogen-fixing and erosion reduction through hedgerows in sloped agriculture or improved kiwi and avocado cultivation technologies. These are examples of ICIMOD's expertise in identifying context and climate suitability mapping across communities to generate climate-neutral improved livelihoods.

116. Similar learning and knowledge management will be applied to Phase III of the project, including developing knowledge products and organising workshops, training, and policy dialogues at the local and national government levels for mainstreaming and policy influence. From a gender and social inclusion perspective, the project will continue with a gender transformative approach keeping in mind that the impacts of climate change are largely gendered, exacerbating pre-existing inequalities and deeply entrenched regressive gender norms. The project will also continue its implementation in some of the remotest parts of the country, supporting the most climate-vulnerable, marginalised populations in each district and ensuring the capture of learnings from and disseminating knowledge to these populations.

⁷¹ ICIMOD. (2013). ICIMOD Knowledge Park at Godavari. https://lib.icimod.org/record/31695/files/Godavari_InfoSheetsU.pdf

H. Describe the consultative process, including the list of stakeholders consulted, undertaken during project preparation, with particular reference to vulnerable groups, including gender considerations, in compliance with the Environmental and Social Policy and Gender Policy of the Adaptation Fund.

117. Since the project will be co-developed with the LGAs and communities and will focus on delivering adaptation solutions geared for increased climate resilience of beneficiaries, stakeholder engagement has been prioritised in the preparation stage. This section captures the stakeholder consultations undertaken by national experts and the engagement process conducted as part of the project scoping phase.

118. Given, also, GoB's national institutional arrangements through which climate finance can be provided as a top-up to UNO and UP budgets – stakeholder engagement throughout the consultative process is necessary, using existing mechanisms at national, sub-national and community levels to ensure critical players are consulted and committed throughout the life of the project without having to create new and additional mechanisms. This project's stakeholder engagement processes were designed to be flexible, adapting and responding to national and provincial conditions and activity requirements about CR-WASH in Vanuatu. UNCDF led it with two international consultants and one District Climate Finance Officer in August 2022.

119. At the government level, key stakeholders consulted include the following:

- Ministry of Environment, Forests and Climate Change
- Bangladesh Climate Change Trust
- LGA: District Environment Officer
- LGA: *Upazila Nirbahi* Officer, Morrelganj
- LGA: Union Parishad, Baraikhali

International organisations/multilateral banks consulted include:

- UNCDF LoGIC team
- The JICA – Upazila Governance Development Project team
- UN Women
- Global Green Growth Institute (GGGI)

120. The consultative process was tiered into three parts: firstly, on August 13, 2022, a scoping workshop with MoEFCC officials was conducted in Dhaka, where the PBCRG model was introduced, and the conception of the Adaptation Fund proposal was laid out. During this session, these technical experts were consulted on prioritising different adaptation interventions and localising these geographically in the country, given the multidimensional climate vulnerabilities faced by the entire population. It was evinced that crowding in adaptation finance (and other multilateral, NGO or governmental sources) in coastal Bangladesh has become a trend, and CHT (as well as certain other parts of Bangladesh) needed to receive similar levels of support.

121. Secondly, to understand UNCDF's PBCRG model, the consultants visited Bagerhat ZP, where UNCDF invests in climate-resilient water access at the UnP level. Consultative meetings were conducted with all tiers of LGAs: UnP (Baraikhali), UNO (Morrelganj), and the District Environment Officer to understand the institutional arrangements. The UNO – the chief executive officer of a UP (by executing all decisions taken by the UP and ensuring financial disciplines of the funds of UP) – was identified as a critical actor in channelling climate funds for improved public goods.

122. Finally, at the Baraikhali UnP, community consultations were led by UNCDF's District Finance Officer, with breakout sessions that involved the participation of the local women's representatives. These highlighted the important issues of the benefits that the communities had reaped from improved water access, as well as how it had become challenging to access water points (such as the rainwater harvesting unit in the UnP Office) due to limited connectivity (roads, which were affected by tidal surges and heavy monsoons) and inadequate transportation links (primarily, cycle vans).

123. More detailed stakeholder assessments will be conducted during the preparation of the full proposal. It will involve travelling to and consulting with LGAs at district, ward and village levels, community groups and individual members, organisations working in the proposed project areas (CHT), and the Chattogram Hill Tracts Development Board; and will ensure the inclusion of different vulnerable groups through meaningful and active participation processes, particularly women's groups and Local tribal people's groups. Ministerial and Institutional consultations will also be conducted. ICIMOD will play a vital role in these consultations, given their existing network in the CHT, and experience in engaging in adaptation in mountainous ecosystems.

124. It should be noted that ongoing engagement with target beneficiaries will again be ensured while using the PBCRG system, should the project be funded. One of the seven PM indicators is the "extent to which communities are consulted on planning for climate change and their views reflected in the planning and priority of investments." LGAs will be rewarded for their performance in consultations with local stakeholders and the incorporation of their priorities into the design and execution of the project. The better an LGA performs in local consultation and other performance measures in its APA, the more of the Performance-Based Climate Resilience Grant (PBCRG) it will be allocated in the subsequent year. LGAs that do not comply with the APA indicators may stay in the programme if they agree to corrective measures before receiving a new grant allocation. So, not only will there be assurances that minimum conditions are met, but there will be incentives for LGAs to perform to as high a standard as possible in the continued engagement with local stakeholders.

I. Provide justification for funding requested, focusing on the full cost of adaptation reasoning.

125. Bangladesh is one of the countries most vulnerable to climate change. It is also the 8th most populous country in the world, and yet requesting funding with the same limits per country as others that may be a fraction as populous and a fraction as vulnerable (for example, it has the same country cap for funding from the Adaptation Fund as countries who are less vulnerable according to various indices and who at the same time have populations a quarter the size – or even populations just a few per cent of the size of that of Bangladesh).

126. Bangladesh is in the process of changing from a Least Developed Country (LDC) to a lower-middle income country by 2025, which demands enormous investments focused on particular development goals such as income and employment. So, Bangladesh has limited resources to invest in other areas like climate change, and in a perfect world, it would not have to since it is one of the countries least responsible for the effects of climate change. AF funding is important to address the additional threat from climate change to enhance the resilience of climate-vulnerable people.

127. The Chattogram Hill Tracts are also particularly vulnerable to and seeing increasing effects of climatic impacts on erosion and the prevalence and severity of landslides and floods. Heavy seasonal rainfall and steep topography are significant reasons why only 5-6% area of the region is considered suitable for intensive agricultural cultivation. Climate-exacerbated topsoil

erosion and escalating rainfall periods are increasing food insecurity. The population in the area already has higher poverty levels than the national average, so local populations are also economically vulnerable to climate change.

128. The proposed project will be working in highly vulnerable hill tract districts. LGAs in these districts need more capacity and access to finance to lead adaptation interventions. And since LoCAL interventions and benefits are local, inclusive, and for the public good, non-refundable subsidies to local governments are the most suitable mechanism to fund adaptation investments to cover the costs and risks of the proposed outputs. AF support is necessary for the types of interventions proposed by the project to be identified, designed, and financed. This situation justifies using non-repayable grants, which are deployed as technical assistance, capacity-building grants, and result-based payments in the form of PBCRGs. Ultimately, the project embeds technical, institutional, and operational sustainability at local levels, while performance-based finance incentivises improvements in efficiency and effectiveness. The approach outlined ultimately reduces incremental cost or risk premiums and the dependence on grant finance for adaptation.

129. No co-financing is being sought at this stage of the project. Still, implementing the LoCAL PBCRG system allows for delivering this project's outcomes and outputs regardless of co-financing from other sources. Once the system is in place: the greater the amount of funding, the greater the number of climate resiliency subprojects that can be done, and the wider their impact can be. The proposed project is well-aligned with the AF's investment priorities, and the successful implementation of the two project components should contribute substantially to the achievement of improved climate resilience:

130. **Component 1.** Capacity building and mainstreaming Climate Change Adaptation (CCA) into local government system for resilience interventions in line with the Performance-Based Climate Resilience Grant (PBCRG) mechanism.

Baseline: Upazila/sub-district-level climate change adaptation planning and coordination needs to be consistent across Bangladesh and requires additional awareness, institutional structures, capacity-building, and procedures. Local governments lack adequate financial resources and capacity to initiate adaptation projects themselves, so CCA is poorly integrated into the plans and budgets of LGAs

Adaptation alternative: All upazilas in the Chattogram Hill Tracts (and the remaining upazilas after further scaling-up) have established a formalised structure for coordinated and vertically integrated climate change adaptation planning, increased their understanding of local climate change adaptation, and established new procedures. Climate change adaptation is mainstreamed into the planning and budgeting processes and the voices of the communities and the most vulnerable in LGA plans and investments.

131. **Component 2.** Grant facility and PBCRG mechanism for adaptation intervention.

Baseline: Financial resources for climate investments at the local level are extremely limited, requests for such resources are backlogged, and distribution of such resources needs to be performance-based. LGAs do not have a PBCRG manual in place to assist with systematising processes and procedures to enable local climate-resilient financing through a dedicated facility.

Adaptation alternative: All LGAs have increased access to climate finance for locally-led adaptation and improved their operational preparedness to integrate the PBCRG into local planning and budgeting processes to enable climate-resilient financing.

J. Describe how the sustainability of the project/programme outcomes has been taken into account when designing the project/programme.

132. Centring on performance-based and bottom-up approaches will build legitimacy, opportunities, and ultimately technical, institutional, and operational sustainability at local levels while encouraging improvements over time and encouraging private sector co-finance for enhanced resilience. Sustainability will be ensured as i) institutional processes for climate change adaptation mainstreaming will be put into place at the upazila/sub-national level; (ii) capacities of local governments will be strengthened; iii) better management of climate risks will make local investments more attractive to financial institutions; iv) lessons learned will facilitate further improvement of the methodology.

133. The success of this approach from a sustainability point of view can be further illustrated with the examples from the Global LoCAL programme. LoCAL has provided a framework to pursue access to international climate finance through a country-owned facility to localise climate action and introduce a learning and ‘improving by doing’ approach through PBCRGs accompanied by annual performance assessments. In turn, the facility has incentivised local governments to pursue higher standards in climate resilience planning, budgeting and management, governance, and public financial management in general. Learning curves increase as LoCAL is gradually deployed, as follows:

- Phase I: Test. The aim is to test the mechanism in a small number of local governments (between two and four) for 1-2 investment cycles. Tanzania is currently in Phase 1;
- Phase II: Consolidate. This phase integrates the lessons of the first phase. It is deployed to at least 5-10 local governments in different regions and/or ecosystems; and,
- Phase III: Systematise. This phase progressively covers all vulnerable local governments and ultimately the entire national territory.

134. The success of this approach from a sustainability point of view can be illustrated with the example of Bhutan, one of the first countries to have benefited from the LoCAL mechanism and is also in the process of deploying phase III. The mechanism initially covered two gewogs (LGAs), then gradually fourteen. It has been expanded to 100 out of 105 gewogs as part of the national roll-out, with support from the European Union. Building on the 19 upazilas covered by LoGIC, this project will scale up to 25 upazilas in the area to cover all three districts of the Chattogram Hill Tracts (10 upazilas in Rangamati, 9 in Khagrachhari, and 6 in Bandarban).

135. As the LoCAL programme continues to scale up in Bangladesh, emphasis will be placed on mobilising additional domestic and external resources and the ownership of processes – particularly the PBCRG system – by national and local governments, communities, and the private sector to secure sustainability. The actors' capacities will be strengthened for climate-informed planning, implementation of the PBCRGs, and management of investments. As an example, this was the case in Cambodia, where, once the LoCAL model was deployed (during Phase II), funding was provided by other donors (IFAD's ASPIRE programme and GEF-funded Climate Resilient Livelihoods Project).

136. Sustainability will again be ensured through the use of the PBCRG system. One of the Performance Measure indicators is the “extent to which project investments incorporate sustainability concerns.” LGAs will be rewarded for their performance on environmental screening, assessments, and whether investments have integrated sustainability and management plans. The better an upazila performs in sustainability performance measures in its Annual Performance Assessment (APA), the more PBCRG it will be allocated in the

subsequent year. Upazilas that fail to meet sustainability standards can only receive a new grant allocation if they take appropriate corrective actions. So, not only will there be assurances that minimum conditions are met to include sustainability in local plans, but there will also be incentives for upazilas to perform as high a standard as sustainability measures.

137. **Technical sustainability:** During the project (as well as in the design of the project during full proposal development), sub-district technical staff will be engaged. Capacity building will be integral to all project components, so their technical capacity will be further improved, particularly regarding the technical aspects of climate change adaptation. These empowered local experts will eventually continue to provide technical backstopping to the target communities beyond the project's life. The project also has a dissemination component of the lessons learnt, so knowledge can be shared with technical staff in other upazilas and districts of Bangladesh and successful interventions to be applied elsewhere in the country. The participatory nature of the project will equip the local community members with technical knowledge and skills through continued engagement and hands-on practice to instil a sense of ownership in the project and a continued engagement with the technical aspects of climate change adaptation beyond the life of the project.

138. **Financial sustainability:** Financial sustainability will be enhanced by concentrating AF funding on the higher-cost initial capital expenditures required to set up the LoCAL mechanism in the upazilas of the project area's three Chattogram Hill Tract districts. Subsequently, annual operating costs reduce substantially as they become part of ongoing local budgetary commitments. Once the system for intergovernmental fiscal transfers is established and LGAs perform credibly, any donor or the national government can channel additional resources for climate resilience enhancement through the system with no additional overhead cost. Additionally, financial sustainability will be ensured for each intervention at the local level with user fees, as has been done in the previous two phases of LoCAL in Bangladesh and which has also been successfully implemented in other LoCAL projects globally.

139. **Environmental sustainability:** Environmental sustainability will be ensured through locally-determined project activities chosen from the investment menu for LoCAL Bangladesh, which has already been cross-checked for environmental screening criteria. LGAs at the upazila level will be rewarded for their performance on environmental screening and assessments and on whether investments have integrated sustainability and management plans. The Environmental and Social Management Plan will fully develop during the project formulation period.

140. **Institutional sustainability:** The implemented project interventions will be based on an in-depth understanding of local realities in the target upazilas of Rangamati, Khagrachhari and Bandarban districts. Thorough knowledge of these areas and the local people will serve as a springboard for collaborative interventions and local participation. Local community members (particularly women, Local tribal groups, and those most vulnerable to climate change), local government officials, and other development actors in the area will participate. The implemented project will still draw on the Local tribal knowledge and wisdom of the people, including successful experiences and lessons from other development actors and projects for enhancing climate resilience and the adaptative capacities of local people and ecosystems. Through such institutional arrangements amongst critical stakeholders, including villagers, the project will build their capabilities for local problem-solving: identifying, planning, implementing, monitoring, and evaluating their community-based initiatives. The project will also be implemented using existing government and community institutional infrastructures. As a result, the government will continue providing technical support. The community members and the local government officials of each upazila will ensure absolute ownership of the intervention. Project assets will be handed over to the local institutions for continued

management and operations. This project approach serves as the cornerstone for the sustainability of the project interventions even beyond after the project has ended.

141. **Economic sustainability:** This project will provide capacity support for LGAs to plan and mainstream adaptation. Implementing the PBCRG system also improves the financing of each upazila's needs for adaptation. The project also demonstrates an alternative path for donor funding to address development challenges through adaptation and capacity development at the local level, close to the needs of the communities. Once the PBCRG system has been operationalised, LGAs can continue to use it to fund adaptation activities using other funding sources beyond the project's lifetime.

142. **Social sustainability:** The project will include a participatory process of development and decision-making in the design of local interventions. This will consist of LGAs, local stakeholders, and project beneficiaries, particularly women and Local tribal groups. This will lead to attitudinal support from the people and enhance a sense of ownership of the project's interventions amongst the stakeholders and the sustainability of impacts on the beneficiaries beyond the project's lifetime.

K. Provide an overview of the environmental and social impacts and risks identified as being relevant to the project/programme.

143. The project is conceptualised and thoroughly designed to have a positive environmental and social impact, based on lessons learned from and synergies with other projects and through extensive consultations with stakeholders, target communities, and relevant authorities. Communities will select the local-level appropriate activities. They will be designed to create a positive environmental impact with particular attention to minimise any collateral environmental effects. The project at the concept note level was assessed for environmental and social risks under the 15 principles set out in the AF ESP. The potential risks and the needs for further assessment were identified as presented in the table below.

144. An initial pre-assessment at the concept note stage would classify the project in Category A (a project with no risks). However, the LoCAL investment is geared towards small scale and community resilience measures. This remains to be further clarified during the full ESA during full proposal development. While the investment menu items for the top-up grant for project activities has been cross-checked for environmental and social screening criteria to meet local and national standards and the ESP of the Adaptation Fund, the project is classified as a B category due to Unidentified Sub-Projects (USPs), which will be formulated and more thoroughly screened during the project formulation phase. Social and environmental risk screening is built into LoCAL's PBCRG budget, with 10% of the top-up grant allocated for such screening processes. The project will fully align with the Adaptation Fund's Environmental and Social Policy as well as national and international standards and guidelines for safeguarding the environment and social settings.

145. The project will be subjected to environmental screening to identify potential risks with regards to Tanzania ESIA and Audit regulation safeguards and the Environmental and Social Policy of the Adaptation Fund, thus knowing the level of risks can easily be programmed. An Environmental and Social Risk Management Plan will be prepared for this project. The projects implemented will be categorised in Category B which involves projects with possible but limited anticipated environmental and social impacts. A screening process will be undertaken to identify and address potential direct, indirect, transboundary and cumulative impacts and risks that could result from the proposed project. The checklist provided in the Request for Project Funding will assist in indicating if there are any environmental and social

impacts and risks that may have been triggered by the project and may require a more detailed environmental and social assessment or if there are impacts and risks that do not require any further assessment, in order to achieve full compliance with the Adaptation Fund Environmental and Social Policy.

146. The table below provides an overview of the environmental and social impacts and risks identified as being relevant to the project, though this will be further clarified at full funding proposal stage.

Table 8: Overview of the environmental and social impacts and risks of GRACE LoCALplus

Checklist of environmental and social principles	No further assessment required for compliance	Risk level	Potential impacts and risks – further assessment and management required for compliance
<i>Compliance with the Law</i>	x	L	An Environmental and Social Management Plan (ESMP) will be prepared and adhered to in order to monitor implementation of individual interventions. A description of the legal and regulatory framework will be required for interventions that may require prior permission (such as planning permission, environmental permits, construction permits, etc.)
<i>Access and Equity</i>	x	L	While every household in the project area will have equal opportunity to project interventions, there is a low risk of priority setting will be done inadequately and prevent access of some to the project. Clear and transparent criteria will be put in place including the selection of participants for the trainings and workshops. Measures will be in place to enable this project to closely monitor all targeted beneficiaries to assure equal access of men, women, youth, Local tribal peoples, and the most vulnerable groups. Indicators in this regard will be included in the Monitoring and Evaluation Plan. A description of the project, its benefits, and the process by which the project ensures fair and impartial access to benefits (such as statement of non-discrimination) will be produced and communicated within each upazila.
<i>Marginalized and Vulnerable Groups</i>	x	L	There may be low social and cultural risks to the inclusion of marginalised and vulnerable groups. The prepared ESMP will be followed and monitored strongly during the implementation of all interventions to ensure all marginalised and vulnerable groups have adequate access to and benefit from the project interventions. In addition, the project design has ensured that benefits accruing from the project interventions – including technology transfer and awareness-raising activities – reach marginalised and vulnerable groups in each upazila – particularly women, girls, and Local tribal groups – even in remote areas.
<i>Human Rights</i>	X	L	The proposed project respect and adhere to all relevant conventions on human rights, national and local laws. All interventions will respect and promote human rights, including equality, freedom of expression, association, education, and access to information. When assessing projects, such human rights principles will be considered.
<i>Gender Equality and Women's Empowerment</i>	x	L	Although there are low risks of social exclusion of women, there are project targets for active participation of women (50% and above). The executing entity will ensure that all interventions adhere to the AF gender policy and ensure women have full and equal opportunity to participate and receive equitable social, health, and economic benefits. The full consultative process will be carried out with the participation of gender experts to ensure that the proposed AF project is responsive to various gender needs and roles such that project activities effectively respond to the unique needs of women and men.

			Project activities will be specifically designed to be gender sensitive. The project will promote and empower women leadership in public spaces and decision-making.
<i>Core Labour Rights</i>	x	L	All activities and interventions shall be screened to ensure that they comply with the requirements laid out in the project's Environmental and Social Management Framework and Environmental and Social Policy. Upazilas will need to adhere to the Labour Standards of Bangladesh and the core labour standards of the International Labour Organisation in the design and implementation of the project in order to receive PBCRGs. Grantees of PBCRGs will be required to prepare, adopt, and implement occupational, health and safety (OHS) measures for every intervention.
<i>Local tribal Peoples</i>	x	L	The design of all the components, activities, and interventions will ensure that the local communities and Local tribal peoples involved are consulted and benefit from the interventions according to their needs
<i>Involuntary Resettlement</i>	x	L	There will be no Involuntary Resettlement in this project. All infrastructure interventions will be small-scale and the land to be used for these interventions will come from public land.
<i>Protection of Natural Habitats</i>	X	L	The implementation of ecosystem-based adaptation activities such as tree planting for erosion protection should have positive effects on the protection of natural habitats. However, an Environmental and Social Impact Assessment will be conducted to inform and strengthen the minimisation of impacts on natural habitats from the implementation of activities and interventions.
<i>Conservation of Biological Diversity</i>	x	L	Some project activities such as EbA interventions are more likely to have a positive effect on the conservation of biological diversity. However, an Environmental and Social Impact Assessment will be conducted to inform and strengthen the minimisation of impacts on biological diversity from project activities and interventions.
<i>Climate Change</i>	x	L	The proposed project activities will not generate nor emit any significant greenhouse gases and will not exacerbate climate change by any means. On the contrary, project activities such as tree planting will help to mitigate the impacts of climate change in the selected areas. Should any activities or interventions show risks of generating emissions, a risk assessment (and, where possible, a greenhouse gas emissions calculation) will be conducted to ensure the project adequately addresses the causes or impacts of climate change brought about by project implementation and ensure pathways to low carbon development.
<i>Pollution Prevention and Resource Efficiency</i>	x	L	The proposed project will not release pollutants, and energy and material resource efficiency will be embedded in project design.
<i>Public Health</i>	x	L	The proposed project will not have deleterious impacts on public health. On the contrary, project activities will be more likely to improve air and water quality and have the potential to improve public health measures. The project will ensure that the targeted populations will not face restrictions on their access to public healthcare. The project will also promote social distancing and safe farming and sanitary measures in line with national requirements to prevent the spread of COVID-19.
<i>Physical and Cultural Heritage</i>	x	L	Initial consultations have not identified the presence of physical and cultural sites. However, further assessment will be done to verify this. All projects and interventions will be designed and implemented in a way that avoids the alteration, damage, or removal of any physical cultural resources, cultural sites, and sites with unique natural values recognized as such at the community, national or international level. Additionally, interventions will not prevent access and use of such physical and cultural sites.
<i>Lands and Soil Conservation</i>	x	L	The project activities will aim to avoid negative impacts on lands and soil. On the contrary, project activities such as tree planting will likely have positive effects on land and soil conservation. However, an

			Environmental and Social Impact Assessment will be conducted to inform and strengthen the minimisation of impacts on land and soil, where applicable.
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PART III: IMPLEMENTATION ARRANGEMENTS

A. Demonstrate how the project/programme aligns with the Results Framework of the Adaptation Fund

Table 8. GRACE LoCALplus alignment with Adaptation Fund Results Framework

Project Objective(s) ⁷²	Project Objective Indicator(s)	Fund Outcome	Fund Outcome Indicator	Grant Amount (USD)
To strengthen the climate resilience of vulnerable mountain communities (particularly women and local tribal communities), ecosystems, and economies in the Chattogram Hill Tracts (CHT) region of Bangladesh by establishing a performance based climate resilience top-up financing mechanism targeting concrete climate change adaptation interventions	Number of institutional and regulatory frameworks for climate-resilience in CHT strengthened.	Outcome 2: Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses	2.1. No. and type of targeted institutions with increased capacity to minimize exposure to climate variability risks	8,417,000
	Number of people with reduced risk to floods, droughts, and storms.	Outcome 2: Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses	2.2. Number of people with reduced risk to extreme weather events	
	Number of climate-resilient practices / technologies adopted	Outcome 8: Support the development and diffusion of innovative adaptation practices, tools and technologies	8.1. No. of new, adapted or improved adaptation solutions developed contextually and with the inclusion of the communities most vulnerable to climate change	

⁷² The AF utilized OECD/DAC terminology for its results framework. Project proponents may use different terminology, but the overall principle should still apply

Project Outcome(s)	Project Outcome Indicator(s)	Fund Output	Fund Output Indicator	Grant Amount (USD)
Component 1: Capacity building and mainstreaming Climate Change Adaptation (CCA) into local government system for resilience interventions in line with the Performance-Based Climate Resilience Grant (PBCRG) mechanism				
1.1. Improved capacity of local government and communities on planning, designing, executing, and reporting on climate change adaptation projects	1.1.1 Number of people involved in capacity-building activities	Output 2.1: Strengthened capacity of national and regional centres and networks to respond rapidly to extreme weather events	2.1.2. Capacity of staff to respond to, and mitigate impacts of, climate-related events from targeted institutions increased	1,617,000
1.2. Strengthened capacity of Local governments and their respective communities to sustain project activities and outcomes after phase-out	1.2.1. Number of people involved in capacity-building activities.	Output 2.2: Targeted population groups covered by adequate risk reduction systems	2.2.2. No. of people affected by climate variability	
1.3. Knowledge generated during project implementation is documented, archived, and disseminated widely, including across the Hindu Kush Himalaya region	1.3.1. No. of learning and sharing initiatives undertaken.	Output 3: Targeted population groups participating in adaptation and risk reduction awareness activities	8.2.2 No. of learning and sharing initiatives undertaken, including communication initiatives	
1.4. Local climate data and information is collected and made accessible for project design and planning	1.4.1. Number of vulnerability assessments conducted.	Output 1.1: Risk and vulnerability assessments conducted and updated	1.1. No. of projects/programmes that conduct and update risk and vulnerability assessments (by sector and scale)	
Component 2: Grant facility and PBCRG mechanism for adaptation intervention.				
2.1. Local government climate adaptation planning framework and budget systems are strengthened	2.1.1. Number of local government authorities with installed climate adaptation planning frameworks.	Output 7: Improved integration of climate-resilience strategies into country development plans	7.1. No. of policies introduced or adjusted to address climate change risks (by sector)	6,800,000

<p>2.2. Compliance, performance, and allocation of funds are effectively linked, with a robust eligibility criterion for projects</p>	<p>2.2.1. Number of participating local government authorities demonstrating improved performance after year 1.</p>	<p>Output 7: Improved integration of climate-resilience strategies into country development plans</p>	<p>7.2. No. of targeted development strategies with incorporated climate change priorities enforced</p>
<p>2.3. Local government investments contribute to climate resilient development and economic growth</p>	<p>2.3.1. No. of adaptation assets created in support of livelihood strategies.</p>	<p>Output 6: Targeted individual and community livelihood strategies strengthened in relation to climate change impacts, including variability</p>	<p>6.1.1.No. and type of adaptation assets (tangible and intangible) created or strengthened in support of individual or community livelihood strategies</p>
<p>2.4. Emergence of a monitoring system at the local level and a practice for planning, accountability and participatory planning and budgeting towards climate change adaptation in local communities</p>	<p>2.4.1. No. of key findings generated from instalment of PBCRG mechanism.</p>	<p>Output 8: Viable innovations are rolled out, scaled up, encouraged, accelerated, and/or evidence base generated at regional, national, and/or subnational level</p>	<p>8.2.1 No. of key findings generated from an innovation practice, tool, and/or technology</p>
<p>2.5. Scaling up, replication and sustainability of other LoCAL projects in Bangladesh and globally are informed by experience, project design, best practices and lessons learned</p>	<p>2.5.1. No. of learning and sharing initiatives undertaken.</p>	<p>Output 8: Viable innovations are rolled out, scaled up, encouraged, accelerated, and/or evidence base generated at regional, national, and/or subnational level</p>	<p>8.2.2 No. of learning and sharing initiatives undertaken, including communication initiatives</p>

PART IV: ENDORSEMENT BY GOVERNMENT AND CERTIFICATION BY THE IMPLEMENTING ENTITY

A. Record of endorsement on behalf of the government



Secretary
Ministry of Environment, Forest and
Climate Change
Govt. of the People's Republic of Bangladesh
Bangladesh Secretariat, Dhaka-1000

D.O No: 22.00.0000.085.24.004.20.34 Date: 26-02-2023

To,

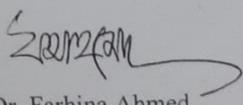
The Adaptation Fund Board
C/O Adaptation Fund Board Secretariat
Email: afbsec@adaptation-fund.org
Fax: 202 522 3240/5

Subject: Endorsement for Green, Resilient and Adaptive Chattogram Economy (GRACE) -
LoCALplus

As designated authority for the Adaptation Fund in Bangladesh, I confirm that the above national project proposal is aligned with the government's national priorities in implementing adaptation activities to reduce adverse impacts and risks posed by climate change in Bangladesh.

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the project will be implemented by the International Centre for Integrated Mountain Development (ICIMOD) as a Regional Implementing Entity for the Fund and executed by both ICIMOD and the United Nations Capital Development Fund.

Sincerely,


Dr. Farhina Ahmed
Secretary
Ministry of Environment, Forest and Climate Change
Building 6, Level 13, Room 1309
Bangladesh Secretariat, Dhaka 1000

B. Implementing Entity certification

<p>I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans, which includes Bangladesh's National Adaptation Plan 2023-2050, the Bangladesh Climate Change Strategy and Action Plan, Mujib Climate Prosperity Plan, Bangladesh Delta Plan 2100 and the Bangladesh's Perspective Plan 2021-2041 but not limited to: and subject to the approval by the Adaptation Fund Board, <u>commit to implementing the project/programme in compliance with the Environmental and Social Policy and the Gender Policy of the Adaptation Fund</u> and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.</p>	
<p><i>Michelle Guertin, Head, Business Development and Resource Mobilisation</i></p>	
	
<p>Implementing Entity Coordinator</p>	
<p>Date: (Month, Day, Year)</p> <p>02/27/2023</p>	<p>Tel: +977-1-5275222</p> <p>Email: michelle.guertin@icimod.org</p>
<p>Project Contact Person: Nand Kishor Agrawal, Strategic Group Lead – Shaping Green and Resilient Mountain Economies</p>	
<p>Tel: +977-1-5275222</p> <p>Email: nandkishor.agrawal@icimod.org</p>	