

# Unlocking Climate Survival: ‘Addressing the Barriers to Effective Finance for Vulnerable Nations’

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## Abstract –

This research investigates the barriers to effective climate finance in Bangladesh, a Least Developed Country (LDC) highly vulnerable to climate threats such as sea-level rise, cyclones, salinity intrusion, and flooding. Despite receiving a significant share of international climate funds for LDCs, Bangladesh faces persistent challenges including complex access procedures, reliance on loan-based financing, institutional limitations, and centralized governance. The study examines Bangladesh’s legal and institutional frameworks, including the Bangladesh Climate Change Strategy and Action Plan (BCCSAP) and the Climate Change Trust Act 2010, alongside constitutional and judicial environmental commitments. Findings reveal systemic issues such as limited local participation, donor-driven management, and concerns over debt sustainability. Key recommendations include shifting towards grant-based finance, expanding legal standing for environmental litigation, decentralizing fund access to local governments, and enacting a dedicated Climate Change Act. The study underscores the imperative for Bangladesh to embed climate justice within its legal and financial systems and to advocate strongly in international climate forums. This research contributes valuable insights to the global discourse on climate justice and resilience for the most vulnerable nations.

## Introduction

Climate funding is the necessity for the most climate-vulnerable countries to react to critical needs caused by climate change. The global architecture of climate finance-induced instruments like the Green Climate Fund (GCF) and the Adaptation Fund was put in place for mitigation and adaptation to developing countries.<sup>1</sup> Despite contribution to the global emissions being minimal, LDCs and SIDS bear the greatest burden of the consequences of the difficulties in accessing such funding, linked to bureaucratic procedures, an absence of institutional capacity, and misaligned priorities.<sup>2</sup> This country, often referenced as one of those most subject to climate impacts in the world, recurrently experiences floods, rising sea levels, and increasingly ferocious cyclones threatening lives and means of living.<sup>3</sup>

However, even though Bangladesh has demonstrated leadership through national mechanisms like the Bangladesh Climate Change Trust Fund (BCCTF) and the Climate Fiscal Framework, the inflow of international climate finance is inconsistent and inadequate.<sup>4</sup> Structural limitations in fund design, very high transaction costs, and donor-driven priorities compound the already difficult situation for countries like Bangladesh

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<sup>1</sup> UNFCCC, Report of the Green Climate Fund to the Conference of the Parties (COP 27, 1 September 2022) FCCC/CP/2022/4 <<https://unfccc.int/documents/611657>>

<sup>2</sup> L Schalatek and C Watson, *The Green Climate Fund: Ready to Deliver Climate Finance to Developing Countries?* (Heinrich Böll Stiftung, 2022) <<https://us.boell.org/en/2025/03/19/climate-finance-fundamentals-11-green-climate-fund>>

<sup>3</sup> Germanwatch, Global Climate Risk Index 2021 (2021) <<https://germanwatch.org/en/cri>>

<sup>4</sup> Ministry of Finance (Bangladesh), Climate Fiscal Framework (2nd edn, 2020) <<https://mof.gov.bd>>

to optimize this more effectively at the global level.<sup>5</sup> Change in access modalities, direct access mechanisms and more funds for adaptation must also be provided for frontline countries like Bangladesh to enable climate survival for the vulnerable states.<sup>6</sup>

## Objectives

The following are the objectives of this study

1. To examine gaps between Bangladesh's climate needs and received funds.
2. To identify barriers delaying climate fund use in Bangladesh.
3. To propose tailored finance strategies for Bangladesh's climate resilience.
4. To highlight the Existing laws regarding Climate finance.

## Methodology

This study adopts a qualitative and doctrinal research approach. In our research we have used sources where the primary sources are such as UNDP, ADB, and GCF. Legal analysis covers the Environment Conservation Act, 1995, Climate Change Trust Act, 2010, Article 18A of the Constitution, National policy documents (BCCSAP and the Mujib Climate Prosperity Plan) are reviewed. The secondary sources are books, journals, newspapers, reports, and reputable websites. Important judgements were analyzed to assess legal responsibility.

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<sup>5</sup> M Soanes and others, *Delivering Real Change: Getting International Climate Finance to the Local Level* (IIED, 2017) <<https://pubs.iied.org>>

<sup>6</sup> M Khan and A Roberts, 'Climate Finance Effectiveness: Lessons from Bangladesh' (ODI, 2021) <<https://odi.org>>

Analysis was made regarding the institutional roles of MOEFCC and others in climate finance. Selected case studies indicate local-level implementation challenges. The present study tries to identify the gaps and suggest reforms. The analysis will help in promoting climate justice and securing better access to finance.

## 2. Battleground Bangladesh: Understanding Climate

### Vulnerability

Bangladesh is on the frontline in climate change with rising seas, more frequent floods, and intensifying cyclones. Its geographic location and socio-economic vulnerability render it one of the most vulnerable countries in the world to climate-induced human disasters.<sup>7</sup>

### 2.1 A Nation Built on Floodplains: Geography and Climate Risk

Uniquely due to geographic and socioeconomic characteristics, Bangladesh can be viewed as highly vulnerable to climate change. The low-lying Ganges-Brahmaputra-Meghna delta positioning makes 80 percent of the country floodplains; as such, it is exposed much to sea-level rises and riverine floods.<sup>8</sup> The socio-economic resilience of a population with more

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<sup>7</sup> World Bank, Climate Risk Country Profile: Bangladesh (2021)  
<<https://climateknowledgeportal.worldbank.org/country/bangladesh>>

<sup>8</sup> Government of Bangladesh, National Adaptation Plan of Bangladesh 2023–2050 (2023)  
<<https://mofdm.gov.bd>>

than 170 million people, in which a vast majority are very concentrated in poverty in rural areas, adds to increased risks of disasters.<sup>9</sup>

## 2.2 Storms, Salinity, and Submergence: The Faces of Climate Threats

The major climate hazards the country is exposed to include cyclones, flooding, sea-level rise, and salinity intrusion. Rising sea levels and tidal surges, induced by impact of climate changes, hold back the freshwater supply and plant fertility in the southwest coast.<sup>10</sup> Cyclone Amphan (2020) and Cyclone Sidr (2007) are only two examples of this frightening phenomenon that proved to be recurring and damaging in their magnitude.<sup>11</sup> Floods virtually inundate millions of people, destroying their homes and property.<sup>12</sup> Projections indicate that an area representing 17% of the country's land might be submerged in 2050 as a rise in sea levels occurs, rendering an estimated 20 million people homeless.<sup>13</sup>

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<sup>9</sup> World Bank, Bangladesh: Enhancing Climate Resilience (2021) <<https://documents.worldbank.org>>

<sup>10</sup> C Sarwar, 'Impacts of Climate Change on Coastal Livelihoods in Bangladesh' (2019) 13 Environmental Science & Policy 94.

<sup>11</sup> M Alam and S Rabbani, 'Vulnerabilities and Responses to Climate Change for Dhaka' (2007) 18 Environment and Urbanization 145.

<sup>12</sup> B Ahmed and S Hasan, 'Climate-Induced Flood Displacement and Migration in Bangladesh' (2020) 52 Geoforum 102.

<sup>13</sup> International Organization for Migration, Migration in the Context of Climate Change: Bangladesh Report (IOM, 2022) <<https://iom.int>>

## 2.3 The Human Cost: Climate Change and National Disruption

Thus, the implications of this change are deep, touching both the economy and society. One of the biggest impacts climate-induced disasters will leave on Bangladesh is by costing the country about 1.3% of its annual GDP.<sup>14</sup> Employment in the agricultural sector, which provides work for about 40% of the workforce, suffers severely due to inconsistent rains, long droughts, and saline soils inundating the lands, which then yield lower productivity.<sup>15</sup> Such climate stresses, however, also dent the human security provisions, thereby deepening insecurity over food and water, causing forced migration, and exposing health dangers to the vulnerable communities.<sup>16</sup>

## 3. Climate Finance in Bangladesh: Gaps Between Needs and Reality

Bangladesh, known to be one of the most vulnerable countries to climate change, however, has an absolute mismatch in climate finance needs and the available funds it can source from diverse sources. The international finance Bangladesh attracts much less than actually required to access especially poor for adaptation measures that give very low direct returned investments on such measures. As most funds received are project-based and of a shorter time horizon, they do not synchronize with long-term national strategies such as the Mujib

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<sup>14</sup> Asian Development Bank, Assessing the Costs of Climate Change in Bangladesh (2021) <<https://adb.org>>

<sup>15</sup> Food and Agriculture Organization (FAO), Climate Change and Agriculture in Bangladesh (2020)  
<<https://fao.org>>

<sup>16</sup> M Hossain et al, 'Climate Change and Human Security in Bangladesh: A Case Study' (2018) 27 Sustainability Science 78.

Climate Prosperity Plan. Furthermore, there are coordination gaps among donors and the respective implementing ministries, that lead to fragmented efforts while creating overlapping mandates, effectively undercutting successful delivery. Additionally, there exists the country's limited institutional capacity and the complexity of the global funding mechanisms, which restrain timely access to vital international climate funds.<sup>17</sup>

### 3.1 Funding the Fight: Current Climate Finance Flow

Among the LDCs, Bangladesh has always been at the forefront in terms of receiving international climate funds, including both multilateral and bilateral arrangements. Between 2015 and 2022, the country received around USD 1.2 billion in commitments to climate finance- mostly for adaptation projects.<sup>18</sup> However, the inflow seems small, compared to what Bangladesh should invest on an annual basis by 2030, as state it would like to meet up its mitigation and adaptation targets under the NDC, over USD 8.5 billion a year.<sup>19</sup> The finance landscape also involves mainly project-based, short funding, which often lacks sustainability and alignment with national priorities in the long term.<sup>20</sup>

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<sup>17</sup> Toufique, KA and Islam, M 'Climate Finance and Bangladesh: An Overview of Challenges and Opportunities' (2022) Bangladesh Institute of Development Studies (BIDS) Policy Brief  
<<https://bids.org.bd/publications>>

<sup>18</sup> OECD, Climate Finance Provided and Mobilized by Developed Countries: Aggregate Trends Updated 2023 (OECD Publishing, 2023) <<https://www.oecd.org/climate-change>>

<sup>19</sup> Ministry of Environment, Forest and Climate Change (Bangladesh), Nationally Determined Contributions (Updated Submission) (2021) <<https://moefcc.gov.bd>>

<sup>20</sup> L Schalatek and C Watson, 'The Global Climate Finance Architecture' (Heinrich Böll Stiftung, 2022)  
<<https://climatefundsupdate.org>>

### 3.2 Multilateral and Bilateral Avenues: Opportunities and Obstacles

The Green Climate Fund (GCF) is another important funding source for Bangladesh, with a number of approved projects related to coastal resilience, establishment of early warning systems, and renewable energy transitions.<sup>21</sup> By 2023, GCF had made a total of more than USD 256 million available to the country through accredited international agencies such the UNDP and GIZ as opposed to national entities.<sup>22</sup> The Adaptation Fund was used to finance smaller-scale community-based projects, although access remained complicated because of complex application and reporting requirements.<sup>23</sup> Bilateral aid, mainly from Germany, the UK, and Japan, is relevant in respect to climate resilience; however, this funding was most often anchored within broader development cooperation frameworks and lacked coherent emphasis with national climate priorities.<sup>24</sup>

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<sup>21</sup> Green Climate Fund, Projects in Bangladesh (GCF, 2023) <<https://www.greenclimate.fund/projects>>

<sup>22</sup> UNDP, GCF-Funded Projects in Bangladesh: Portfolio Overview (2022) <<https://undp.org>>

<sup>23</sup> Adaptation Fund, Projects and Programs (2023) <<https://www.adaptation-fund.org>>

<sup>24</sup> International Institute for Environment and Development, Delivering Climate Finance at the Local Level: Lessons from Bangladesh (2021) <<https://iied.org>>

### 3.3 Delays, Dependency, and Disempowerment: Core Challenges in Climate Finance

Although climate finance is formally available, serious problems of a structural and operational nature block any meaningful release and impact. The most important of these is the continued delayed disbursement of funds, preventing the timely commencement of urgent adaptation and mitigation projects.<sup>25</sup> Very often, the conditionalities imposed by donors impair national ownership and hamper flexibility to accommodate local geographies of climate realities.<sup>26</sup> A further obstacle is the limited, direct access of national and sub-national institutions to international climate funds because of long, complex accreditation processes and red tape.<sup>27</sup> Local government bodies and community-based organizations often do not have the necessary technical and administrative capabilities needed to develop, apply for, and manage climate finance projects. As a result, they are excluded from the process, aggravating the regional and social inequalities in fund distribution. Perhaps most importantly, there is a stark absence in mechanisms for tracking climate finance flows of transparency and accountability. This lack of transparency limits public scrutiny, undermines confidence, and compromises efforts to align funding with the most urgent and specific needs of the populations most vulnerable to climate change.<sup>28</sup>

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<sup>25</sup> Saleemul Huq and Md Mahmudul Hasan, 'Climate Finance: Unpacking the Disbursement Dilemma' (2021) 14 Bangladesh Journal of Climate Policy 23.

<sup>26</sup> Liane Schalatek and Smita Nakhooda, *The Green Climate Fund (Climate Finance Fundamentals No 11, Heinrich Böll Stiftung North America 2014)* <<https://climatefundsupdate.org/publications>>

<sup>27</sup> 10 LDC Climate Finance Group, *Challenges in Accessing Climate Finance* (Policy Brief, 2022).

<sup>28</sup> Transparency International Bangladesh, *Climate Finance and Corruption Risk in Bangladesh* (2020) <<https://www.ti-bangladesh.org>>

## 4. Breaking the Barriers: Structural Constraints in Climate Finance

Most climate change finance channels continuing for Bangladesh are concessional loans and not grants. This becomes problematic for a low-fiscal country that has several development needs that are going up. Loans increase debt burden without compromising long-term sustainability, especially for adaptation projects that cannot generate direct revenue streams.<sup>29</sup> Grant-based financing remains critically low compared with the scale of climate vulnerability that Bangladesh faces.<sup>30</sup>

### 4.1 Loans Over Lifelines: Unsustainable Financing Models

The procedures to access funds from the global climate funds, such as the Green Climate Fund and the Adaptation Fund, are complex and resource-intensive. It needs detailed proposals, environmental and social safeguards, and robust monitoring frameworks, which surpass the technical and financial capacity of local institutions.<sup>31</sup> These procedural

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<sup>29</sup> L Schalatek and C Watson, 'Climate Finance Thematic Briefing: Finance Instruments' (Heinrich Böll Stiftung, 2021) <<https://climatefundsupdate.org>>

<sup>30</sup> OECD, Climate Finance Provided and Mobilised by Developed Countries in 2023 (2023) <<https://www.oecd.org>>

<sup>31</sup> *Green Climate Fund, Programming Manual: A Guidebook for Developing GCF-Funded Projects and Programmes* (GCF 2020) <<https://www.greenclimate.fund/document/programming-manual>>

bottlenecks delay disbursement of funds and diminish the interest of smaller agencies in applying for all these funds.<sup>32</sup>

## **4.2 The Complexity Trap: Why Accessing Climate Funds Remains Elusive**

Procedures to access funds from global climate finance mechanisms-such as the Green Climate Fund (GCF) and Adaptation Fund-are known to be inherently complicated and resource-consuming. Application for these funds requires technical preparation of project proposals in detail along with rigorous compliance with environmental and social safeguard standards, as well as establishing robust monitoring and evaluation to ensure transparency and measure impact. Additionally, the entities must often endure a long accreditation process laying out these issues that many national and sub-national institutions may find difficult to comply with in terms of fiduciary standards and risk management systems. These procedural requirements are more rigorous than what can be theoretically achieved by a great number of local government bodies and community-based organizations. Hence the very process stands as a barrier to entry as it delays disbursement and discourages the smaller institutions from applying, perpetuating existing inequities in access to climate finance.<sup>33</sup>

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<sup>32</sup> Farhana Sultana, 'The False Promise of Climate Finance: Equity and Accountability Gaps' (2021) 39 Global Environmental Politics 115.

<sup>33</sup> MR Khan and JT Roberts, 'Who Gets the Money? Climate Aid and Access to the Green Climate Fund' (2019) 20 Climate Policy 1.

### 4.3 Missing the Local Link: Top-Down Approaches and Grassroots Exclusion

Most of the climate finance projects are designed and executed by either international organizations or from the top-down agency at the national level with very little involvement of the local communities. This causes misaligned priorities leading to poor adaptation results and very limited long-term sustainability.<sup>34</sup> Most of the time, local governments and NGOs are excluded from decision-making, hence leading to less accountability and a much lesser degree of community resilience.<sup>35</sup>

### 4.4 Paper Policies, Powerless Institutions: Policy Gaps and Poor Integration

Bangladesh has several strategic documents, such as Bangladesh Climate Change Strategy and Action Plan (BCCSAP) and Mujib Climate Prosperity Plan among other documents. But enforcement mechanisms that would limit the effectiveness of the policy are gaps resulting from inconsistencies among the national policies and vague roles between the agencies.<sup>36</sup>

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<sup>34</sup> M Soanes and others, 'Delivering Real Change: Getting International Climate Finance to the Local Level' (IIED, 2017) <<https://pubs.iied.org>>

<sup>35</sup> M Hossain and others, 'Community Perspectives on Climate Finance in Coastal Bangladesh' (2020) 23 Sustainability Science 102.

<sup>36</sup> Ministry of Environment, Forest and Climate Change (MoEFCC), *Mujib Climate Prosperity Plan: Decade 2030* (Government of Bangladesh 2021) <<https://moef.gov.bd>>

## 4.5 Falling Through the Cracks: Fragmentation and Policy

### Incoherence

A silent lack of coherence is in the climate finance initiatives of Bangladesh in that they are uncoordinated among donors with overlapping mandates among ministries.<sup>37</sup> Fragmentation gives rise to project duplications and resource inefficiencies and quite often leads to competition between the stakeholders rather than collaboration.<sup>38</sup> Furthermore, climate finance is not adequately integrated into the national budget because of a fragmented implementation across ministries that leads to poor coordination, duplicated efforts, and weak tracking of climate-related expenditures.<sup>39</sup>

## 5. Climate Law and Policy in Bangladesh: Progress, Problems, and

### Potential

The Bangladesh Climate Change Strategy and Action Plan (BCCSAP), first adopted in 2009 and revised in 2021, serves as the country's primary policy document guiding climate action. It outlines six thematic areas: food security, social protection, disaster management, infrastructure, research, and mitigation.<sup>40</sup> While BCCSAP has been instrumental in

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<sup>37</sup> OECD, Climate Finance Provided and Mobilised by Developed Countries in 2016–2020 (OECD Publishing 2022) <<https://www.oecd.org>>

<sup>38</sup> Hasan Mehedi, *Climate Finance Governance in Bangladesh: Challenges of Coordination* (COAST Trust 2021).

<sup>39</sup> Ministry of Finance (Bangladesh), *Climate Financing for Sustainable Development: Budget Report 2023–24* (Finance Division 2023) <<https://mof.gov.bd>>

<sup>40</sup> Ministry of Environment, Forest and Climate Change (MOEFCC), *Bangladesh Climate Change Strategy and Action Plan* (Revised 2021) <<https://moefcc.gov.bd>>

mainstreaming climate resilience, critics highlight its limited legal enforceability, lack of robust monitoring frameworks, and insufficient integration with development planning and sectoral policies.<sup>41</sup> Its most recent revision under the Mujib Climate Prosperity Plan aims to shift from vulnerability to resilience, focusing on investment-driven prosperity under a changing climate.<sup>42</sup>

## 5.1 BCCSAP and Mujib Plan: From Policy Vision to Implementation Gaps

The Ministry of Environment, Forest and Climate Change (MOEFCC) acts as the nodal agency for climate policy formulation, negotiation, and implementation. It leads coordination with multilateral climate funds and maintains regulatory oversight of projects through bodies like the Department of Environment and Climate Change Trust Fund Board.<sup>43</sup> However, overlapping mandates with other ministries (e.g., Finance, Agriculture, and Local Government) often hinder seamless execution of climate initiatives.<sup>44</sup> MOEFCC also prepares the National Communications and Biennial Update Reports submitted to the UNFCCC, reflecting Bangladesh's commitment to international transparency and compliance.<sup>45</sup>

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<sup>41</sup> MS Hossain and S Huq, 'BCCSAP Review and the Way Forward' (2022) 11 *Journal of Climate Policy and Law* 45.

<sup>42</sup> *Centre for Policy Dialogue, Mujib Climate Prosperity Plan: A Shift Towards Climate Investment* (2021) <<https://cpd.org.bd>>

<sup>43</sup> *MOEFCC, Organizational Structure and Roles* (2022) <<https://moefcc.gov.bd>>

<sup>44</sup> MR Khan, 'Institutional Coordination for Climate Finance in Bangladesh' (ODI, 2020) <<https://odi.org>>

<sup>45</sup> UNFCCC, National Communications from Bangladesh (2022) <<https://unfccc.int>>

## 5.2 The MOEFCC Mandate: Coordination Amidst Conflict

Local government institutions (LGIs) such as Union Parishads and Upazila Parishads are critical for on-the-ground implementation of climate resilience projects. They are tasked with executing community-based adaptation programs, early warning systems, embankment maintenance, and social safety nets.<sup>46</sup> However, their limited financial autonomy, human resource constraints, and exclusion from national-level decision-making often impede effectiveness.<sup>47</sup> Strengthening LGI capacity and devolving climate finance to local levels is considered essential for equitable and sustainable resilience building.<sup>48</sup>

## 5.3 Strength at the Grassroots: Evaluating the Role of Local Institutions

Bangladesh is a signatory to several major international environmental treaties, including the Paris Agreement, the UN Framework Convention on Climate Change (UNFCCC), and the Sendai Framework for Disaster Risk Reduction. Under the Paris Agreement, Bangladesh submitted its updated Nationally Determined Contributions (NDC) in 2021, pledging

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<sup>46</sup> World Bank, *Strengthening Local Governments for Climate Resilience in Bangladesh* (2020) <<https://worldbank.org>>

<sup>47</sup> B Ahmed and others, 'Decentralization Challenges in Local Climate Governance in Bangladesh' (2021) 14 *Sustainability Journal* 98.

<sup>48</sup> M Soanes and others, *Unlocking Climate Finance for Local Action* (IIED, 2022) <<https://pubs.iied.org>>

conditional and unconditional emissions reduction targets and enhanced adaptation efforts.<sup>49</sup> However, national legislation to legally enforce international climate obligations remains limited, and the country has yet to adopt a standalone climate law to align its domestic actions with global commitments.<sup>50</sup>

## 5.4 Global Pledges, Local Gaps: Bangladesh in the International Legal

### Framework

The Environment Conservation Act 1995 remains the cornerstone legislation, empowering the Department of Environment to regulate environmental impacts, issue clearances, and impose penalties for ecological harm.<sup>51</sup> In terms of decentralized resilience-building, the Local Government (Union Parishad) Act 2009 and the Disaster Management Act 2012 empower local bodies to implement adaptation activities and respond to climate-induced disasters.<sup>52</sup> The 2012 Act, in particular, formalized the Standing Orders on Disaster (SOD), a widely-used framework for emergency preparedness, flood response, and cyclone relief.<sup>53</sup>

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<sup>49</sup> UNFCCC, Bangladesh Updated NDC Submission (2021) <<https://unfccc.int/documents/271473>>

<sup>50</sup> M Hasan and A Rahman, 'Legal Gaps in Climate Governance: The Case of Bangladesh' (2021) 33 Environmental Law Review 211.

<sup>51</sup> Environment Conservation Act 1995 (Act No I of 1995), Bangladesh.

<sup>52</sup> Disaster Management Act 2012 (Act No XXXIV of 2012), Bangladesh.

<sup>53</sup> Ministry of Disaster Management and Relief, *Standing Orders on Disaster (SOD)* (2021) <<https://modmr.gov.bd>>

## 5.5 Justice in Action: Environmental Litigation and Judicial Interventions

Judicial activism has also played a pivotal role in shaping Bangladesh's climate jurisprudence. In the landmark case of *Dr. Mohiuddin Farooque v. Bangladesh* (1996), the Supreme Court recognized the right to a healthy environment as part of the constitutional right to life under Article 32.<sup>54</sup> In a more recent ruling, the High Court in *HRPB v. Bangladesh and Others* (2019) ordered the government to identify and demarcate flood flow zones in Dhaka and to stop illegal encroachment on rivers, citing climate risk and urban flooding concerns.<sup>55</sup> While progressive, the implementation of laws and enforcement of judgments remains weak due to bureaucratic inertia, coordination failures, and political economy constraints. The absence of a consolidated climate law continues to be a gap, limiting Bangladesh's ability to fully operationalize its international climate obligations under the Paris Agreement.<sup>56</sup>

## 6. Ground Realities: Case Studies of Climate Adaptation in Bangladesh

Community-based adaptation in coastal regions. In the climate-vulnerable southwestern coastal belt of Bangladesh, community-based adaptation (CBA) programs have sought to be

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<sup>54</sup> *Dr. Mohiuddin Farooque v Bangladesh* [1996] 48 DLR (SC) 438.

<sup>55</sup> Human Rights and Peace for Bangladesh (*HRPB*) v *Bangladesh and Others* [2019] Writ Petition No 13989/2016 (HCD).

<sup>56</sup> A Rahman and N Ahmed, 'Towards a Climate Change Act for Bangladesh: Legal Needs and Prospects' (2021) 18 Bangladesh Journal of Law 45.

pragmatic towards sea-level rise and salinity intrusion. The floatation gardens, solar irrigation, and climate-resilient housing promoted by NGOs like BRAC and Practical Action are a few examples. Among these, the Community-Based Adaptation in the Ecological Critical Area of Sundarbans project introduced locally managed embankments and saline-tolerant crop cultivation, aiming to enhance food security and reduce displacement.<sup>57</sup> These examples demonstrate the way in which CBA builds on empowering communities with relevant localized knowledge and adaptive technologies.<sup>58</sup> However, limited scaling has taken place, mainly due to inadequate funding and policy support for bottom-up models.<sup>59</sup>

## 6.1 Community Innovation: Lessons from Coastal Adaptation Models

Bangladesh has managed to attract GCF funding for a number of programs, including the one developed by UNDP for the Enhancing Climate Resilience of Vulnerable Communities. The money has been approved financially in excess of USD 256 million for various approvals; however, delays in the utilization were considerable. Complex accreditation processes, donor conditionalities, and limited national capacity of implementation have been impediments to fund absorption.<sup>60</sup> Also, local stakeholders complain of limited engagement in project design,

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<sup>57</sup> BRAC, Floating Gardens and Climate Resilience in Coastal Bangladesh (2021) <<https://brac.net>>

<sup>58</sup> MA Rahman and M Alam, 'Community-Based Adaptation in Bangladesh: Learning from Local Practices' (2018) 25 Climate and Development 321.

<sup>59</sup> IIED, *Scaling Local Adaptation in Bangladesh: Barriers and Opportunities* (2020) <<https://pubs.iied.org>>

<sup>60</sup> Green Climate Fund, *Bangladesh Country Portfolio* (2023) <<https://www.greenclimate.fund>>

leading to conflicting priorities and lack of ownership.<sup>61</sup> For instance, GCF's prioritization of international implementing entities over national ones has reduced opportunities for Bangladeshi agencies to effectively and directly access funding to manage and steer projects.<sup>62</sup>

## 6.2 The GCF Paradox: Funding Secured but Hard to Spend

However, Bangladesh has made inroads into the success of implementing climate-resilient infrastructure despite all odds. Very notable amongst this is the Climate Resilient Infrastructure Improvement in Coastal Zone (CRIMP) project, funded by the ADB, which rehabilitated 130 km of rural roads with flood-resistant materials and elevated road embankments in the divisions of Khulna and Barisal, directly affecting some 700,000 beneficiaries.<sup>63</sup> Another hallmark is the Cyclone Shelter Programme: linking over 2,500 multipurpose shelters which also act as schools and community centers, cyclone-related fatalities have been drastically decreased over the last decade.<sup>64</sup> Success in these regards exemplifies that when resilience projects are well-coordinated, these can provide a scaffold for scaled-up, long-term protection for the vulnerable community in concern.<sup>65</sup>

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<sup>61</sup> ODI, *Barriers to Effective Use of Climate Finance in LDCs: Bangladesh Case* (2021) <<https://odi.org>>

<sup>62</sup> L. Schalatek and C. Watson, 'Accessing the GCF: Bangladesh in Focus' (Heinrich Böll Stiftung, 2022) <<https://climatefundsupdate.org>>

<sup>63</sup> Asian Development Bank, *CRIMP Final Project Report* (2022) <<https://adb.org>>

<sup>64</sup> Ministry of Disaster Management and Relief, *Cyclone Shelter Construction and Management in Bangladesh* (2021) <<https://modmr.gov.bd>>

<sup>65</sup> World Bank, *Investing in Resilient Infrastructure: Bangladesh Case Study* (2020) <<https://worldbank.org>>

## 7. Policy Prescriptions: Recommendations for a Resilient Future

The more Bangladesh relies on concessional loans rather than grants for climate finance, the less sustainable it becomes. There is a necessity for grant financing, especially in the case of adaptation projects that generate no direct revenue. International climate funds, especially the GCF, should prioritize grants for LDCs, so as to avoid deepening the existing debt burden.<sup>66</sup>

### 7.1 Reverse the Debt Spiral: Prioritize Grant-Based Financing

Increasing the absorption and effective use of climate finance must go hand in hand with strengthening local institutional capacity. Training programs, knowledge exchanges, and other forms of technical assistance to the various levels of local government and NGOs will foster better project design, compliance with funder requirements, and community-responsive implementation.<sup>67</sup>

### 7.2 Build Local Muscle: Strengthen Institutional Capacity

Bangladesh should set up a national-level, integrated tracking system for climate finance, with direct link to National Budgeting. The system should involve provision for real-time

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<sup>66</sup> L Schalatek and C Watson, 'Climate Finance Instruments: Loans vs Grants' (Heinrich Böll Stiftung, 2021) <<https://climatefundsupdate.org>>

<sup>67</sup> M Soanes and others, 'Capacity Building for Local Climate Finance' (IIED, 2022) <<https://pubs.iied.org>>

disclosure, independent auditing, alongside participatory frameworks for monitoring to ensure that funds indeed reach the beneficiaries identified as the end-users while minimizing leakages and potential misuse.<sup>68</sup>

### **7.3 Track Every Taka: Transparency and Monitoring in Climate Funds**

Climate finance access should be devolved to the local level with empowerment to local governments and community-based organizations through direct funding windows. This can either be through dedicated windows in national funds or through GCF's Enhanced Direct Access model thus ensuring immediate ground-level attention to needs.<sup>69</sup>

### **7.4 Finance from the Ground Up: Devolving Fund Access to Local Actors**

Bangladesh shall enact a separate Climate Change Act to legally bind integration of climate considerations in all sectors. The law will also define principles of climate justice, impose

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<sup>68</sup> *Climate Finance Transparency Task Force, Tracking Climate Finance in Bangladesh* (2022) <<https://cftracker.org>>

<sup>69</sup> UNDP, *Decentralizing Climate Finance: Lessons from Bangladesh and Nepal* (2021) <<https://undp.org>>

community rights to climate resilience, and institutionalize accountability for financial and environmental performance.<sup>70</sup>

## **7.5 Legislate for the Planet: Enact a Comprehensive Climate Change Law**

Bangladesh must sustain its role as a global advocate for equity in climate financing, calling for accessible finance, increased adaptation funding, and loss & damage support through forums such as the UNFCCC and the Climate Vulnerable Forum. Joint diplomacy of LDCs and SIDS would strengthen bargaining power.<sup>71</sup>

## **7.6 Justice for the Vulnerable: Expand Legal Standing and Environmental Rights**

Currently under environmental laws—especially the Environment Conservation Act 1995—only the Director General (DG) of the Department of Environment in Bangladesh is mandated to prosecute in most cases of climate or environmental violations.<sup>72</sup> Such restraint

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<sup>70</sup> M Hasan and A Rahman, 'Legal Gaps in Climate Governance: A Call for a Bangladesh Climate Act' (2021) 33 Environmental Law Review 211.

<sup>71</sup> Climate Vulnerable Forum, Dhaka-Glasgow Declaration on Climate Finance Justice (2021)  
<<https://thecvf.org>>

<sup>72</sup> Bangladesh Environment Conservation Act 1995, s 7.

leaves the way for citizens and civil society organizations to seek no recourse and is counterproductive to the observance of environmental justice and public participation. The legal standing needs to be broadened, whereby individuals, communities, or NGOs can bring public interest litigation (PIL) on misuse of climate finance or environmental harm to uphold rights in the Constitution under Article 18A. Some legislative changes are needed to democratize the mechanisms of environmental justice.<sup>73</sup>

## 7.7 Borrow Wisely: A Framework for Climate Debt Sustainability

On the increase for Bangladesh is its dependency on climate-related loans-in-debt vulnerability and creditworthiness risk- with minimal capacity for loan repayment. In several instances, funds borrowed for adaptation infrastructure or resilience-building are yielding insufficient economic returns to meet repayment obligations.<sup>74</sup> This cycle creates fiscal stress, thereby jeopardizing future access to climate loans. To address this, Bangladesh must implement a climate debt sustainability framework looking into repayment viability before borrowing, giving priority to grants, and lobbying at the international level for debt swaps for climate or concessional debt relief for countries at high risk.<sup>75</sup>

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<sup>73</sup> L Rahman, 'Legal Standing and Environmental Justice in Bangladesh' (2020) 22 Dhaka University Law Journal 67.

<sup>74</sup> Asian Development Bank, *Bangladesh Climate Finance Readiness and Debt Vulnerability* (2022) <<https://adb.or>>

<sup>75</sup> UNDP, *Debt-for-Climate Swaps: Financing a Just Transition in LDCs* (2023) <<https://undp.org>>

## Conclusion

Bangladesh is truly at the frontline of the global climate crisis, between these sea levels gently rising towards them, frequent cyclones moving through them, and the intrusion of increasing salinity in many locations—each a threat to their economy, environment, and human security. The country continues to be held back by systemic barriers to access climate finance, such as reliance upon loans as the primary form of finance, heavy procedural complexity, weak domestic institutional capacity, and scant local engagement. Although the nation has made some progressive efforts in its legal and institutional setup, much remains to ensure that laws are properly implemented, as they are not known to be accessible and coherent for the local actors. However, with judiciary actions, the state has started some very crucial foundations for environmental protection within which climate finance cases of litigation have unfortunately been few. The right approach to overcome these barriers requires that the need for restructuring of climate finance with more grant finance should be stressed in the real relief from them, decentralization of access that strengthens local institutions, and introducing transparency by real time tracking and independent audits. Strengthening the legal framework has to do with at least enacting a dedicated Climate Change Act and liberalizing the legal standing right to beyond just public actors.