

# Mainstreaming Environment and Climate into Bangladesh's Budget

## Opportunities

- Over the years, there have been consistent reforms in budgeting process which make it more receptive of changes required for mainstreaming environment and climate
- The Government has already developed a very comprehensive and flexible budget classification system which can accommodate the requirements of assigning budget codes for tracking expenditure.
- It has developed over the years a robust financial management information system (iBAS++) which can capture all required climate finance related information and generating reports.
- Proactive change agents within the civil service to take forward the agenda of mainstreaming climate
- Pressure from CSOs for mainstreaming climate agenda in budget setting process
- The Government's commitment to reduce vulnerabilities due to climate change which requires climate sensitive resource allocation regime
- Political commitment for implementation of SDGs is very firm; and many of the goals of SDGs are relating to mainstreaming environment and climate changes (SDGs is SGD 13, 14, and 15) in the overall development agenda.

## Challenges

There are three broad categories of challenges:

- **policy challenges**
- **institutional challenges and**
- **operational challenges.**

### **Policy Challenges:**

- securing full buy-in of climate change PFM reforms by stakeholders,
- having strategic framework at the central level to include climate finance issues in budgeting and planning process,
- improving country fiduciary arrangements to access international climate financing windows (e.g. Green Climate Fund),
- private sector investment mapping to avoid overlaps in climate funding and providing policy support to establish linkage between national CFF and local CFF.

### **Institutional challenges:**

- the readiness of line ministries to track climate spending
- Finance Division's capacity to embed climate dimension in the MTBF process
- Line ministries capacity to mainstream climate in their budget setting exercise
- absorption of transformational changes arising from the introduction of reforms in PFM system to incorporate climate change
- institutionalization of tools, methods and procedures developed

**Operational challenges:**

- striking a balance between revamping of policies and capacity strengthening for their implementation
  - availability of required information
  - frequent staff turnover
  - inter-agency and intra-agency coordination in information sharing
-