

Seminar

on the National Budget 2025-2026

Climate Budget and Coastal Areas of Bangladesh

জাতীয় বাজেট ২০২৫-২৬

জলবায়ু বাজেট ও বাংলাদেশ উপকূল

28 May 2025 || CIRDAP Auditorium || Dhaka, Bangladesh



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Key Features of FY2025- 2026 National Budget

Upcoming Budget 2025-26

1) Total proposed budget 7, 90,000 crore, 1% less than the current year's 797,000 crore

- Debt Repayment Costs increased(16.8%)
- Reduce ADP [49 thousand crore] due to slow pace of implementation
- ADP implementation is 41.31 percent in 10 months

2) IMF pressure on revenue enhancement

- Revenue target for next 3 years of Tk 20 lakh 200 crore
- Reducing inflation rate from 9-10% to 6.5%
- Will increase inflationary pressure on the common people due to the burden of indirect taxes
- Imposed 15 % VAT on 43 types of goods and services
- Exacerbated the high income inequality in society

Major ADP cut in

SL	Sector	2024-25	2025-26	%
01	Health	20682	18148	12.25
02	Environment, Climate Change & Water	11089	10641	4.04
03	Agriculture	13219	10795	18.33
04	Education	31258	28557	9.42
05	Local Government and Rural Development	17986	13472	25.09
06	Industrial financial services	6492	5038	28.55

Strategic Plan vs. Resource Mobilization

- According to gov't sources, Bangladesh will need \$USD 534 billion to combat climate change by 2050
- Government allocating \$3.60 billion against \$19.7 billion annually

- Country will be in debt to implement these plans
- Per capita climate debt is \$79.61 (Tk. 9485)-Change Initiative

Strategic plan	Annual financing plan [BDT]	Annual financing plan [USD]
Bangladesh Climate Change Strategy & Action Plan (BCCSAP 2009)	8,600 Crore	0.74 Billion
Bangladesh Delta Plan-2100	63,414 Crore	5.42 Billion
National Adaptation Plan [NAP]-2023-50	99,450 Crore	8.5 Billion
Nationally Determined Contribution [NDC] 2021-2030 [<i>unconditional: \$32.26 billion, & conditional \$140.97 billion</i>]	41,886 Crore	3.58 Billion
Annual financing plan	213,350 Crore	18.24 Billion



Implementing 4 long-term strategic plans to combat climate change requires \$18.24 billion annually

Yearly Climate Budget Allocations

Where minimum allocation of 3% of GDP is required every year, less than 1% is being allocated.

B. Figure of climate allocation in last 5 years national budget

Fiscal year	GDP at current Prices [BDT. crore]	Total National Budget [BDT. Crore]	Total climate budget [BDT. Crore]	Climate allocation as % of GDP
2020-21	35,30,185	568,000	24,075.69	0.68%
2021-22	39,71,716	603,681	28,010.13	0.71%
2022-23	44,90,842	678,064	32,408.90	0.72%
2023-24	50,48,027	761,785	37,051.94	0.73%
2024-25	55,97,414	797,000	42,206.89	0.75%

Source: Climate Finance Budget Report on National Budget and Sustainable Development from FY 2021-22 to 24-25 and Bangladesh Bureau of Statistics report



Priorities should be selected in the coming national budget

Significant gap in global climate financing and prospects for Bangladesh

A. Global Requirement and Financing

- \$300 billion pledged under NCQG against 1.3 trillion global requirement
- Leverage private sector for \$1 trillion investment will create debt burden through climate finance
- Access modalities has not been decided [is it IFIs or G-G agency or GCF criteria, loan, grant or highly concessional]
- **Global climate finance is based on debt and mitigation:**
Grant-based allocation was- 5% and Adaptation allocation was 5.43% *[Climate Policy Institute]*

B. Bangladesh Prospects

- Lack of preparation; skill, technology, etc. less likely to access fund
- IFI's make get scope to exploited countries through climate financing
- Bangladesh will have to compete fiercely with other LDCs to get funding



What is the major climate vulnerability in coastal areas

A. Salinity intrusion; Agriculture sector under threat:

- About 1.5 million hectares of coastal land are suffering from salinity *[Reducing crop production by an average of 3.5 million tons per year]*
- Bangladesh could lose 30% food production by 2050 [IPCC]

B. Severe drinking water shortage across the coast:

- This crisis has become acute in over a 100-sub districts in 18 of the 19 coastal districts,

C. The Frequency-Intensity of the Cyclone has Increased:

- Strong cyclones occur every 10 years instead of every 100 years
- Annual average damage of Bangladesh due to tropical cyclones has already reached \$1 billion. *[World Bank, Country Climate and Development Report (CCDR)- 2022]*

D. Climate-induced Internal displacement crisis:

- The number has increased by nearly 600,000 in the past year, Currently, the number of displaced people is about 2.4 million. 1 in 7 people will be displaced by 2050 *[Internal Displacement Monitoring Centre (IDMC) Report-2025]*



Priority issues in the national budget/Recommendations



In total, about 6,500 km of sustainable embankments are currently needed in the coastal area [Char Island, damage & hazardous]

1. At least 3 percent [BDT. 1 lakh 67 thousand crore] of GDP should be allocated for climate finance in the national budget.

2. Priority allocations in the national budget should be made to protect the livelihoods of 39 million coastal people

2.1: Protection coastal areas: Separate allocation for constructing concreted embankment; [Tk 10,000-12,000 crore per year]

Priority issues in the national budget/Recommendations



2.2 Displacement management : Priority based allocation to implement the 20-Year Inclusive and Rights-Based National Action Plan 2022-2042 of Displacement management [Sustainable Rehabilitation]



2.3: Water Management : to ensure fresh water [Climate Resilient Saline Water Treatment Plant, Rain Water Harvesting,], sanitation, irrigation facilities, etc.

Where are the government's strategic gaps

Dirhapar Union Shelter Project [An example] Sandwip Island, Chattogram

A. Outreach-based displacement management

- Located 5 km from the nearest locality
- there is no pharmacy or medical service within this distance
- Half of the 240 houses remain empty
- no primary school within 5 km
- Deprived from SSN services

B. Lack of communication and employee/ alternative livelihood opportunity

- That's why the infrastructure that has been built there is not managed properly.

Recommendation: Build communication road, a growth center/market place, etc.



Priority allocation for sustainable coastal protection to protect the lives & livelihoods of 39 million coastal people who are highly vulnerable to climate change.



Let's Discuss.....
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