Concept Note

National Dialogue

“Sustainable Blue Economy in Bangladesh through Sustainable Blue Bond”

The ‘Strengthening Institutional Capacity for SDGs Achievement in Bangladesh (SC4SDG)’ Project of UNDP Bangladesh and UNEP-PEA4SDGs, in collaboration with the General Economics Division (GED) of Bangladesh Planning Commission, is organizing a national dialogue on ‘Sustainable Blue Economy in Bangladesh through Sustainable Blue Bond’ at Media Bazar, Bangabandhu International Conference Center (BICC), Dhaka on March 28, 2021. The dialogue aspires to sensitize the relevant stakeholders representing different ministries/divisions, private sector organizations, international financial institutions (IFI), development partners, NGOs, think-tanks, universities, etc. about sustainable financing instruments, especially blue bond. Besides, it aims to discuss the opportunities, challenges, and required policy actions to initiate the blue bond in the bond market of Bangladesh in order to finance the climate projects (such as in green, blue, and sustainability projects).

Background

The Government of Bangladesh (GoB), as a signatory of the 2030 Agenda for Sustainable Development, is engaged in implementing the Sustainable Development Goals (SDGs) for more than five years. The country has completed all the preparatory works at the national level such as integration of SDGs in the national plan, mapping of ministries and divisions, SDGs M&E framework, SDGs financing strategy, and SDGs action plan. Bangladesh has been playing an active role in the global discourse for implementing the SDGs. In recognition of the fact that SDGs are overarching, the GoB has adopted a ‘whole of society’ approach and engaged the private sector, NGOs, CSOs, think-tanks, academia, and media for achieving the SDGs.

A key impediment to realizing the SDGs in Bangladesh is the insufficient resources to finance the SDGs, particularly from the private sector. According to the SDG Financing Strategy Report 2017, Bangladesh needs an additional USD 928.48 billion to achieve the SDGs during the implementing period (i.e. till 2030). It has been estimated that, on average, 85.1% of the financing will come from domestic sources where 42.1% will be financed by the private sector. However, the economy’s narrow tax base poses an enormous challenge of financing the SDGs for Bangladesh. The effectual implementation of ‘whole of society’ approach with a special focus on private sector
investment by the government will play a crucial role in financing and realizing the SDGs by the year 2030.

Managing and mobilizing required resources from public and private sectors is key for attaining SDGs in Bangladesh. However, mobilizing finance from actors beyond the government for the SDGs will require a policy enabling environment that is conducive to sustainable and inclusive development of the private sector and civil society. It will require effective collaboration between government and private stakeholders including dialogue on policy issues and active partnerships on specific projects. Nonetheless, sustainable development can only be ensured if development process does not have negative impact on environment and climate. This entails going beyond just stimulating growth in private investment, for example, creating incentives that promote blue financing for environmental sustainability and socio-economic development. As the implementation of SDGs goes forward, an effort to adopt innovative financing strategies, e.g. Blue Bond and roadmap for an integrated financing strategy based on the successful experiences of other countries will be instrumental.

**Objectives**

This national dialogue will focus on discussing the feasibility of introducing blue bond in the existing bond market of Bangladesh for financing sustainable marine and ocean-based projects of GoB that will contribute to environmental sustainability and poverty eradication, for instance, sustainable fisheries, offshore energy, tourism, waste management, etc.

The specific objectives of the national dialogue are as follows:

- Sensitize the relevant state and non-state actors about the blue economy, composition of blue economy in Bangladesh, economic valuation of blue economy in Bangladesh, and sustainable bonds for sustainable financing, particularly blue bond.
- Recapitulate the bond market in Bangladesh and recently introduced Islamic bond ‘Sukuk’.
- Understand the importance, opportunities, and challenges of promoting the sustainable blue economy and blue bond in Bangladesh.
- Identify the areas for ‘blue’ investments (e.g. bankable projects) that would support a sustainable blue economy in Bangladesh.
- Discuss the required activities/interventions to institute the blue bond in the existing bond market of Bangladesh.
Expected Outputs

At the end of the national dialogue, it is expected to achieve the following outputs.

➢ Be familiar with the ideas of blue economy, economic valuation of blue economy, and sustainable bonds including blue bond.
➢ Have improved understanding of evolution and current state of bond market in Bangladesh (in particular, Islamic bond – Sukuk).
➢ Understand the pathways of achieving economic sustainability through sustainable blue economy.
➢ Have chalked out a tentative list of bankable projects that will direct the country to sustainable blue economy.
➢ Have flagged the actions required to institute the blue bond in the country’s bond market.

Participants

The national dialogue will be attended by participants representing government agencies, private sector, international financial institutions, development partners, NGOs, think-tanks, universities, etc.