



**THE WORLD BANK**  
IBRD • IDA | WORLD BANK GROUP

**FOR OFFICIAL USE ONLY**

Report No: PAD4369

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF SDR 211.7 MILLION  
(US\$300 MILLION EQUIVALENT)

TO THE

PEOPLE'S REPUBLIC OF BANGLADESH

FOR A

RESILIENCE, ENTREPRENEURSHIP AND LIVELIHOOD IMPROVEMENT PROJECT

April 26, 2021

Agriculture and Food Global Practice  
South Asia Region

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorization.

## CURRENCY EQUIVALENTS

(Exchange Rate Effective March 31, 2021)

Currency Unit = Bangladeshi Taka (BDT)

---

BDT84.79 = US\$1

---

US\$1.41721 = SDR 1

FISCAL YEAR

July 1 - June 30

Regional Vice President: Hartwig Schafer

Country Director: Mercy Miyang Tembon

Regional Director: John A. Roome

Practice Manager: Loraine Ronchi

Task Team Leader(s): Jean Saint-Geours, Samina Yasmin

## ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
BCC	Behavior Change Communication
BIGD	BRAC Institute of Governance and Development
BRAC	Bangladesh Rural Advancement Committee
CARE	Commercial Agriculture and Rural Entrepreneurship
CDD	Community-Driven Development
CERC	Contingent Emergency Response Component
CFM	CARE Fund Manual
COM	Community Operations Manual
COVID-19	Coronavirus Disease 2019
CPF	Country Partnership Framework
CPTU	Central Procurement Technical Unit
CRP	Community Resource Person
CSA	Climate-Smart Agriculture
CWF	Construction Works Fund
DA	Designated Account
E&S	Environmental and Social
EFA	Economic and Financial Analysis
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
FAPAD	Foreign Aided Projects Audit Department
FM	Financial Management
FMIS	Financial Management Information System
FY	Fiscal Year
GAAP	Governance and Accountability Action Plan
GBV	Gender-Based Violence
GDP	Gross Domestic Product
GEMS	Geo-enabling Initiative for Monitoring and Supervision
GHG	Greenhouse Gas
GoB	Government of Bangladesh
GS	Gram Samiti
GP	Gram Parishad
GRM	Grievance Redress Mechanism
HNSC	Health and Nutrition Support Committee
ICT	Information and Communication Technology
IDA	International Development Association
IDF	Institutional Development Fund
IEG	Independent Evaluation Group
IFC	International Finance Corporation
IGA	Income Generating Activity
IPF	Investment Project Financing
IRR	Internal Rate of Return

IUFR	Interim Unaudited Financial Report
LMS	Loan Management System
LSP	Local Service Provider
M&E	Monitoring and Evaluation
MIS	Management Information System
MoU	Memorandum of Understanding
MSMEs	Micro, Small, and Medium Enterprises
MTR	Midterm Review
NGO	Nongovernmental Organization
NJLIP	Nuton Jibon Livelihood Improvement Project
NPV	Net Present Value
OP	Operational Policy
PAF	Poverty Alleviation Fund
PDO	Project Development Objective
PG	Producer Group
PIP	Project Implementation Plan
PLR	Program Learning Review
PMA	Process Monitoring Agency
PPR	Post Procurement Review
PPSD	Project Procurement Strategy for Development
PSF	Performance Support Fund
RELI	Resilience, Entrepreneurship and Livelihood Improvement Project
RCCS	RELI Cluster Community Society
RDCS	RELI District Community Society
RIMA	Resilience Index Measurement and Analysis
RVP	Regional Vice President
SAC	Social Audit Committee
SC	Savings Committee
SDF	Social Development Foundation
SDG	Sustainable Development Goals
SDR	Special Drawing Rights
SEA	Sexual Exploitation and Abuse
SECVDF	Small Ethnic and Vulnerable Community Development Framework
SEP	Stakeholder Engagement Plan
SH	Sexual Harassment
SIPP	Social Investment Program Project
SMT	Strategic Management Team
SOE	Statement of Expenditure
SORT	Systematic Operations Risk-Rating Tool
STEP	Systematic Tracking of Exchanges in Procurement
ToR	Terms of Reference
TTL	Task Team Leader
VCO	Village Credit Organization
VDF	Village Development Fund



## TABLE OF CONTENTS

<b>DATASHEET .....</b>	<b>1</b>
A. Country Context.....	7
B. Sectoral and Institutional Context.....	9
C. Relevance to Higher Level Objectives.....	13
<b>II. PROJECT DESCRIPTION.....</b>	<b>14</b>
A. Project Development Objective .....	14
B. Project Components .....	14
C. Project Beneficiaries .....	16
D. Results Chain .....	17
E. Rationale for Bank Involvement and Role of Partners .....	18
F. Lessons Learned and Reflected in the Project Design .....	18
<b>III. IMPLEMENTATION ARRANGEMENTS .....</b>	<b>20</b>
A. Institutional and Implementation Arrangements .....	20
B. Results Monitoring and Evaluation Arrangements.....	21
C. Sustainability.....	22
<b>IV. PROJECT APPRAISAL SUMMARY .....</b>	<b>22</b>
A. Technical, Economic and Financial Analysis (if applicable) .....	22
B. Fiduciary.....	24
C. Legal Operational Policies.....	29
D. Environmental and Social.....	29
<b>V. GRIEVANCE REDRESS SERVICES .....</b>	<b>32</b>
<b>VI. KEY RISKS .....</b>	<b>32</b>
<b>VII. RESULTS FRAMEWORK AND MONITORING .....</b>	<b>35</b>
<b>ANNEX 1: Adjustments to the Country Program in Response to COVID-19 .....</b>	<b>45</b>
<b>ANNEX 2: Implementation Arrangements and Support Plan .....</b>	<b>48</b>
<b>ANNEX 3: Detailed Project Description .....</b>	<b>52</b>



## DATASHEET

**BASIC INFORMATION**

Country(ies)	Project Name	
Bangladesh	Resilience, Entrepreneurship and Livelihood Improvement Project	
Project ID	Financing Instrument	Environmental and Social Risk Classification
P175820	Investment Project Financing	Moderate

**Financing & Implementation Modalities**

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input checked="" type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Enhanced Implementation Support (HEIS)

Expected Approval Date	Expected Closing Date
28-May-2021	28-May-2026

Bank/IFC Collaboration

No

**Proposed Development Objective(s)**

Improve livelihoods of the poor and extreme poor, enhance their resilience and support rural entrepreneurship in project areas

**Components**

Component Name	Cost (US\$, millions)
Component A: Community Institutions and Livelihood Development	254.00
Component B: Business Development and Institutional Strengthening	41.00
Component C: Project Management, Monitoring and Learning	46.00
Component D: Contingent Emergency Response Component (CERC)	0.00

**Organizations**

Borrower:	People's Republic of Bangladesh
Implementing Agency:	Social Development Foundation

**PROJECT FINANCING DATA (US\$, Millions)****SUMMARY**

Total Project Cost	341.00
Total Financing	341.00
of which IBRD/IDA	300.00
Financing Gap	0.00

**DETAILS****World Bank Group Financing**

International Development Association (IDA)	300.00
IDA Credit	300.00

**Non-World Bank Group Financing**

Counterpart Funding	41.00
Borrower/Recipient	40.00
Local Beneficiaries	1.00



#### IDA Resources (in US\$, Millions)

	Credit Amount	Grant Amount	Guarantee Amount	Total Amount
<b>Bangladesh</b>	300.00	0.00	0.00	300.00
National PBA	300.00	0.00	0.00	300.00
<b>Total</b>	<b>300.00</b>	<b>0.00</b>	<b>0.00</b>	<b>300.00</b>

#### Expected Disbursements (in US\$, Millions)

WB Fiscal Year	2021	2022	2023	2024	2025	2026
<b>Annual</b>	0.00	36.00	60.00	75.00	69.00	60.00
<b>Cumulative</b>	0.00	36.00	96.00	171.00	240.00	300.00

#### INSTITUTIONAL DATA

##### Practice Area (Lead)

Agriculture and Food

##### Contributing Practice Areas

##### Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

#### SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	● Moderate
2. Macroeconomic	● Substantial
3. Sector Strategies and Policies	● Moderate
4. Technical Design of Project or Program	● Moderate
5. Institutional Capacity for Implementation and Sustainability	● Moderate
6. Fiduciary	● Moderate
7. Environment and Social	● Moderate
8. Stakeholders	● Moderate





9. Other	● Substantial
10. Overall	● Moderate

## COMPLIANCE

### Policy

Does the project depart from the CPF in content or in other significant respects?

☐ Yes ☒ No

Does the project require any waivers of Bank policies?

☒ Yes ☐ No

Have these been approved by Bank management?

☒ Yes ☐ No

Is approval for any policy waiver sought from the Board?

☐ Yes ☒ No



## Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Relevant
Cultural Heritage	Not Currently Relevant
Financial Intermediaries	Not Currently Relevant

**NOTE:** For further information regarding the World Bank's due diligence assessment of the Project's potential environmental and social risks and impacts, please refer to the Project's Appraisal Environmental and Social Review Summary (ESRS).

## Legal Covenants

### Conditions

Type Effectiveness	Financing source IBRD/IDA	Description Article V (a): The Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity and all the conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.
Type Effectiveness	Financing source IBRD/IDA	Description Article V (b): The Project Implementation Plan, the Community Operations Manual, the CARE Fund Manual and the Human



		Resources Policy and Manual, each in a form and manner satisfactory to the Association, have been duly adopted by the Project Implementing Entity.
Type Disbursement	Financing source IBRD/IDA	Description Section III Part B(1): Notwithstanding the provisions of Part A above, no withdrawal shall be made for Emergency Expenditures under Category (4), unless and until, all of the following conditions have been met in respect of said expenditures: (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw the Financing amounts under Category (4); and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and (ii) the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association.



## I. STRATEGIC CONTEXT

### A. Country Context

**1. Bangladesh has made rapid social and economic progress in recent decades, reaching lower middle-income status by 2015.** Officially reported gross domestic product (GDP) growth averaged close to 6 percent annually since 2000 and accelerated to over 8 percent in Fiscal Year (FY) 19. Strong labor market gains contributed to a sharp decline in poverty, with the national poverty rate falling from 48.9 to 24.5 percent between 2000 and 2016, while extreme poverty declined from 34.3 to 13.0 percent.<sup>1</sup> However, the pace of poverty reduction slowed in recent years even as growth accelerated, particularly in urban areas and in the west of the country. Similarly, the progress on shared prosperity slowed between 2010 and 2016 after a decade of improvements, with annual consumption growth of the bottom 40 percent trailing that of the overall population (1.2 percent versus 1.6 percent). Bangladesh entered the coronavirus disease 2019 (COVID-19) crisis with a relatively strong macroeconomic position. Garment exports and remittances narrowed the external deficit in recent years and international reserves were adequate. While tax collections are among the lowest in the world, under-execution of the budget has contained the fiscal deficit, which has been below 5 percent of GDP since FY01. As a result, public debt is low and stood at 33.7 percent of GDP at the end of FY19.

**2. A modest deceleration of growth in the first half of FY20 turned into a sharp decline after the COVID-19 pandemic caused major disruptions to economic activity.** In the first half of FY20 (July to December 2019), growth decelerated as slower global trade and deteriorating external competitiveness lowered exports and tighter access to finance constrained private investment growth. With declining readymade garment orders, exports declined by 5.8 percent (year-on-year) during this period. A sharp contraction in capital goods imports (3.4 percent, year-on-year) suggests that private investment also declined. Growth during the first half of the year was primarily supported by remittance-fueled private consumption. The initial phase of the pandemic in early 2020 disrupted the supply of intermediate goods from China, reducing manufacturing output. As the pandemic intensified abroad, export orders from Europe and the United States declined precipitously. The Government implemented a national shutdown from March 26 to May 30 to control an accelerating domestic outbreak of the virus. Control measures resulted in a sudden stop of many sectors. Consequently, real GDP growth is estimated to have decelerated to 2.4 percent in FY20. Vulnerability in the banking sector remains high, with officially recognized non-performing loans accounting for 8.9 percent of total loans in September 2020. Due to deviations from international recognition, loss provisioning, capital calculation standards, and the moratorium on loan repayments after the COVID-19 outbreak, the actual extent of financial sector risk is likely higher than its share suggests. With 5 percent in December 2020, inflation remained benign. Declining imports and surprisingly large inflows of remittances, which increased by over 30 percent (year-on-year) in the first seven months of FY21 (July 2020 to January 2021), contributed to a current account surplus in FY21 so far.

**3. The pandemic has impacted poor households and micro and small enterprises.** The Bangladesh Business Pulse Survey by the World Bank Group, based on interviews conducted with 500 micro, small, and medium enterprises (MSMEs) in July 2020, shows that 94 percent of businesses have experienced sharp drops in sales, 83 percent of firms have made losses, and 33 percent of firms have not been able to pay installments on existing loans. A staggering 37 percent of Bangladesh's workers have lost their jobs,

---

<sup>1</sup> Household Income and Expenditure Survey, 2000/01 through 2016/17.



temporarily or permanently. The first wave of the World Bank's COVID-19 household monitoring survey, conducted in June/July 2020 in slum and non-slum areas in Dhaka and Chittagong, shows that about 23 percent of the poor stopped working after the national shutdown announced on March 25, 2020. Of the surveyed people, 80 percent of wage workers and 94 percent of own-account workers were earning lower than usual. Median wages for salaried and daily workers declined by about 37 percent compared to usual earnings right before COVID-19. A different survey led by Bangladesh Rural Advancement Committee (BRAC), the largest nongovernmental organization (NGO) in Bangladesh, indicated that urban and rural poor suffered an income loss of 75 percent and 62 percent, respectively.<sup>2</sup> The income shock led to a decline in food expenditure in both rural and urban areas. A micro-simulation conducted by the World Bank Poverty and Equity Global Practice indicates that, on average, per capita household consumption could decline by 13 percent, implying that as much as 21 million people could face their income dropping below the poverty line. The second round of the World Bank's COVID-19 household monitoring survey, conducted from September 2 to October 11, shows signs of recovery in employment and earnings. The share of adults working in the week preceding the interview rose 10 percentage points between July and September 2020, driven by respondents who had been unemployed or absent from work during the first round. Employment recovered faster in Chittagong, reaching pre-COVID-19 levels, while Dhaka remained about 14 percentage points below pre-COVID-19 employment levels. Earnings and revenues have not recovered fully, and salaried and wage workers still report substantial uncertainty about keeping their jobs.

**4. COVID-19 has darkened the economic outlook, but economic activity is forecast to pick up again in FY21.** Amid lingering impacts from the pandemic on domestic activity and persisting disruptions in major export markets, a mild recovery is forecast for this year. The unprecedented uncertainties related to COVID-19 are likely to further dampen private investment. Weaker demand and more severe financing constraints may continue to weigh on industrial production, while the flooding in early FY21 may hamper agriculture production. Inflation is projected to remain close to target. The fiscal deficit is likely to rise as recurrent expenditure on social protection measures is expected to remain elevated in the near term and capital expenditure is expected to increase. The recovery in subsequent years is expected to be gradual, with the waning of pandemic-related economic disruptions partly offset by increasing fragilities in the banking system. The recent rise in remittances is unlikely to persist, as thousands of migrant workers returned home<sup>3</sup> and the prospects of hiring new workers in the Gulf Cooperation Council countries remain grim. Declining remittance inflows could reduce household income and slow private consumption growth, the main engine of the economy.

**5. Bangladesh is extremely vulnerable to the effects of climate change.** The Global Climate Risk Index ranks Bangladesh as the world's seventh most affected country over 1999–2018.<sup>4</sup> Rising temperatures leading to more intense and unpredictable rainfalls during the monsoon season and a higher probability of catastrophic cyclones are expected to result in increased tidal inundation. It is estimated that a 1 meter rise in sea levels would submerge 18 percent of arable land in coastal areas.<sup>5</sup> Recent studies estimate that by 2050, Bangladesh could have 13.3 million internal climate migrants.<sup>6</sup> Additional rural-urban migration would have significant consequences for air and water pollution and

<sup>2</sup> Livelihoods, Coping and Support During COVID-19 Crisis. BRAC Institute of Governance and Development (BIGD) and Power and Participation Research Centre (PPRC), June 2020.

<sup>3</sup> According to the Ministry of Expatriates' Welfare and Overseas Employment, more than 100,000 Bangladeshi workers returned home between April and September.

<sup>4</sup> Germanwatch. 2020. *Global Climate Risk Index 2020*.

<sup>5</sup> UNFCCC. 2007. *United Nations Framework Convention on Climate Change*.

<sup>6</sup> World Bank. 2018. *Groundswell: Preparing for Internal Climate Migration*.



unsustainable consumption of natural resources, while placing additional pressure on urban labor markets. Addressing climate risks is increasingly urgent to ensure sustainable economic development of the country.

## B. Sectoral and Institutional Context

**6. Despite substantial improvements in past decades, poverty and vulnerability remain high in Bangladesh.** From 2000 to 2016, the country's poverty rate was halved, with 25 million people escaping poverty. Concurrently, improvements were recorded in life expectancy, nutrition, and in access to electricity, clean water, sanitation, and education, among others. However, about 1 in 4 Bangladeshi still lived in poverty in 2016 and 1 in 8 lived in extreme poverty and was unable to afford a basic food consumption basket. In addition, more than half of the population are considered vulnerable to poverty.<sup>7</sup>

**7. Rural areas are home to most of the country's poor.** Even though rural poverty fell from 52 percent in 2000 to 27 percent in 2016, 80 percent of the poor are still in rural areas. Furthermore, 55 percent of the non-poor have consumption levels just above the poverty line, and their vulnerability of falling back into poverty is high. Improvements in education, reductions in household size, and expansions in access to electricity and other assets all contributed to this poverty reduction in rural areas, but these improvements were not evenly distributed spatially, making some of the non-poor more vulnerable to slippage below the line. This can be seen in recent increases in poverty in western (rural) divisions.

**8. Recurrent movement in and out of poverty also partly reflects the vulnerability and informality of jobs.** Many rural households derive income from multiple sources, reflecting a rapidly transforming and interconnected economy. While 40 percent of rural households derive income only from agriculture, 43 percent of rural households derive income from different sectors (agriculture, industry, and services). A worker's type of employment (that is, daily laborer, self-employed, or salaried) is, however, a better poverty predictor. Rural employment largely consists of informal self-employment activities, followed by daily wage arrangements. Day labor is much more prevalent among the poor, with 45 percent of them engaged in this type of work. Within agriculture, about 1 in 4 workers is a daily worker.<sup>8</sup>

**9. Stark gender disparities exist in women's livelihood and entrepreneurship opportunities.** While female labor participation in rural areas has been rising steadily up to 36 percent, it remains markedly lower than men's 82 percent labor force participation.<sup>9</sup> About 63 percent of employed women work in agriculture, which is also a sector where they earn the least.<sup>10</sup> Women's representation in agriculture is nearly double that of men. Agriculture's feminization has not translated into higher incomes because women are largely involved in unpaid farm activities. Gender disparity is apparent in the types of earnings sources that women rely on. Women work mostly at or near home and in unpaid work. About 69 percent of working rural women work inside their homes, while almost all men work outside their homes.<sup>11</sup> It is estimated that rural female agricultural workers constitute the largest share of Bangladesh's unpaid employment.<sup>12</sup> Another study highlighted the gender gap within agricultural employment, where 50

<sup>7</sup> World Bank. 2019. *Bangladesh Poverty Assessment: Facing Old and New frontiers in poverty reduction*.

<sup>8</sup> World Bank. 2020. *Bangladesh Rural Income Diagnostic*.

<sup>9</sup> World Bank. 2020. *Bangladesh Rural Income Diagnostic*.

<sup>10</sup> Although gender wage gaps are reducing over the year, women earn the least in agriculture sector and gender gap continues to exist

<sup>11</sup> Solotaroff, Jennifer L., Aphichoke Kotikula, Tara Lonnberg, Snigdha Ali, Rohini P. Pande, Ferdous Jahan. 2019. "Voices to Choices: Bangladesh's Journey in Women's Economic Empowerment." *International Development in Focus*. Washington, DC: World Bank

<sup>12</sup> Solotaroff et al. 2019.



percent of women reported engaging in livestock and 22 percent in unpaid farm activities, whereas only 4 percent of men reported working in livestock and only 4 percent were unpaid. Women's entrepreneurial activity in Bangladesh is low, particularly in rural areas.<sup>13</sup> Out of the 500 MSMEs surveyed in the Business Pulse Survey, only 19 percent were owned by women.<sup>14</sup> Among beneficiaries of the Nuton Jibon Livelihood Project (NJLIP), 15 percent of the self-employed women lead agri-based enterprises. Among women, female-headed households face additional challenges and tend to have lower incomes.<sup>15</sup> Given women's representation in agriculture and the gender gaps, prioritizing higher-income activities for women is important for their economic empowerment as well as for rural income growth.

**10. The gender gaps derive from several underlying barriers** limiting women's ability to develop and scale livelihood and entrepreneurship activities. Barriers include: (a) social and cultural barriers to take up economic enterprise, (b) poor access to capital and financing options, (c) lack of knowledge and access to productive resources and technology, (d) limited skills and access to skills training, (e) poor knowledge and access to markets, (f) poor knowledge and access to professional networks and associations, and (g) mobility constraints.<sup>16</sup> In addition, for rural women entrepreneurs, a number of issues hamper their businesses and keep them from maximizing economic benefit. For instance, work opportunities as vendors, purchasers, or middlemen are greatly restricted for women due to limitations placed on their mobility.<sup>17</sup> Women entrepreneurs in rural areas furthermore lack the physical space to sell goods or services as well as supportive market infrastructure. Some 34 percent of woman entrepreneurs report that a major impediment is people's perceived discomfort with women doing business.<sup>18</sup>

**11. Agriculture is a key driver in poverty reduction, but declining agricultural productivity growth hinders the development of the rural economy.** It is estimated that agriculture accounts for 38 percent of rural households' income.<sup>19</sup> The agriculture sector contributed to 69 percent of overall poverty reduction between 2000 and 2010. Its contribution to poverty reduction was however much more modest from 2010 to 2016 (27 percent) notably due to a slowdown in agriculture growth over the period, which was itself the result of the lower total factor productivity growth – from 2.4 percent in 2001–10 to 1 percent in 2011–16 – along with a continuous decline in the growth of input use.<sup>20</sup> Given that evidence suggests a 10 percent increase in agricultural incomes generates a 6 percent increase in non-agricultural incomes through strong forward and backward linkages,<sup>21</sup> the slowdown in agricultural growth is posing a serious challenge for both the farm and the non-farm rural economy.

**12. Despite emerging market opportunities for productive diversification and increased value addition, on-farm and off-farm constraints are slowing down the modernization of the agri-food sector.** Since the 1980s, Bangladesh has made significant policy reforms with agricultural input market

---

<sup>13</sup> Aktar, M., A. Abdullah, A. Jantan, and D. Hossan. 2020). "Factors Influencing Entrepreneurial Success among the Rural Women Entrepreneurs in Bangladesh." *International Journal of Business and Economy* 2 (3): 42–58.

<sup>14</sup> Kader, Ananya W. and Maoranjana Pattanayak. 2020. Business Pulse Survey: Impact of COVID-19 on MSMEs in Bangladesh.

<sup>15</sup> SDF Management Information System (MIS).

<sup>16</sup> World Bank. 2020. *Bangladesh Rural Income Diagnostic*. Poor access to financing options is further hindered by women's low asset ownership. Among rural women, 13 percent solely or jointly own agricultural land and 7 percent own nonagricultural land, compared to 70 percent and 86 percent of rural men, respectively. IZA Institute of Labor Economics, Germany.

<sup>17</sup> Asadullah, M. Niaz and Zaki Wahhaj. 2016. Missing from the Market: Purdah Norm and Women's Paid Work Participation in Bangladesh.

<sup>18</sup> Makino, Yuka, Maya Brahman, Juan Carlos Vargas, and Sulhee Yoon. 2019. Economic Empowerment of Women through Resilient Agriculture Supply Chains: A Geospatial and Temporal Analysis in Southwestern Bangladesh. World Bank, Washington, DC.

<sup>19</sup> Bangladesh Bureau of Statistics. 2019. *Report on Agriculture and Rural Survey 2018*.

<sup>20</sup> World Bank. 2020. *Promoting Agri-Food Sector Transformation in Bangladesh: Policy and Investment Priorities*.

<sup>21</sup> World Bank. 2016. *Dynamics of Rural Growth in Bangladesh: Sustaining Poverty Reduction*.





liberalization (particularly fertilizer and irrigation) and the National Seed Policy that have largely contributed to achieving near self-sufficiency in rice production.<sup>22</sup> The dominance of one crop brings, however, the risk of reducing income generation potential for smallholder farmers and limits the availability of diverse and nutrient-rich diets of poor farming households focusing on rice production. In addition, with rapid urbanization and fast income growth, dietary patterns are changing in the country with the demand for eggs, fruits, meat, and fish expected to expand by more than 50 percent by 2030. Domestic production faces challenges in meeting that growing demand for higher-value commodities, which has resulted in a three-fold increase of food imports from 2007 to 2017 to US\$10.7 billion. These challenges fall under three broad categories: (a) on-farm productivity constraints; (b) off-farm value addition and commercialization constraints; and (c) cross-sectoral enablers. Bangladesh is not competitive in terms of yields for many products compared to its regional peers and world averages. Main productivity constraints include land fragmentation and informality in land rental markets, limited access to quality seeds for non-paddy crops, limited knowledge and adoption of good agricultural practices reflected in imbalanced use and overuse of inputs, and limited use of farmer aggregation models, which constrains the delivery of extension services, accessing finance, and market linkages. Key constraints hindering off-farm value addition and commercialization include the limited number of formal off-takers, inadequate and costly marketing infrastructure and logistic services, and inadequate upholding of appropriate food safety practices and product quality standards. These constraints are exacerbated by other cross-sectoral issues such as access to finance and overall investment climate and competitiveness challenges.<sup>23</sup>

**13. Weather and climate change-related risks also have an impact on rural incomes and rural poverty negatively, especially among households engaged in agriculture.** Bangladesh is particularly vulnerable to adverse climate events and to climate change impacts. Climate disasters have both direct effects (such as loss of lives and productive assets) and indirect effects (such as loss of employment and income, reduced access to products and services, and opportunity cost of resources diverted to relief and rehabilitation), and disrupting effects on rural economies, accelerating rapid urbanization, and migration. Limited opportunities for women to access institutions that help increase adaptive capacity, entrenched social norms, mobility constraints, and access and ownership of assets increase women's risks to climate change-related impacts.<sup>24</sup> Agricultural incomes are especially vulnerable to extreme weather events. Climate change is already affecting agricultural production through temperature increases, sea level rise, saltwater intrusion, rainfall variability, and extreme weather events. Increased temperature could lead to a decline in crop yields of pulse, vegetables, wheat, and oilseeds in the range of 6 to 9 percent compared to a scenario without climate change. Increased soil and water salinity due to sea level rise is expected to result in a 15.6 percent yield reduction in high-yielding rice varieties by 2050.<sup>25</sup> Soil salinity is affecting 62 percent of coastal land, and sea level rise may reduce available cropland by about 25 percent in coastal areas. Unseasonal and extreme events affect crops and increase the risks of infestations. Late monsoon arrival can lead to water stress. Results from the crop environment resource synthesis-rice model indicate that high water stress during flowering and maturing stages can lead to yield losses as high as 70 percent.<sup>26</sup>

**14. The COVID-19 crisis is threatening to reverse the progress made on rural poverty reduction.** The impact of the pandemic on poverty is expected to be greater in urban areas, which are estimated to see

<sup>22</sup> World Bank. 2016. *Dynamics of Rural Growth in Bangladesh: Sustaining Poverty Reduction*.

<sup>23</sup> World Bank. 2020. *Promoting Agri-Food Sector Transformation in Bangladesh: Policy and Investment Priorities*.

<sup>24</sup> Ahmad, Nilufar. 2012. *Gender and Climate Change in Bangladesh. The Role of Institutions in Reducing Gender Gaps in Adaptation Program*. Washington, DC: World Bank

<sup>25</sup> World Bank. 2019. *Bangladesh: Climate-Smart Agriculture Investment Plan*.

<sup>26</sup> Iqbal, K. and A. Siddique. 2014. "The Impact of Climate Change on Agricultural Productivity: Evidence from Panel Data of Bangladesh." Discussion Paper 14-29. Available at: <http://econpapers.repec.org>.





a percentage point rise of 15 versus a slower rise in rural areas of 11 percentage points. However, this means that rural poverty will rise to 36 percent as a result of COVID-19 (versus 32 percent in urban areas).<sup>27</sup> A large share of non-farm employment in sectors affected by the pandemic takes place in the country's rural areas. Most producers, processors, traders, and logistics companies along the agri-food supply chain experienced income losses triggered by supply chain disruptions and reduced demand. This was particularly acute for value chain actors producing and selling perishable goods and livestock products, such as vegetables, poultry, eggs, and milk.<sup>28</sup> This is part of the 'new poor' phenomenon overtaking rural areas in Bangladesh as a result of the COVID-19 crisis.

**15. COVID-19 has further undermined women's economic opportunities and outcomes.** The sharp differences between men and women's earning sources in terms of income-generation activities (IGAs) and rural entrepreneurship have further widened due to the pandemic. The increase in women's care responsibilities has affected their ability to take on paid work.<sup>29</sup> Women are also likely to be at a greater risk of increasing indebtedness because many microfinance borrowers are women.<sup>30</sup> Lockdown and additional economic stresses have increased the risks of gender-based violence (GBV) and medium-term risk of child marriage. BRAC documented a nearly 70 percent increase in reported incidents of violence against women and girls in March and April 2020 compared to the same time the year before.<sup>31</sup> This is a major concern as Bangladesh already has high prevalence of GBV with over 70 percent of married women reporting intimate partner violence in their lifetime.<sup>32</sup> Reducing the economic stresses within households and restoring women's income generating capacity and livelihoods, always important, has become critical.

**16. The World Bank-supported NJLIP (P149605, Credit 5594-BD)<sup>33</sup> has been successful in contributing to poverty alleviation in rural areas, while strengthening beneficiaries' resilience to shocks like the COVID-19 pandemic.** The project has implemented livelihood approaches that have reached over 1 million beneficiaries, of which over 90 percent were women. From 2015 to 2020, over 80 percent of the poor and extreme poor in project villages took loans from village credit organizations (VCOs) and over 40 percent of beneficiaries saw their income increase by at least 30 percent. The livelihoods of many beneficiaries shifted away from insecure and low-paid wage employment, such as casual day-labor in both agriculture and non-agriculture sectors, toward greater self-employment through livestock rearing, IGAs in crop and fisheries subsectors, and non-farm enterprises. Before the COVID-19 outbreak, over 50,000 of the targeted 400,000 households had graduated out of poverty and positive trends of health and nutrition had been observed. NJLIP beneficiaries are now facing challenges induced by the pandemic that reduce their ability to carry out IGAs. Based on a survey completed by the Social Development Foundation (SDF) in November 2020, 76 percent of NJLIP beneficiaries have suffered a decline in their regular income, raising the risk of seeing these beneficiaries fall back into poverty. However, surveyed beneficiaries proved more resilient to the crisis than people surveyed in the control group. NJLIP beneficiaries were 16.5 percent more likely to earn income from non-farm self-employment, had suffered less from food

<sup>27</sup> World Bank. 2020. *Losing Livelihoods: The Labor Market Impacts of COVID-19 in Bangladesh*.

<sup>28</sup> World Bank. 2020. *Bangladesh Rural Income Diagnostic*.

<sup>29</sup> Surveys in late March 2020 in Dhaka and Chittagong found that the percent of males and females who stopped working were approximately equal, at 23 percent and 24 percent, respectively; however, of those who stopped working, women were more likely to leave the labor force; 80 percent of men versus 66 percent of women were seeking work. World Bank. 2020. *Losing Livelihoods: The Labor Market Impacts of COVID-19 in Bangladesh*.

<sup>30</sup> World Bank. 2020. *Protecting the Most Vulnerable during and in the Aftermath of COVID-19 Pandemic*.

<sup>31</sup> <https://www.hrw.org/report/2020/10/29/i-sleep-my-own-deathbed/violence-against-women-and-girls-bangladesh-barriers>.

<sup>32</sup> Bangladesh Bureau of Statistics 2015.

<sup>33</sup> NJLIP is scheduled to close on June 30, 2021.



shortages in the four weeks preceding the survey (11 percent versus 15 percent for the control group), and were likelier to report having some form of savings (89 percent of respondents versus 59 percent).

### **C. Relevance to Higher Level Objectives**

**17. The project is consistent with the World Bank Group Country Partnership Framework FY16–20 discussed by the Board on April 5, 2016** (CPF, Report number: 103723-BD) and extended by the Program Learning Review to FY21 (PLR, Report number: 141189-BD). The PLR reaffirmed the three CPF focus areas: (a) Growth and competitiveness, (b) Social inclusion, and (c) Climate and environment management. The Resilience, Entrepreneurship and Livelihood Improvement Project (RELI) would notably be consistent with Objective 2.4 (Enhanced income opportunities for the poor) under Focus Area 2 (Social inclusion) through activities targeted at improving the livelihoods of the poor and extreme poor in rural areas. RELI contributes to Focus Area 3 (Climate and environment management) by aiming to boost climate resilience and promote climate-smart farming practices and technologies as well as diversification in production and along the value chain. RELI is also aligned with the June 2020 World Bank Group COVID-19 Crisis Response Approach Paper: Saving Lives, Scaling-up Impact and Getting Back on Track, with proposed activities contributing to Pillar 2 on Protecting Poor and Vulnerable People, Pillar 3 on Ensuring Sustainable Business Growth and Job Creation, and Pillar 4 on Strengthening Policies, Institutions and Investments for Rebuilding Better.<sup>34</sup> In the spirit of Rebuilding Better in a greener, more sustainable, and resilient way, the project acknowledges the high vulnerability to climate change and climate risks of the rural poor, which is compounded by the protracted COVID-19 pandemic. RELI aims to strengthen climate resilience and adaptation by raising awareness for climate change and risks among project beneficiaries and by promoting resilience building and adaptation strategies as an integral part of the planned project activities (for example, through capacity building, climate-resilient infrastructure, climate-smart agriculture [CSA] practices in IGAs, and diversification toward non-farm economic activities where agriculture is not viable).

**18. The project also responds to Bangladesh's policy goals.** RELI is aligned with key goals of the emergency economic program adopted by the Government of Bangladesh (GoB) following the COVID-19 crisis, such as livelihood support, employment generation, and post-crisis economic recovery preparation. RELI also contributes to the longer-term vision of the GoB, as laid out in the Bangladesh Delta Plan 2100 released in 2017, which aims at achieving 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 challenges faced in the Delta through robust, adaptive, and integrated strategies and equitable water governance. RELI responds to these aims by enhancing beneficiaries' resilience through community mobilization and organization, and promotion of CSA practices in project activities. RELI also responds to the 8th Five-Year Plan, which was meant to start in July 2020, but was delayed by the COVID-19 crisis and takes as a guiding principle the second Perspective Plan 2021–2041. The core theme is Promoting Prosperity Fostering Inclusiveness, which among others, aims at reducing extreme poverty to 5 percent and moderate poverty to 12 percent, achieving major Sustainable Development Goal (SDG) targets. The plan aims at transforming rural areas by improving the provision of services in education, health, agriculture, and electricity and encouraging private sector development. RELI is also well aligned with several other themes, such as promoting modern and sustainable agriculture development and encouraging women empowerment.<sup>35</sup>

<sup>34</sup> Interventions under all pillars aim to support Rebuilding Better in a greener, more sustainable, and resilient way. Thus, ensuring resilience to climate change and supporting climate adaptation and mitigation efforts while Rebuilding Better will be a key element in the project.

<sup>35</sup> Alam, S. *Bangladesh Planning Committee: Keynote Session: Effective Partnership for Implementation of Five Year Plan*



## II. PROJECT DESCRIPTION

### A. Project Development Objective

#### PDO Statement

Improve livelihoods of the poor and extreme poor, enhance their resilience and support rural entrepreneurship in project areas.

#### PDO Level Indicators

**19. Key indicators to measure the achievement of the Project Development Objective (PDO) include:**

- i. Number of beneficiaries with an income increase of at least 30 percent from Income Generating Activities and increased employment (of which, female);
- ii. Share of beneficiaries in RELI villages changing poverty status (of which, female);
- iii. Share of beneficiaries who are satisfied with project activities;
- iv. Number of producers and rural entrepreneurs with increased income of at least 40 percent (of which, female); and
- v. Share of beneficiaries with improved resilience (of which, female).

### B. Project Components

**20. The proposed project will provide immediate livelihood support for rural communities, primarily women, while contributing to building back better in a resilient way.** The project adopts the approach of NJLIP, which documented great success in reaching the poor and poorest, and will tailor livelihood opportunities to respond to the following urgent needs: (a) respond to the impact of the COVID-19 pandemic and climate-induced events such as cyclone Amphan on the livelihood of vulnerable rural households and support recovery and resilience building, (b) help rural households graduate out of poverty through IGAs, as well as skills development and employment support, (c) support NJLIP's current beneficiaries who have fallen back into poverty because of recent crises, and (d) support rural entrepreneurship for sustained post-COVID-19 economic recovery.

**21. The project will support four components,** financed through an Investment Project Financing (IPF) Instrument with US\$341 million, where US\$300 million will be from IDA, US\$40 million will be from government counterpart financing, and US\$1 million will be from local beneficiaries. Detailed component-wise fund allocation is provided in table 1.

**Table 1. Component-wise Project Financing**



Project Component	Financing (US\$ million)			
	IDA	GoB	Local Beneficiaries	Total
<b>A. Community Institutions and Livelihood Development</b>	<b>254</b>	<b>0</b>	<b>0</b>	<b>254</b>
A.1 Development and Strengthening of Community Institutions	49.2	0	0	49.2
A.2 Financing of Community Plans	199	0	0	199
(i) Capacity Building of Community Groups and Institutions	30.5	0	0	0
(ii) Cash Transfers to the Poor and Vulnerable	47.7	0	0	0
(iii) Sub-loans for Income Generating Activities	59.1	0	0	0
(iv) Small-scale Climate-resilient Infrastructure	61.7	0	0	0
A.3 Health and Nutrition Support	5.8	0	0	5.8
<b>B. Business Development and Institutional Strengthening</b>	<b>40</b>	<b>0</b>	<b>1</b>	<b>41</b>
B.1 Development and Strengthening of Second-tier Institutions	9	0	0	9
B.2 Commercial Agriculture and Rural Entrepreneurship	17	0	1	18
B.3 Employment Generation Support	14	0	0	14
<b>C. Project Management, Monitoring and Learning</b>	<b>6</b>	<b>40</b>	<b>0</b>	<b>46</b>
<b>D. Contingent Emergency Response Component</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>300</b>	<b>40</b>	<b>1</b>	<b>341</b>

## 22. Component A: Community Institutions and Livelihood Development.

### *Subcomponent A.1: Development and Strengthening of Community Institutions*

23. Support the mobilization, development and strengthening of selected community organizations to support the Beneficiaries thorough (i) setting up of cluster-level offices to support the facilitation and mobilization of village-level institutions; and (ii) provision of technical support to establish and build capacity of such village-level institutions.

### *Subcomponent A.2: Financing of Community Plans*

24. Support, through the provision of Sub-Grants, the financing of community plans from the Village Development Fund for the following activities: (i) to establish and build the capacity of the community groups and institutions; (ii) to provide Cash Transfers to the poor and vulnerable; (iii) to provide Sub-Loans for income generating activities; and (iv) to carry out prioritized small-scale climate-resilient infrastructure.

### *Subcomponent A.3: Health and Nutrition Support*

25. Support through the provision of Sub-Grants to Health and Nutrition Support Committees (HNSCs), the carrying out of behavior change campaigns to improve health and nutrition outcomes through the following activities : (i) to promote infant and child feeding practices complemented with maternal allowances; (ii) raise awareness of the spread of infectious, vector-borne, and water-borne diseases; (iii) strengthen links between communities and government and nongovernment health providers; (iv) raise awareness of gender-based violence; and (v) encourage crop-diversification, complemented with seed distribution.

## 26. Component B: Business Development and Institutional Strengthening.

### *Subcomponent B.1: Development and Strengthening of Second-tier Institutions*

27. Support, through the provision of Sub-Grants, the creation and operation of second-tier institutions being the RELI Cluster Community Societies (RCCSs) and the RELI District Community Societies



(RDCSs), each at the cluster level and at the district level respectively, to support the networking and aggregation of the village-level community institutions created under Component 1 of this Project.

*Subcomponent B.2: Commercial Agriculture and Rural Entrepreneurship*

**28.** Support the growth of the rural economy through (i) facilitation of the formation and development of producer groups and provision of capacity building support and technical assistance; (ii) creation of market linkages (backward and forward) for these producer groups and rural entrepreneurs and establish partnerships with value-chain actors and local government including with e-commerce; (iii) product promotion through participation in trade fairs; and (iv) provision of Matching Grants from the CARE Fund.

*Subcomponent B.3: Employment Generation Support*

**29.** Support employment generation through (i) provision of technical support and skill development training for unemployed or under employed youth<sup>36</sup> and jobless migrant or immigrant returnees to acquire marketable skills and access to employment opportunities; and (ii) provision of Stipends for deserving students.

**30. Component C: Project Management, Monitoring and Learning.** Provision of support to carry out Project management, monitoring and learning of the Project including provision of Operating Costs.

**31. Component D: Contingent Emergency Response Component.** Provision of immediate response to an Eligible Crisis or Emergency, as needed.

## C. Project Beneficiaries

**32. Target project beneficiaries are the poor and extreme poor in the poorest districts (zillas) and sub-units of districts (upazilas) of Bangladesh.** RELI will aim to have over 744,000 direct beneficiaries, of which 90 percent will be women. It is expected that women beneficiaries will support their households and communities, thus extending indirect project benefits to poor and extreme poor boys and men in their communities. Some activities, such as community infrastructure are also expected to benefit the wider community and villages. The project will be implemented in 3,200 villages in 20 districts<sup>37</sup> throughout the country. To accelerate the start of project activities given the urgent need for livelihood support in rural areas, project support would focus on villages in 12 of the 21 districts in which previous projects (that is, Social Investment Program Project [SIPP]-II and NJLIP) have operated, but that did not yet receive support. This will allow the use of prior institutions and structures developed by prior projects for quicker roll-out. Project beneficiaries are considered vulnerable to climate change and adverse climate events, as evidenced by the aftermath of the recent Cyclone Amphan and floods in 2020, which affected livelihoods of about 67 percent of NJLIP beneficiaries and future project beneficiaries of villages in the 8 new districts targeted by the proposed project. The selection of zillas and upazilas has been made based on the following criteria (a) poverty prevalence of at least 30 percent based on poverty indicators captured by the Household Income and Expenditure Survey of 2016/17 and/or by estimates of COVID-19's likely impact on poverty prevalence, (b) at least three Upazilas per district to exceed 30 percent poverty

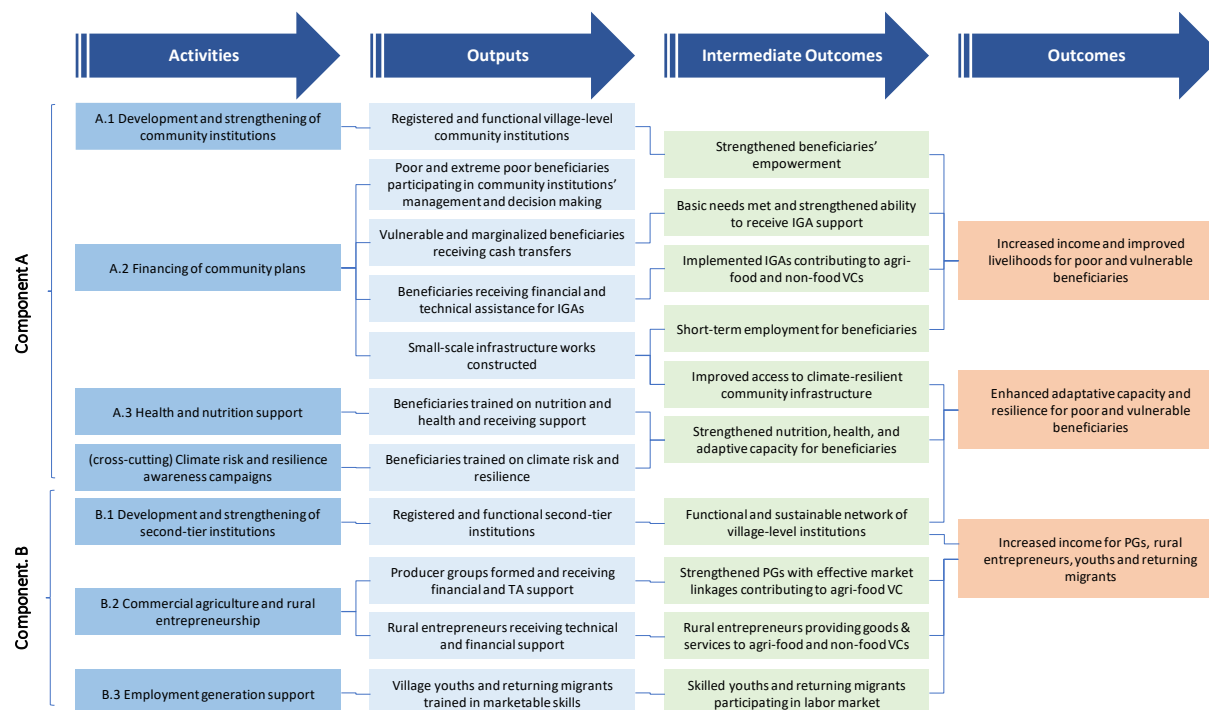
---

<sup>37</sup> Out of the 20 districts covered by RELI, 12 districts have received prior support from SIPP-II or NJLIP: Barishal, Chandpur, Dinajpur, Khulna, Kurigram, Mymensingh, Naogaon, Nilphamari, Patuakhali, Pirojpur, Rangpur, and Sherpur. The 8 new districts are Chapainawabganj, Chattogram, Jhenaidah, Kishoreganj, Lakshmipur, Lalmonirhat, Magura, and Netrokona.



prevalence,<sup>38</sup> and (c) the level of existing support from other support programs to avoid overlap and coordinate efforts. Using these metrics, 5 out of the 20 districts covered by the project are in the western part of the country, which is a region that had seen increases in poverty before the pandemic. The project would also provide one-time cash transfer support to NJLIP beneficiaries who may have fallen back into poverty because of the pandemic.<sup>39</sup> A *Survey to Assess COVID-19 Impact on NJLIP Beneficiaries and to Determine Support Needed in New Areas* has been carried out with the objective of informing the level and type of support needed by existing NJLIP beneficiaries and new beneficiaries.

Figure 1. RELI Project's Theory of Change



## D. Results Chain

**33. The PDO will be achieved through a Theory of Change, illustrated in figure 1.** Project activities build on the resilience concept, which is defined by the Food and Agriculture Organization (FAO) as: "The ability to prevent disasters and crises as well as to anticipate, absorb, accommodate or recover from them in a timely, efficient and sustainable manner. This includes protecting, restoring and improving livelihoods systems in the face of threats that impact agriculture, nutrition, food security and food safety." To strengthen livelihoods, rural entrepreneurship, and resilience to climate change and to crises such as COVID-19, the project will contribute to addressing the following problems: (a) poor and extreme poor rural populations in target areas lack access to basic assets, services and skills to make a living and improve their livelihoods, (b) these populations are also vulnerable to outside shocks such as COVID-19 and recent climate-induced events that have further affected their livelihoods, and (c) Producer Groups (PGs) and rural entrepreneurs lack access to assets and services to fully contribute to the growth of the rural

<sup>38</sup> Clustering of upazilas is needed within each district for project management purposes, which may lead to the selection of some upazilas with lower poverty prevalence than that of other upazilas in the same district.

<sup>39</sup> This one-time support to NJLIP beneficiaries in some of the 2,500 villages covered by that project will be the only project activity taking place outside the 3,200 new villages covered by RELI.





economy. This will be done through project activities that will lead to outputs, intermediate outcomes and outcomes, as summarized in figure 1. Project activities rely on three critical assumptions: (a) newly strengthened village-level institutions discharge their duties effectively, (b) second-tier institutions achieve financial sustainability, and (c) productive partnerships are viable and socially acceptable.

#### **E. Rationale for Bank Involvement and Role of Partners**

**34. Public financing is necessary because no alternative sources of financing are available for social investment projects targeting the poor and extreme poor rural population.** The use of public funds for the revolving credit mechanisms under the project is an integrated part of the capacity-building and empowerment package for the targeted poor who would not be in a position to access private sector sources of financing in the initial stage of the project.

**35. The value added of World Bank support stems from the significant global experience with livelihood projects and specific knowledge of implementing such projects very successfully in Bangladesh.** These projects have created a pool of knowledge and experience within the World Bank and its staff as well as within its partnering countries. The World Bank has already supported three similar projects in Bangladesh implemented by SDF, through which it has built up its institutional capacity and gained considerable experience.

**36. The World Bank also supervises a large portfolio of projects in Bangladesh that are very relevant to RELI.** The World Bank works closely with the Ministry of Agriculture, the Ministry of Fisheries and Livestock, and the Ministry of Food in support of the agri-food sector through the Livestock and Dairy Development Project (P161246), the National Agricultural Technology Program - Phase II Project (P149553), and the Additional Financing For Modern Food Storage Facilities Project (P168484). The support provided by these projects to actors along the agri-food value chain will complement the support provided by RELI to PGs, rural entrepreneurs and beneficiaries engaging in IGAs in the sector. Other complementary efforts include ongoing projects supporting education, livelihoods, and returning migrants, among others.

**37. With a view to ensure the quality of the project, SDF will hire a third-party process monitoring agency (PMA) to track whether the project is implemented according to agreed-upon processes.** Corrective measures will be taken immediately by SDF management, should any major issues be raised by the PMA.

**38. Importantly, SDF will work with local governments and financial institutions to ensure continuity of support to project beneficiaries past project completion.** A Memorandum of Understanding (MoU) will be signed accordingly with the Local Government Division under the Ministry of Local Government, Rural Development and Co-operatives responsible for the development of and support to local government bodies. RELI Community Societies will also establish links with financial institutions to fund their activities beyond project support.

#### **F. Lessons Learned and Reflected in the Project Design**

**39. RELI builds on the successful experience of rural poverty alleviation achieved by its predecessors, SIPP-I, SIPP-II, and NJLIP.** The proposed design reflects lessons learned from the implementation of these projects, which showed the following: (a) A strong sense of ownership among beneficiaries is critical for greater sustainability of outcomes. Constituting community-level organizations along with establishing their office buildings created a sense of ownership among beneficiaries, so did involving community members from planning to implementation of village development activities; (b)



IGAs in the agriculture sector remain the drivers of poverty reduction in target communities. IGAs have mostly been devoted to farming activities rather than off-farm activities or consumption/household use, which contributed to food security improvements in project areas; (c) Direct funding to village institutions and financial discretion empowered village women and reduced risks of financial irregularities; (d) Targeted support to the youth is critical for helping households overcome poverty. NJLIP strengthened marketable skills training for youths, which increased their employability and helped their families to overcome poverty; (e) Nutrition interventions created awareness among communities to seek health-related services from nearby service providers; and (f) NJLIP's strong focus on creating community networks and organizations is credited for the success of activities. Creating second-tier institutions called Nuton Jibon Community Societies ensured smooth implementation of project activities through regularly resolving issues, as well as ensured long-term sustainability of village development activities. Social auditing and peer auditing tools ensured accountability and good governance in village development activities.

**40. Evaluations of past World Bank-supported community-driven development (CDD) projects confirmed that they contribute to achieving local development and poverty reduction.** Experience in past projects has shown that poor communities can effectively organize to identify community priorities and address local problems (for example, basic services and small-scale infrastructure) when given access to information, appropriate technical and financial support, and clear and transparent rules. CDD projects also have a strong record in moving funds quickly and flexibly in response to disasters and global crises such as the COVID-19 pandemic. An analysis carried out in 2017 by the World Bank Independent Evaluation Group (IEG) found that CDD projects supporting livelihoods and IGAs often succeed in improving women's access to credit, training, and jobs and in increasing women's voice and decision-making in project activities, especially when a share of subprojects is reserved for women to choose. IEG recommends that CDD projects better define and address the dimensions of women's empowerment (economic, political, and social empowerment<sup>40</sup>), the channels through which empowerment can be affected, and how direct or indirect effects can be measured in the Results Framework of the project. In addition, it is recommended that CDD projects frame clearly what they can achieve in the short and long-term.

**41. While RELI's approach for livelihood improvement support to the rural poor and extreme poor is essentially similar to that of NJLIP, most project activities have been adjusted to provide a timely and effective response to the disruptions created by the COVID-19 pandemic, to support post-crisis economic recovery, and to ensure greater resilience of beneficiaries:**

- a. **Under Component A**, cash transfers have been scaled up to address the impact of the COVID-19 crisis. Support to IGAs through the Revolving (Shabolombi) Fund has been made more accessible, notably to help re-establish value chains and ease access to agriculture inputs for food supply chain-related IGAs that are critical to overcome food security challenges in the country. Health and nutrition support activities have been expanded to better support infant and young child feeding and caring practices, access to health services, and awareness on GBV preventions and available support services. Further efforts will also be made to support climate adaptation and resilience building by raising beneficiaries' awareness to climate change and climate-induced risks during mobilization and capacity building of community institutions; providing training and

---

<sup>40</sup> Economic empowerment includes changes in earnings, consumption, productivity, and education. Political empowerment includes women's ability to engage with local authorities or participate in formal political processes. Social empowerment includes higher participation in project's activities, leading to higher social capital, voice, and decision-making in the community or changes in the household.





educational campaigns on the topic of climate adaptation, resilience building mechanisms, and mitigation;<sup>41</sup> providing special grants to cope with impacts of climate-induced risks; and ensuring that community infrastructure meets standards of climate-resilience.

- b. **Under Component B**, support to PG will further emphasize market linkages by implementing a productive partnership approach facilitating sustainable business relationships between PGs and their off-takers and by linking these PGs to prominent e-commerce sites in response to the movement disruptions created by the COVID-19 pandemic. Support to rural entrepreneurs will also be scaled up to help prepare post-crisis economic recovery and rebuild in a greener, sustainable, and climate-resilient way. Employment generation support will be expanded to jobless migrant/immigrant returnees residing in villages supported by RELI and the costs of skill development training to them and to village youths will be borne by the project to overcome the cash crunch created by the COVID-19 pandemic.
- c. **Under Component C**, greater devolution of responsibilities from regional offices toward district offices of SDF will ensure closer coordination of the work of cluster offices and will consider movement restriction challenges triggered by the pandemic. Other such adaptations will be made in terms of project facilitation, monitoring and evaluation, such as the use of Geo-enabling Initiative for Monitoring and Supervision (GEMS), and will be formalized by SDF in the form of a booklet, which will be the subject of associated training and orientation. The involvement of local governments in the facilitation, monitoring and evaluation of project activities will be increased to ensure continuity of support to project beneficiaries past project completion.

### III. IMPLEMENTATION ARRANGEMENTS

#### A. Institutional and Implementation Arrangements

**42. The project will be implemented by SDF, an autonomous not-for-profit organization established in 2001 under the Ministry of Finance.** The project will keep the institutional structure of NJLIP, with an SDF national office, regional offices, district offices, and cluster/field offices, as well as a Project Advisory Committee with appropriate representation of key ministries and agencies. The project will be implemented in accordance with the rules and procedures agreed upon in the Project Implementation Plan (PIP), the Community Operations Manual (COM), CARE Fund Manual (CFM), and the Human Resources Policy and Manual. The PIP, COM, CFM, and the Human Resources Policy and Manual are to be submitted to IDA and found satisfactory before effectiveness of the project. The documents will outline the roles and responsibilities of SDF and other stakeholder and community organizations and provide details of project processes and implementation steps. The operational documents will be developed and improved to respond to lessons and experiences gained under previous projects. These documents will be reviewed periodically by the GoB and IDA with stakeholder participation. Any changes to these manuals and operational documents will require prior approval from IDA. IDA approval will also be required for any changes to SDF's Articles of Association.

**43. Board of Directors.** The task of controlling and directing the formulation and administration of SDF's policy will primarily be the responsibility of its Board of Directors whose members are selected by the Ministry of Finance from a General Body whose members are also appointed by the ministry.

---

<sup>41</sup> Climate mitigation is expected to be a co-benefit of adaptation and resilience-building activities in Component A. For instance, this could include opportunities for renewable energy or increased efficiency and natural resources use in the supply chain.



**44. SDF.** The overall responsibility of achieving the PDO and implementing the project on time will be with SDF's national office, which will be responsible for monitoring of project activities, quality control and compliance, communications and governance. Five regional offices will be set up to operate as decentralized locations overseeing project activities within their jurisdictions. District offices will be responsible primarily for supporting and facilitating the implementation of activities by the field teams. All project activities at the cluster level will be implemented by cluster offices each supporting about 25 to 30 villages.

**45. Community-level institutional arrangements.** RELI Groups will be initiated in each village for savings and internal lending. They will comprise 10 to 15 members, with priority given to extreme poor, unemployed women and youth. RELI Groups elect the Executive Committee or Gram Samiti (GS), which is responsible for implementing VDF activities in the village. Apex bodies at the village level, or Gram Parishads (GPs), independently appoint Social Audit Committees (SACs) for providing oversight of all village activities and funds.

**46. Local governments.** An MoU will be signed between SDF and the Local Government Division under the Ministry of Local Government, Rural Development and Co-operatives to provide a framework for the collaboration of local government bodies with SDF during project implementation, as well as with RELI Community Societies past project completion.

## **B. Results Monitoring and Evaluation Arrangements**

**47.** SDF will assume overall responsibility for the monitoring and evaluation (M&E) of the PDO-level and intermediate results indicators for the project. Project outcomes will be evaluated through the PDO and intermediate indicators described in the Results Framework, which will be detailed in the Project Implementation Manual. The project's Results Framework outlines key results indicators, data collection methods and timetable, as well as entities in charge of data collection. For indicators that will be measured through surveys only twice in the project's life, at mid-term and project end, targets are updated in the Results Framework only for Year 3 and Year 5. Project outputs will be monitored by SDF with the support of GEMS that will be implemented to track project activities. Therefore, project villages will be equipped with a tablet and will receive a training and continuous technical support to use GEMS throughout the life of the project. SDF received a training on GEMS in October 2020 as part of project preparation.

**48.** The project's management information system (MIS) will be a web-based computerized system that caters to project-level information needs. The Loan Management System (LMS) will provide an integrated platform for monitoring project implementation with inputs streamlined by using information and communication technology (ICT) to simplify book-keeping and data entry of community financed activities. SDF will continue the established third-party monitoring mechanism with the PMA that examines processes and activities monthly and feeds into quarterly monitoring and learning workshops. Annual grading exercises will assess the performance of village institutions against set milestones.

**49.** The project will finance all the M&E process and arrangements. Reports will follow the annual planning calendar and supervision missions will be used to confirm project progress. In addition, baseline surveys, a midterm evaluation, and an end-of-project evaluation will be implemented alongside participatory community monitoring and social accountability approaches.



### C. Sustainability

**50. Sustainability and exit strategies have been fully integrated into the project design.** Village community institutions that the project will help create under Component A will be duly registered, and their members will receive capacity building and technical support to enable them to be fully capable of managing their funds independently. As these institutions mature and finalize the cycle of project support, they will be able to join RELI Community Societies at the cluster or district level (that is, RCCSs and RDCSs). These societies will be registered under the Societies Act created through shares of each participating village. They will be encouraged to establish relationships with financial institutions to fund their activities beyond project support. Primary income sources are expected to be membership fees as well as additional income streams such as office rentals. Under Component B, linkages will be fostered and facilitated between PGs and private sector input providers and off-takers resulting in sustainable market relationships. All the productive investments made in equipment will be supported by business plans and will be systematically accompanied by technical assistance to ensure proper management and maintenance. Skills development and training support to the unemployed/underemployed youths and returning migrants will ensure they hold marketable skills to maximize long-lasting employability.

**51. The proposed project is fully owned by the GoB as a follow-up to NJLIP. In addition, SDF will work towards increasing the involvement of local governments to ensure continuity of support to project beneficiaries past project completion.** This will be done notably through an MoU with the Local Government Division under the Ministry of Local Government, Rural Development and Co-operatives responsible for the development of and support to local government bodies. The MoU will outline the mode of facilitation, SDF's responsibilities, and support after phasing out. It will also define local government institutions' mode of engagement and collaboration and types of cooperation expected from three-tiered local government institutions to carry on development efforts, thereby providing a partnership framework between the RELI Community Societies and concerned zillas, upazilas, and union councils (union parishads).

## IV. PROJECT APPRAISAL SUMMARY

### A. Technical, Economic and Financial Analysis (if applicable)

#### Technical

**52. The project's technical design is based on long-standing experience in livelihood improvement and entrepreneurship development in the country and has been extensively discussed with SDF, the Government and other stakeholders.** RELI's approach for livelihood improvements for the poor and extreme poor is similar to the approach of NJLIP. The project builds on experience and lessons learned from earlier livelihood projects in Bangladesh and the region, supported by the World Bank and other partners. In Bangladesh, the World Bank has supported SIPP-I and SIPP-II and NJLIP, in which the project approach – that is, forming and strengthening community and savings institutions at the village level and second-tier community institutions at cluster and district levels – has been piloted and further refined. RELI's activities have been extensively discussed and agreed upon with SDF, the Government, and other stakeholders. While most of RELI's activities are scaled-up and expanded as compared to NJLIP, RELI introduces a range of new activities aiming to address current challenges of the COVID-19 pandemic, supporting a green economic recovery, and acknowledging and addressing the beneficiaries' pervasive



vulnerability to climate change and shocks. These activities include targeting of cash transfers to the poor and extreme poor affected by COVID-19 as well as localized climate disasters and shocks, and awareness raising for climate change challenges, adaptation and resilience building. Under Component B, PGs and rural entrepreneurs will be strengthened to overcome challenges and disruptions along the value chain caused by COVID-19 in support of a greener and more resilient economic recovery using the tested productive partnership approach implemented by the World Bank across many geographies.

## Economic and Financial Analysis

**53. To justify the use of public financing for RELI, the economic and financial analysis (EFA) aims to answer three questions.** What is the rationale for public sector financing? What is the World Bank's value added? What is the project's development impact? The EFA has two parts: (a) financial analysis of IGAs to demonstrate their potential for poverty reduction, and (b) an economic analysis to evaluate the project's aggregated benefits and costs to the economy. All data stem from SDF and surveys with NJLIP beneficiaries.

**54. Public financing is necessary because no alternative sources of financing are available for social investment projects targeting the poor and extreme poor rural population.** The use of public funds for the revolving credit mechanisms under the project is an integrated part of the capacity-building and empowerment package for the targeted poor who would not be in a position to access private sector sources of financing in the initial stage of the project.

**55. The value added of World Bank support stems from the significant global experience with livelihood projects and specific knowledge of implementing such projects in Bangladesh.** The World Bank has significant global and regional experience with similar projects. These projects have created a pool of knowledge and experience within the World Bank and its staff as well as within its partnering countries. These experiences have been shared and helped shaping the design. The World Bank has already supported three similar projects in Bangladesh implemented by SDF, which has built up its institutional capacity.

**56. The project is expected to have a significant development impact by increasing income and reducing poverty among beneficiaries.** The project plans to invest US\$341 million to empower and mobilize the rural poor; strengthen community institutions; and provide technical and financial support for livelihood improvements, small-scale infrastructure development and health and nutrition support. In addition, PGs, entrepreneurial efforts, and opportunities for skills development will be strengthened. The expected development impact of such activities has been empirically demonstrated by past projects with similar objectives and design, that is, NJLIP, SIPP-I and SIPP-II, which have successfully shown that beneficiaries' livelihoods, economic activities and incomes had improved due to the project, and many beneficiaries had exited poverty and/or extreme poverty as a result.

**57. The financial analysis is composed of 12 enterprise models,<sup>42</sup> all of which are financially viable compared to the without-project scenario.** Considering cash flow over 10 years, and a discount rate of 10 percent, the financial internal rates of return (IRRs) are between 20 percent (cow rearing) and 126 percent (grocery shop). The net present values (NPV) range between US\$481 (for beef fattening) and US\$4,296 (for transport services). All enterprises have a notable potential to increase household income above 30 percent compared to a without-project scenario.

---

<sup>42</sup> The models for the financial analysis include cow rearing, beef fattening, and goat/sheep holding; vegetable cultivation, potato and cucumber cultivation; pond fish culture, fish nursery, and prawn/shrimp culture; and small business, transport, and grocery shop.



**58. The economic analysis considers three benefit streams:** (a) the aggregated incremental net benefits of IGAs in economic terms of 163,072 beneficiaries who will access the Revolving Fund and experience an income increase of at least 30 percent, (b) benefits from market linkages and business development, which are assumed to lead to an overall additional net return of 10 percent, and (c) benefits from youth employment generation, which result in an incremental economic value from labor productivity of BDT 2,000 (US\$24) per month. These benefits are compared to the total project cost of US\$341 million and annually recurring cost of 5 percent. Total costs consider the project's positive net carbon emissions. The project is expected to achieve emissions reductions and carbon sequestration by promoting improved crop management practices, energy efficiency along the value chain, and reduction of emissions intensity of livestock through better feeding practices and increases in productivity per animal. However, these reductions are outweighed by the increased number of livestock in project areas resulting in a net carbon balance of 145,641 tons of carbon dioxide equivalent emission per year over 15 years, which is included at a low and high shadow price of carbon, per the 2017 World Bank Guidance Note, in the economic analysis. The analysis is conducted for 15 years with a discount rate of 5 percent.

**59.** The project can achieve an economic IRR of 24 percent and an economic NPV of US\$566 million. Considering the net carbon balance at a low (high) shadow price of carbon reduces the IRR to 21 (19) percent and NPV to US\$494 (423) million. A sensitivity analysis considers an increase in project cost and a decline in project benefits by 10 percent, 20 percent, and 30 percent. The economic indicators are robust against all changes.

## **B. Fiduciary**

### **(i) Financial Management**

**60.** From a financial management (FM) perspective, the design of RELI is complex with multiple cost and accounting centers in dispersed locations, cash transfers to communities, cash stipends, involvement of community groups with fiduciary responsibility for community fund management, mixed nature of costs such as small-value contracts, works, training and sub-projects/grants, among others. Desk review and the implementation experience of NJLIP in its risk mitigation measures on community financing, social audit mechanism, LMS for community financing, and robust financial management information system (FMIS) suggests that residual risk is moderate.

**61.** Specific actions to improve capacity and internal controls, and thereby mitigate risks on FM, will need to be taken by SDF. These include the following:

- a. Appointment of experienced FM consultants at SDF (with terms of reference [ToR] acceptable to the World Bank) along with adequate staff to support such functions in cost centers. All consultants and staff with fiduciary duties must be provided regular training to ensure compliance with necessary requirements.
- b. Mainstreaming of SDF's FMIS for the project with a separate unique fund code for tracking budgeting, accounting and financial reporting of RELI separately. SDF's LMS will be enhanced to such a level that it is able to capture all the community level financing, for which expenditures will be incurred at the community level under the project. The enhanced LMS will be used for RELI in the same way of separate unique code.
- c. Updating of manuals including the FM section of the Operational Manual and the COM to cover detailed guidelines on fiduciary safeguards under community financing.
- d. Inclusion of a detailed expenditure plan, advance ceiling, expenditure reporting, and



accountability mechanism in the regional offices and on-grant agreements of all sub-projects for community financing.

- e. In case of cash transfers to eligible recipients for one-off cash transfers, grants, loans under community financing, and stipends, funds must be transferred directly to the recipients' bank account, e-mobile transfer or mobile financial services. To ensure the transfer of funds to actual participants in case of e-mobile or mobile financial services, and to preserve audit evidence, a copy of the national identity card of each participant, along with respective mobile phone numbers, and acknowledgement of receipt of fund by the beneficiaries must be preserved at the project office.
- f. Risk-based internal audit with Terms of Reference (ToR) acceptable to the World Bank.
- g. Detailed fiduciary arrangement and internal control will be spelled out in the updated Operation Manual.

**62. Budgeting.** The project will be included in the Budget of Financial Institutions Division, Ministry of Finance as a non-Annual Development Program scheme. Yearly release of fund and authorization to spend the IDA allocation will be done by Finance Division as per annual operation plan approved by the SDF board. Budget preparation and execution will take place using the FMIS budget module in a timely manner for the project director to execute the project activities according to the budget allocation.

**63.** Out of total IDA allocation of US\$300 million, Component A and Component B will be financed 100 percent by IDA with an estimated allocation of US\$254 million and US\$40 million, respectively. The beneficiary contribution of US\$1 million allocated as parallel financing under Subcomponent B.2 will be added to the project as the proportionate beneficiary contribution to each proposal for funding from PGs and rural entrepreneurs is deposited in the beneficiary's bank account before disbursement of the IDA contribution. In Component C, IDA's allocation is US\$6 million and counterpart financing is US\$40 million. The counterpart financing of US\$40 million will be allocated as parallel financing with a separate unique code in the FMIS for budgeting, allocation, and reporting expenditure in Component C. In addition to project management with 100 percent staff cost, both at the national and field levels, counterpart financing may include costs that are not eligible under the existing country financing perimeter such as (a) purchase of vehicles, (b) recurrent expenditures such as workshop allowances, sitting allowances, cash per diems, honoraria and fuel, and (c) all taxes, including customs duty value-added taxes beyond 15 percent of total IDA allocation.

**64. Fund flow, accounting, and financial reporting.** Designated Account (DA), in the form of Convertible Taka Special Account, will be opened by SDF with a nationalized commercial bank to receive the IDA funds. The funds flow to the DA will be based on submission of a withdrawal application, in Client Connection, by the authorized signatory for the project at SDF only. An alternative signatory arrangement will be made for submission of the withdrawal application to ensure unhindered flow of funds for project execution. All cost centers shall maintain a designated operating account to receive funds from SDF. Disbursement would initially be made on an advance and replenishment, based on regular statements of expenditure (SOEs). The same method would be applied between SDF and accounting centers. After one year of implementation, the World Bank would review the quality of FM performance and may convert the disbursement modality to one based on interim unaudited financial reports (IUFRs) including a six-monthly forecast of fund requirements.

**65.** RELI will send yearly cash flow projections within June 30 of each year and this projection will be updated quarterly. Separate set of accounts/budget heads using the budget module of FMIS will be maintained for each financing (IDA and GoB) to ensure charging of expenses related under the appropriate





financing. SDF will prepare a separate IUFR from its FMIS, in the format agreed with the World Bank on a quarterly basis and submit to the Bank for review and clearance within 45 days from the end of each quarter.

**66. Flow of funds from SDF to region, district, cluster, and GS to communities (community funds) are summarized in table 2.** SDF will disburse funds to meet operational and administrative expenditure at the regional and district levels based on approved budget. There will be two designated FM staff members in each regional office and up to two FM staff members in each district office, whose positions will be financed fully by counterpart financing. The district office will be responsible for disbursement of funds to cluster offices and therefore will consolidate budgetary requirement for all cluster offices. The district office will submit a consolidated budget request to SDF together with its budget. The amount disbursed by SDF will be shown as advance in its books and will be adjusted monthly with the submission of actual SOEs by regional and district offices. There will not be any fund flows to / from local governments, which will have a collaborating role with RELI through an MoU between SDF and the Local Government Division under the Ministry of Local Government, Rural Development and Co-operatives.

**67.** For the part of the program implemented by the communities, for cash transfers and stipends, SDF will make transfers from the DA to the eligible GS through the operational account at the respective regional office of SDF based on approved proposals and to the beneficiary directly. All community-level funds under Component A, such as IDF of US\$30.5 million, special grants, one-time grants, and livelihood support under PAF of US\$32.7 million will be channeled from the DA to the community bank account at the GS through the operational account at SDF's regional office. However, the Revolving Fund of US\$59.1 million will be transferred to the VCO's bank account and utilization (first-tier utilization of community loan) will be reported in the LMS. The Construction Works Fund (CWF) US\$61.7 million will be transferred to a sub-project operating bank account. Upon validation of the utilization report, including paid expenditures, by the cluster office, the disbursed funds will be accounted as expenditure in the FMIS of SDF. In case of one-off grants to the HNSC, funds transfer would take place using banking channels and expenditure reporting would be done through the SOE. Community-level funds under Component B will follow the same procedure. For land expenditures worth US\$21.1 million under Subcomponents A.2 and B.1, purchases will be made at market price, payments will be made through banking channels and expenditures would then be reported in the SOE. Under Subcomponent B.2, contributions of local beneficiaries of US\$1 million will be considered as parallel financing once the respective community group confirms the beneficiary contribution in the community bank account and the district office of SDF validates the deposit. The community fiduciary responsibilities will be stipulated explicitly in the umbrella agreement between community institutions and SDF. Detailed operational guidelines on reporting and fiduciary safeguards will be mentioned in the COM. The updated COM shall include processing steps from initiation to actual fund disbursement including processing time, which will serve as the basis for fund transfer from the DA of SDF to village-level GSs to community project accounts. Service standards and timeline will be explicitly developed to monitor the turn-around time for fund transfer from SDF to various cost centers (district and cluster) and GSs and from GS to communities.

**Table 2. Flow of Funds and Utilization Reporting by Component**



Fund Flows by Component					
Component / Activity	Designated Account – SDF Head Office	Operational Account – Regional Office of SDF	Operational Account – District Office of SDF	Bank Account of GS / HNSC / RDCS / RCCS	Beneficiary / Sub-project / Grantee
Subcomponent A.1: Development and Strengthening of Community Institutions					
Subcomponent A.2: Financing of Community Plans					
Subcomponent A.3: Health and Nutrition Support					
Subcomponent B.1: Development and Strengthening of Second-tier Institutions					
Subcomponent B.2: Commercial Agriculture and Rural Entrepreneurship					
Subcomponent B.3: Employment Generation Support					
Component C – Project Management, Monitoring and Learning					

Fund Flow Utilization Reports by Component						
Component / Activity	SDF Head Office	Regional Office of SDF	District Office of SDF	Cluster Office of SDF	GS / HNSC / RDCS / RCCS	Beneficiary / Sub-project / Grantee
Subcomponent A.1: Development and Strengthening of Community Institutions						
Subcomponent A.2: Financing of Community Plans						
Subcomponent A.3: Health and Nutrition Support						
Subcomponent B.1: Development and Strengthening of Second-tier Institutions						
Subcomponent B.2: Commercial Agriculture and Rural Entrepreneurship						
Subcomponent B.3: Employment Generation Support						
Component C – Project Management, Monitoring and Learning						

**68. Audit and oversight arrangement.** Annual financial statements for the project will be submitted to the Comptroller and Auditor General's Office of Bangladesh within 3 months of the end of each fiscal year. The annual audit will be conducted by the Foreign Aided Projects Audit Department (FAPAD) under the Office of Comptroller and Auditor General. FAPAD will express an opinion on the project financial statement in accordance with international standards of auditing and submit the report within 6 months of the end of the fiscal year. The auditor is required to provide a detailed Management Letter containing auditor's observations of the internal controls and compliance with financial covenants in the Financing Agreement. The project director will be responsible for providing clarification on audit observations within 30 days from receipt of the report. The project director will also ensure resolution of audit observations on time by no later than 90 days from receipt of the final audit report. Resolution of audit observations may include recertification, actions and refunds of the public money under question. A risk based internal audit by an independent audit firm will be performed each year over the project term. There are no pending audit reports from SDF under any on-going project funded by IDA.

**69. FM supervision and monitoring plan.** The following are the planned supervision and implementation support measures due to travel limitations for the COVID-19 pandemic: (a) virtual FM implementation support to keep engaged with SDF teams on issues affecting performance, compliance, and reporting, (b) electronic exchange of FM documents and accounting evidence, (c) regular desk review of FM reports and virtual discussion for strengthening FM capacity, and (d) third-party verification for





questionable and ineligible expenditure.

**(ii) Procurement**

**70.** Procurement will be carried out in accordance with the World Bank Procurement Regulations for IPF Borrowers, dated November 2020 (Procurement Regulations) and the provisions stipulated in the Project Procurement Strategy for Development (PPSD) and the Procurement Plan that may be updated from time to time. The project will be subject to the World Bank's Anticorruption Guidelines, dated October 15, 2006, revised in January 2011, and as of July 1, 2016. The project will use the World Bank's Systematic Tracking of Exchanges in Procurement (STEP) to plan, record, and track procurement transactions.

**71.** Similar to NJLIP, most of the project funding will be for cash grants to the beneficiaries and operating costs. Procurement under the project is expected to be a small portion of the project amount. Procurement will involve mainly goods and consulting services with a few non-consulting services. Specific procurement activities will include, but not be limited to, (a) IT equipment including laptop, printer, UPS, tab, and so on, (b) other equipment and furniture, and (c) consulting services for operational audit, baseline survey, third party monitoring, impact evaluation, upgrade of MIS software, among others. Majority of procurement packages for goods are expected to be Request for Bids or Request for Quotations methods following the national competitive market approach, while selection of consulting firms will be through Quality- and Cost-Based Selection (QCBS) or Selection Based on Consultants' Qualification (CQS) methods and selection of individual consultants will also be through competitive procedures.

**72.** SDF has prepared a PSD along with the initial Procurement Plan with assistance from the World Bank. The PSD spells out detailed procurement arrangements including detailed risk mitigation measures. The Procurement Plan will specify each contract to be financed under RELI. It will also specify the selection method, market approach, contract modality, and the World Bank's review requirements, for each of the activities. It will be uploaded and maintained in STEP and updated as and when necessary during the implementation.

**73.** The SDF national office will carry out procurement activities planned under the project. SDF is familiar with World Bank procurement procedures, having implemented several World Bank-financed projects. SDF is also implementing, as a co-implementing agency, another World Bank-financed project, which is following the World Bank's new Procurement Regulations. Procurement under SDF is processed by the Director for Finance and Procurement who is assisted by one Procurement Manager and one Procurement Officer under the overall leadership of the Managing Director. They have received several procurement-related trainings. However, all of them need to complete the three-week national training course of the Central Procurement Technical Unit (CPTU). Lessons learned from NJLIP implementation and the findings of the Post Procurement Review (PPR) indicate that, although procurement capacity of SDF increased with the implementation of earlier projects, particularly NJLIP, procurement capacity with a focus on bid/proposal evaluation and contract management will require strengthening. Procurement performance and capacity of SDF will be reviewed within the first year of implementation to confirm the adequacy of procurement management arrangements and whether additional support, including from a procurement consultant, is needed.

**74.** Procurement risk is deemed Substantial due to possible delays in procurement due to lack of technical preparation (ToR, cost estimates, and so on) before start of the procurement process and weak capacity in carrying out the procurement process particularly bid/proposal evaluation, contract



management, and reduced participation and competition of firms due to COVID-19. To mitigate these risks, the following actions will be undertaken: (a) assigning qualified staff members with necessary procurement training and experience for handling procurement and preferably experienced in World Bank-financed procurement, (b) ensuring that relevant project officials have completed the three-week national procurement training provided by the CPTU, (c) providing training to relevant project officials, including evaluation committee members on STEP, procurement, contract management, and fiduciary due diligence, as applicable in the World Bank's regulations and procedures, (d) using the Government's electronic procurement (e-GP) system, where applicable, (e) formation of bid/proposal evaluation committees with members having sufficient expertise depending on the type of contract, and (f) hiring qualified procurement consultant as needed. Residual procurement risk after mitigation measures is Moderate.

**75. Procurement supervision and monitoring.** Supervision will be ensured through implementation support in the form of prior review and post review. While a few contracts will be subject to prior review, majority of the contracts under the project are expected to be subject to post review. For post-review contracts, ToR of some of the key consulting services and technical specifications of some of the goods packages may require technical review by the World Bank. The PPR will be conducted by the World Bank, on a sample of contracts selected based on associated risks, at least on an annual basis or more frequently based on need.

### C. Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	Yes
Projects in Disputed Areas OP 7.60	No

**76.** Operational Policy (OP) 7.50 applies to this project as some of its activities related to small-scale climate-resilient infrastructure development will use the water of international waterways. The activities are limited to rehabilitation and upgrading of existing schemes and will not adversely affect other riparian countries. The exception to the notification requirement according to paragraph 7 (a) of the policy was approved by the Regional Vice President (RVP) on February 12, 2021.

### D. Environmental and Social

**77. The main anticipated environmental and social (E&S) risks and impacts are** (a) occupational and community health and safety, (b) water, air, and noise pollution and solid waste generation and management, (c) ensuring appropriate benefits from project activities to marginalized and disadvantaged groups including indigenous peoples, (d) managing and mitigating sexual exploitation and abuse (SEA)/sexual harassment (SH) risks, and (e) child labor risk – all of which are addressed through appropriate measures. Project coverage will extend to 20 districts across the country, which are all identified. However, upazilas (sub-districts) and villages will be identified only during implementation. Consequently, an Environmental and Social Management Framework (ESMF) outlines related guidelines for E&S screening including preparation of the Environmental and Social Management Plan (ESMP) for sub-projects / community level.

**78.** The project does not anticipate labor influx. The different small-scale civil constructions will be



primarily carried out by the communities themselves through the GS for village-level infrastructure and through RDCs and RCCs for their office buildings. The project's Labor Management Procedures detail the guidelines for labor management for the project, which also includes a specific grievance management for resolving related disputes. Land acquisition is anticipated under RELI, which has been specifically approved by the RVP on March 26, 2021. The 'willing-buyer willing-seller' method will be followed for land required for offices of the GSs, RDCs, and RCCs. Smaller pieces of land required for repairing and refurbishments of rural roads and trails, construction of small culverts, and so on along with installation of water supply systems will rely on 'voluntary land donation'. The ESMF includes clear guidelines for modalities that SDF needs to follow during implementation.

**79.** Similarly, the Stakeholder Engagement Plan (SEP) provides the process and approaches for SDF to follow in ensuring participation, consultation, and engagement of all relevant project stakeholders. The SEP includes relevant communication methods for stakeholder engagement along with a grievance management system both to resolve any potential cases of grievances and to receive feedback from stakeholders. Project areas include districts where there might be a considerable number of indigenous peoples. A Small Ethnic and Vulnerable Community Development Framework (SECVDF) defines the guidelines for inclusion of indigenous communities in receiving culturally appropriate benefits from the project. The SECVDF also includes related social screening process and provisions for sub-project/community-specific Small Ethnic and Vulnerable Community Development Plans where indigenous peoples comprise 5 percent or more of the total beneficiaries. As part of E&S risk management at the field level, SDF will also revise and update the existing COM, which includes, among others, specific guidelines on 'Participatory Identification of the Poor' for social screening/assessment, community-based monitoring, and social audit, as well as a 'Governance and Accountability Action Plan' (GAAP). SDF will also engage a team of dedicated specialists on environment, social, gender and stakeholder engagement to guide the fulfillment of required due diligences with the help of the existing staff.

**80.** Finally, the ESMF includes a detailed assessment of SDF's capacity on E&S risk management as per the World Bank's Environmental and Social Framework (ESF) requirements. Based on the assessment, necessary resources including additional staffing for E&S risk management for SDF are proposed. The measures include institutional capacity building of SDF at head office and field level along with reviews of related organizational rules and policies and training of the staff.

### **Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH)**

**81.** Sexual harassment remains a common form of violence that can cause enduring psychological harm, in Bangladesh as in many other parts of the world. Both women and men are targets of such behaviors, but evidence has shown that sexual harassment is primarily aimed at women. Safety nets and cash transfers are important to improve women's agency and access to resources and can also provide an important entry point for preventing SEA/SH such as intimate partner violence and some forms of violence against adolescent girls (such as early marriage).

**82.** Project activities include community-led construction activities and no major civil works. Thus, civil work-related risks of SEA/SH are anticipated to be low. However, given the large scale of cash transfers, an SEA/SH risk assessment has been carried out based on the Social Protection and Jobs Good Practice Note draft (currently under discussion), which indicates a substantial risk for SEA/SH incidents. Involvement of diverse project actors, scale of project activities, large geographical coverage, and absence of effective institutional mechanism for addressing SEA/SH risk within executive committees responsible for selecting beneficiaries, have contributed to the risk level. Mechanisms for the transfer of benefits (cash, grant, and stipends) and regular/periodic interactions with project actors may also create



opportunities for project actors to sexually exploit or abuse project beneficiaries. Furthermore, lockdowns in the aftermath of COVID-19 exacerbate the risks.

**83.** In response to the anticipated risks, the project's SEA/SH Action Plan includes prevention interventions as well as risk mitigation measures. Prevention interventions include awareness-raising campaigns, safety enhancement, and capacity building, among others. Mitigation measures include (a) ensuring codes of conduct are in place for all stakeholders including GS and other project-related associations, (b) mapping service providers and building capacity of SDF to respond to potential SEA/SH cases, (c) setting up separate SEA/SH grievance redress mechanism (GRM), (d) ensuring that policies against SEA/SH are instituted in project funded institutions, and (e) including training on SEA/SH in the transfer of benefits. The social development specialist hired at SDF's national office will receive dedicated GBV/gender expertise support throughout the project and regional/district/cluster offices will have SEA/SH focal points. Procurement documents will also be compliant with SEA/SH risk management requirements.

### **Citizen Engagement**

**84.** The CDD design of RELI enables a comprehensive citizen engagement approach that encompasses several activities and citizen engagement mechanisms. RELI will mobilize, develop, and strengthen self-reliant community organizations in each project village to enable participatory planning, monitoring and implementation of sub-projects with a focus on engaging vulnerable community members in decision-making. This approach includes the establishment of GS, Savings Committee (SC), VCO, and SAC and the participatory development of community plans to guide further activities. Poor and extreme poor beneficiaries will constitute at least 90 percent of the representatives involved in the decision making and management functions of these community institutions to ensure their ownership in the project and the transparency of project activities. Social audits are also an integral part of project design and information from audits will serve as an important channel for feedback from beneficiaries. In addition to the community-led project structure, beneficiary feedback surveys will be carried out three times (baseline, mid-term and end-line data) to inform implementation. RELI will strengthen the already functioning GRM of SDF to address any project related complaints.

**85. Consultations were carried out complying with the World Bank's COVID-19 guidelines.** They involved a wide range of stakeholders: project beneficiaries, local government representatives, trade and business associations, community-based organizations and NGOs, and government officials from various agencies besides SDF staff including members of its Board of Directors. Consultations will continue to be conducted throughout implementation, notably through dedicated social media platforms, media events, and field visits. The number of consultations and outcomes will be tracked and reported through the project's biannual monitoring report and their feedback will enable SDF to fine-tune implementation.

### **E. Gender**

**86. With over 90 percent female beneficiaries, RELI is responding to gender gaps in rural agricultural work and rural entrepreneurship.** Gender is integral to project design with the overall narrative focused on women empowerment by imparting them a voice and agency, while supporting them to improve their economic situation and livelihood. Analysis of gender gaps in female labor force participation, livelihood challenges, and rural entrepreneurship indicates clear disparities. Women's representation in agriculture is nearly double that of men, but they are mostly involved in unpaid farm activities. Gender disparity is apparent in the types of earnings sources that women rely on. Women work mostly at or near home and in unpaid work. About 69 percent of working rural women work inside their homes, while almost all men



work outside their homes.<sup>43</sup> Another study highlighted the gender gap within agricultural employment, where 50 percent of women reported engaging in livestock and 22 percent in unpaid farm activities, whereas only 4 percent of men report working in livestock and only 4 percent are unpaid. Women's entrepreneurial activity is low, particularly in rural areas.<sup>44</sup> Out of the 500 MSMEs surveyed in the Business Pulse Survey, only 19 percent were owned by women.<sup>45</sup> Given the large representation of women in agriculture and the gender gaps, prioritizing higher income activities for women is important for rural income growth as well as women's economic empowerment.

**87. While all activities of the projects are targeted at enhancing women's livelihood and entrepreneurship outcomes, activities associated with the Revolving Fund in Component A and rural entrepreneurship development in Component B are particularly important.** Recognizing the additional vulnerabilities of female-headed households, the project will pay special attention to female-headed households with targeted outreach and tailored support packages. Specific indicators are included to achieve the project's intended results in terms of women empowerment, along with women representation in key positions in the implementation arrangements of the various village-level community institutions. PDO-level indicators on increased incomes, poverty alleviation and rural entrepreneurship are key to measure the project's contribution to closing identified gender gaps. Considering the project's focus on women, project activities are designed in such a way that women are expected to account for 90 percent of beneficiaries for these indicators from the very onset and throughout the project.

## V. GRIEVANCE REDRESS SERVICES

Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

## VI. KEY RISKS

**88.** The overall residual risk is rated Moderate. Despite a challenging operating environment that includes high risks of climate and natural disasters, and additional challenges deriving from COVID-19 and its aftermath, RELI will build upon NJLIP's proven approaches to implement risk mitigation measures bringing residual risks down to Moderate. Risks will be addressed using the Systematic Operation Risk-Rating Tool (SORT) and implementing the GAAP, close supervision, and implementation support missions.

---

<sup>43</sup> Solotaroff et al. (2019).

<sup>44</sup> Aktar et al. (2020).

<sup>45</sup> Kader and Pattanayak (2020).



**Table 3. Systematic Operation Risk-Rating Tool (SORT): Risk Ratings Summary**

SORT Risk Category	Rating
Political and Governance	Moderate
Macroeconomic	Substantial
Sector Strategies and Policies	Moderate
Technical Design of Project or Program	Moderate
Institutional Capacity for Implementation and Sustainability	Moderate
Fiduciary	Moderate
Environment and Social	Moderate
Stakeholders	Moderate
Other: Climate and Disaster Risk	Substantial
Other: COVID-19 pandemic	Substantial
Overall	Moderate

**89. Macroeconomic risks (Substantial).** The impact of COVID-19 on Bangladesh's macroeconomic environment will depend on how the outbreak evolves in the country and elsewhere. A worldwide economic downturn could have a substantial impact on Bangladesh's economic growth, balance of payments and fiscal position. While the impact of COVID-19 may constrain fiscal space for rural livelihood support, the impact on the project is expected to be manageable, considering project financing will be earmarked to defined activities.

**90. Other: Climate and Disaster (Substantial).** A Climate and Disaster Risk Screening was conducted for the project. Bangladesh, including target project areas, is extremely vulnerable to the effects of climate change. Climate change is predicted to raise sea level by around 30 cm by 2050 and could make an additional 14 percent of the country extremely vulnerable to floods by 2030. With two-thirds of Bangladesh's landmass less than 5 m above sea level and 30 percent of its arable land in coastal areas, the country is highly vulnerable to sea level rise, cyclones, storms, and storm-induced tidal flooding. The majority of IGAs supported by the project are expected to target agricultural activities. The agriculture sector is extremely vulnerable to climate change. Increased soil and water salinities are projected to cause a 15.6 percent yield reduction in high-yielding rice varieties before 2050. Overall production of rice is projected to decline in all three rice growing seasons by 8–17 percent by 2050. Extreme heat, floods, cyclones, sea level rise, salinity intrusion, and increasingly irregular rainfall are expected to negatively affect livestock production and growth, as well as fish species composition, leading to up to 10 percent potential decrease in fish production. Overall, climate change is projected to increase the poverty head count ratio and risk of chronic poverty. An estimated 5.3 million poor people are expected to become highly vulnerable to the effects of climate change by 2050.<sup>46</sup> Mitigation measures form part of the project activities themselves. They include raising awareness for climate change and risks among project beneficiaries, and promoting resilience building and adaptation strategies (for example, through capacity building, climate-resilient infrastructure and climate-smart agriculture practices in IGAs and livelihood improvement activities, diversification toward non-farm economic activities where needed) as promoted in Components A and B.

**91. Other: COVID-19 pandemic (Substantial).** The current COVID-19 pandemic has led to major disruptions for project management and for the beneficiaries of NJLIP, curtailing notably their ability to pursue IGAs. The persistence of social distancing measures and even of movement disruptions prompted

<sup>46</sup> Bangladesh Climate-Smart Agriculture Investment Plan, World Bank (2019).



by the pandemic may continue to impede project management and implementation. Mitigation measures will include the increased use of ICT in project facilitation, monitoring and evaluation, notably with the use of GEMS, as well as close follow-up by both the Government and the World Bank team.





## VII. RESULTS FRAMEWORK AND MONITORING

### Results Framework

COUNTRY: Bangladesh

Resilience, Entrepreneurship and Livelihood Improvement Project

#### Project Development Objectives(s)

Improve livelihoods of the poor and extreme poor, enhance their resilience and support rural entrepreneurship in project areas

#### Project Development Objective Indicators

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Improved Livelihoods							
Number of beneficiaries with an income increase of at least 30% from Income Generating Activities and increased employment (Number)		0.00	0.00	0.00	81,536.00	81,536.00	163,072.00
Of which female beneficiaries (Percentage)		0.00	90.00	90.00	90.00	90.00	90.00
Share of project beneficiaries in RELI villages changing poverty status (Percentage)		0.00	0.00	0.00	5.00	5.00	25.00
Of which female beneficiaries (Percentage)		0.00	0.00	0.00	90.00	90.00	90.00
Improved Livelihoods, Resilience and Rural Entrepreneurship							





Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Direct project beneficiaries (Number)		0.00	297,840.00	597,720.00	622,200.00	646,680.00	744,600.00
Of which female beneficiaries (Percentage)		0.00	90.00	90.00	90.00	90.00	90.00
Share of beneficiaries who are satisfied with project activities (Percentage)		0.00	0.00	0.00	60.00	60.00	80.00
Female beneficiaries who are satisfied with project activities (Percentage)		0.00	0.00	0.00	60.00	60.00	80.00
Youth beneficiaries who are satisfied with project activities (Percentage)		0.00	0.00	0.00	60.00	60.00	80.00
Beneficiaries who are IPs and from other disadvantaged groups who are satisfied with project activities (Percentage)		0.00	0.00	0.00	60.00	60.00	80.00
<b>Increased Rural Entrepreneurship Incomes</b>							
Number of producers and rural entrepreneurs with increased income of at least 40% (Number)		0.00	0.00	0.00	500.00	500.00	6,500.00
Of which female producers and rural entrepreneurs (Percentage)		0.00	0.00	0.00	90.00	90.00	90.00
<b>Enhanced Resilience</b>							



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Share of beneficiaries with improved resilience (Percentage)		0.00	0.00	0.00	5.00	5.00	30.00
Of which female beneficiaries (Percentage)		0.00	0.00	0.00	90.00	90.00	90.00

#### Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Community Institutions and Livelihood Development							
Representatives in community-based decision making & management functions from poor and extreme poor beneficiaries (Percentage)		0.00	90.00	90.00	90.00	90.00	90.00
Share of vulnerable people accessing one-time grant in RELI villages (Percentage)		0.00	60.00	95.00	95.00	95.00	95.00
Climate-resilient infrastructure sub-projects completed with community participation, according to agreed design and quality standards (Number)		0.00	0.00	1,500.00	2,500.00	4,620.00	5,120.00
Number of beneficiaries with improved access to climate-resilient community infrastructure (Number)		0.00	0.00	150,000.00	300,000.00	540,000.00	640,000.00



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Of which female beneficiaries (Percentage)		0.00	0.00	90.00	90.00	90.00	90.00
Number of beneficiaries with increased capacity on nutrition and health (Number)		0.00	0.00	0.00	235,008.00	235,008.00	391,680.00
Of which female beneficiaries (Percentage)		0.00	90.00	90.00	90.00	90.00	90.00
Number of beneficiaries who received training on climate risk, adaptation and resilience building (Number)		0.00	0.00	0.00	293,760.00	293,760.00	489,600.00
Of which female beneficiaries (Percentage)		0.00	0.00	0.00	90.00	90.00	90.00
<b>Business Development and Institutional Strengthening</b>							
RELI Community Societies formed and providing services to member villages (Number)		0.00	0.00	0.00	50.00	136.00	136.00
Number of producer groups registered (Number)		0.00	0.00	0.00	50.00	150.00	400.00
Number of youth and returning migrants who received skill development training (Number)		0.00	1,000.00	8,000.00	13,000.00	17,000.00	20,000.00
Number of self and wage-employed youths and returning migrants (Number)		0.00	300.00	5,600.00	10,000.00	12,000.00	16,000.00
Number of students accessing higher education institution (Number)		0.00	320.00	640.00	640.00	640.00	640.00
<b>Learning, Governance and Project Management</b>							



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Share of grievances redressed within the stipulated time (Percentage)		0.00	70.00	80.00	80.00	80.00	80.00
Follow-up measures undertaken from recommendations of the social audit and community monitoring reports (Percentage)		0.00	60.00	70.00	80.00	80.00	80.00

**Monitoring & Evaluation Plan: PDO Indicators**

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Number of beneficiaries with an income increase of at least 30% from Income Generating Activities and increased employment	Beneficiaries are those who took loans from the Revolving Fund and/or received employment generation support	Twice in project life	Survey	Sample survey of those who received project support for at least two years	Third-party contractor
Of which female beneficiaries	Disaggregation of the indicator based on gender	Twice in project life	Survey	Sample survey	Third-party contractor
Share of project beneficiaries in RELI villages changing poverty status	Beneficiaries who have joined RELI Groups, including youths and returning migrants, and moved from extreme	Twice in project life	Survey	Sample survey of those who received project support for at least two years	Third-party contractor



	poverty to poverty; and from poverty to middle class status, as defined by criteria set by the Government of Bangladesh, based on assets and daily income				
Of which female beneficiaries	Disaggregation of the indicator based on gender	Twice in project life	Survey	Sample survey	Third-party contractor
Direct project beneficiaries	Beneficiaries who have joined RELI Groups, including youths and returning migrants, producers, rural entrepreneurs, as well as recipients of one-time cash transfer to former NJLIP project beneficiaries	Bi-annually	SDF's MIS	Information collected at village level through SDF's MIS	SDF
Of which female beneficiaries	Disaggregation of the indicator based on gender	Bi-annually	SDF's MIS	SDF's MIS	SDF
Share of beneficiaries who are satisfied with project activities	Beneficiaries satisfied with the project	Twice in project life	Survey	Sample satisfaction survey	Third-party contractor
Female beneficiaries who are satisfied with project activities	Female beneficiaries satisfied with the project	Twice in project life	Survey	Sample satisfaction survey	Third-party contractor
Youth beneficiaries who are satisfied with project activities	Youth beneficiaries satisfied with the project	Twice in project life	Survey	Sample satisfaction survey	Third-party contractor
Beneficiaries who are IPs and from other disadvantaged groups who are satisfied with project activities	IPs or from other disadvantaged groups satisfied with the project	Twice in project life	Survey	Sample satisfaction survey	Third-party contractor



Number of producers and rural entrepreneurs with increased income of at least 40%	Producers and rural entrepreneurs who receive support from CARE Fund	Twice in project life	Survey	Sample survey	Third-party contractor
Of which female producers and rural entrepreneurs	Disaggregation of the indicator based on gender	Twice in project life	Survey	Sample survey	Third-party contractor
Share of beneficiaries with improved resilience	Beneficiaries who have joined RELI Groups, including youths and returning migrants, and saw an improvement of their resilience, as demonstrated by an increase of at least 15% in the Resilience Index Measurement and Analysis II (RIMA-II) developed by the Food and Agriculture Organization that analyses how households cope with shocks and stressors through a set of pillars (i.e. access to basic services, assets, social safety nets, sensitivity, adaptive capacity and climate change)	Twice in project life	Survey	Sample survey	Third-party contractor
Of which female beneficiaries	Disaggregation of the indicator based on gender	Twice in project life	Survey	Sample survey	Third-party contractor



**Monitoring & Evaluation Plan: Intermediate Results Indicators**

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Representatives in community-based decision making & management functions from poor and extreme poor beneficiaries	Poor and extreme poor project beneficiaries, as defined per Government of Bangladesh criteria	Bi-annually	SDF's MIS	Information collected at village level through SDF's MIS	SDF
Share of vulnerable people accessing one-time grant in RELI villages	Vulnerable people refer to those who need special care, support, or protection because of their age, disability, or risk of mistreatment or neglect, as determined in each village community according to a set of criteria defined by the project	Annually	SDF's MIS	Information collected at village level through SDF's MIS	SDF
Climate-resilient infrastructure sub-projects completed with community participation, according to agreed design and quality standards	Assumption for each village of two/three sub-projects for construction of GS office building, as well as other subprojects	Bi-annually	SDF's MIS	Information collected at village level through SDF's MIS	SDF
Number of beneficiaries with improved access to climate-resilient community infrastructure	Direct 544,000 target project beneficiaries and 96,000 (30 per village) indirect beneficiaries	Bi-annually	SDF's MIS	Information collected at village level through SDF's MIS	SDF
Of which female beneficiaries	Disaggregation of the indicator based on gender	Bi-annually	SDF's MIS	Information collected at village level through SDF's MIS	SDF





Number of beneficiaries with increased capacity on nutrition and health	Survey of nutrition and health behaviors and outcomes deriving from project activities	Twice in project life	Survey	Sample survey	Third-party contractor
Of which female beneficiaries	Disaggregation of the indicator based on gender	Twice in project life	Survey	Sample survey	Third-party contractor
Number of beneficiaries who received training on climate risk, adaptation and resilience building	Training/orientation provided to all beneficiaries. Outcomes captured in the RIMA index used for the PDO-level indicator on resilience	Bi-annually	SDF's MIS	Information collected at village level through SDF's MIS	SDF
Of which female beneficiaries	Disaggregation of the indicator based on gender	Bi-annually	SDF's MIS	Information collected at village level through SDF's MIS	SDF
RELI Community Societies formed and providing services to member villages	RELI Community Societies formed at Cluster & District level (128 RCCS & 8 RDCS)	Annually	Progress reports	SDF Progress reports	SDF
Number of producer groups registered	Formation of producer groups (PG) starts after 2 years of project implementation	Annually	Progress reports	SDF progress reports	SDF
Number of youth and returning migrants who received skill development training	Youth and returning migrants receiving govt. and private training institutions skills development training	Bi-annually	SDF's MIS	Information collected at village level through SDF's MIS	SDF
Number of self and wage-employed youths and returning migrants	Number of jobs that the project facilitated through training, skills development grants, and partnerships	Bi-annually	SDF's youth database	Information collected at village level through SDF's youth database	SDF



Number of students accessing higher education institution	Meritorious students of RELI beneficiaries attending higher education institutions with one-time project support	Annually	SDF's MIS	Information collected at village level through SDF's MIS	SDF
Share of grievances redressed within the stipulated time	Grievances received from the communities and project staff and resolved	Bi-annually	SDF's GRM	Grievance reports to SDF's GRM	SDF
Follow-up measures undertaken from recommendations of the social audit and community monitoring reports	Observations submitted to village community institutions by Social Audit Committee (SAC) resolved	Bi-annually	SDF's GRM	Grievance reports to SDF's GRM	SDF



## **ANNEX 1: Adjustments to the Country Program in Response to COVID-19**

### **COUNTRY: Bangladesh**

#### **Resilience, Entrepreneurship and Livelihood Improvement Project**

**1. The World Bank Group engagement in Bangladesh has been guided by the FY2016–20 CPF discussed by the Board on April 5, 2016 (Report number: 103723-BD) and extended by the PLR to FY21 (Report number: 141189-BD).** The PLR reaffirmed the three CPF focus areas: (a) growth and competitiveness, (b) social inclusion, and (c) climate and environment management. It also recognized the recent program adjustment in response to the Rohingya refugee crisis, and recommended greater attention to human capital, climate resilience, and digital transformation.

#### **The Country's Response to the COVID-19 Pandemic**

**2. The COVID-19 pandemic has severely disrupted economic activity and created an unprecedented crisis that is likely to worsen poverty in the short term.** As the pandemic intensified globally, Bangladesh's exports to Europe and the United States declined precipitously. Growth in GDP is projected to range in FY20 between 1.6 and 1.0 percent and in FY21 between 1.0 and –3.0 percent. The country's achievement in reducing poverty between 2000 and 2016—the national poverty rate fell from 48.9 to 24.5 percent and extreme poverty from 34.3 to 13.0 percent—will likely be reversed. Slower GDP growth, the income losses of informal workers throughout the economy, and lower international remittances may add 8 to 12 percentage points to what the 2020 poverty rate would have been without COVID-19.

**3. Along with its health care response to the pandemic, the government has also adopted an emergency economic program.** Its goals are to (a) increase public spending to generate employment, (b) provide a stimulus package offering firms credit at low interest rates to retain workers in the manufacturing sector, maintain competitiveness of the enterprises especially in the export-oriented manufacturing sector and to revitalize economic activities, (c) expand social safety nets to meet the basic needs of the poor, day laborers, and other informal sector workers, and (d) increase the money supply to maintain liquidity in the economy while containing inflation.

**4. The Government has reached out to partners to support the national response plan.** The IMF Board on May 29, 2020, approved a request for disbursement of 50 percent of Bangladesh's quota (US\$732 million) from the Rapid Credit Facility and the Rapid Financing Instrument. The Asian Development Bank (ADB) approved a US\$100 million loan for health sector emergency support and a US\$500 million loan in budget support from its countercyclical support facility. The Asian Infrastructure Investment Bank provided US\$250 million in co-financing to the ADB budget support and the Japan International Cooperation Agency is preparing another US\$300 million in co-financing.

**5. Bangladesh has opted not to participate in the G20 Debt Service Suspension Initiative.** However, the authorities will continue to monitor the situation and if it becomes necessary will revisit their position.

#### **World Bank Group Crisis Response Support**



**6. The indicative IDA19 allocation for Bangladesh is SDR<sup>47</sup> 2.848 billion, of which SDR 1.277 billion is frontloaded to FY21.** With the adjusted lending program proposed in the PLR fully delivered, the lending program for FY21–FY22 is geared to supporting the Jobs and Economic Transformation agenda, expanding social safety nets, and building institutional and investment resilience—all priorities that the COVID-19 crisis has made even more urgent.

**7. The World Bank Group lending program for FY21–22 is aligned with the Approach Paper on ‘Saving Lives, Scaling-up Impact and Getting Back on Track’:**

- a. **To save lives**, the World Bank is supporting the Bangladesh COVID-19 response program with US\$100 million from the Fast Track Facility for COVID-19 and is reprogramming resources to support the pandemic response for the displaced Rohingya population and host communities, for example, through the current Health and Gender Support Project. The planned Bangladesh Urban Health, Nutrition and Population Project (P171144, FY22) will improve delivery of primary health care and environmental health services for targeted poor urban populations. A proposed project for Improving Hospital Quality and Financial Protection for the Poor (P174439, FY22) will reinforce management and delivery of hospital services and improve protection from impoverishing health costs.
- b. **To protect the poor and vulnerable**, the World Bank has activated the CERC of two active IDA projects in the total amount of US\$265 million. The World Bank has partnered with the *Agence Française de Développement* (French Development Agency) to add US\$165 million to the Cash Transfer Modernization Project (P160819); and is giving rural areas priority for investments in water, sanitation and hygiene through the Rural Water, Sanitation and Hygiene for Human Capital Development Project (P169342). The planned additional financing of NJLIP (P149605) will provide income support for poor and extremely poor rural communities. Using the private sector window, the International Finance Corporation (IFC) has two investment projects in the FY21 pipeline that will use microfinance institutions to support very small enterprises and women-owned microenterprises.
- c. **To save livelihoods, preserve jobs, and ensure more sustainable business growth and job creation**, IFC is supporting clients and sector associations in the ready-made garment and financial sectors by providing US\$75 million in working capital lines and advisory services for risk management and recovery. In FY21, IFC plans additional projects in manufacturing and finance through the COVID-19 response facility with PSW support. IFC advisory programs are also providing technical support for repurposing production lines for personal protective equipment, together with continued public-private dialogue on diversification in manufacturing. IFC’s upstream program has already begun work on economic zones and port logistics for boosting export diversification and job creation. Additional funding and advisory services will be provided to financial institutions to improve both lending to small and medium enterprises and risk management, following up on the first COVID-19 response financing line to City Bank in June 2020. IFC will continue to diversify its lending products, having launched the taka-denominated Bangla Bond on the London Stock Exchange early in FY20. The IDA lending program for FY21–FY22 focuses

---

<sup>47</sup> Special Drawing Rights.



on youth through the Accelerating and Strengthening Skills for Economic Transformation (P167506) and the Higher Education Acceleration and Transformation Project (168961). Recovery and Advancement of Informal Sector Employment (P174085) will support the economic inclusion of informally employed urban youth. The World Bank will support MSME development and access to finance through the Rapid Response for MSME Support and Credit Enhancement Project, which will help the Government set up a risk-sharing facility to enhance credit flows from commercial banks to MSMEs.

- d. **To strengthen policies, institutions, and investments for resilient, inclusive, and sustainable growth**, the Bangladesh Programmatic Recovery and Resilience Development Policy Financing (P174892) of US\$500 million (US\$250 million in FY21 and US\$250 million in FY22) will reinforce reforms to strengthen the resilience of the economy and support private sector interventions and market solutions in critical sectors. The Local Government COVID-19 Response and Recovery Project (P174937) will build the capacity of local governments to coordinate and manage response and recovery efforts across the country. The Third Programmatic Jobs Development Policy Credit (P168725) will continue to support policy reforms in trade and investment for more and better jobs, improve access of the vulnerable population to jobs, and strengthen the safety net when they lose jobs. Following the approval of the additional financing for the Modern Food Storage Facilities Project (P168484) in early FY21, the World Bank will support Bangladesh's continued investment in resilient agriculture through the Climate-Smart Agriculture and Water Management Project (P161534). Investment operations in environment, urban, and infrastructure resilience are also planned. IFC will provide more advisory programs on firm resource efficiency to reduce water consumption and greenhouse gas (GHG) emissions, while lowering operating cost and enhancing firm competitiveness.

### **Selectivity, Complementarity, and Partnerships**

8. This engagement plan adheres to the selectivity principles of strong alignment with the Government's development and COVID-19 response strategies, the World Bank Group comparative advantage and complementarity with activities of other development partners. It has been discussed with the authorities and has been shared with other development partners through the donor coordination platform.



## ANNEX 2: Implementation Arrangements and Support Plan

COUNTRY: Bangladesh

### Resilience, Entrepreneurship and Livelihood Improvement Project

#### Project Institutional and Implementation Arrangements

- 1. The project will be implemented by SDF, an autonomous not-for-profit organization established in 2001 under the Ministry of Finance.** The project will keep the institutional structure of NJLIP, with an SDF national office, regional offices, district offices, and cluster/field offices, as well as a Project Advisory Committee with appropriate representation of key ministries and agencies. The project will be implemented in accordance with the rules and procedures agreed upon in the PIP, COM, CFM, and the Human Resources Policy and Manual, which are to be submitted to IDA and found satisfactory before effectiveness of the project. The documents will outline the roles and responsibilities of SDF, other stakeholder and community organizations and provide details of project processes and implementation steps. These documents will be reviewed periodically by the GoB and IDA with stakeholder participation. Any changes to these manuals and operational documents will require prior approval from IDA. IDA approval will also be required for any changes to SDF's Articles of Association.
- 2. Board of Directors.** The task of controlling and directing the formulation and administration of SDF's policy will primarily be the responsibility of its Board of Directors, consisting of 9 members appointed by the Ministry of Finance. All members of the Board of Directors are selected from the General Body,<sup>48</sup> whose members are also appointed by the Ministry of Finance.
- 3. SDF national office.** The overall responsibility of achieving the PDO and implementing the project on time will be superintended by SDF's national office. The organization will be spearheaded by the Managing Director for providing guidance on all aspects of project implementation, overall coordination, and monitoring of day-to-day activities. The Managing Director is assisted by a Director of Operations, other directors and thematic heads, and an operational multi-disciplinary team of technical specialists. The Dhaka-based headquarters will be responsible for monitoring, quality control and compliance, communications, E&S risk management and governance. The team will undertake regular field visits.
- 4. Strategic management team (SMT).** The SMT, comprising head office directors and regional directors, will be responsible for providing key inputs into strategic decisions made by the Managing Director to ensure the accountability of decision-making. Appraisal and monitoring teams will be responsible for independently appraising VDF applications and other fund proposals from villages and for checking quality and certifying milestones for fund release. An internal audit team will conduct audits at the village, cluster and district levels on a regular basis. The SMT will also ensure project activities' E&S risk management and compliance. A Capacity Building Team operating under the Director of Operations will design and plan capacity-building programs, ensure the standardization of all capacity building trainings and oversee the organization of training of trainers.
- 5. Regional offices.** Five regional offices will be set up to operate as decentralized locations. Regional directors will have the financial and administrative discretion to run the regional offices and will report to

---

<sup>48</sup> The General Body's responsibilities include, among others, (a) preparing and executing plans that include service rules, operational guidelines and other manuals and procedures, (b) preparing the annual report and facilitating preparation of SDF's accounts, and (c) approving the creation of staffing positions and appointment of senior staff.



the Managing Director through the Director of Operations. Regional directors will also ensure E&S risk management within their jurisdiction. Each regional office will have technical and administrative staff.

**6. District offices.** District offices of SDF headed by district managers will report to one of the regional offices and be responsible for supporting and facilitating activities implemented by field teams. District-level technical specialists will support district managers in implementing district plans. District teams will also monitor and guide the performance of cluster-level teams.

**7. Cluster (field) offices.** Cluster offices will report to one of the district offices. All project activities at the 'cluster' level will be implemented by cluster offices comprising implementation teams led by cluster officers and supported by a team of cluster facilitators. Specifically, one cluster will handle support to about 25 to 30 villages. Cluster Facilitators are key to mobilizing, building capacity and supporting community-level institutions to enable them to plan and implement their village development plans.

**8. Community-level institutional arrangements.** RELI Groups will be initiated in each village for savings and internal lending. They will comprise 10 to 15 members, with priority given to the extreme poor, unemployed women and youth. RELI Groups will elect the Executive Committee, or GS, responsible for implementing VDF activities in the village.

**9. GP.** All beneficiaries in the community form the apex body at the village level to make decisions on community development. The GPs are responsible for reviewing the progress of all village activities, preparing quarterly plans, approving expenditures, and reviewing reports of the Social Audit Committee.<sup>49</sup>

**10. GS.** The GS serves as the executive committee of the GP. All members are selected among beneficiaries in each village. The GS is responsible for implementing the decisions made by the GP, preparing and implementing the VDF, preparing progress reports and financial reports on all activities related to the use of the VDF, and signing the umbrella Financing Agreement with SDF.<sup>50</sup>

**11. SC.** The SC is responsible for collecting savings from project beneficiaries and deposit with banks as well as operating internal lending among beneficiaries.

**12. VCO.** The VCO is responsible for operating the Revolving (Shabolombi) Fund such as disbursement, installment recovery, maintaining accounts, report preparation, among others.

**13. SAC.** The SAC is responsible for monitoring the other committees and making observations and recommendations to village community institutions for necessary actions.

**14. Local governments.** An MoU will be signed between SDF and the Local Government Division under the Ministry of Local Government, Rural Development and Co-operatives to provide a framework for the collaboration of local government bodies with SDF during implementation and with RELI Community Societies past completion.

### Environmental and Social Risk Management Monitoring

**15.** As described in the ESMF, a three-tier monitoring program is proposed comprising compliance monitoring, effects monitoring, and third-party monitoring. This monitoring program will ensure that the

---

<sup>49</sup> All GP meetings will ensure 50 percent female participation and will be held at least once every three months with at least 70 percent of the extreme poor and poor attending such meetings.

<sup>50</sup> Meetings of the GS will be held as often as required and at least six members of the GS consisting of at least 50 percent women will be required for each meeting.





various tasks detailed in the ESMF, particularly mitigation measures, are implemented in an effective manner, and to evaluate project impacts on key E&S parameters:

- a. **Compliance monitoring.** Compliance monitoring will ensure that mitigation measures given in the ESMP are effectively and timely implemented. This is to be done by the regional, district and cluster level E&S focal points with guidance from specialists from the national office. All sub-projects will be visited at regular intervals by these designated point persons to check if all safeguard requirements are met and to identify any issues to be addressed. Regional units will submit monthly progress reports on E&S risk management supervision and monitoring to SDF on ESF implementation and compliance. Concurrent internal supervision and monitoring will be done as part of the regular monitoring by field units for ESF compliance. All cluster facilitators will be trained on environmental and social standards management and will ensure ESMF implementation at the field level. The GS, RDCSs and RCCSs will be oriented on ESMF requirements in each sub-project and made aware of E&S risk management requirements. Formats for E&S compliance monitoring have been provided in the ESMF.
- b. **Effects of monitoring during implementation.** Effects monitoring will be done in two segments:
  - i. **Quarterly M&E by SDF.** Quarterly M&E will be done by E&S specialists at SDF's national office. The environmental specialist and social development specialist will visit the field on a regular basis. They will visit an appropriate percentage of all categories of sub-projects. They will prepare appropriate formats for the half-yearly monitoring reports that SDF will send on ESMF compliance to the World Bank.
  - ii. **Yearly environmental assessment.** Once every year, SDF will prepare and submit to the World Bank a report of the environmental and social situation in the project districts. The ESMF will be suitably revised, if needed, by SDF on that basis.
- c. **Third-party monitoring.** SDF will engage an independent consultant to conduct external and independent monitoring of the ESMP's implementation. The external monitoring will ensure that all key entities are effectively and adequately fulfilling their designated role for ESMP implementation and that all ESMP requirements are being implemented on time and effectively.

## Implementation Support Plan

### Strategy and Approach for Implementation Support

**16.** The strategy for supporting project implementation will focus on close monitoring of the project's technical design and implementation, as well as governance, fiduciary, and safeguard issues. It will consist of (a) implementation support missions and (b) technical assistance particularly in the areas that are new to RELI compared to prior projects, such as the support to the climate resilience of beneficiaries and the implementation of a productive partnership model for the development of commercial agriculture and rural entrepreneurship. The approach will also incorporate risk mitigating measures proposed in the SORT.

**17. Support missions.** To ensure that project resources are being used effectively to achieve the PDO, the supervision strategy will use the following instruments: (a) implementation support missions: the World Bank will conduct semiannual implementation support missions to review the quality of project implementation, provide solutions to implementation problems, and assess the likelihood of achieving the PDO. A multidisciplinary team comprising fiduciary, environmental, social, and operations specialists will be needed to support the GoB in implementing the project. The first mission will take place as soon



as possible after effectiveness to provide direct and timely feedback on the quality, soundness, and acceptability of implementation plans; (b) mid-term review (MTR): An MTR will be carried out midway in the implementation phase. It will include a comprehensive assessment of the progress in achieving output and outcome objectives laid out in the Results Framework. The MTR will also serve to consider adjustments to project design to ensure satisfactory achievement of the project's objective; and (c) implementation completion: At the close of the project, the World Bank will carry out an implementation completion review to assess the success of the project and draw lessons from its implementation.

**18. Technical assistance.** Implementation support will include technical support from the World Bank, as well as possibly other bilateral/multilateral agencies, to ensure proper management of technical, fiduciary, environmental, and social aspects of the project. Technical assistance will include training workshops for developing core resource teams within SDF, support to finalize manuals, and review and advice on ToR for required studies and technical support missions.

### **Implementation Support Plan and Resource Requirements**

**19. Technical support.** In addition to the World Bank's core supervision team, experts from the World Bank and elsewhere may be mobilized periodically to hands-on training and mentoring to SDF.

**20. Focus of support.** The first two years of implementation will see more technical support. Thereafter, the focus will change to more routine monitoring of progress, troubleshooting, and assessments based on the Results Framework.<sup>51</sup>

**21. Financial support.** The project FM specialist based in the Dhaka country office will review the FM systems including their continued adequacy, evaluate the quality of the budgets and implementing agencies' adherence to these budgets, review the cycle of transaction recording through to final report generation, evaluate the internal audit function, review IUFRs and/or annual financial statements, follow up on the advances to the DA, follow up on both internal and external audit reports, and periodically assess the project's compliance with the FM manual as well as the Financial Agreement.

**22. Procurement support.** On the procurement front, the World Bank will provide implementation support to the client through a combination of prior and ex post reviews, procurement training to project officials, and periodic assessment of the project's compliance with the World Bank's Procurement Regulations. Implementation support missions will be geared toward (a) reviewing procurement related documents, (b) providing detailed guidance on the World Bank's Procurement Regulations, STEP and other procurement related issues, and (c) monitoring procurement progress against the approved Procurement Plan. In addition to prior reviews and annual PPRs carried out from the World Bank office, semiannual supervision missions will include field visits and ex post review of procurement activities.

**23. E&S.** The E&S specialists of the World Bank based in the Dhaka country office will have responsibility for supervising ESF activities. They will conduct supervision of the project's E&S risk management activities twice a year, participate in regular meetings to discuss findings, provide technical assistance to SDF specialists as needed, and draft action plans to improve implementation.

---

<sup>51</sup> Support missions will be complemented by regular visits by individual specialists as needed.



### ANNEX 3: Detailed Project Description

#### COUNTRY: Bangladesh

#### Resilience, Entrepreneurship and Livelihood Improvement Project

**1. The proposed project will provide immediate livelihood support for rural communities, primarily women, while contributing to building back better in a resilient way.** The disruptions created by the COVID-19 pandemic and climate-induced events such as Cyclone Amphan have compounded the vulnerability of poor and extreme poor rural communities in Bangladesh. The RELI project adopts the approach of NJLIP (P149605) and its predecessors, SIPP-I and SIPP-II, which documented great success in reaching the poor and poorest. RELI will tailor livelihood opportunities to respond to the following urgent needs: (a) respond to the impact of the crises on the livelihood of vulnerable rural households and support recovery and resilience building, (b) help rural households graduate out of poverty through income-generating activities (IGA), as well as skills development and employment support, (c) support NJLIP's current beneficiaries who had graduated from poverty pre-crisis but have fallen back into poverty because of the crisis, and (d) support rural entrepreneurship for sustained post-COVID-19-crisis economic recovery. Overall, 90 percent of project beneficiaries are expected to be women.

**2. The project will have four components:**

- i. Component A: Community Institutions and Livelihood Development
- ii. Component B: Business Development and Institutional Strengthening
- iii. Component C: Project Management, Monitoring and Learning
- iv. Component D: Contingent Emergency Response Component (CERC)

**3. Component A: Community Institutions and Livelihood Development (US\$254 million IDA).** The objectives of this component are to (a) mobilize poor and extreme poor households of the selected project villages by forming and strengthening community institutions, (b) provide technical and financial support for livelihood improvement and small-scale infrastructure development, and (c) provide technical and financial support for health and nutrition improvements. This component will also finance awareness-raising activities about social and cultural norms that constrain women and exclude marginalized groups, as well as increase beneficiaries' understanding of climate change and risks and promote activities to strengthen climate resilience and build back in a sustainable, climate-resilient manner. These activities are critical because of beneficiaries' high exposure and vulnerability to climate change. This component will finance (a) setting up of offices for cluster field facilitation and mobilization, staff, and other costs related to providing technical support and (b) village-level community plans for (i) technical support to community groups and institutions, (ii) cash transfers to the poor and vulnerable, (iii) loans for IGAs, (iv) small-scale infrastructure development, and (v) technical and financial support for health and nutrition.

*Subcomponent A.1: Development and Strengthening of Community Institutions (IDA: US\$49.2 million)*

**4. Objective and instruments used.** This subcomponent will mobilize, develop, and strengthen self-reliant community organizations in each of the villages targeted by the project, which will in turn be able to support beneficiaries as described in the next subcomponents. This subcomponent will finance setting up of offices for cluster field facilitation and mobilization, as well as staff and other costs related to providing technical support to establish village-level community institutions and strengthen their development.



**5. Approach for the facilitation and mobilization of village institutions.** Targeted villages will be grouped into clusters. Each cluster will comprise 25 villages on average. The project will establish offices at the cluster level to coordinate the efforts to support the creation and subsequent operations of village-level institutions. The approach will promote women's leadership and decision-making building on the achievements of past projects. The mobilization and facilitation of village-level community institutions will then be carried out as follows:

- a. **The identification of beneficiaries** will consist of three steps: (i) awareness campaigns at the district, upazila and village levels, with workshops conducted with different stakeholders to introduce project objectives and activities, (ii) willingness assessment and information sharing on final selection of project villages and inception, with meetings and surveys carried out with communities in all primarily selected villages to assess collective level of enthusiasm level followed by a communication campaign in selected villages about project benefits, village-level institutions, and the respective roles and responsibilities of project staff and communities, and (iii) participatory identification of the poor and vulnerable at the village level, with a training provided to potential beneficiaries on the ten steps of identifying the poor and vulnerable in their communities. The community, with the assistance of project staff, will then identify the extreme poor, poor, vulnerable, and unemployed/underemployed youths as per set criteria.<sup>52</sup>
- b. **Support to form and build the capacity of village institutions**, that is, GS, SC, VCO, and SAC<sup>53</sup> will consist of (i) facilitation to identify potential and acceptable members to constitute the different committees, (ii) training to all committees on their roles and responsibilities including accounts keeping, and community procurement, among others, (iii) training and facilitation to implement the GAAP and the Community Assessment Process, (iv) training on SEA/SH risk assessment and mitigation, (v) assessment of village community institutions' performance based on a set of criteria through a village grading exercise,<sup>54</sup> and (vi) capacity building on climate change and on risks and impacts on the target communities and opportunities for resilience building in communities.
- c. **Support to implement a web-based LMS at the village level** will consist of the provision of a laptop and a modem to all the project villages and training of community members to become community resource persons to operate the LMS;
- d. **Support to implement GEMS** will consist of the provision of a tablet and of associated initial training and continuous technical support to project villages;

---

<sup>52</sup> These beneficiaries are vulnerable to climate change and adverse climate events, as evidenced by the aftermaths of the recent cyclone Amphan and floods in 2020, which affected the livelihoods of about 67 percent of NJLIP beneficiaries and project beneficiaries of villages in 8 new districts targeted by the proposed project.

<sup>53</sup> The roles and responsibilities of these village institutions are described in further detail in the implementation arrangement section.

<sup>54</sup> The performance assessment of village institutions will be carried out annually. Performance criteria will set on the basis of the roles and responsibilities of village institutions as outlined in COM. Major criteria include the proper functioning of different committees, capacity building, accumulation of regular savings, disbursement and recovery of revolving fund, on time recovery rate (OTR), cumulative recovery rate (CRR), record keeping, and holding of regular meetings, among others.



- e. **Support to the day-to-day service delivery of community institutions** will be provided to project villages by experienced and skilled community professionals from villages supported by prior projects (for example, NJLIP).

*Subcomponent A.2: Financing of Community Plans (IDA: US\$199 million)*

**6. Objective and instruments used.** This subcomponent will support the financing of community plans to (a) establish and build the capacity of community groups and institutions, (b) provide cash transfers to the poor and vulnerable, (c) provide loans to beneficiaries for operating IGAs, and (c) finance prioritized small-scale climate-resilient infrastructure. These community plans will be funded by transferring project funds to a VDF in each village targeted by the project. Each VDF will then consist of four sub-funds as described in the following paragraph.

**7. Approach for the financing of community plans.** In each of the target villages, the Executive Committee, or GS, of the village community institution, or GP, signs an umbrella agreement with SDF for the creation of the VDF and for the disbursement of all VDF funds to the following sub-funds:

- a. The **IDF** will support the establishment and operations of community groups and institutions so that they can facilitate their members' participation in project activities. The IDF will notably finance the purchase of furniture and land through the modality of 'willing-buyer, willing-seller' for GS offices and capacity building of beneficiaries and committee members. In aggregate, US\$30.5 million will be transferred to village IDFs.
- b. The **PAF** will support cash transfers focused on the poorest and most vulnerable beneficiaries, notably those vulnerable to extreme climate events (for example, drought, cyclone, and flood). In aggregate, US\$32.7 million will be transferred to the village PAFs with the following applications: (i) a one-time cash grant to vulnerable project beneficiaries, with priority given to the poor and extreme poor affected by the COVID-19 pandemic and other disasters, such as cyclone Amphan and the 2020 flood (US\$13.4 million), (ii) cash grants matching the savings made by beneficiaries of up to BDT100 per month over the first two years of project implementation to encourage savings accumulation following savings depletion resulting from the pandemic (US\$14.5 million), and (iii) a one-time cash transfer in case of a localized disaster affecting livelihoods in project villages, such as a cyclone, a drought, or a flood (US\$4.8 million).<sup>55</sup> A one-time cash grant will also be given to existing NJLIP beneficiaries who may have fallen back into poverty because of the pandemic and Cyclone Amphan or the 2020 flood, as determined by surveys at the village level, so that they can resume their IGAs (US\$15 million). These funds would be transferred by SDF to IDF in villages supported by NJLIP, which were the funds administering cash transfers in that project.

---

<sup>55</sup> Despite the high prevalence of climate-induced and other disasters in Bangladesh, CERC components are seldom triggered in the country. A CERC was used for the first time in 2020 in response to the COVID-19 crisis. As a result, this project activity introduces the possibility of a one-time cash transfer in case of a localized disaster, such as a drought or a flood, affecting livelihoods but not warranting the activation of the CERC. This support will be extended once it is pronounced by the local administration of the GoB as a local disaster through official gazette, newspaper, or any other electronic/ print media. Should such localized disasters not take place during the first half of project implementation, these funds would be reallocated to other project activities at MTR.



- c. The **Revolving (Shabolombi) Fund** will be used to provide loans to individual beneficiaries for implementing IGAs. Based on priority needs and with technical assistance from the project, the GS will provide support to each loan applicant to prepare a loan proposal that will then be submitted to the VCO. Upon approval, the project will sign an addendum with the GS to transfer funds to the VCO's bank account. Service charges for the Revolving Fund will be reduced during the first two years of project implementation to help beneficiaries overcome the impact of the pandemic, of Cyclone Amphan and of the 2020 flood. This will support a swifter uptake of IGAs and ease access to agriculture inputs for food supply chain-related IGAs that are critical to overcome food security challenges aggravated by COVID-19 and recent climate-induced events in the country (for example, Cyclone Amphan or the 2020 flood). In addition, communities will receive technical assistance for implementation support, which will emphasize climate-resilience building through adoption of climate-smart practices, and where appropriate climate mitigation measures (for example, renewable energy or resource-efficiency solutions). Non-agricultural IGAs will also build beneficiaries' climate resilience by increasing beneficiaries' income as well as diversifying their income sources to enterprises that are less susceptible to climate change impacts. A diversified household income is likelier to provide continuous income streams throughout the year and increase climate resilience. In aggregate, US\$59.1 million will be transferred to village Revolving Funds.
- d. The **CWF** will be used for the development of small-scale climate resilient infrastructure. Such infrastructure works will include the construction of offices at district, cluster and village levels with resilient superstructure and elevated platform to withstand the impact of high wind, heavy precipitation and flooding, as well as the construction of climate-resilient tube-wells with elevated platform above flood level, culverts to drain the increased surface run-off from extreme precipitation and flooding, earthen/Herring-Bone-Bond road constructions/repairs, notably to prevent washouts from flooding, community latrines/urinals with resilient superstructure and raised platform (above flood level) to enhance resilience against heavy rainfall and flooding, drains for increased surface run-off from extreme precipitation and flooding, water tanks, rural markets with resilient superstructure and elevated platform to withstand the impact of high wind, heavy precipitation and flooding, and water distillation/desalination plants with elevated platform (above flood level) at village level. In addition to the creation of these productive assets, these labor-intensive activities are expected to provide additional income to poor and extreme poor beneficiaries who have lost employment and livelihoods as a consequence of Cyclone Amphan, the 2020 flood and the COVID-19 pandemic.<sup>56</sup> In aggregate, US\$61.7 million will be transferred to the CWF of the villages targeted by the project.

**8.** Beneficiaries who receive support for IGAs will receive technical assistance to adopt improved, climate-smart livestock and crop management practices, as well as livelihood improvement activities to diversify income sources to non-farm enterprises. About 70 percent of IGAs are expected to be

---

<sup>56</sup> In the ongoing NJLIP, close to 19 million person-hours of employment have been generated from infrastructure development, which provided income to the poor and extreme poor worth almost US\$10 million. In RELI, construction works are expected to generate about 22.5 million person-hours of employment, providing about US\$11.5 million of income to poor and extreme poor beneficiaries.





agricultural, while 30 percent will be focused on non-agricultural enterprises. The promoted measures are expected to contribute to climate resilience building as well as mitigation. Promoted CSA practices include (a) improved crop varieties, high-yielding varieties and improved, resilient cropping patterns, (b) improved nutrient management and generation and application of organic fertilizer, (c) integrated pest management, (d) improved pasture management and cultivation of fodder and grasses, and (e) development of small-scale orchards and fruit trees. In addition to strengthening farmers' and agro-ecosystems' resilience to climate change, these practices have the potential to reduce GHG emissions (for example, reduced and improved application of synthetic fertilizer and integrated pest management), increase biomass growth (for example, planting of orchards and use of high-yielding varieties), and improve existing carbon pools (for example, use of organic fertilizer, conservation agriculture, improved pasture management). Renewable energy or increased efficiency and natural resources use in the supply chain will be promoted as well.

*Subcomponent A.3: Health and Nutrition Support (IDA: US\$5.8 million)*

**9. Objective and instruments used.** This subcomponent will support improved health and nutrition in villages targeted by the project through a number of activities described in the following paragraphs. These activities will be funded by transferring project funds to the GS in each village.

**10. Approach for health and nutrition support.** To support the translation of the increased income supported in Subcomponent A.2 into improved health and nutritional outcomes, the following activities will be implemented by the HNSC in each village under the guidance and supervision of project staff (that is, one paramedic per cluster and one medical graduate per district) with the aim to raise awareness and improve practices for improved health and nutritional outcomes: (a) behavior change communication (BCC) campaigns to promote appropriate infant and young child feeding and caring practices during pregnancy and lactation complemented with maternal allowances to vulnerable pregnant mothers during the 1,000-day period<sup>57</sup> to cover part of associated health and nutrition expenses in a context of rising rural poverty,<sup>58</sup> (b) BCC campaigns to prevent the spread of infectious, vector-borne, and water-borne diseases including those that are projected to be exacerbated by climate change (for example, diarrheal diseases and mosquito-borne diseases due to flooding or drought occurrence)<sup>59</sup> by promoting good hygiene and sanitation practices, among others, (c) linkages between communities and government and nongovernment health providers strengthened by building awareness in communities on the services provided by community clinics, sub-district (upazila) health complexes and different NGOs and by building awareness of these health providers on the needs of the communities and by facilitating communication with them, (d) BCC campaigns to raise awareness among beneficiaries as well as community institutions

<sup>57</sup> Pregnancy until the child is two years of age.

<sup>58</sup> Primary selection of beneficiaries will be done by the HNSC and be verified and approved in village community institution meetings. Afterward a certain percentage will also be checked and verified by paramedics of the concerned cluster to maintain due diligence

<sup>59</sup> Climate events, particularly drought, flooding and cyclones, pose a substantial threat to water security and are projected to increase the occurrence of water-borne infectious diseases such as cholera and diarrheal diseases. Increased temperature and changing precipitation patterns are projected to affect the transmission of vector-borne diseases, such as mosquito-borne diseases malaria, dengue or Chikungunya, by affecting mosquito's lifecycle and increasing suitable vegetation and vector breeding sites. Source: Government of the People's Republic of Bangladesh, Ministry of Health and Family Welfare, Directorate General of Health Services (2018). Bangladesh Health National Adaptation Plan.





about deteriorating conditions of gender-based violence in the wake of the COVID-19 pandemic and about available services, and (e) BCC campaigns to promote productive diversification on-farm toward vegetables, horticulture and nutrient-dense commodities and climate-resilient production practices (for example, traditional hydroponics/floating vegetable gardens) complemented with the distribution of vegetable seeds for kitchen gardens.<sup>60</sup>

**11.** The availability of nutritious produce on-farm, together with increased awareness about nutritious diets among beneficiaries has the potential to improve nutritious outcomes in beneficiaries. Limiting monoculture of rice, increasing diversification on-farm, and adopting intercropping or crop rotations are practices that have the potential to improve soil fertility and soil carbon pools, thereby enhancing climate resilience and the potential for GHG emission reduction of the production system. In addition, a diversified production is likelier to provide continuous income streams throughout the year,<sup>61</sup> increase incomes, and increase livelihood resilience. Supporting diversification can also address the increased risk of drought and floods expected to affect agricultural production and aggravate malnutrition among rural populations.

**12. Component B: Business Development and Institutional Strengthening (US\$40 million IDA, US\$1 million Local Beneficiaries).** The objectives of this component are to (a) establish second-tier institutions to ensure the sustainability of village institutions, (b) increase livelihood opportunities of the poor and extreme poor by organizing them in PGs, cooperatives or federations, improving their market and business orientation, and developing linkages and partnerships with market actors and service providers,<sup>62</sup> (c) support rural entrepreneurship to enhance livelihoods and resilience, and (d) ensure skills development training and sustainable employment for the unemployed/underemployed youths and returning migrants and immigrants. Activities under this component also include awareness raising about climate change and risks, and adaptation and resilience building practices among targeted PGs, rural entrepreneurs, youth and migrant returnees and promotion of climate-smart practices as well as opportunities for income diversification to increase livelihood resilience. Where possible, climate mitigation and a focus on resource efficiency and sustainable energy will be emphasized. This component will finance (a) the first two years of operations of RDCs and RCCs, (b) technical and financial support to PGs and rural entrepreneurs, and (c) technical and financial support to youths and returning migrants.

*Subcomponent B.1: Development and Strengthening of Second-tier Institutions (IDA: US\$9 million)*

**13. Objective and instruments used.** This subcomponent will help create and support the operations of second-tier institutions called RDCs at the district level and RCCs at the cluster level to support the networking and aggregation of the village-level community institutions created under Component A. These second-tier institutions take over the support and development function for their village institutions and monitor their performance, while also seeking potential options for economic growth and service provision for the village institutions or groups of beneficiaries they oversee. This subcomponent will finance the first two years of operations of these RDCs and RCCs by transferring project funds to an IDF

<sup>60</sup> Resource-efficient farming practices (for example, reduced fertilizer and pesticide use) will be promoted to ensure reduced GHG emission.

<sup>61</sup> Solidarités International. Technical and Program Quality Department and the Bangladesh mission (2017). *Better farming practices for Resilient Livelihoods in Saline and Flood-Prone Bangladesh*. The experience of Solidarités International in Satkhira District.

<sup>62</sup> PGs are primarily composed of female beneficiaries.



for their first year of operation and a PSF for their second year of operation.<sup>63</sup> These RDCSs and RCCSs are expected to become institutionally and financially sustainable beyond the life of the project.

**14. Approach for the development of community societies.** Village institutions that meet minimum performance requirements will be mobilized to form an RCCS in each cluster. Training will then be provided on the roles and responsibilities of RCCS committees. Similarly, all the clusters in a given district will be mobilized to form an RDCS and training will be provided on the roles and responsibilities of RDCS committees. The main roles and responsibilities of these RCCSs and RDCSs will be the following: (a) IDF and PSF: RDCSs and RCCSs will be supported financially by the project during their first two years of operation. RDCSs will submit proposals to the project for allocation of funds to each RCCS's IDF and PSF and will ensure proper utilization of each fund. The IDF will be used during the first year of operation. The PSF will be used during the second year based on the realization of the vision agreed during the first year; (b) construction of climate resilient RDCS and RCCS office buildings: With technical support and guidance from the project, RDCSs and RCCSs will be responsible for the community procurement and construction process. These buildings will also be used as income generating centers, show rooms for selling beneficiaries' produce, renting out for training for other organizations, and even production centers for beneficiaries. These buildings will have a resilient superstructure and an elevated platform (above flood level) to withstand the impact of high wind, heavy precipitation, and flooding; and (c) support to village institutions: RCCSs will conduct regular monitoring of village-level activities under the active guidance of RDCSs and they will provide a networking function for village-level institutions. They will provide demand-based services and technical assistance and help establish formal partnerships and joint programs with local governments, line agencies, NGOs, and financial institutions. In preparation for the end-of-project support, RCCSs will grade village institutions to identify their status and prepare a support plan. Given the high climate vulnerability of project beneficiaries, second-tier institutions will continue sensitization efforts toward village institutions regarding climate risks and where possible, promote climate-resilient economic opportunities. To provide such services, these second-tier institutions will receive associated training upon their creation.

*Subcomponent B.2: Commercial Agriculture and Rural Entrepreneurship (IDA: US\$17 million; Local beneficiaries: US\$1 million)*

**15. Objective and instruments used.** This subcomponent will seek to support the growth of the rural economy by supporting the formation and development of PGs and rural enterprises, especially ones owned by women. PGs and rural entrepreneurs will receive both technical assistance from LSPs contracted by the project and direct financial support from the CARE Fund following a productive partnership approach.<sup>64</sup>

**16. Approach for the development of commercial agriculture and rural entrepreneurship.** The sub-component will target poor and extreme poor producers and skilled workers from the project villages

<sup>63</sup> These second-tier institutions will start being created in year 3 of project implementation and will be financed during their first two years of existence. Beyond that period, expenditures would no longer be financed by the IDA credit but by these entities themselves.

<sup>64</sup> While PGs are led by and composed of women beneficiaries, the project will take measures such as targeted outreach and tailored technical assistance to better reach and support women-owned rural enterprises. Past NJLIP experience and assessments will inform the design of such measures.



empowered under Component A. The target organizations eligible for project support will have to be organized at the village, cluster or district level as registered PGs or under registered rural enterprises with a transparent governance structure. They will receive technical and financial support in the following ways:

- a. **Formation of and technical assistance to registered PGs.** The project will facilitate the organization of individual producers into PGs, establish linkages with competent government authorities for their registration, and provide capacity building support. This support will be based on an initial assessment of the PGs's capacity, which will be done by implementing a diagnostic of agribusiness capacity (such as IFC's Agribusiness Leadership Program), identifying areas of improvement and relevant service providers. Subsequent technical assistance to PGs may include a basic training on PG activities, institutional capacity building, leadership development, financial management, business development, and product promotion and marketing. Technical assistance on climate risks and resilience building will be provided as well and may include sensitization to climate risks along the value chain, promoting of climate-smart technologies and practices, including heat- and saline-tolerant varieties, reduced tillage and residue retention, intercropping and crop rotations and improved inputs management, as well as resources and energy-efficient practices along the value chain such as climate-friendly cooling or processing facilities. Participating in strong community networks is expected to enhance beneficiaries' social capital and strengthen resilience to shocks.
- b. **Market linkages and partnership building.** The project will organize consultations with registered PGs, rural entrepreneurs, actors along the agri-food value chain (that is, input suppliers, traders, processors, retailers, transport and logistics service providers, and so on), and local government representatives to help create forward and backward market linkages for PGs and rural entrepreneurs, promote public-private dialogue on rural entrepreneurship development, and establish formal partnerships between value chain actors, local governments and the project. Emphasis will be placed on linking PGs and rural entrepreneurs to prominent e-commerce sites in response to the trading disruptions experienced during the pandemic.
- c. **Product promotion and communication.** The project will support the participation in and the organization of trade fairs at the local and national levels, which will give PGs and rural entrepreneurs an opportunity to exhibit their products, skills, and capacities and to enter new business relationships.
- d. **CARE Fund.** Registered PGs and rural entrepreneurs in project areas will be able to apply for grants on a competitive basis from the CARE Fund through a matching grant system. They will have to submit a business plan that demonstrates that they have entered a productive partnership with off-takers interested in procuring their products and services. The business plan will also need to show returns on investment and financial sustainability of their operations. The matching grants disbursed through the CARE Fund will add up to US\$9 million in total. However, grants will be capped for any given PG/rural entrepreneur.<sup>65</sup> PGs and rural entrepreneurs will also need to contribute 10 percent of the investment costs. In aggregate, local beneficiaries are therefore

---

<sup>65</sup> Each PG / rural entrepreneur will be eligible to a maximum of BDT 350,000 or US\$4,375 grants throughout the life of the project.



expected to contribute US\$1 million. Financial support will cover technical assistance and equipment. Technical assistance will systematically accompany equipment requests to ensure proper use and maintenance of the investment. Eligibility and prioritization criteria will be applied to maximize the transparency of the selection process and the sustainability of the investments made and assistance received. An assessment of the climate impacts and risks on the proposed investments, opportunities to build resilience against such risks, as well as the potential for reducing GHG emissions (for example, adoption of energy and resource efficient technologies) will be part of the selection process and technical assistance. PGs and rural entrepreneurs will also be eligible for technical assistance to prepare their business plans before submission of their grant application. CARE Funds will be managed by RDCSs under the guidance of SDF.

**17.** Support to rural entrepreneurial efforts will focus on businesses revolving around climate-smart food production, value addition,<sup>66</sup> and marketing. This will have the triple advantage of increasing rural income, while supporting food security and contributing to mending the frayed food supply chain, as well as increasing climate resilience in target beneficiaries' communities and agro-ecosystems. Improved access to markets and diversification to off-farm activities are important to climate risk mitigation and resilience strengthening.

*Subcomponent B.3: Employment Generation Support (IDA: US\$14 million)*

**18. Objective and instruments used.** This subcomponent will help unemployed/under employed youths<sup>67</sup> and jobless migrant/immigrant returnees, including climate migrants, residing in villages supported by RELI to acquire marketable skills and access employment opportunities. This subcomponent will finance technical support, skills development training costs, access to Revolving Fund (Subcomponent A.2) and CARE Fund (Subcomponent B.2), and a stipend program for meritorious students to improve their access to higher education. Where possible, skills development training will support opportunities in the renewable energy sector (for example, solar and bio-gas energy).

**19. Approach for employment generation support.** To provide skill development training and create sustainable employment opportunities for unemployed/underemployed youths and jobless migrant / immigrant returnees, the project will implement the following activities: (a) identify unemployed/underemployed youths and jobless migrant/immigrant returnees in each village, and mobilize them into youth and migrant groups, (b) disseminate potential skill development and employment opportunities, (c) conduct counseling sessions with participation of unemployed/underemployed youths, their parents at the village, cluster and district levels, (d) establish linkages and partnership with potential training institutes/service providers and employers, (e) facilitate potential trained youths to get opportunities in overseas employment, (f) facilitate the provision of quality skill development training from proven institutes to unemployed/underemployed youths and jobless migrant/immigrant returnees,<sup>68</sup> (g) facilitate visits of different industries, factories, and organizations for

---

<sup>66</sup> Thus, the promotion of climate-smart crop and livestock production (for example, climate-resilient crops, sustainable land and water management practices, improved feeding or improve pasture management) and value chain development (for example, climate-resilient infrastructure, energy-efficiency cooling and renewable energy) play an important role.

<sup>67</sup> Youths are people between 18 and 35 years.

<sup>68</sup> Based on lessons learned from NJLIP and due to the impact of COVID-19 on rural incomes, training costs will be borne by the project.



learning and sharing, (h) facilitate trained youths/returnees who are eligible for initiating self-employment to get financial support from the project – loans from the Revolving Fund or matching grants from the CARE Fund – or from financial institutions, and (i) facilitate trained youths/returnees to get self-employment and/or wage employment.<sup>69</sup>

**20. A one-time stipend program for 640 meritorious students** will also be implemented. The project will (a) identify meritorious students in project villages who are waiting for admission into renowned universities or institutes for higher education, (b) select students, (c) provide a cash stipend to attend higher education institutions, and (d) track their progress toward degree completion.

**21. Component C: Project Management, Monitoring and Learning (US\$6 million IDA, US\$40 million GoB).** This component will support the management of the project, as well as monitoring and continuous learning throughout the life of the project. ICT-supported feed-back mechanisms will be introduced to simplify and inform the feedback and monitoring tools developed for NJLIP. The component will cover the operating costs of SDF at national, regional, and district levels, including salaries and office operating costs. IDA will finance some of the non-staff operational costs, whereas all staff costs and remaining non-staff operational costs will be financed by counterpart funding. Activities under this component will also be tailored to the new conditions on the ground created by the COVID-19 crisis to ensure proper project management, monitoring and learning across project areas. Considering the recent severe climate events (that is, Cyclone Amphan and flood events), which are projected to intensify in the future, capacity building of SDF on climate change and vulnerability, and opportunities for climate mitigation, and sustainable energy will be explored.

**22. Component D: Contingent Emergency Response Component (US\$0 million IDA).** This CERC is included under the project in accordance with OP/BP 10.00, paragraphs 12 and 13, for situations of urgent need of assistance. This will allow for rapid reallocation of project proceeds in the event of a natural or man-made disaster or crisis that has caused or is likely to imminently cause a major adverse economic and/or social impact. To trigger this component the Government will need to declare an emergency or provide a statement of fact justifying the request for the activation of the use of emergency funding. To allocate funds to this component, the Government may request the World Bank to reallocate project funds to support response and reconstruction.

**23.** If the World Bank Group agrees with the determination of the disaster and associated response needs, this component would draw resources from the unallocated expenditure category and/or allow the Government to request the World Bank to recategorize and reallocate financing from other project components to cover emergency response and recovery costs. This component could also be used to channel additional funds should they become available because of an emergency.

**24.** Disbursements would be made against a positive list of critical goods or the procurement of works and consultant services required to support the immediate response and recovery needs. A specific Emergency Response Operations Manual will apply to this component, detailing FM, procurement, safeguards, and any other necessary implementation arrangements. The adoption of an appropriate Emergency Response Operations Manual will constitute a disbursement condition for the CERC.

---

<sup>69</sup> The project will assess the special needs of women migrant returnees from urban areas and abroad and integrate required assistance in the different activities identified in this subcomponent.