

Document: EB 2018/123/R.13
Agenda: 5(c)(i)
Date: 21 March 2018
Distribution: Public
Original: English

E



Investing in rural people

President's report

Proposed loan and grant to the People's Republic of Bangladesh for the Smallholder Agricultural Competitiveness Project

Note to Executive Board representatives

Focal points:

Technical questions:

Benoit Thierry
Country Programme Manager
Asia and the Pacific Division
Tel.: +39 06 5459 2234
e-mail: b.thierry@ifad.org

Dispatch of documentation:

Alessandra Zusi Bergés
Senior Governing Bodies Office
Governing Bodies
Tel.: +39 06 5459 2092
e-mail: gb@ifad.org

Executive Board — 123rd Session
Rome, 16-17 April 2018

For: Approval

Contents

Abbreviations and acronyms	ii
Map of the project area	iii
Financing summary	iv
Recommendation for approval	1
I. Strategic context and rationale	1
A. Country and rural development and poverty context	1
B. Rationale and alignment with government priorities and RB-COSOP	1
II. Project description	2
A. Project area and target group	2
B. Project development objective	2
C. Components/outcomes	2
III. Project implementation	3
A. Approach	3
B. Organizational framework	3
C. Planning, monitoring and evaluation, and learning and knowledge management	4
D. Financial management, procurement and governance	4
IV. Project costs, financing and benefits	5
A. Project costs	5
B. Project financing	6
C. Summary benefit and economic analysis	6
D. Sustainability	7
E. Risk identification and mitigation	7
V. Corporate considerations	7
A. Compliance with IFAD policies	7
B. Alignment and harmonization	8
C. Innovations and scaling up	8
D. Policy engagement	9
VI. Legal instruments and authority	9
VII. Recommendation	9

Appendices

I. Negotiated financing agreement	
II. Logical framework	

Abbreviations and acronyms

AWPB	annual workplan and budget
BADC	Bangladesh Agricultural Development Corporation
BARI	Bangladesh Agricultural Research Institute
COSOP	country strategic opportunities programme
CPS	country programme support
DAE	Department of Agricultural Extension
DAM	Department of Agricultural Marketing
ERD	Economic Relations Division
HVC	high-value crop
M&E	Monitoring and Evaluation
NATP	National Agricultural Technology Program
ORMS	Operational Results Management System
PSC	Project Steering Committee
RB-COSOP	Resulted-Based Country Strategy Opportunity Paper
SACP	Smallholder Agriculture Agricultural Competitiveness Project

Map of the project area

Bangladesh

Smallholder Agricultural Competitiveness Project

President's report



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.
Map compiled by IFAD | 13-10-2017



People's Republic of Bangladesh

Smallholder Agricultural Competitiveness Project

Financing summary

Initiating institution:	IFAD
Borrower:	People's Republic of Bangladesh
Executing agency:	Ministry of Agriculture
Total project cost:	US\$109.85 million
Amount of IFAD loan:	US\$64.5 million
Amount of IFAD grant:	US\$2 million
Terms of IFAD loan:	Highly concessional: Maturity period of 40 years, including a grace period of 10 years, with a service charge of 0.75 per cent per annum
Contribution of borrower:	US\$28.65 million
Contribution of private sector:	US\$8.1 million
Contribution of beneficiaries:	US\$6.6 million
Appraising institution:	IFAD
Cooperating institution:	Directly supervised by IFAD

Recommendation for approval

The Executive Board is invited to approve the recommendation for the proposed financing to the People's Republic of Bangladesh for the Smallholder Agricultural Competitiveness Project, as contained in paragraph 47.

Proposed loan and grant to the People's Republic of Bangladesh for the Smallholder Agricultural Competitiveness Project

I. Strategic context and rationale

A. Country and rural development and poverty context

1. Bangladesh is a lower-middle-income country with high rates of poverty among its 160 million people. The immediate challenge for Bangladesh is to increase agricultural production and achieve recognizable quality standards, in spite of climate change. Agriculture remains fundamental to the country's prosperity, occupies three quarters of Bangladesh's scarce territory and supports the livelihoods of the majority of the population.
2. The proportion of the population living under US\$1.25 a day fell from 49 per cent to 31.5 per cent between 2000 and 2010, effectively lifting 16 million people out of poverty over that period. Overall poverty has declined during the last decade, although it still stands at around 35 per cent and has declined more slowly in rural areas. Significantly, the proportion of people living in extreme poverty in rural areas is still three times that in urban areas.

B. Rationale and alignment with government priorities and RB-COSOP

3. The design of the Smallholder Agricultural Competitiveness Project (SACP) is based on developing high-value crops (HVCs) in the southern districts of Bangladesh. The project builds on the assumption that with the opening of the new Padma Bridge in 2019, many farmers from the southern districts will have increased opportunities to sell their products to markets in Dhaka (HVCs, vegetables, legumes and fruits). The shortened transport times will enhance opportunities for high-value fresh produce, when properly picked, packed and transported. This project can play a significant role in improving agricultural income.
4. The SACP will take farmers' groups as its entry point to enhancing production and value chain development in the target areas. It will focus on: (a) strengthening agricultural competitiveness; (b) enhancing sustainable technical support services/facilities; (c) identifying market opportunities and linking them to an applied research, development and extension programme to support small-scale farmers; (d) improving access to income opportunities with HVCs through multi-stakeholder platforms; and (e) supporting individual and group/organizational capacity to participate in agricultural value chains. The SACP will enhance both the quantity and the quality of production through appropriate productive infrastructure. It will also link farmers' marketing groups to private actors so as to boost fair contract farming along with post-harvest and processing contracts.
5. The project is well aligned with the national strategies for poverty alleviation, agriculture and rural development, and climate change adaptation. It responds to the Government's Master Plan for Agricultural Development in the Southern Region of Bangladesh (2013) by fostering the responsiveness and competitiveness of rural smallholders in horticulture HVCs in southern Bangladesh. The project's objective

and interventions refer directly to the overarching goal of the IFAD Strategic Framework 2016-2025, and to the 2012-2018 results-based country strategic opportunities programme (COSOP), along with the recommendations of the 2015 country programme evaluation.

II. Project description

A. Project area and target group

6. Located in the southern region, Barisal Division has the highest number of poor people in the country (39.4 per cent). According to the Census of Agriculture 2008, there were about 3.1 million farming households in southern Bangladesh in 2008, of which 2.7 million were smallholders. The region is susceptible to exogenous shocks, which have the greatest impact on poor people. These include cyclones and storm surges, land erosion, limited livelihood opportunities, resource degradation, salinization, flooding and waterlogged soils.
7. The project will be implemented in 11 districts covering 30 upazilas (subdistricts). Farmers' unions (250 in number) will be selected based on the targeting criteria. The total population of the 30 target upazilas is 7,018,218, or 1,246,021 households. The project will directly benefit at least 250,000 rural households. Project beneficiaries will be selected based on an inclusive targeting strategy focusing on landless, marginal and small-scale farmers, with around 80 per cent of beneficiaries belonging to these categories. Youth will constitute some 20 per cent of beneficiaries and women's participation will be around 30 per cent.

B. Project development objective

8. The project goal is to contribute to smallholders' responsiveness and competitiveness in HVC production and marketing of fresh and/or processed products. The project development objective is to improve farmers' incomes and livelihoods through demand-led productivity investments, crop diversification and increased market linkages.

C. Components/outcomes

9. The project will support enhancement of production, identify market opportunities for both fresh and processed products, support value-added post-harvest management and build competitiveness in HVCs to move households from subsistence farming into commercial farming. This will be done through three technical components, supported by a project management component. They are: (i) enhanced production of high-value crops and technology adoption; (ii) processing and marketing of high-value crops; and (iii) climate-resilient surface water management.
10. Component 1: Enhanced production of high-value crops and technology adoption. This component will support the testing, evaluation and adoption of new technologies and management practices by smallholder farmers so as to enhance their production of HVCs with identified market opportunities. Research on new and existing technologies will be carried out in order to adapt them to agroecological constraints. The component will promote agricultural competitiveness linked to market demand through three subcomponents: (i) assessment of HVCs and group mobilization; (ii) demand-driven production and market-led research; and (iii) institutional support for research and extension.
11. Component 2: Processing and marketing of high-value crops. This component will facilitate smallholders' access to markets by creating a conducive business environment for private sector engagement. In parallel, promising rural agroenterprises will be assisted in penetrating markets through value-added products to ensure that production decisions respond to market opportunities. Value addition will take place through improved post-harvest practices related to the processing, storage and transport of agricultural commodities. There are three

subcomponents: (i) improving market linkages: multi-stakeholder platforms will be established to facilitate linkages among producers, traders and agroprocessing industries; (ii) post-harvest and processing investments to support agroprocessing enterprises in building producers' capacity for post-harvest activities and primary processing in response to buyer demand. Potential agroprocessing enterprises will also be identified and supported; and (iii) development of food safety and nutrition measures along the value chain to promote a safe and diversified diet for households, women and young children.

12. Component 3: Climate-resilient surface water management. The purpose of this component is to improve availability of irrigation water and efficient usage through infrastructure development and better supplemental access or sustained access throughout the crop season. It has two subcomponents: (i) sustainable surface water management, drainage, conservation and utilization; and (ii) institutional support for capacity-building. Water users' groups, as the primary beneficiaries, will receive training and capacity-building to ensure that they have the necessary knowledge and skills to be responsible for the operation and maintenance of the water management infrastructure. All activities will complement the value addition initiatives under components 1 and 2. The location and scale of interventions will be identified and prioritized based on food production and cash crop production activities and the need for supplemental irrigation and irrigation over the full crop season.

III. Project implementation

A. Approach

13. Project implementation will follow the Government's Development Project Proforma (DPP), which is based on the IFAD project design report. SACP will be implemented over six years, starting with value chain studies, baseline surveys and the setting up of management systems and multi-stakeholder platforms. The project will focus on introducing and building capacity in new skills for strengthening climate change resilient production methods, water management and post-harvest management, and marketing techniques. It will also demonstrate adaptive methods and technologies to staff from Ministry of Agriculture and beneficiaries. The scaling up of successful models and good practices will be emphasized, along with the mainstreaming of these into target value chains.

B. Organizational framework

14. Overall responsibility for the SACP will be assumed by the Ministry of Agriculture, which is the lead project agency.
15. Operation. Interdepartmental coordination among all four implementing agencies under the Ministry of Agriculture – the Department of Agricultural Extension (DAE), Department of Agricultural Marketing (DAM), Bangladesh Agricultural Development Corporation (BADC) and Bangladesh Agricultural Research Institute (BARI) – will be ensured by the Project Office from DAE. Directors for the components will be government officers seconded from the DAE, DAM and BADC. The project coordinator will be seconded from BARI. Staff will be supported by an operational team of externally recruited experts. A senior monitoring and evaluation officer from the DAE will be recruited to support the Project Office. A project steering committee will be established to evaluate and approve annual workplans, and provide directives on strategic aspects of implementation management.
16. Technical assistance. A separate fund of US\$3 million from SACP financing (drawing on the IFAD loan and IFAD grant in equal amounts) will be used for technical assistance, which will be provided by Food and Agriculture Organization of the United Nations (FAO) to the Project Office and implementing agencies. Technical assistance activities will concentrate on: (a) training of trainers and follow-up coaching; (b) supporting the development of a monitoring and evaluation

(M&E) system to track project benefits; and (c) background studies. The expected outcome of the technical assistance activities is stronger capacity of implementing agencies to successfully implement the project and achieve the expected results.

17. Private sector participation. The project will create a congenial environment for public-private-producer partnerships (4Ps) to enable private input companies, agroprocessors, wholesalers, traders and exporters to assess the potential of HVCs in the southern delta and market linkages for expansion of their businesses, and allow them to work with government agencies in investing in producers and marketing groups supported by the project.

C. Planning, monitoring and evaluation, and learning and knowledge management

18. SACP will follow a results-based management approach that establishes a solid linkage between planning, implementation, monitoring and expected results. It will ensure that all project processes and activities are in line with the project goal, objectives and expected outcomes. An integrated M&E and knowledge management system will be developed in accordance with IFAD Operational Results Management System (ORMS) guidelines and government frameworks. Planning and M&E will be results-oriented, to enable tracking of progress towards project outputs, outcomes and sustainability.
19. The M&E system has three functions: (i) tracking project outcomes within communities and farmers' groups and disaggregating data by sex, age group and social group; (ii) supporting timely results-based management at all levels and the Ministry's policy decision-making; and (iii) collecting and disseminating knowledge for learning purposes, options for scaling up and replication of good practices, and lessons for risk management. Results will be measured at two levels – outputs and outcomes – through IFAD core indicators and project-specific indicators as listed in the logical framework.
20. A knowledge management and communication strategy will be developed in line with the IFAD Strategy for Knowledge Management, to ensure that knowledge, technologies and innovations generated are systematically identified, analysed, documented and shared. An online management information system and project website linked to the IFADAsia website will be developed within the first year of implementation and used as a monitoring tool and knowledge-sharing platform.
21. Country programme support (CPS) unit. The CPS unit, which will be led by the Economic Relations Division (ERD) of the Ministry of Finance, will promote cost-effective country programme management. The unit will provide technical support services and capacity-building in three key areas: M&E, knowledge management and communication, and financial management. It is designed to have the flexibility to respond to project needs in other technical areas jointly identified by IFAD-financed projects. The modalities and responsibilities of the CPS unit will be further reviewed jointly by IFAD, ERD, Ministry of Agriculture and other involved ministries and agencies to ensure ownership and sustainability.

D. Financial management, procurement and governance

22. The proposed financial management arrangements incorporate a number of measures intended to reduce risks to acceptable levels, ensuring that: (i) the project funds and assets created are used for their intended purposes in an efficient and effective way; and (ii) reliable and timely financial reports are prepared and submitted to the Government and IFAD.
23. Accounting. The accounting policies and procedures of the project will be governed by the Government's procedures, which follow the cash accounting basis. These standards are in the process of being aligned with International Public Sector Accounting Standards. The existing government system, which is outlined in the project accounting manual of the Ministry of Finance, will provide the basis for the

project implementation manual and financial management manual. The project will procure and adopt an accounting system package that conforms to international standards during start-up. In addition, a simplified financial management system will be implemented by the district coordination units to ensure proper reporting to each of the implementing agencies.

24. Financial reporting. Financial reporting by the project will be consistent with International Accounting Standards and the project financial management manual. Semi-annual financial reports with accurate and updated financial information will be prepared by the Project Office for submission to IFAD within 45 days from the end of each semester, and they will be generated directly from the automated project accounting system.
25. Flow of funds and disbursement. Two designated accounts managed by the Project Office will be opened under special account in foreign exchange arrangements at the Central Bank of Bangladesh for the loan and grant respectively, with two corresponding project accounts in local currency. Transfers to the implementing agencies will be made according to consolidated financial information and approved annual workplans and budgets.
26. Procurement. Procurement of goods, works and services will be carried out in accordance with the provisions of the Public Procurement Act 2006 and the Public Procurement Rules 2008 to the extent that these are consistent with IFAD's Project Procurement Guidelines. If there is any conflict between the Government's provisions and those of IFAD in relation to a procurement exercise, the provisions identified in IFAD's Project Procurement Guidelines and Procurement Handbook will prevail, as per the financing agreement. Procurement will be conducted by the implementing agencies and the Project Office. All national competitive bidding processes will be conducted through the electronic government procurement system. As an added risk mitigation measure, IFAD will undertake a prior and post review of procurement decisions.
27. Supervision. The project will be directly supervised by IFAD using ORMS. Supervision will focus on project implementation progress, specifically development effectiveness, sustainability and scaling up, project management, financial management and implementation at all levels. At least one formal supervision mission will be fielded each year and will include government participation. Implementation support will be provided on a demand-driven basis and in accordance with identified needs. A midterm review will be undertaken by IFAD at the end of the third year of implementation to examine project outcomes and propose modifications (e.g. to outreach, targets, budget and activities) if considered necessary.

IV. Project costs, financing and benefits

A. Project costs

28. The total project cost, including physical and price contingencies, will be US\$109.85 million. The project costs by component and by financier are summarized in tables 1 and 2 below.

Table 1
Project costs by component and financier
 (Thousands of United States dollars)

Component	IFAD loan		IFAD grant		Private sector		Beneficiaries		Borrower/ counterpart		Total
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount
1. Enhanced production of high-value crops and technology adoption	10 505.6	61.2	404.6	2.4	1 956.1	11.4	838.1	4.9	3 459.5	20.2	17 163
2. Processing and marketing of high-value crops	20 443.0	59.9	665.6	2.0	6 175.5	18.1	23.7	0.1	6 792.7	19.9	34 100
3. Climate-resilient surface water management	26 238.9	57.1	161.5	0.4	-	-	5 706.7	12.4	13 850.9	30.1	45 958
4. Project management	7 310.7	57.9	768.4	6.1	-	-	-	-	4 543.6	36.0	12 622
Total	64 498.2	58.7	2 000.0	1.8	8 131.6	7.4	6 568.5	6.0	28 646.6	26.1	109 845

B. Project financing

29. IFAD funding will be provided in the form of a loan equivalent to US\$64.5 million and a grant equivalent to US\$2 million (1.8 per cent of total project cost); beneficiary contributions will total US\$6.6 million; US\$8.1 million will be provided by the private sector; and the Government will contribute US\$28.65 million, including staff salaries, rentals and tax and duties on project expenditure. FAO will provide technical assistance at a cost of US\$3 million, which will be funded by the grant and loan proceeds in equal amounts.

Table 2
Project costs by expenditure category and financier
 (Thousands of United States dollars)

Expenditure category	IFAD loan		IFAD grant		Private sector		Beneficiaries		Borrower/ counterpart		Total
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount
I. Investment costs											
A. Works	25 041.2	59.3	-	-	-	-	5 706.7	13.5	11 484.3	27.2	42 232.2
B. Vehicles and equipment	2 542.2	70.0	-	-	-	-	-	-	1 089.5	30.0	3 631.8
C. Goods, services and inputs	10 753.6	52.7	482.3	2.4	6 357.3	31.2	861.7	4.2	1 933.3	9.5	20 388.3
D. Training, workshop, survey and studies	18 577.7	73.7	-	-	1 774.3	7.0	-	-	4 841.6	19.2	25 193.6
E. Technical assistance	1 517.7	47.2	1 517.7	47.2	-	-	-	-	182.9	5.7	3 218.4
II. Recurrent costs											
A. Salary and allowance	6 065.8	45.8	-	-	-	-	-	-	7 192.6	54.2	13 258.4
B. Operating costs	-	-	-	-	-	-	-	-	1 922.4	100.0	1 922.4
Total	64 498.2	58.7	2 000	1.8	8 131.6	7.4	6 568.5	6.0	28 646.6	26.1	109 845.0

C. Summary benefit and economic analysis

30. The economic and financial cost-benefit analysis of SACP estimates that project investments in enhanced production of HVCs and their processing and marketing along with the investments in surface water management will result in an increase in agricultural diversification and productivity. According to the analysis, the project should result in: (i) increased production and productivity of HVCs (non-paddy crops); (ii) improved agricultural technology and practices that increase productivity; (iii) improved water security for agricultural production to reduce water availability risk due to salinization and seasonal fluctuation; (iv) improved marketing, post-harvest management and value addition (agroprocessing); and (iv) job creation.

31. Overall, the project is estimated to have an economic rate of return of 16 per cent; the net present value is approximately 2,482 million Bangladeshi taka with a benefit-cost ratio of 1.30. The economic return would be robust, and the return could be maintained above the discount rate of 10 per cent even with a cost increase and benefit decrease of 20 per cent and a delay of two years in generation of benefits.

D. Sustainability

32. Institutional sustainability. In direct response to the Government's Master Plan for Agricultural Development in the Southern Region of Bangladesh, SACP will: support both the demand and the supply sides of agricultural transformation; assist smallholders in graduating from subsistence farming to market integration; and strengthen the country's institutional technical support system in the areas of agricultural extension and marketing, action research, and irrigation management. The continued strengthening of institutional technical support by the Ministry of Agriculture and the operation structure of its technical departments is the best guarantee of sustainability.
33. Operational sustainability. The design focuses on market-led value chain development in partnership with private sector operators, facilitated by farmers' groups and other active market players. The project will enhance market access and linkages through support to improve processing facilities, transport efficiency, post-harvest loss control, storage facilities, contractual relationships, production of quality products and capture of premium prices.
34. Technical sustainability. The technical service support is designed to render extension and marketing services more responsive to the real needs of farmers and increase accountability. The Government is already showing increased willingness to strengthen the service support system in line with the results being achieved. The success of such a support mechanism can feed back into the system as a good practice for systematic replication.
35. Social sustainability. The design emphasizes development of self-sustaining community-based organizations, such as farmers' interest groups in production, marketing and water management. These groups will be strengthened to play a key role where applicable in the implementation and ongoing management of project activities, for example in operation and maintenance for the sustainable use of collective assets.

E. Risk identification and mitigation

36. Several risk factors have been reviewed and mitigated as follows: the project design has ensured that IFAD's investments are aligned with the Government's policies and strategies for poverty alleviation, agriculture and rural development. The design responds to the development needs and priorities as identified by project stakeholders and beneficiaries. Therefore, the risks associated with the project relate to the uncertainties caused by climate change and the rapidly evolving socioeconomic environment, or are operational risks.

V. Corporate considerations

A. Compliance with IFAD policies

37. The project objective and interventions are directly linked to the overarching goal of the IFAD Strategic Framework 2016-2025. The investments support the transformation of the agriculture sector into a sector that is more sustainable and has higher climate-smart productivity, profitability and commercialization. This will be achieved by connecting smallholder farmers and rural households with market opportunities and improved support services, in order to generate more income for improved livelihoods and food and nutrition security, and therefore improved resilience.

38. The project's environmental and social risks fall under category "B", in view of there being little or negligible potential for adverse impacts on the natural and social environment, while it falls under the "high" category regarding climate change risks. The project will significantly reduce the perceived risks and is expected to make a substantial contribution towards enhancing resilience and reducing poverty of smallholders in the target areas.

B. Alignment and harmonization

39. Core elements of the overall strategy are consistent with the Government's Seventh Five Year Plan FY2016-FY2020, the current National Agriculture Policy, the Master Plan for Agricultural Development in the Southern Region of Bangladesh, IFAD's Strategic Framework and its country strategy (COSOP) for Bangladesh. In focusing on an agriculture investment project implemented by the Ministry to increase agriculture productivity in southern Bangladesh, SACP responds to the request of the Ministry of Agriculture and to the COSOP midterm review and country programme evaluation. SACP will support the Government's strategic priorities in agriculture: increasing production; achieving food security; supporting adaptation to climate change; and enhancing nutrition through provision of safer and more diversified foods. In addition, the project will address focus areas of the Strategic Framework such as mainstreaming gender equality and women's empowerment, climate-smart agriculture and sustainable natural resource management.
40. Synergies with the other development projects in the country will be leveraged during implementation. The implementing agencies are already working in coordination. SACP will build on the lessons from the National Agricultural Technology Program (NATP) and benefit from the overlapping areas with phase two (NATP-2); for example, some of the district- and upazila-level officers received capacity-building from NATP. The complementary areas of investment are: demand-driven agricultural research; climate-smart technology transfer and practical application at the farm and market level; farm-to-farm extension; agribusiness and agroprocessing development; market linkages; and collaboration with private sector service providers. Furthermore, IFAD's Promoting Agricultural Commercialization and Enterprises Project has national coverage in terms of its microenterprise development and its value chain and technology adoption initiatives. Its best practices and innovative features of linking value chain development to rural financial services can be applied in particular to components 1 and 2 of SACP. SACP overlaps geographically with Char Development and Settlement Project IV (CDSP IV) in the Noakhali district where land settlement, infrastructure, agricultural and livelihood support and forestry activities are being undertaken by six implementing agencies, including the DAE. CDSP IV and DAE have developed 90 farmer forums, including in two upazilas in the SACP target area.

C. Innovations and scaling up

41. Supporting agricultural research and strengthening its links to projects will help develop innovation and technology transfer to smallholders. Knowledge management will play a key role in generating innovations. Policy advice will draw on project outcomes related to key topics such as access to natural resources.
42. SACP builds on lessons learned from previous projects implemented by the Ministry of Agriculture and from IFAD-financed projects in Bangladesh, with an emphasis on interventions driven by field and market demand. Current trends in agriculture reveal that farmers are increasingly switching from traditional farming systems – based on rice and other cereals – to higher-return crops that target specific local and export markets. Farmers have proven to be avid adopters of new technologies and practices, which have been delivered primarily through farmer-to-farmer interactions. The proposed project seeks to facilitate these processes and expand the areas of HVC production beyond the existing clusters.

D. Policy engagement

43. The SACP will contribute to the Government's poverty alleviation and food sovereignty strategies as stated in the Seventh Five Year Plan and the National Agriculture Policy. It will do so by encouraging sustainable and profitable agricultural production, through: the development and dissemination of new technologies; increased productivity; employment and income generation; commercialization; adaptation to climate change; marketing; quality enhancement; agroprocessing; encouraging the production of diversified and nutritious crops; and empowering women. The project goal is in line with the Ministry of Agriculture's current focus on making farming more profitable so that farmers will remain on their land and continue to produce food to ensure national food security. The policies of the Ministry are in place for important agricultural support services such as agriculture extension, finance, environmental sustainability and natural resource management.

VI. Legal instruments and authority

44. A project financing agreement between the People's Republic of Bangladesh and IFAD will constitute the legal instrument for extending the proposed financing to the borrower/recipient. A copy of the negotiated financing agreement is attached as appendix I.
45. The People's Republic of Bangladesh is empowered under its laws to receive financing from IFAD.
46. I am satisfied that the proposed financing will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.

VII. Recommendation

47. I recommend that the Executive Board approve the proposed financing in terms of the following resolution:

RESOLVED: that the Fund shall provide a loan on highly concessional terms to the People's Republic of Bangladesh in an amount equivalent to sixty-four million five hundred thousand United States dollars (US\$64,500,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

RESOLVED FURTHER: that the Fund shall provide a grant to the People's Republic of Bangladesh in an amount equivalent to two million United States dollars (US\$2,000,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Gilbert F. Hougbo
President

Negotiated financing agreement: "Smallholder Agricultural Competitiveness Project"

(Negotiations concluded on 13 March 2018)

Loan Number: _____

Grant Number: _____

Project Title: Smallholder Agricultural Competitiveness Project (the "Project" or "SACP")

The People's Republic of Bangladesh (the "Borrower/Recipient")

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(each a "Party" and all of them collectively the "Parties")

WHEREAS the Borrower/Recipient has requested a loan and a grant from the Fund for the purpose of financing the Project described in Schedule 1 to this Agreement; and

NOW THEREFORE, the Parties hereby agree as follows:

Section A

1. The following documents collectively form this Agreement: this document, the Project Description and Implementation Arrangements (Schedule 1), the Allocation Table (Schedule 2) and the Special Covenants (Schedule 3).

2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of April 2014, and as may be amended from time to time (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. For the purpose of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein.

3. The Fund shall provide a Loan and a Grant to the Borrower/Recipient (collectively referred to as the "Financing"), which the Borrower/Recipient shall use to implement the Project in accordance with the terms and conditions of this Agreement.

Section B

1. A. The amount of the Loan is sixty four million five hundred thousand United States dollars (USD 64 500 000).

B. The amount of the Grant is two million United States dollars (USD 2 000 000).

2. The Loan is granted on Highly Concessional Terms, and shall be free of interest but bear a service charge on the principal amount outstanding of three fourths of one per cent (0.75%) per annum payable semi-annually in the Loan Service Payment Currency, and shall have a maturity period of forty (40) years, including a grace period of ten (10) years starting from the date of approval of the Loan by the Fund's Executive Board.

3. The Loan Service Payment Currency shall be United States dollar (USD).

4. The first day of the applicable Fiscal Year shall be 1 July.

5. Payments of the principal amount of the Loan and service charges shall be payable on each 15 April and 15 October.

6. There shall be two (2) Designated Accounts, one for the Loan and one for the Grant, for the exclusive use of the Project opened in the Central Bank of Bangladesh under SAFE arrangements. The Borrower/Recipient shall inform the Fund of the officials authorized to operate the Designated Accounts.

7. There shall be two (2) Project Accounts in local currency, one for the Loan and one for the Grant, for the exclusive use of the Project opened in a Commercial Bank.

8. The Borrower/Recipient shall provide counterpart funds for the Project in the amount of twenty eight million sixty five hundred thousand US dollars (USD 28 650 000) for staff salaries, rentals and tax and duties on Project expenditure.

Section C

1. The Lead Project Agency shall be the Ministry of Agriculture (MoA) of the Borrower/Recipient.

2. A Mid-Term Review will be conducted at the end of the third year of Project implementation and as specified in Section 8.03 (b) and (c) of the General Conditions; however, the Parties may agree on a different date for the Mid-Term Review of the implementation of the Project.

3. The Project Completion Date shall be the sixth anniversary of the date of entry into force of this Agreement.

Section D

The Fund will administer the Loan, Grant and supervise the Project, and the Borrower/Recipient will implement and conduct its own administration and supervision of the Loan, Grant and the Project.

Section E

1. The following are designated as additional general conditions precedent to withdrawal from the Loan and Grant:

- (a) The Designated Accounts and Project Accounts shall have been duly opened as specified in Section B, paragraph 6 and 7 above;
- (b) The Project Office at central level shall have been established and the recruitment of key Project staff, as defined in Schedule 1, shall have been duly recruited;
- (c) The IFAD no objection to the PIM shall have been obtained.

2. The following is designated as an additional specific condition precedent to withdrawal under Category V:

- (a) The Borrower/Recipient shall have signed a Unilateral Trust Fund (UTF) agreement with FAO, in a manner satisfactory to the Fund, for the implementation of the activities described in paragraph 15 of Schedule 1.

3. The following are designated as additional grounds for suspension of the right of the Borrower/Recipient to request withdrawals under this Agreement:

- (a) The Project Director and/or Key Project Personnel have been removed from the Project without the prior concurrence of the Fund; or
- (b) The Project implementation Manual (the "PIM") as referred to in paragraph 16 of Schedule 1, and/or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior agreement of the Fund

and the Fund, has determined that it has had, or is likely to have, a material adverse effect on the Project.

- (c) The UTF agreement with FAO as referred to in paragraph 15 of Schedule 1 hereto has been suspended, terminated, or modified without the prior agreement of the Fund and the Fund, has determined that such it has had, or is likely to have, a material adverse effect on the Project.

4. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Borrower/Recipient:

Secretary
 Economic Relations Division
 Ministry of Finance,
 Government of the People's
 Republic of Bangladesh
 Sher-e-Bangla Nagar
 Dhaka 1207, Bangladesh

For the Fund:

President
 International Fund for Agricultural Development
 Via Paolo di Dono, 44
 00142 Rome, Italy

This Agreement, dated _____, has been prepared in the English language in two (2) original copies, one (1) for the Borrower/Recipient and one (1) for the Fund.

PEOPLE'S REPUBLIC OF BANGLADESH

Authorized Representative
 (name and title)

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Gilbert F. Houngbo
 President

Schedule 1

Project Description and Implementation Arrangements

I. Project Description

1. **Target Population.** The Project will directly benefit at least 250,000 rural households. Target beneficiaries include landless, marginal and small farmers, with up to 80 percent of beneficiaries coming from these categories. Youth will constitute up to 20 percent of beneficiaries and women participation will target at least 30 percent involvement.
2. **Project area.** The project will be implemented in 11 districts covering 30 upazilas in the Southern Region of Bangladesh, 250 unions will be selected based on the targeting criteria. The total population is more than 7,000,000 in the target 30 upazilas of 11 project districts, representing over 1,246,000 households.
3. **Goal.** The goal of the project is to contribute to Bangladesh's agriculture smallholders' responsiveness and competitiveness in High Value Crops (HVC) production and marketing of fresh and/or processed products.
4. **Objectives.** The development objective is to increase farmer incomes and livelihood resilience through demand-led productivity growth, diversification and marketing in a changing climatic condition.
5. **Components.** The Project shall consist of the following Components:
 - a) **Component 1:** Enhanced production of HVC and technology adoption. The objective of this component 1 will be the identification and prioritization of appropriate VCs for smallholder investment and associated key research gaps that need to be filled through on-farm research through developing the capacities for linking farmers to markets. The Outcome of Component 1 is 'New and existing technologies researched, developed and adapted to agro-ecological constraints'. It is divided into three sub-components, namely: (1) Assessment of HVCs and group mobilization, (2) Demand-driven production and market-led research: (3) Institutional support for research and extension.
 - b) **Component 2:** Processing and marketing of HVC. This component will support smallholders to access market in a more efficient manner through creating a business environment for private sector to reach them and improving post-harvest practices, processing, storage, and transport of agricultural commodities. The Outcome of Component 2 is 'Production decisions respond to market opportunities'. It is divided into three sub-components, namely: (1) Improving market linkage, (2) Post-harvest and processing investments and (3) Development of food safety and nutrition measures along the value chain.
 - c) **Component 3:** Climate resilient surface water management. This component aims at creating and securing enabling environment and facilities of strengthening the responsiveness and competitiveness of smallholders in HVC production and marketing through water infrastructure development. The Outcome of Component 3 is 'Improved availability of irrigation water and efficient usage'. It is divided into two sub-components, namely: (1) Sustainable surface water management, drainage, conservation and utilization and (2) Institutional support for Capacity Building.

- d) Component 4: Project implementation and coordination. The project implementation will be led by the Ministry of Agriculture (MoA). The project structure of operational management and coordination will be established along the vertical structure from central to the Union, with line agencies namely Department of Agriculture Extension (DAE), Department of Agricultural Marketing (DAM), Bangladesh Agriculture Development Corporation (BADC), and Bangladesh Agricultural Research Institute (BARI) at applicable levels. The project will fund Operational Support Teams (OST) at both central and district levels to support the Project Office at the central level and District Coordination Units (DCUs). DAE's Sub-Assistant Agriculture Officer (SAAOs) and Marketing facilitators engaged by DAM will be the key contacts in reaching the farmer groups, with help of lead farmers selected among farmer groups. The overall coordination will be through a Project Steering Committee, chaired by the Secretary of MoA and encompassing representatives from the ministries such as Economic Relations Division (ERD), line departments that are related to the Project. The PSC will evaluate and approve annual work plans, and provides directives on strategic aspects of the implementation management.

II. Implementation Arrangements

6. Lead Project Agency. The MoA in its capacity of Lead Project Agency, shall have the overall responsibility of the Project implementation in accordance with this Agreement. The overall responsibility for SACP will be assumed by the Project Office of the MoA (the "Project Office").

7. Project Office (PO) will be headed by a Project Director (the "PD") appointed from DAE by MoA and it will include four Component Coordinators from principal implementing agencies namely DAE, DAM, BADC, and BARI, seconded by government-deputed officers and supported by an OST of externally recruited experts whose positions are funded by the Project.

8. Project Steering Committee (PSC). The Project will be under the overall policy guidance of the Project Steering Committee chaired by the Secretary of MoA and encompassing representatives from the ministries such as ERD and line departments that are related to the Project. The Project Steering Committee shall meet twice a year, and as and when necessary, to provide overall strategic guidance, monitor overall implementation progress, evaluate and approve annual work plans, facilitate interagency coordination required for smooth Project implementation, and resolve any outstanding issues requiring high-level decisions.

9. Project Implementation Committee (PIC) shall be established to provide technical guidance and bring in synergy with stakeholders and partners other than the MoA. The PIC will play the role of technical exchange platform and synergy building among different development projects, where good practices and lessons learnt can be drawn to support the SACP implementation at operational level, and shared for cross-benefits.

10. Operational Support Team (OST). The Project will fund OST at both central and district levels to support the Project Office and DCUs. DAE SAAOs and Marketing facilitators engaged by DAM will be the key contacts in reaching the farmer groups, with help of lead farmers selected among farmer groups. The OST will be composed of Project Management, Financial Management, Procurement, Monitoring and Evaluation and Knowledge Management, Gender, Technical Component Coordinators, and other required staff. The OST will be recruited by the PO on a contract basis. For such recruitment, a recruitment committee will be formed and headed by the PO with representative of implementing agencies. Candidates will be short listed according to ToRs which specifies

the tasks to be carried out and required qualifications, experience and other conditions if any. Short listed candidates will then be interviewed. For senior positions (PD, Project Coordinators, Specialists of FM, Monitoring and Evaluation and knowledge Management, Procurement and Gender) the CVs of the top three candidates for each position shall be subject to the concurrence between the Fund and the Borrower/Recipient prior to their appointment. The preferred method is to recruit individual consultant using Selection of Individual Consultants (SIC) method. The process to be followed will be the same as prescribed for senior positions earlier.

11. District Coordination Units (DCU) will be established as technical hub in the respective District DAE office and composed of one lead technical officer from each of the District DAE, DAM, BARI and BADC, and other necessary staff required in all the project districts. It will be responsible for coordination of the project activities implemented by the district project line agencies and/or other contracted service providers, ensuring operational coordination through the structure of upazila and union offices to the grassroots level, ensure the timely and operational functions in the areas of project financial management, M&E and KM, procurement support and follow-ups, at its own level and the lower levels. It will collect physical and financial periodic progress reports from the involved implementing agencies, maintain district consolidate records, prepare project reports and deliver them to the Project Office.

12. Key Project Personnel. Professional staff shall be contracted under procedures acceptable to the Fund, deputed from the Government or on an open, transparent and competitive basis with qualifications and experience commensurate with their duties. It includes: the Project Director, four Project Coordinators from the respective implementing agencies (DAE, DAM, BADC & BARI) and one Administrative/Finance Officer. The recruitment and removal of the Project Director or key staff shall be subject to the concurrence between the Fund and the Borrower/Recipient

13. Annual Work Plans and Budgets (the "AWPBs") and Procurement Plan.

(a) The PO shall prepare a draft AWPB for each Project Year with the support of M&E and Finance technical staff, in consultation with DCUs and stakeholders. Each draft AWPB shall include, inter alia, a detailed description of planned Project activities during the coming Project Year and a Procurement plan and the sources and uses of funds. Each AWPB shall be submitted to the PSC for its approval no later than 90 days before the beginning of the relevant Fiscal Year. If the Project Steering Committee does not comment on the draft AWPB within thirty (30) days of receipt, the AWPB shall be deemed so approved by the Borrower/Recipient.

(b) Once approved in accordance with paragraph (a), the Project Office shall submit the draft AWPB no later than sixty (60) days prior to the beginning of the relevant Project Year to the Fund for its comments and approval. If the Fund does not comment on the draft AWPB within thirty (30) days of receipt, the AWPB shall be deemed acceptable to the Fund.

14. A Country Programme Support (CPS) unit will be established to enhance the country programme's performance and positive synergy among on-going projects. It will consist of regular interaction among projects management key staff and particular services to be determined to improve cost efficiency, capacity building and detailed programming. The programme will be led by the Economic Relations Division of the Ministry of Finance to provide technical support services in three key areas: Monitoring and Evaluation, Knowledge Management and Communication, and Financial Management. Additional technical areas can be added based on the needs of projects. Its modalities and responsibilities of the CPS unit will be reviewed on regular basis by IFAD, ERD, MoA and other involved ministries and agencies to ensure ownership and sustainability.

15. The Borrower/Recipient will apply a portion of the proceeds of the Financing to finance national and international technical assistance that will be provided by FAO Bangladesh across the project components and in accordance with an agreement to be entered into between FAO and Borrower/Recipient (the UTF Agreement). The technical assistance will be funded from the proceeds of the Loan and the Grant ("matching Grant"). The Borrower/Recipient shall sign the UTF Agreement in the form approved by the Fund, and will provide copies to the Fund. Operational details of the matching Grant and UTF Agreement shall be defined in the PIM.

16. Project Implementation Manual ("the PIM"). The Project Office shall prepare and update the PIM for the Fund's consideration and approval. Once approved, the PIM shall be followed in the implementation of the Project. The PIM shall include rules and procedures on, inter alia:

- (i) qualifications, terms of reference and detailed implementation responsibilities of Project Parties including, inter alia, the recruitment of professional staff of the Project Office, consultants and service providers;
- (ii) budgeting, expenditure approvals, use of chart of accounts, and overall accounting and reporting framework;
- (iii) financial controls, stringent asset management controls, thorough internal and external audit function, detailed mechanisms for reporting of fraud and corruption and related management actions as per the Fund's policies and rules;
- (iv) national competitive bidding in line with the provisions of IFAD's Project Procurement Guidelines and Procurement Handbook;
- (v) limited competitive bidding from the list of prequalified companies and services providers;
- (vi) shopping and direct contracts;
- (vii) procurement arrangements of the implementing partners;
- (viii) composition of procurement evaluation committees;
- (ix) monitoring and evaluation; and
- (x) details on the implementation of the matching grant and UTF Agreement.

The PIM may be amended from time to time, subject to approval by the Fund.

17. Monitoring and Evaluation. The Project Office shall monitor and update regularly the Project logical Framework (capturing key indicators on Project objectives, outcomes and outputs) and submit to the Fund and its supervision missions. The Project Office shall be responsible of consolidating the physical and financial information from the Implementing Agencies and to prepare semi-annual and annual Progress Report and (audited) Financial Reports (FRs) for all relevant parties.

18. Supervision shall be carried out as specified in Section D of this Agreement. The direction supervision will mainly relate to the project financial management, its physical and financial progress, implementation management's efficiency and implementing agencies' performance at all levels. Implementation support will be provided by the Fund as follow-ups of its direct supervision and progress review, and as response to possible

supports required by the Project Office. Support will be conducted on a demand-driven basis and in accordance with needs identified.

Schedule 2

Allocation Table

1. Allocation of the Loan and Grant Proceeds. (a) The Table below sets forth the Categories of Eligible Expenditures to be financed by the Loan and the Grant and the allocation of the amounts of the Loan and the Grant to each Category and the percentages of expenditures for items to be financed thereby in each Category:

Category	Loan Amount (in USD)	Grant Amount (in USD)	Percentage of Eligible Expenditures to be financed (net of taxes, co-financiers and beneficiary contributions)
I. Works	22 560 000		100%
II. Vehicles & equipment	2 320 000		100%
III. Good Services & Inputs	9 600 000	400 000	100%
IV. Training & Workshops	16 930 000		100%
V. Consultancies	1 500 000	1 500 000	100%
VI. Recurrent costs	5 240 000		100%
Unallocated	6 350 000	100 000	
TOTAL	64 500 000	2 000 000	

(b) The terms used in the Table above are defined as follows:

“Consultancies” under category V, shall mean eligible expenditures for technical assistance under the UTF agreement with FAO.

“Recurrent costs” and “Training & Workshops”. Project-related meeting expenses and Project-related travel expenses will follow Borrower/Recipient existing policy. Honorarium, allowances and/or sitting allowances are not recognized by the fund as eligible expenditures.

2. Start-up Costs. Withdrawals from the Loan in respect of expenditures for start-up costs (in Category III, IV and VI) shall not exceed and aggregate amount of USD 500 000 and shall be disbursed after the satisfaction of condition in Section E 1(a) of this Agreement. Activities to be financed by Start-up Costs will require the no objection from IFAD to be considered eligible.

Schedule 3

Special Covenants

In accordance with Section 12.01(a) (xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Borrower/Recipient to request withdrawals from the Loan and Grant accounts if the Borrower/Recipient has defaulted in the performance of any covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Project:

Within six (6) months of entry into force of the Financing Agreement, the Project will procure and install a customize accounting software as it is the practice in IFAD on-going supported projects, to satisfy International Accounting Standards and IFAD's requirements.

Logical framework

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Outreach: Direct beneficiaries receiving project services	Corresponding number of households reached	0	125,000	250,000	Progress report, Baseline, Mid-Term Outcome survey, PCR, Impact assessment	Biannually, yearly	Lead agency and IAs	
	Number of persons receiving services promoted or supported by the project	0	700,000	1,400,000				
Goal: To contribute to Bangladesh's agricultural smallholders responsiveness and competitiveness in high value crops production and marketing of fresh and/or processed products.								<ul style="list-style-type: none"> Increased profitability of HVC production will lead to greater investment in HVC and trade success
Development Objective: To increase farmer income and livelihood through demand-led productivity investments, crop diversification and increased market linkages.	Number of beneficiary HHS reporting HVC production as main source of revenue with at least 20 per cent income increase	TBD	75,000	150,000	Baseline, Mid-Term Outcome survey, Progress report, PCR, Impact assessment	Baseline, midterm and completion	Lead agency	<ul style="list-style-type: none"> Availability and uptake of improved technologies and farming systems Steady market demand and conditions Incomes increase through a combined effect of increased HVC production and improved marketing.
	Percentage of households reporting improvements in household asset ownership index	0	25%	50%				
Outcome 1: New and existing technologies researched, developed and adapted to agro-ecological constraints	Number of farmers reporting adopting of new/improved inputs, technologies or practices ^{RIMS}	0	100,000	200,000	Progress Reports	Yearly	Lead agency, IAs	<ul style="list-style-type: none"> Willingness and mutual benefits to producers and companies
	Number of farmers reporting an increase in production ^{RIMS}	0	100,000	200,000				
Outputs: 1.1 Supporting organizational development of farmer groups in HVC technology requirements.	Farmer groups formed or mobilized	TBD	5,000	10,000	Surveys; Progress reports	Biannually, yearly	Lead agency, IAs	<ul style="list-style-type: none"> Responsive to agroecological constraint and market demands.
	Number of rural producers accessing production inputs and/or technological packages ^{RIMS}	TBD	100,000	200,000				
1.2 Adaptive trials of new or existing technologies under farm field conditions	Number of persons trained in production practices and/or technologies ^{RIMS}	0	125,000	250,000	Surveys; Progress reports	Biannually, yearly	Lead agency, IAs	<ul style="list-style-type: none"> Farmers are interested in and have capacity to adopt improved technologies
	Number of market-led farmer field schools organized	0	750	1,500				
	Number of demonstrations during field days on different HVC crops	0	5,000	10,000				

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
1.3 Improving access to district market-led research and extension facilities.	Number of research stations upgraded/rehabilitated	0	10	23	Progress reports	Biannually, yearly	Lead agency, IAs	▪ Properly targeted rehabilitation contributes to local research efforts.
Outcome 2: Production decisions respond to market opportunities	Number of farmers reporting an increase in sales and/or increase in profit ^{RIMS} Number of women reporting improved quality and diversity of their diets ^{RIMS}	0	100,000 10,000	200,000 (80%) 20,000	Producer surveys; Progress reports	Yearly	Lead agency, IAs	
Outputs: 2.1 Developing smallholder farmers' capacity in production and post-production practices	Number of rural farmers trained in post-harvest handling techniques and marketing Number of functioning multi-stakeholder platforms supported ^{RIMS}		125,000 6	250,000 11	Progress reports	Biannually, yearly	Lead agency, IPs	
2.2 Provision of small infrastructure (by group or individual on cost-sharing basis)	Number of processing and storage facilities constructed or rehabilitated under matching grant		150	300	Progress reports	Biannually, yearly	Lead agency, IPs	
2.3 Improved awareness of nutrition, hygiene and food safety	Number of women provided with targeted support to improve their nutrition ^{RIMS}		5,000	30,000	Progress reports	Biannually, yearly	Lead agency, IPs	▪ Training will raise awareness and lead to behavioural changes
Outcome 3: Improved availability of irrigation water and efficient usage.	Number of households reporting reduced water shortage vis-à-vis production needs ^{RIMS}		50,000	100,000	Progress reports; baseline, mid-term and impact assessment	Yearly	Lead agency, IPs	▪ Sufficient access to services is available, e.g. to technicians, facilities, etc.
Outputs: 3.1 Conservation and utilization of surface water through improved infrastructure development in sustainable manner	Number of surface water technologies for irrigation constructed		2,100	4,290	Progress reports	Biannually, yearly	Lead agency, IPs	
3.2 Strengthening capacity of water interest groups	Number of people in water user groups trained and participated in trainings, cross visits and demonstrations		6,500	13,000	Progress reports	Biannually, yearly	Lead agency, IPs	▪ All relevant stakeholders are consulted and actively participate