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## **República Popular de Bangladesh Programa sobre oportunidades estratégicas nacionales**

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### **Para examen**

**Medida:** Se invita a la Junta Ejecutiva a que examine el programa sobre oportunidades estratégicas nacionales relativo a la República Popular de Bangladesh.

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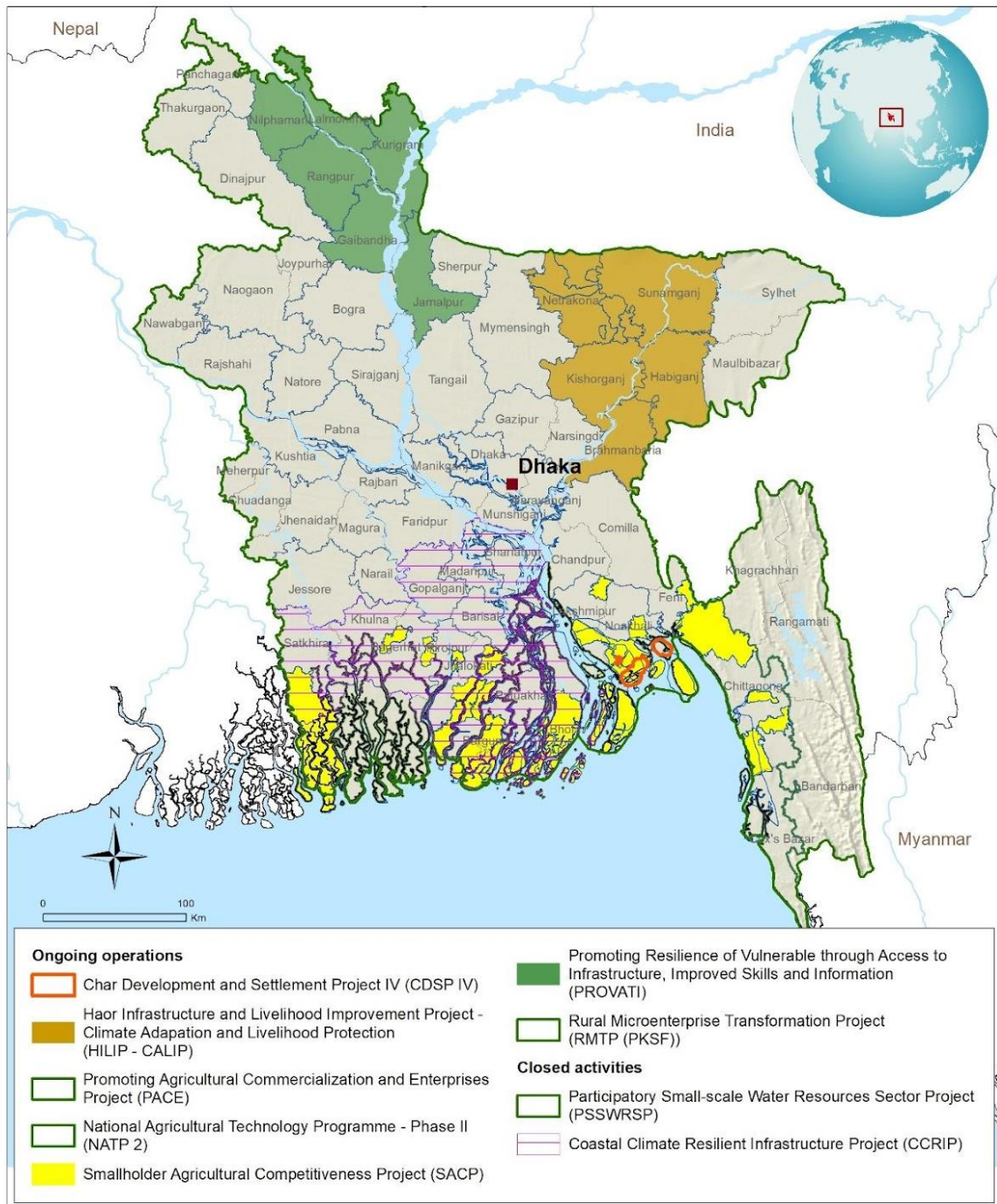
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## Mapa de las operaciones financiadas por el FIDA en el país



Las denominaciones empleadas y la forma en que aparecen presentados los datos en este mapa no suponen juicio alguno del FIDA respecto de la demarcación de las fronteras o límites que figuran en él ni acerca de las autoridades competentes.

Fuente: FIDA | 16-11-2020

## Resumen

1. Bangladesh es un país de ingreso mediano bajo, con un producto interno bruto (PIB) nominal per cápita en 2020 de USD 2 022, que ha iniciado recientemente una fase preparatoria de cinco años para dejar de ser un país menos adelantado. Entre 2015 y 2020, el PIB real de la nación creció una media anual del 5,2 %, alcanzando un máximo del 8,2 % en el ejercicio económico de 2019, justo antes de que se produjera la pandemia de COVID-19. En la preparación del programa sobre oportunidades estratégicas nacionales (COSOP) se han tenido en cuenta varios factores, entre ellos el deseo del país de pasar a medio plazo a la categoría de país de ingreso mediano; los efectos adversos del cambio climático y la COVID-19, y la necesidad de mantener un crecimiento económico sostenido para alcanzar la prosperidad en el futuro. La pobreza rural sigue siendo elevada y el desempleo juvenil es uno de los retos más importantes que hay que superar para alcanzar el objetivo general de eliminar la pobreza.
2. El presente COSOP abarca el período comprendido entre 2023 y 2028. El examen final del COSOP anterior (2012-2022) se llevó a cabo en 2022. El nuevo COSOP se aplica a los ciclos 2022-2024 y 2025-2028 del Sistema de Asignación de Recursos basado en los Resultados. Sobre la base de las puntuaciones actuales obtenidas con arreglo al Sistema de Asignación de Recursos basado en los Resultados, se estima que la financiación del FIDA para los dos próximos ciclos ascenderá a USD 240 millones.
3. El COSOP está en consonancia con el objetivo del país de erradicar la pobreza, tal como se establece en el Plan Delta 2100 de Bangladesh y el Plan Prospectivo de Bangladesh 2021-2041. Las medidas para cumplir ese objetivo se articularon en el marco del Séptimo Plan Quinquenal (2016-2020) y continuaron en el Octavo Plan Quinquenal (julio de 2020-junio de 2025) sobre la base de tres estrategias principales: la creación de empleo y la reducción expeditiva de la pobreza; la inclusividad en el crecimiento y la prosperidad, y la resiliencia frente a los desastres naturales y el cambio climático como motor del desarrollo sostenible. Esta armonización permitirá que las operaciones crediticias y no crediticias del FIDA continúen apoyando el programa de reducción de la pobreza del Gobierno.
4. El objetivo general del COSOP es promover la prosperidad rural mediante la generación de oportunidades para la creación de medios de vida inclusivos y resilientes para los agricultores en pequeña escala, los microempresarios y los grupos marginados. Los dos objetivos estratégicos siguientes han sido validados tras consultar a partes interesadas estatales y no estatales:
  - i) **Objetivo estratégico 1:** Fortalecer las capacidades de las comunidades rurales vulnerables en materia de adaptación al cambio climático y mitigación de sus efectos mediante infraestructuras resilientes y una agricultura climáticamente inteligente.
  - ii) **Objetivo estratégico 2:** Mejorar el acceso de los agricultores en pequeña escala, los microempresarios y los grupos marginados a la financiación, la tecnología y los mercados para que puedan diversificar su economía y generar empleo rural.
5. Los temas transversales del empoderamiento de las mujeres, los jóvenes y los grupos marginados, incluidas las minorías étnicas y las personas con discapacidad, recibirán una atención especial. Otras esferas temáticas son la innovación, la mejora de la nutrición, el cambio climático y la gestión de los recursos naturales, y las tecnologías que generan bajas emisiones de carbono. El grupo objetivo lo constituyen los pobres de las zonas rurales, los agricultores en pequeña escala y marginados, los microempresarios y los productores rurales agrícolas y no agrícolas.

6. A fin de aprovechar al máximo sus recursos y alcanzar los niveles deseados de intervención y resultados, el FIDA tratará de colaborar con otros asociados para el desarrollo en la prestación de servicios financieros, técnicos y consultivos complementarios. Entre los asociados para el desarrollo se encuentran el Organismo Danés de Desarrollo Internacional, el Gobierno de los Países Bajos y organismos multilaterales como el Banco Asiático de Desarrollo, el Banco Mundial, la Organización de las Naciones Unidas para la Alimentación y la Agricultura y el Programa Mundial de Alimentos.

# República Popular de Bangladesh

## Programa sobre oportunidades estratégicas nacionales

### I. Contexto del país y programa del sector rural: principales desafíos y oportunidades

1. Bangladesh tiene casi 164 millones de habitantes y es el país más densamente poblado del mundo (1 115,4 personas por km<sup>2</sup>)<sup>1</sup>. La tasa de crecimiento anual de la población es del 1,37 %. El país tiene una población joven: el 33,2 % de sus habitantes tiene entre 15 y 34 años de edad. En los próximos dos decenios, 52,4 millones de jóvenes se incorporarán a la población activa. La tasa de prevalencia de la discapacidad es de 8,5 personas por cada 1 000 habitantes (9,3 hombres/7,7 mujeres)<sup>2</sup>.
2. La economía del país ha crecido de forma constante durante los últimos tres decenios, con un PIB per cápita que alcanzó los USD 2 022 en 2020. Bangladesh aspira a convertirse a medio plazo en un país de ingreso mediano mediante la erradicación de la pobreza. En el período 2015-2020<sup>3</sup>, el país registró una tasa media anual de crecimiento real del PIB del 5,2 %, con un máximo del 8,2 % en el ejercicio económico de 2019, justo antes de que se produjera la pandemia de COVID-19. El crecimiento del PIB se ralentizó hasta el 3,5 % en el ejercicio económico de 2020 y se calcula que en el de 2021 equivalió al 5 %. La estructura económica se ha ido alejando de la agricultura para acercarse a la industria y los servicios. En el ejercicio económico de 2019, los sectores primario, secundario y terciario contribuyeron al PIB en un 13,7 %, un 35 % y un 51,4 %, respectivamente<sup>4</sup>.
3. **Reducción de la pobreza.** En el ejercicio económico de 2018, el 13 % de la población se consideraba extremadamente pobre y el 20,5 % de los hogares se encontraba por debajo del umbral de pobreza. La pandemia de COVID-19 provocó un deterioro de la situación en los ejercicios económicos de 2019, 2020 y 2021 en todo Bangladesh. La pobreza masiva persiste y el número de personas pobres es elevado. Algunas de las zonas más vulnerables son los humedales *haor*, los deltas costeros, las llanuras aluviales fluviales y los terrenos de acreción conocidos como *chars*, donde viven millones de familias pobres.
4. **Repercusiones negativas de la COVID-19<sup>5</sup> y de la guerra en Ucrania.** La situación macroeconómica se ha deteriorado como consecuencia de la pandemia de COVID-19, que ha sometido a una enorme presión a un sistema nacional de atención de salud ya frágil y ha causado 28 000 muertes hasta finales de 2021, con importantes descensos en el PIB (USD 9 400 millones), las exportaciones (USD 8 000 millones), la inversión (USD 5 800 millones) y los ingresos fiscales (USD 2 350 millones)<sup>6</sup>. Otro 19,5 % de los hogares del país había caído por debajo del umbral de pobreza nacional en agosto de 2021, sumándose al 20,5 % de los hogares que ya se encontraban en esa situación. La pérdida de empleo temporal en el sector privado ha sido especialmente acusada en el caso de los puestos de trabajo poco cualificados en tiendas, comercios, restaurantes y el sector del transporte. En varios estudios se ha constatado un aumento del hambre, tanto en

<sup>1</sup> Oficina de Estadística de Bangladesh, División de Estadística e Informática, Ministerio de Planificación de Bangladesh(2019): *Report on Bangladesh Vital Statistics and Basic Country Information*.

<sup>2</sup> Oficina de Estadística de Bangladesh, División de Estadística e Informática, Ministerio de Planificación de Bangladesh, *Bangladesh Labour Force Survey 2016-2017*.

<sup>3</sup> Banco de Bangladesh, *Bangladesh Bank Quarterly* (Julio-septiembre de 2020).

<sup>4</sup> Banco de Bangladesh (julio-septiembre de 2020): *Bangladesh Bank Quarterly*, y Banco de Bangladesh (2013): *Bangladesh Bank Annual Report 2012*.

<sup>5</sup> La tasa de vacunación ha subido al 70 % y sigue en aumento. No se han registrado muertes en las últimas semanas. La tasa de infección se sitúa en torno al 0,2 % (Fuente: Ministerio de Salud).

<sup>6</sup> División de Economía General, Comisión de Planificación de Bangladesh, Gobierno de Bangladesh (diciembre de 2020): *Eighth Five-Year Plan: Promoting Prosperity and Fostering Inclusiveness (July 2020 - June 2025)*.

las zonas urbanas como en las rurales: 9 de cada 10 hogares sufrieron en alguna medida un impacto negativo en sus ingresos durante el confinamiento, lo que puede haber dado lugar a una menor ingesta de alimentos<sup>7</sup>, y según los informes disponibles en junio de 2020, el 12 % de los hogares extremadamente pobres pasaban hambre. El gasto en alimentos habría disminuido un 28 % y un 22 % en las zonas urbanas y rurales, respectivamente<sup>8</sup>. Según las estimaciones de la Oficina de Promoción de las Exportaciones, la Federación de Rusia envió a Bangladesh en 2020 y 2021 mercancías por un valor total de USD 466,7 millones (principalmente trigo, aceites comestibles, fertilizantes y productos químicos, acero y aluminio). Si bien el conflicto en Ucrania puede tener un efecto en el costo de los insumos agrícolas a nivel mundial, no se espera que tenga efectos negativos inmediatos en la economía de Bangladesh<sup>9</sup>.

5. **Mujeres.** Aunque se han logrado avances, queda mucho por hacer para mejorar las capacidades y oportunidades económicas de las mujeres. Bangladesh obtuvo una puntuación de 0,537 en el Índice de Desigualdad de Género en 2019<sup>10</sup>. La participación de las mujeres en los sectores formal e informal de la vida económica ha aumentado gracias a los siguientes factores: i) una mejora en su acceso a la educación y a los servicios financieros, y ii) la creciente disponibilidad de oportunidades en las zonas rurales, especialmente en el sector agrícola, que está animando a las mujeres del medio rural a aceptar trabajos informales para contribuir a los ingresos familiares. El problema de la violencia de género persiste, especialmente en el contexto de la pobreza y la malnutrición y en las comunidades marginadas y desfavorecidas<sup>11</sup>.
6. **Empleo juvenil.** La tasa de desempleo juvenil es del 79,6 %<sup>12</sup>. La Política Nacional de Juventud de 2017 está concebida para prestar un apoyo especial a los jóvenes de las zonas rurales, pero no existe un plan concreto para llevarla a cabo. Muchos jóvenes de Bangladesh carecen de los conocimientos financieros o técnicos que necesitarían para crear empresas diversificadas; también se enfrentan a limitaciones geográficas. Tan solo el 1,8 % de la población activa del país ha recibido capacitación formal<sup>13</sup>. No obstante, el 91 % de la población adulta joven (tanto hombres como mujeres en el grupo de edad de 15 a 29 años) está alfabetizada y, por tanto, está en condiciones de beneficiarse de la formación profesional.
7. **Minorías étnicas.** En Bangladesh hay una treintena de minorías étnicas, siendo los pueblos *santal*, *orao*, *chakma*, *marma*, *garo*, *khashia*, *tripura*, *monipuri* y *rakhain* los grupos más numerosos. Las poblaciones *santal* y *orao* viven en el noroeste de Barind Tracts, mientras que los pueblos *chakma*, *marma* y *tripura* viven en la zona meridional de Chittagong Hill Tracts. La principal fuente de ingresos de las minorías étnicas es la agricultura, aunque, gracias a la mejora de las perspectivas educativas y económicas, junto con el deseo de integrarse en la economía general, se están incorporando gradualmente al comercio y a otros sectores.

<sup>7</sup> Ahmed, F., Islam, A., Pakrashi, D., Rahman, T., y Siddique, A. (2020): *Determinants and Dynamics of Food Insecurity during COVID-19 in rural Bangladesh*, Food Policy, vol. 101.

<sup>8</sup> Bidisha, S.H., Mahmood, T. y Hossain, M.B. (2021): Social Indicators Research, vol. 155, "Assessing Food Poverty, Vulnerability and Food Consumption Inequality in the Context of COVID-19: A Case of Bangladesh".

<sup>9</sup> La oficina del FIDA en el país realizará un seguimiento de la situación con el fin de organizar una respuesta si fuera necesario, como se hizo en el caso del brote de la COVID-19.

<sup>10</sup> Este índice es un parámetro de medición compuesto de la desigualdad entre los logros de las mujeres y los hombres en las esferas de la salud reproductiva, las dimensiones de empoderamiento y el mercado laboral. El índice varía de 0 (igualdad total entre mujeres y hombres) a 1 (desigualdad total). Véase: <https://hdr.undp.org/sites/default/files/Country-Profiles/BGD.pdf>.

<sup>11</sup> IFAD Bangladesh Social Sector Study (2021).

<sup>12</sup> Oficina de Estadística de Bangladesh, División de Estadística e Informática, Ministerio de Planificación, *Bangladesh Labour Force Survey 2016-2017*.

<sup>13</sup> Oficina de Estadística de Bangladesh, División de Estadística e Informática, Ministerio de Planificación, *Bangladesh Labour Force Survey 2016-2017*.

8. **Nutrición.** Aunque la seguridad alimentaria había mejorado antes de la pandemia, el país ha experimentado algunos retrocesos: en 2019, el 28 % de los niños en edad preescolar sufría de retraso del crecimiento (aunque otros estudios sitúan la cifra de retraso en el crecimiento entre los niños menores de 5 años en el 36 %<sup>14</sup>), el 23 % tenía un peso inferior al normal, alrededor del 10 % estaba clasificado como víctima de la emaciación<sup>15</sup>, y el 2,4 % de los niños menores de 5 años presentaba carencias de micronutrientes y corría el riesgo de sufrir malnutrición<sup>16</sup>. Más de la mitad de las mujeres de Bangladesh padecen deficiencia energética crónica, y el 36,7 % de las mujeres en edad reproductiva tienen anemia. El empoderamiento de las mujeres es un factor crítico para mejorar el acceso a los alimentos nutritivos, fortalecer la educación nutricional, sanitaria y de higiene<sup>17</sup> y liderar la transición hacia la producción de alimentos que tengan en cuenta la nutrición<sup>18</sup>.
9. **Agricultura.** El sector primario sigue aportando cerca del 40 % del empleo total y se mantiene como una importante fuente de ingresos en las zonas rurales. Bangladesh está cerca de alcanzar la autosuficiencia en la producción de arroz. La horticultura, la ganadería y la piscicultura son las actividades económicas rurales más rentables y de mayor crecimiento. Sin embargo, diversas limitaciones están ralentizando la transformación del sector hacia un sistema de producción más diversificado y resiliente. Bangladesh también tiene dificultades para cumplir las normas de exportación de alimentos<sup>19</sup>. A pesar de un proceso más amplio de transformación de la economía rural, el sector agrícola sigue dominado por el cultivo del arroz e impulsa gran parte del crecimiento de la productividad<sup>20</sup>.
10. **Financiación rural.** Una economía rural sostenible depende del aumento de la inversión, y el acceso a los servicios de microfinanciación contribuye a ello. En 2020, unos 33,38 millones de personas (de las cuales el 91,8 % eran mujeres)<sup>21</sup> eran clientes de instituciones de microfinanciación<sup>22</sup>, y el tamaño de los préstamos concedidos por estas instituciones para financiar la expansión de las empresas rurales está aumentando. Más del 50 % de la cartera de préstamos a microempresas está compuesto por préstamos superiores a 100 000 takas o USD 1 200. Los préstamos agrícolas estacionales constituyen en la actualidad el producto crediticio más importante y resultan fundamentales para la economía rural.
11. **Remesas internacionales.** Las remesas procedentes del extranjero, que aumentaron de forma constante de USD 16 000 millones en 2015 a aproximadamente USD 24 000 millones en 2020, son una importante fuente de ingresos para muchas familias rurales y para el plan de gestión macroeconómica del Gobierno. En el marco del Proyecto de Transformación de las Microempresas Rurales, el FIDA está aportando actualmente una donación de USD 1 millón al Ministerio de Bienestar de los Expatriados y Empleo en el Extranjero para el desarrollo de un pequeño subproyecto dirigido a los hogares receptores sobre la utilización de las remesas para actividades productivas.

<sup>14</sup> Movimiento para el Fomento de la Nutrición, <https://scalingupnutrition.org/sun-countries/bangladesh/>.

<sup>15</sup> Oficina de Estadística de Bangladesh (2019): *Multiple Indicator Cluster Survey 2019 – Survey Findings Report*, disponible en: [https://www.unicef.org/bangladesh/media/3281/file/Bangladesh%202019%20MICS%20Report\\_English.pdf](https://www.unicef.org/bangladesh/media/3281/file/Bangladesh%202019%20MICS%20Report_English.pdf).

<sup>16</sup> Global Nutrition Support, <https://globalnutritionreport.org/resources/nutrition-profiles/asia/southern-asia/bangladesh/>.

<sup>17</sup> Gobierno del Canadá, Unión Europea, UKaid, UNICEF, USAID, PMA, OMS y Banco Mundial (2014): *Undernutrition in Bangladesh – A Common Narrative*. Disponible en: [http://scalingupnutrition.org/wp-content/uploads/2014/06/Common-Narrative\\_BANGLADESH-Final.pdf](http://scalingupnutrition.org/wp-content/uploads/2014/06/Common-Narrative_BANGLADESH-Final.pdf).

<sup>18</sup> Even *et al.*, *Nutrition (2021): Women's Empowerment and Sustainable Food System Transitions*.

<sup>19</sup> El Instituto de Salud Pública de Bangladesh indicó que el 50 % de los productos alimentarios analizados entre 2001 y 2009 estaban contaminados, principalmente con residuos de pesticidas.

<sup>20</sup> IFAD Bangladesh Social Sector Study (2021).

<sup>21</sup> El sector de la microfinanciación en Bangladesh se ha centrado históricamente en las mujeres, pero a veces los préstamos los utilizan otros miembros de la familia para negocios familiares y otras actividades generadoras de ingresos.

<sup>22</sup> *Microfinance Statistics*, 2012 y 2020, e informes del Foro de Crédito y Desarrollo de Bangladesh.



12. **Infraestructura rural.** La comunicación por carreteras pavimentadas en las zonas rurales ha mejorado, si bien el 50 % de los caminos rurales siguen sin pavimentar. Las inversiones en sistemas de riego y pequeños terraplenes son el principal motor del aumento de la producción agrícola. Sin embargo, este tipo de infraestructuras son muy vulnerables al cambio climático y conllevan problemas de mantenimiento. Las mejoras de las infraestructuras, como la adopción de medidas de defensa contra el cambio climático, las soluciones para la creciente escasez de agua subterránea y las infraestructuras poscosecha, requieren inversiones.
13. **Medio ambiente y cambio climático.** La configuración geográfica del país lo hace muy vulnerable a las perturbaciones ambientales y climáticas. Según la clasificación del Índice de Adaptación Mundial de la Universidad de Notre Dame<sup>23</sup>, Bangladesh es un país muy vulnerable al cambio climático (puesto 157 de 182 países). Se prevé un aumento de las temperaturas medias y un incremento de las precipitaciones anuales, con lo que se alargará la estación de los monzones, aumentará la probabilidad de que se produzcan inundaciones y se alterarán los calendarios de cultivo. El aumento del nivel del mar supone una amenaza para las zonas costeras en forma de pérdida de tierras y, sobre todo, de salinización de las aguas subterráneas. Además, millones de personas corren el riesgo de perder sus hogares y tierras de cultivo como resultado de estos cambios<sup>24</sup>, lo que podría dar lugar a una población de 13 millones de migrantes internos en 2050 debido al cambio climático<sup>25</sup>. Los efectos combinados del cambio climático podrían suponer una pérdida de entre el 1,3 % (hipótesis moderada de cambio climático) y el 20 % (hipótesis extrema) del PIB al año.
14. La contaminación y el agotamiento de las aguas subterráneas son problemas generalizados cuya causa se encuentra en las actividades de producción agrícola y en la industrialización. El crecimiento de las industrias en pequeña escala, como la fabricación de cuero y la cría intensiva de animales, no ha ido acompañado de una inversión suficiente en la gestión de los recursos hídricos, los contaminantes y la degradación. La degradación de la tierra y la pérdida de biodiversidad (acuicultura, degradación de biomas, monocultivo y pérdida de variedades de semillas diversificadas)<sup>26</sup> socavan los servicios ecosistémicos y el potencial de productividad.

## II. Marco institucional y de políticas públicas

15. El programa sobre oportunidades estratégicas nacionales (COSOP) está en consonancia con los objetivos, las estrategias y las metas de desarrollo a largo, medio y corto plazo del país, tal como se establece en el Plan Delta 2100 de Bangladesh, el Plan Prospectivo de Bangladesh 2021-2041 y el Octavo Plan Quinquenal (julio de 2020-junio de 2025), respectivamente.
16. **Plan Delta 2100 de Bangladesh.** Elaborado en 2018<sup>27</sup>, en el Plan Delta se abordan los retos y las oportunidades a largo plazo que rodean a uno de los mayores deltas del mundo y se establece una visión para lograr un delta seguro, resiliente al cambio climático y próspero para finales del siglo XXI. Se definen los siguientes objetivos de más alto nivel: Objetivo 1: eliminar la pobreza extrema para 2030; Objetivo 2: alcanzar la categoría de país de ingreso mediano alto para 2030, y Objetivo 3: ser un país próspero más allá de 2041.

<sup>23</sup> Índice de Adaptación Mundial de la Universidad de Notre Dame. Disponible en: <https://gain.nd.edu/our-work/country-index/rankings/>.

<sup>24</sup> Chen, J. y Mueller, V. (2018): Nature Climate Change, vol. 8, "Coastal Climate Change, Soil Salinity and Human Migration in Bangladesh".

<sup>25</sup> Grupo Banco Mundial (2018): *Groundswell: prepararse para las migraciones internas provocadas por impactos climáticos*. Disponible en: <https://openknowledge.worldbank.org/handle/10986/29461>.

<sup>26</sup> Degradación: erosión, contaminación, salinización, acidificación, deforestación y pérdida de fertilidad. Véase: <https://www.worldbank.org/en/results/2016/10/07/bangladesh-strengthening-bangladeshs-environment-natural-resource-management>.

<sup>27</sup> División de Economía General, Comisión de Planificación de Bangladesh, Ministerio de Planificación de Bangladesh (2018): *The Bangladesh Delta Plan 2100*.

17. **Plan Prospectivo de Bangladesh 2021-2041**<sup>28</sup>. El tema central de este plan es “La pobreza pasará a ser parte del pasado”. Esta transformación se llevará a cabo mediante la promoción de un crecimiento rápido inclusivo, la creación de una economía del conocimiento innovadora y la protección del medio ambiente.
18. **Octavo Plan Quinquenal (julio de 2020-junio de 2025)**<sup>29</sup>. En este plan de aplicación se llevan adelante las estrategias de los dos últimos planes quinquenales: promoción del crecimiento intensivo en mano de obra, orientado a la exportación e impulsado por la industria manufacturera; fomento de la diversificación agrícola; promoción de la iniciativa empresarial basada en Internet; fortalecimiento del empleo en el extranjero; construcción de infraestructuras de comunicación sostenibles, y mejora de la protección ambiental y la adaptación al cambio climático.
19. **Política de seguridad alimentaria y nutricional (2020)**<sup>30</sup>. Esta política promueve la disponibilidad de alimentos inocuos y nutritivos para una dieta saludable a un precio asequible. Pretende aumentar el acceso a la protección social y las redes de seguridad que tengan en cuenta la nutrición a lo largo de todo el ciclo vital y fomentar el desarrollo de capacidades y las asociaciones para una aplicación eficaz de la política.
20. **Documento sobre la vía nacional presentado en la Cumbre de las Naciones Unidas sobre los Sistemas Alimentarios**. En el marco de la Cumbre de las Naciones Unidas sobre los Sistemas Alimentarios, celebrada en septiembre de 2021, el Gobierno de Bangladesh presentó un documento sobre la vía nacional<sup>31</sup>, que hace hincapié en la necesidad de adoptar vías sostenibles, inclusivas y resilientes al cambio climático, al tiempo que se amplía la protección social de los grupos de población pobre y vulnerable sobre la base de un enfoque de ciclo vital.
21. **Estrategia y Plan de Acción sobre el Cambio Climático, 2009**. En este plan se da prioridad a la adaptación y a la reducción del riesgo de desastres en seis esferas estratégicas<sup>32</sup>, entre ellas la seguridad alimentaria y las infraestructuras. En la actualidad se están llevando a cabo labores de adaptación generalizadas basadas en la Hoja de Ruta Nacional sobre Energía Solar para 2021-2041, la incorporación sistemática de las políticas sobre diseño de infraestructuras resilientes al cambio climático y la creación del Fondo Fiduciario para el Cambio Climático de Bangladesh. La contribución de Bangladesh determinada a nivel nacional<sup>33</sup> se actualizó en 2021. En ella se establece una senda hacia un proceso de desarrollo que genere bajas emisiones de carbono y una economía resiliente al cambio climático, y se describen medidas incondicionales y condicionales para reducir las emisiones para 2030 con respecto a la situación actual (6,7 % - 28 MtCO<sub>2eq</sub> y 15,1 % - 62 MtCO<sub>2eq</sub>). Las medidas de adaptación se centran en el aumento de la productividad de los alimentos y el mantenimiento del crecimiento frente a los efectos adversos del cambio climático.

<sup>28</sup> División de Economía General, Comisión de Planificación de Bangladesh, Ministerio de Planificación de Bangladesh (2020): *Making Vision 2041 a Reality: The Perspective Plan of Bangladesh 2021-2041*.

<sup>29</sup> División de Economía General, Comisión de Planificación de Bangladesh, Ministerio de Planificación de Bangladesh (2020): *Eighth Five-Year Plan (July 2020-June 2025) – Promoting Prosperity and Fostering Inclusiveness*.

<sup>30</sup> *National Food and Nutrition Security Policy of Bangladesh*.

Véase: <http://fpmu.gov.bd/agridrupal/sites/default/files/file/policy/NFNSP-2019-Draft-English.pdf>.

<sup>31</sup> Gobierno de Bangladesh (2021): *Towards Sustainable Food Systems in Bangladesh – National Pathway Document for the Food Systems Summit*.

Véase: [https://summitdialogues.org/wp-content/uploads/2021/09/UNFSSPathwayDocument\\_Bangladesh.pdf](https://summitdialogues.org/wp-content/uploads/2021/09/UNFSSPathwayDocument_Bangladesh.pdf).

<sup>32</sup> Ministerio de Medio Ambiente y Bosques de Bangladesh (2009): *Bangladesh Climate Change Strategy and Action Plan*.

<sup>33</sup> Ministerio de Medio Ambiente, Bosques y Cambio Climático (2021): *Nationally Determined Contributions (NDCs) 2021 – Bangladesh (Updated)*. Véase: [https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Bangladesh%20First/NDC\\_submission\\_20210826revised.pdf](https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Bangladesh%20First/NDC_submission_20210826revised.pdf).

### III. Actuación del FIDA: enseñanzas extraídas

22. **Enseñanzas extraídas**<sup>34</sup>. Las enseñanzas extraídas que se exponen a continuación de los 13 proyectos en curso y finalizados influirán en el diseño y la ejecución de los proyectos futuros:
- i) **Diseño y ejecución de los proyectos.** Los excelentes resultados de los proyectos están claramente respaldados por la simplicidad de su diseño (es decir, actividades limitadas, como en el Proyecto de Infraestructura Resistente al Clima en Zonas Costeras [CCRIP]), la claridad en cuanto a la coordinación y la prestación de servicios más cercanos al destinatario (por ejemplo, el Proyecto de Promoción de la Comercialización y las Empresas Agropecuarias (PACE) y el Programa Nacional de Tecnología Agrícola - Proyecto Fase 2) y la solidez de los organismos de ejecución a los que se les han encomendado actividades de proyectos que corresponden a sus puntos fuertes.
  - ii) **Infraestructura rural.** Unas infraestructuras rurales adecuadas, como las carreteras de conexión con los mercados, los pequeños terraplenes para proteger las tierras de cultivo de las aguas salinas y las inundaciones, y las obras de riego, constituyen un apoyo fundamental para los medios de vida agrícolas y el aumento de la producción, el incremento de los precios de las explotaciones y el crecimiento de los ingresos de los hogares. Estas infraestructuras deben ir asociadas a inversiones de apoyo a la producción. Como se ha hecho en el CCRIP y, posteriormente, en el Proyecto de Promoción de la Resiliencia de las Personas Vulnerables mediante el Acceso a la Infraestructura, la Mejora de sus Competencias y la Información (PROVATI<sup>3</sup>), la integración de características de resiliencia al cambio climático en el diseño y la construcción de infraestructuras mejora la sostenibilidad y reduce la vulnerabilidad de las comunidades locales.
  - iii) **Acceso a la financiación.** El acceso a la financiación sigue siendo de vital importancia para que las personas pobres, los agricultores en pequeña escala y los microempresarios puedan crear oportunidades de autoempleo y de empleo asalariado, como han demostrado ampliamente todos los proyectos de microfinanciación que se han llevado a cabo. Las tasas de interés relativamente elevadas de los préstamos de las instituciones de microfinanciación y otras formas de financiación<sup>35</sup> plantean problemas críticos.
  - iv) **Desarrollo de las cadenas de valor.** Se ha constatado que el enfoque de la cadena de valor para el desarrollo empresarial y los servicios financieros es un modelo eficaz cuando ya existe una infraestructura física fundamental. La aplicación de tecnologías basadas en Internet será fundamental para la gestión de los proyectos, las cadenas de valor y las microempresas agrícolas y de otro tipo.
  - v) **Colaboración en el ámbito de las políticas.** Las mejoras relativamente pequeñas en las políticas y prácticas a nivel de proyecto y sectorial han aportado importantes beneficios a los beneficiarios de los proyectos. Un análisis más sistemático y la formulación y promoción de políticas basadas en la investigación desempeñarán un papel importante en la colaboración con el Gobierno de Bangladesh y en la introducción de cambios más sistémicos.

<sup>34</sup> Las prioridades del FIDA y la naturaleza de estos proyectos han evolucionado con el tiempo. Los debates sobre las perspectivas históricas y la cartera del FIDA del período 2012-2022 se detallan en el examen final del COSOP 2012-2022.

<sup>35</sup> Dado que la movilización de depósitos públicos está prohibida, las instituciones de microfinanciación de Bangladesh dependen principalmente de los préstamos de los bancos comerciales y de la Fundación Palli Karma-Sahayak, así como de los ahorros de los beneficiarios. Las instituciones de microfinanciación han expresado su esperanza de que las instituciones más grandes puedan convertirse en bancos de microfinanciación capaces de aceptar depósitos públicos. El Ministerio de Finanzas y el Organismo Regulador del Microcrédito aún no han introducido una ley bancaria de microfinanciación para el país.

- vi) **Atención a la pobreza.** La inclusión satisfactoria de una gran mayoría de beneficiarios de comunidades de pequeños agricultores extremadamente pobres y marginales ha sido eficaz de cara a la reducción de la pobreza. El énfasis en los medios de vida resilientes al cambio climático ha dado excelentes resultados en los distritos extremadamente vulnerables de los proyectos.
- vii) **Nutrición.** La mejora de la inocuidad alimentaria, el apoyo a la horticultura doméstica diversificada y el empoderamiento de las mujeres pueden facilitar la adopción de prácticas más agroecológicas y dietas más nutritivas y diversificadas (Proyecto de Competitividad de la Agricultura en Pequeña Escala y Segunda Fase del Programa Nacional de Tecnología Agrícola).

## IV. Estrategia en el país

### A. Ventaja comparativa

23. El FIDA cuenta con las siguientes ventajas comparativas: un historial de ejecución satisfactoria de proyectos en zonas extremadamente vulnerables; conocimientos y experiencia fundamentales en el desarrollo de infraestructuras centradas en la agricultura, en servicios financieros para las personas pobres, las microempresas rurales y de otro tipo, en los emprendimientos agrícolas y las agroempresas, y en las actividades prácticas de adaptación al cambio climático, como la previsión de inundaciones; asociaciones eficaces con los principales ministerios y organismos de ejecución; asociaciones con un gran número de ONG e instituciones de microfinanciación y con organizaciones del sector privado rural, y la capacidad de organizar un gran número de grupos informales de mujeres, hombres y jóvenes para impulsar los procesos de desarrollo social y económico en el marco de los programas de microfinanciación y desarrollo de la cadena de valor.

### B. Grupo objetivo y estrategia de focalización

24. La estrategia básica de focalización del FIDA se centra en las personas pobres, las familias dedicadas a la agricultura en pequeña escala y marginal y las microempresas como beneficiarios directos. Los servicios de financiación rural<sup>36</sup> dirigidos a la inversión en la mejora de los medios de vida se prestan a los clientes a través de ONG e instituciones de microfinanciación. Para el desarrollo de la cadena de valor, la estrategia consiste en organizar a los beneficiarios pobres del sector agrícola y no agrícola<sup>37</sup> y a las microempresas en las categorías funcionales pertinentes, como proveedores de insumos, productores, comerciantes, proveedores de servicios de apoyo y elaboradores en pequeña escala. Se da prioridad a las mujeres y a los jóvenes de sectores agrícolas y no agrícolas específicos, a las minorías étnicas, a los grupos marginados y a las personas con discapacidad.
25. El FIDA utiliza la focalización geográfica para el desarrollo de infraestructuras resilientes al cambio climático, la restauración de tierras y la promoción de la agricultura climáticamente inteligente. Determina cuáles son los distritos y subdistritos más pobres de las zonas geográficas más vulnerables que tienen un acceso diferenciado a la tierra (por ejemplo, las regiones de los *haor*, costeras y de las *chars*). La selección final del tipo de infraestructura y la ubicación del proyecto

<sup>36</sup> Estos servicios consisten principalmente en créditos para las personas muy pobres, las personas pobres, los agricultores en pequeña escala y marginales, y las microempresas. Los microseguros son un servicio financiero desatendido y poco desarrollado.

<sup>37</sup> Algunos ejemplos son la horticultura de alto valor, los estanques piscícolas, las aves de corral y el ganado, las semillas y las legumbres, los alimentos procesados, el ecoturismo, el calzado y la joyería de materiales distintos del oro y la plata. La producción de calzado, artículos de cuero y joyería es una industria importante; miles de microempresas dan empleo a cientos de miles de mujeres y hombres jóvenes de las zonas rurales en pequeñas empresas y fábricas familiares. El apoyo a estas microempresas está en consonancia con la estrategia de promoción del FIDA, que, en colaboración con el Gobierno de Bangladesh, ha logrado mejorar la calidad y la productividad de estas empresas con arreglo a determinadas agrupaciones. Según los datos oficiales más recientes (censo económico de 2013), el país cuenta con más de 7,8 millones de empresas, de las que más del 99 % son pymes e industrias artesanales.

se determina en función de la necesidad y la viabilidad técnica. Se estudia qué mecanismos permiten garantizar que los proyectos beneficien a las personas pobres, en particular las intervenciones encaminadas a asegurar los derechos de arrendamiento y tenencia de la tierra.

### **C. Meta general y objetivos estratégicos**

26. **Meta general.** El objetivo general es promover la prosperidad rural mediante la generación de oportunidades para la creación de medios de vida inclusivos y resilientes para los agricultores en pequeña escala, los microempresarios y los grupos marginados. Este objetivo se alcanzará a medio plazo mediante la salida de la categoría de país menos adelantado y, a más largo plazo, situando al país en una senda de crecimiento sostenible y adoptando un enfoque de sistemas alimentarios.
27. **Objetivo estratégico 1: Fortalecer las capacidades de adaptación al cambio climático y mitigación de sus efectos de las comunidades rurales vulnerables mediante infraestructuras resilientes y una agricultura climáticamente inteligente.**
28. Para cumplir el objetivo estratégico 1, se promoverán prácticas agrícolas climáticamente inteligentes<sup>38</sup>, con la contribución de diversos asociados que aportarán conocimientos técnicos, insumos y servicios. La promoción de estas prácticas se guiará por la experiencia previa del FIDA con los proyectos realizados en el marco del Programa de Adaptación para la Agricultura en Pequeña Escala (ASAP). El objetivo estratégico 1 apoyará la investigación y el desarrollo para aportar conocimientos prácticos a las comunidades locales, incluidos los servicios de información climática. La resiliencia comunitaria se promoverá a través de procesos impulsados por la comunidad dirigidos a la planificación y ejecución de infraestructuras resilientes centradas en la agricultura<sup>39</sup> que favorezcan el empleo rural inclusivo, la nutrición y la seguridad alimentaria, centrándose en las mujeres y los jóvenes. El apoyo incluirá activos centrados en la productividad, como carreteras en pequeña escala, infraestructura de mercado, energías renovables y sistemas de riego, junto con las inversiones "duras" más amplias necesarias para reducir la vulnerabilidad al cambio climático, como la creación de refugios y sistemas de protección de bajo costo para las aldeas. Las inversiones tendrán en cuenta la adopción de medidas de defensa contra el cambio climático e irán asociadas a inversiones intangibles en las instituciones rurales y en mecanismos de explotación y mantenimiento. Se prestará atención a las cuestiones relativas a la tenencia de la tierra<sup>40</sup>, según sea necesario. Los datos que se recojan se utilizarán para reforzar las políticas de adaptación al cambio climático y mitigación de sus efectos, y servirán de apoyo a la labor de aplicación de la contribución determinada a nivel nacional y al cumplimiento de otros compromisos internacionales en materia ambiental.
29. **Objetivo estratégico 2: Mejorar el acceso de los agricultores rurales en pequeña escala, los microempresarios y los grupos marginados a la financiación, la tecnología y los mercados para que puedan diversificar su economía y generar empleo rural.**
30. El cumplimiento del objetivo estratégico 2 supondrá un aumento de las oportunidades de inversión para los agricultores en pequeña escala y las microempresas en la agricultura comercial de alto valor, así como para las

<sup>38</sup> Estas prácticas engloban una amplia gama de actividades, como el fortalecimiento de las organizaciones e instituciones locales para llevar a cabo actuaciones sobre el terreno que supongan, por ejemplo, la gestión sostenible de los recursos forestales y terrestres en condiciones de cambio climático o la gestión sostenible de los recursos forestales y terrestres de montaña en condiciones de cambio climático. Pueden verse ejemplos en el siguiente estudio de la FAO: <https://www.fao.org/3/cb5359en/cb5359en.pdf>

<sup>39</sup> Los elementos de resiliencia al cambio climático se incorporarán a los futuros proyectos de infraestructuras, como se ha hecho en el CCRIP y en el PROVATI<sup>3</sup>.

<sup>40</sup> El FIDA ha contribuido al asentamiento de personas pobres en varios *chars* de reciente creación mediante la facilitación de la distribución de títulos de propiedad de la tierra por el Gobierno. Cualquier cuestión relacionada con la tenencia de la tierra queda fuera del alcance de la labor del FIDA.

empresas rurales no agrícolas, incluidas las empresas de comercio electrónico, que darán cobertura a los mercados nacionales e internacionales. Las futuras inversiones crearán más valor al promover el procesamiento local, atender nichos de mercado (por ejemplo, productos orgánicos/ecológicos)<sup>41</sup>, apoyar la producción y el uso de alimentos inocuos y nutritivos, integrar tecnologías digitales para mejorar la inocuidad y la trazabilidad de los alimentos, participar en los mercados de exportación a través del sector privado formal y apoyar la expansión del sector de las microempresas rurales no agrícolas. Las mujeres y los jóvenes de los sectores agrícola y no agrícola se beneficiarán de la formación profesional, y las actividades de creación de instituciones permitirán fortalecer organizaciones como las asociaciones empresariales de grupos de productores informales, las plataformas de múltiples partes interesadas, los organismos de reglamentación y de certificación y ensayo, los proveedores de información y tecnología de mercado, y las empresas de investigación y desarrollo de productos. También se prestará apoyo a las políticas sectoriales dirigidas a proporcionar un mejor acceso a los diferentes servicios.

31. Se facilitarán recursos financieros adicionales para mejorar el acceso al crédito de los agricultores en pequeña escala, otros miembros de las comunidades rurales y las microempresas agrícolas y no agrícolas. Los proyectos del FIDA colaborarán con instituciones financieras de primer orden, reguladores, la Comisión de Valores y Bolsa de Bangladesh, el Banco de Bangladesh (el banco central del país), las instituciones de microfinanciación, el Organismo de Seguridad Alimentaria de Bangladesh y otras partes interesadas para facilitar los mecanismos locales de movilización de recursos, incluida la microfinanciación colectiva, y la introducción de microseguros; apoyarán el desarrollo de un ecosistema para los servicios financieros basados en las tecnologías digitales, la telefonía móvil y otras tecnologías de la información y las comunicaciones para el desarrollo, y reforzarán las políticas y prácticas relacionadas con las cadenas de valor. Se alentará a los hogares que reciben remesas a aumentar sus ahorros mediante la colaboración con las instituciones de microfinanciación y la creación de capital en las microempresas.
32. **Teoría del cambio.** Bangladesh es uno de los países más vulnerables al cambio climático del mundo, tanto por su elevada tasa de pobreza rural como por su exposición a los riesgos climáticos. La teoría del cambio que sustenta este COSOP se basa en dos pilares: i) la mejora de la capacidad de adaptación y mitigación de las comunidades rurales y ii) el desarrollo de oportunidades económicas y de generación de empleo a nivel local, con especial énfasis en las mujeres y los jóvenes, como estrategia de creación de resiliencia. La adopción de medidas más eficaces de adaptación al cambio climático y el aumento de la productividad darán lugar a mayores oportunidades de empleo e ingresos locales, lo que a su vez contribuirá a mejorar el estado nutricional, el bienestar y las condiciones ambientales de la población.
33. El COSOP contribuirá al cumplimiento del Objetivo de Desarrollo Sostenible (ODS) 1 (fin de la pobreza), el ODS 2 (hambre cero), el ODS 5 (igualdad de género), el ODS 6 (agua limpia y saneamiento), el ODS 8 (trabajo decente y crecimiento económico) y el ODS 13 (acción por el clima).

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<sup>41</sup> Se ha determinado que el uso excesivo de productos agroquímicos es uno de los principales problemas ambientales y sanitarios a los que hay que hacer frente. En los programas y proyectos se adoptará un enfoque agroecológico y medidas relativas a la cadena de valor para hacer frente a este problema.

34. **Temas transversales.** El COSOP seguirá apoyando y reforzando los avances en las siguientes esferas:
- i) **Género**<sup>42</sup>. Se fortalecerá la política de dar prioridad a la participación de las mujeres en todos los proyectos, con vistas a garantizar que desempeñen un papel de liderazgo en diversos foros, aumentar el número de mujeres propietarias de empresas y el nivel de autoempleo y empleo asalariado entre las mujeres, fomentar el uso de Internet entre las mujeres y ampliar su acceso a los servicios no financieros.
  - ii) **Jóvenes.** El empleo de los jóvenes será una de las principales prioridades de los proyectos enmarcados en el objetivo estratégico 2, centrándose en el desarrollo de las competencias profesionales, la inserción laboral y el autoempleo como medios para apoyar las oportunidades de empleo de los jóvenes de las zonas rurales de Bangladesh.
  - iii) **Minorías étnicas y personas con discapacidad.** Dado que la agricultura y la agroindustria son los principales medios de vida de estos grupos, los proyectos de cadena de valor y los proyectos de servicios financieros seguirán prestando apoyo a las minorías étnicas mediante actividades diseñadas específicamente. Se alentará a las personas discapacitadas a participar en las actividades de formación profesional actuales y futuras y en otros proyectos adaptados a sus capacidades.
  - iv) **Nutrición.** Todos los proyectos que se realicen en el marco del COSOP apoyarán actividades que promuevan la educación nutricional, el cambio social y de comportamiento, y la comunicación sobre la buena nutrición. Estas actividades se dirigirán en particular a las adolescentes, las mujeres y los niños, y se llevarán a cabo en cooperación con otras organizaciones. El COSOP se concentrará en la sensibilización sobre lo que constituye una dieta nutritiva y sobre la disponibilidad, accesibilidad y asequibilidad de una dieta diversificada compuesta por alimentos inocuos y nutritivos. También se centrará en la promoción de alimentos inocuos y mejores condiciones de salud para los grupos pobres y marginados.
  - v) **Recursos naturales y cambio climático.** El COSOP apoyará el plan de acción del Gobierno relativo al medio ambiente, el cambio climático, las tecnologías con bajas emisiones de carbono y las energías renovables, y contribuirá a la aplicación del Plan Delta 2100 de Bangladesh y la contribución determinada a nivel nacional. Para ello, se establecerán asociaciones con los ministerios competentes, otros organismos gubernamentales y ONG.
  - vi) **Aplicaciones de Internet en la gestión.** En algunos proyectos se apoyarán las aplicaciones de Internet como herramientas de gestión, y se alentará a los agricultores en pequeña escala y a las microempresas a hacer uso de estas aplicaciones en sus actividades económicas.

## D. Gama de intervenciones del FIDA

35. **Logro de los objetivos estratégicos.** Los objetivos estratégicos se alcanzarán a través de la ejecución continuada del Proyecto de Desarrollo y Colonización de las Chars - Fase IV-Financiación adicional, el Proyecto de Competitividad de la Agricultura en Pequeña Escala, el PROVATI<sup>3</sup>, el PACE y el Proyecto de Transformación de las Microempresas Rurales, así como a través de proyectos futuros, como el Proyecto de Gestión de Recursos Hídricos en Pequeña Escala Resilientes al Clima y los Desastres, recientemente diseñado. Los siete proyectos en

<sup>42</sup> El porcentaje de mujeres beneficiarias en los proyectos financiados por el FIDA ha sido históricamente bastante alto: más del 70 % en microfinanciación, más del 50 % en desarrollo de la cadena de valor, más del 50 % en formación y creación de capacidad, y más del 70 % en sociedades de contratación de mano de obra. También es significativo el porcentaje de mujeres que ocupan puestos de liderazgo en los grupos comunitarios.

curso representan un costo total de USD 1 025 740 000; la contribución del FIDA consiste en USD 432,94 millones en préstamos y USD 20,34 millones en donaciones.

36. Para los próximos tres años (2022-2024) se dispondrá de un préstamo adicional del FIDA de USD 120 millones; de estos fondos ya se han comprometido USD 41,4 millones en un convenio con el Banco Asiático de Desarrollo para cofinanciar el Proyecto de Gestión de Recursos Hídricos en Pequeña Escala Resilientes al Clima y los Desastres. Se espera que para el periodo 2025-2028 se ponga a disposición una cantidad similar. Actualmente, el Organismo Danés de Desarrollo Internacional (DANIDA) está aportando USD 8,29 millones en cofinanciación para el Proyecto de Transformación de las Microempresas Rurales. El Gobierno de los Países Bajos está aportando actualmente USD 21,49 millones en cofinanciación para el Proyecto de Desarrollo y Colonización de las Chars - Fase IV- Financiación Adicional y ha comprometido USD 17,8 millones adicionales para el Proyecto de Gestión de Recursos Hídricos en Pequeña Escala Resilientes al Clima y los Desastres.
37. **Colaboración en el ámbito de las políticas a nivel nacional.** Los programas y proyectos del COSOP contribuirán al entorno normativo y reglamentario en dos ámbitos fundamentales: i) la adaptación al cambio climático, la inocuidad de los alimentos, la transformación de las vías del sistema alimentario y las redes de microempresarios, y ii) el acceso a los servicios financieros, tecnológicos y de mercado. El COSOP apoyará la formulación de políticas basadas en las necesidades que se deriven de la ejecución de esos programas y proyectos mediante el fortalecimiento de las unidades de investigación y promoción de políticas existentes o el apoyo a la creación de esas unidades en un número limitado de instituciones, como la Fundación Palli Karma-Sahayak (para los servicios financieros, la promoción empresarial y las cuestiones relacionadas con el medio ambiente y el cambio climático), el Departamento de Ingeniería de la Administración Local (para las infraestructuras rurales, las pequeñas obras de riego y las cuestiones relacionadas con el medio ambiente físico y el cambio climático), la Junta de Aprovechamiento de los Recursos Hídricos de Bangladesh y el Instituto de Gestión del Agua y las Inundaciones (para las cuestiones relacionadas con el agua y la gestión de las inundaciones). Además, se formarán asociaciones estratégicas con el Gobierno de Dinamarca y las Naciones Unidas en el ámbito del cambio climático<sup>43</sup>. También se crearán alianzas estratégicas con el Gobierno de Dinamarca para abordar cuestiones relativas a la inocuidad de los alimentos, con el Gobierno de los Países Bajos en las labores de lucha contra el cambio climático, con la Agencia Suiza para el Desarrollo y la Cooperación para trabajar en cuestiones relacionadas con las remesas y con la Agencia de Cooperación Internacional del Japón para promover el desarrollo de los mercados de exportación.
38. **Creación de capacidad.** El COSOP apoyará las actividades de creación de capacidad para los grupos objetivo y los beneficiarios directos de los proyectos<sup>44</sup>, los organismos de ejecución, los departamentos y ministerios gubernamentales pertinentes, los organismos reguladores, las organizaciones de investigación y desarrollo, las instituciones académicas y las asociaciones sectoriales correspondientes. Estas actividades de creación de capacidad consistirán en actividades de formación, asistencia técnica, información, creación de redes, análisis de políticas, investigación y apoyo a iniciativas piloto.

<sup>43</sup> Algunos ejemplos de futuras cuestiones de colaboración en el ámbito de las políticas son: la adaptación al cambio climático y mitigación de sus efectos; la ampliación de las instalaciones de análisis de la inocuidad de los alimentos en todo el país; las políticas en materia de comercio electrónico y el sistema de pago mediante códigos QR para las microempresas; la microfinanciación colectiva; la aplicación de la tecnología de cadena de bloques; y la instauración de un sistema de previsión de inundaciones basado en la comunidad.

<sup>44</sup> Las intervenciones de creación de capacidad se incluyen en los diseños de los proyectos concretos.



39. **Gestión de los conocimientos.** En los proyectos del COSOP se trabajará con diversas instituciones (por ejemplo, ONG, instituciones académicas y de investigación, organismos de las Naciones Unidas y organizaciones gubernamentales) con el fin de extraer enseñanzas e intercambiar conocimientos. Cada proyecto incorporará un sistema interactivo de intercambio de conocimientos para aumentar la conservación, el uso y el acceso a información técnica. Los informes sobre los progresos realizados y los informes internos sobre los efectos directos se utilizarán como base para tomar decisiones de gestión, mientras que los estudios de impacto informarán a los responsables de la formulación de políticas gubernamentales y a las partes interesadas externas y servirán como fuente de información sobre el impacto de los proyectos en los grupos beneficiarios. La presión en materia de políticas se verá respaldada por informes de investigación y documentos de políticas.
40. **Cooperación Sur-Sur y triangular.** Las actividades de cooperación Sur-Sur y triangular se centrarán en la generación de conocimientos, la extracción de enseñanzas y la creación de capacidad para hacer frente al cambio climático; el intercambio de tecnologías y prácticas óptimas para mejorar la productividad agrícola; la ampliación del acceso de los pequeños productores rurales a mercados más organizados, y la creación de nuevas oportunidades de inversión. Los proyectos en los países se ejecutarán en cooperación con los centros regionales del FIDA y otros centros, y se coordinarán con las iniciativas regionales de gestión de los conocimientos.
41. **Comunicación y visibilidad.** Cada proyecto contará con una estrategia de comunicación robusta con las partes interesadas. Las estrategias estarán sustentadas por la documentación adecuada, como documentos de políticas, artículos de investigación, informes de proyectos y casos de éxito. Se utilizarán plataformas adecuadas, como las redes sociales, la prensa, la televisión y los seminarios. El equipo de comunicación del FIDA apoyará la difusión activa de los resultados y los logros.

## V. Innovaciones y ampliación de escala para el logro de resultados sostenibles

42. **Innovaciones.** Aprovechando las innovaciones del pasado<sup>45</sup>, este COSOP promoverá otras nuevas innovaciones en ámbitos como la adaptación de las tecnologías de la información y las comunicaciones para el desarrollo; la promoción de asociaciones comerciales entre las empresas rurales; las soluciones para la adaptación al cambio climático utilizando los conocimientos del Programa de Adaptación para la Agricultura en Pequeña Escala, y la ejecución de proyectos<sup>46</sup>. Actualmente, más del 46 %<sup>47</sup> de la población rural tiene acceso a servicios de Internet de cuarta generación, y el programa en el país aprovechará esta conectividad para ofrecer servicios financieros digitales a los agricultores rurales en pequeña escala.

<sup>45</sup> Tanto en los proyectos anteriores como en los proyectos actuales del FIDA en Bangladesh se han desarrollado productos innovadores (por ejemplo, servicios financieros) y procesos de ejecución de proyectos, se han introducido tecnologías disponibles en nuevos ámbitos y se han establecido asociaciones con instituciones de investigación y empresas privadas.

<sup>46</sup> Esto se ha hecho principalmente en los ámbitos de los servicios financieros (por ejemplo, la financiación combinada y la financiación que tenga en cuenta la adopción de medidas de defensa contra el cambio climático) y el desarrollo de la cadena de valor (por ejemplo, el etiquetado), los pagos para programas de servicios ecosistémicos vinculados a las inversiones agrícolas, la deuda vinculada a la sostenibilidad (incluidos préstamos y bonos vinculados a condiciones ambientales) y los planes de seguros vinculados a la naturaleza basados en la adaptación y en una mayor resiliencia impulsada por la mejora de la gestión ambiental.

<sup>47</sup> Según los resultados de la encuesta de alfabetización digital en las zonas rurales de Bangladesh, realizada y publicada por el Comité de Bangladesh para el Progreso Rural en 2020, el 46 % de la población rural tiene acceso a Internet. La mayor parte de esa cobertura (que se cree que se ha ampliado aún más desde entonces) es atribuible al servicio de Internet de cuarta generación que prestan los operadores de telefonía móvil.

43. **Ampliación de escala.** Todos los proyectos actuales del FIDA procuran reproducir y ampliar proyectos anteriores. Las modificaciones, como la ampliación del alcance de las intervenciones en la cadena de valor, los sectores y las infraestructuras, el uso de las tecnologías de la información para garantizar los derechos sobre la tierra de las mujeres y las personas pobres, los innovadores sistemas integrados de extensión más próximos al destinatario y la creación de grupos y cooperativas de usuarios de agua con fines múltiples, han evolucionado con el tiempo para satisfacer las necesidades de los beneficiarios. El COSOP seguirá ampliando de escala los proyectos o las actividades de los proyectos que hayan tenido éxito en la misma zona del país o en otras zonas.

## VI. Ejecución del COSOP

### A. Recursos financieros y metas de cofinanciación

44. En el cuadro 1 se presenta el total de los recursos financieros.

Cuadro 1

**Financiación del FIDA y cofinanciación para los proyectos en curso y previstos**  
(en millones de dólares de los Estados Unidos)

Proyectos	Financiación del FIDA	Cofinanciación		Coeficiente de cofinanciación
		Nacional	Internacional	
<b>En curso</b>				
Siete proyectos	432,94	348,58	245,30	
<b>Previstos</b>				
Nuevo proyecto (Proyecto de Gestión de Recursos Hídricos en Pequeña Escala Resilientes al Clima y los Desastres)	42,98	58,16	123,86	
Proyectos futuros	197,02	141,84	276,14	
<b>Total</b>	<b>672,94</b>	<b>548,58</b>	<b>645,3</b>	<b>1:1,77</b>

45. **Financiación del FIDA.** Durante la Duodécima Reposición de Recursos del FIDA (FIDA12), Bangladesh recibió una asignación de USD 119,2 millones, que incluye USD 86,2 millones en el marco del Sistema de Asignación de Recursos basado en los Resultados (PBAS) y USD 33 millones en fondos del Mecanismo de Acceso a Recursos Ajenos (BRAM). Durante el período de sesiones de la Junta Ejecutiva celebrado en abril de 2022, se aprobaron USD 42,9 millones de financiación para este ciclo, mientras que el resto de la asignación está en trámite. Se prevé que el país recibirá una asignación similar en el transcurso de la FIDA13, con lo que el monto total de la financiación cubierta por este COSOP ascenderá a unos USD 240 millones.
46. **Condiciones de préstamo.** Bangladesh está clasificado como país de ingreso mediano bajo y cumple los requisitos para recibir préstamos en condiciones combinadas. Durante la FIDA11, hizo la transición a las condiciones combinadas en el marco del PBAS y ahora está sujeto a una combinación de condiciones muy favorables y combinadas. Según el análisis conjunto de sostenibilidad de la deuda realizado por el Banco Mundial y el FMI en mayo de 2020, Bangladesh sigue presentando un bajo riesgo tanto de sobreendeudamiento externo como de sobreendeudamiento general, a pesar de la crisis económica causada por la COVID-19. Además del PBAS, Bangladesh también tiene derecho a acceder a los fondos del BRAM en condiciones ordinarias. La tasa de interés aplicable a los préstamos en condiciones ordinarias presenta una prima de riesgo al vencimiento diferenciada según la categoría de ingresos y el tramo de vencimiento medio. Bangladesh pertenece a la categoría 1.

47. **Cofinanciación.** Además de los USD 327,15 millones de los proyectos en curso, se esperan USD 200 millones como cofinanciación de fuentes nacionales, incluido el Gobierno de Bangladesh, durante el período cubierto por el COSOP. Además de los USD 245,3 millones de los proyectos en curso, se esperan USD 400 millones como cofinanciación de fuentes internacionales, incluido un compromiso de USD 128,80 millones para el nuevo Proyecto de Gestión de Recursos Hídricos en Pequeña Escala Resilientes al Clima y los Desastres.

## **B. Recursos destinados a actividades no crediticias**

48. El DANIDA y el Gobierno de los Países Bajos están cofinanciando el Proyecto de Transformación de las Microempresas Rurales (USD 8,29 millones) y el Proyecto de Desarrollo y Colonización de las Chars - Fase IV-Financiación Adicional (USD 21,49 millones). Las conversaciones en curso indican que ambas instituciones están muy interesadas en financiar futuros proyectos dirigidos por el FIDA.
49. El FIDA estudiará las posibilidades de garantizar el acceso a la financiación para el diseño de proyectos relacionados con el medio ambiente y el clima que podrían cofinanciarse con instituciones como el Fondo para el Medio Ambiente Mundial, el Fondo Verde para el Clima y el Fondo de Adaptación. Los ámbitos siguientes ofrecen un gran potencial para aprovechar la cofinanciación para el clima en el marco del COSOP<sup>48</sup>: i) sistemas de producción innovadores resilientes al cambio climático en las zonas dinámicas de los *char*; ii) la adopción de soluciones polivalentes basadas en la naturaleza; iii) vías con bajas emisiones de carbono para mejorar los sistemas alimentarios, y iv) la creación de resiliencia en las infraestructuras y el fortalecimiento de los enfoques de adaptación basados en los ecosistemas.

## **C. Principales asociaciones estratégicas y coordinación del desarrollo**

50. Las principales asociaciones futuras del FIDA en el país se mantendrán prácticamente en la misma línea que las actuales:
- i) **Gobierno.** El FIDA se coordina con el Gobierno de Bangladesh en las fases de diseño, ejecución y finalización de los proyectos y en relación con el diseño y las revisiones de los COSOP a través de la División de Relaciones Económicas del Ministerio de Finanzas. Los organismos que actualmente están ejecutando proyectos como contrapartes son los siguientes: Ministerio de Agricultura; Ministerio de Pesca y Ganadería; Ministerio de Administración Local y Cooperativas; Ministerio de Recursos Hídricos; Ministerio de Gestión de Catástrofes, y la División de Instituciones Financieras del Ministerio de Finanzas. El FIDA se asociará con otros ministerios según sea necesario para futuros proyectos.
  - ii) **Organismos bilaterales y multilaterales.** La cofinanciación de proyectos ofrece la oportunidad de establecer asociaciones activas, sumamente fructíferas, con el Banco Mundial, el Banco Asiático de Desarrollo, el Gobierno de los Países Bajos, el DANIDA y la Agencia de los Estados Unidos para el Desarrollo Internacional. Los representantes del FIDA asistirán periódicamente a las consultas anuales con el país para intercambiar información y opiniones con todos los donantes y el Gobierno de Bangladesh.
  - iii) **Sistema de las Naciones Unidas.** El FIDA es miembro del equipo de las Naciones Unidas en el país, y participa en la formulación y ejecución del Marco de Asistencia de las Naciones Unidas para el Desarrollo. Hay dos organismos, a saber, el Programa Mundial de Alimentos y la Organización de las Naciones Unidas para la Alimentación y la Agricultura, que son asociados directos en la

<sup>48</sup> Para más detalles, véase el estudio de antecedentes de los Procedimientos del FIDA para la Evaluación Social, Ambiental y Climática.

ejecución de dos proyectos. Se mantendrá este tipo de colaboración, y se intensificará la labor de colaboración para ayudar al país a avanzar en el desarrollo de una vía de transformación de los sistemas alimentarios.

- iv) **ONG y organizaciones de investigación.** El FIDA seguirá estableciendo asociaciones con ONG e instituciones de microfinanciación para prestar servicios financieros rurales, impartir formación profesional en los *haor* y en los distritos del PROVATI<sup>3</sup> y ejecutar componentes de desarrollo social y económico en el marco del Proyecto de Desarrollo y Colonización de las Chars - Fase IV-Financiación Adicional. Se contará con la participación de instituciones académicas y de investigación para llevar a cabo actividades de investigación y desarrollo, análisis de políticas y promoción.
- v) **El sector privado.** A excepción de las microempresas que trabajan en diversos proyectos sobre la cadena de valor, no ha habido una gran interacción con el sector privado. Se ampliarán gradualmente las asociaciones con empresas del sector formal, como compradores de productos agrícolas, elaboradores y proveedores de servicios empresariales. Se hará un esfuerzo por colaborar con el Programa del FIDA de Participación del Sector Privado en la Financiación con el fin de proporcionar financiación directamente a las empresas y a los intermediarios financieros a efectos de que concedan préstamos, inviertan u ofrezcan servicios a los agricultores en pequeña escala, a los pobres de las zonas rurales, a las microempresas y a las pequeñas y medianas empresas en el marco del objetivo estratégico 2.

## **D. Participación de los beneficiarios y transparencia**

- 51. **Participación de los beneficiarios.** Todos los proyectos se diseñarán y ejecutarán en consulta con los beneficiarios. Ejemplos de diferentes tipos de participación son las aportaciones relativas a la selección y ejecución de las actividades de los proyectos, el seguimiento participativo y la resolución de reclamaciones. La opinión de los beneficiarios constituye una aportación fundamental para la selección de las cadenas de valor, los estudios de mercado para el desarrollo de la cadena de valor, las asociaciones con el sector privado y los estilos de formación.
- 52. **Transparencia.** La transparencia y la rendición de cuentas son aspectos fundamentales de la ejecución de los proyectos del FIDA y se ejemplifican mediante la contratación transparente de recursos humanos y la adquisición y contratación de bienes y servicios (habitualmente se siguen las normas del FIDA y del Gobierno en materia de adquisiciones y contrataciones) y mediante la práctica de publicar ampliamente los resultados de los proyectos. Los proyectos del FIDA son auditados de forma sistemática por la Dirección de Auditoría de Proyectos con Financiación Externa y por auditores externos (en el caso de la Fundación Palli Karma-Sahayak) y son verificados por los especialistas financieros del FIDA durante las misiones de supervisión.

## **E. Disposiciones para la gestión del programa**

- 53. La gestión del COSOP para el período 2023-2028 estará a cargo de la oficina del FIDA en el país, por conducto de su Director en el País, y contará con el apoyo del centro subregional con sede en la India. Esto facilitará la interacción continua entre todas las operaciones subregionales en lo que concierne a la gestión de los conocimientos y el intercambio de buenas prácticas.
- 54. El Director en el País del Fondo y su equipo se encargarán de la gestión, el apoyo a la ejecución y la supervisión de la cartera en el país, en colaboración con el Gobierno de Bangladesh y otros asociados estratégicos. El equipo en el país está formado por el Director en el País, dos analistas de programa, un asistente de programa y dos oficiales subalternos de programa. Se cuenta también con

consultores externos especializados en diferentes esferas temáticas que colaboran con la oficina en el país, la cual recibe apoyo del centro regional y de los especialistas técnicos regionales destacados en el centro.

## F. Seguimiento y evaluación

55. La labor de seguimiento y evaluación (SyE) consistirá en el seguimiento de los progresos realizados en relación con los indicadores de productos y efectos directos de los proyectos y programas que se están ejecutando, el examen de mitad de período del COSOP y una evaluación final al término del período de ejecución. Los sistemas de SyE de todos los proyectos utilizarán los indicadores básicos y adicionales del FIDA, desglosados por género, edad y grupo objetivo. El FIDA apoyará el uso de tecnologías de la información y las comunicaciones en estos sistemas de SyE con el fin de mejorar la gestión de la información y la presentación de informes en formato digital.

## VII. Gestión del riesgo

56. En el cuadro 2 se presenta un resumen de los riesgos y las medidas de mitigación.

Cuadro 2

### Riesgos y medidas de mitigación

<i>Riesgos</i>	<i>Calificación del riesgo</i>	<i>Medidas de mitigación</i>
En materia de políticas/gobernanza	Medio	<ul style="list-style-type: none"> <li>• Selección de organismos de ejecución robustos.</li> <li>• Supervisión estrecha de los proyectos por el FIDA y coordinación con los ministerios competentes y la División de Relaciones Económicas.</li> <li>• Mantenimiento de una comunicación periódica con diferentes actores políticos para asegurar que la cartera del FIDA siempre forme parte de sus programas.</li> <li>• Seguimiento de los resultados de los países sobre los niveles de corrupción.</li> <li>• Participación del FIDA en la formulación de políticas en coordinación con los asociados financieros y técnicos y sus grupos objetivo.</li> </ul>
Macroeconómicos	Bajo	<ul style="list-style-type: none"> <li>• Selección de cadenas de valor rentables, fomento del aumento de la productividad agrícola y la diversificación, y sostenibilidad y resiliencia de los agricultores.</li> <li>• Diversificación del mercado.</li> </ul>
Guerra en Ucrania	Bajo	<ul style="list-style-type: none"> <li>• Ampliación de los proyectos de desarrollo de servicios financieros y cadenas de valor para aumentar los ingresos y el empleo, además de mejorar el estado nutricional de la población.</li> <li>• Ampliación de los proyectos de infraestructura rural, incluidos los proyectos de riego, para crear empleo a corto plazo para las personas pobres y las comunidades vulnerables.</li> <li>• Seguimiento de los precios de los insumos agrícolas importados.</li> </ul>
Políticas y estrategias sectoriales	Medio	<ul style="list-style-type: none"> <li>• Apoyo a las políticas y directrices que promuevan la agricultura en pequeña escala y las microempresas.</li> <li>• Ampliación de los servicios financieros impulsados por la demanda.</li> <li>• Incorporación de actores del sector privado con conexiones con el mercado en los diálogos sobre políticas y normativas.</li> </ul>

Capacidad institucional	Medio	<ul style="list-style-type: none"> <li>• Incorporación de intervenciones de creación de capacidad en el diseño de proyectos específicos mediante la determinación de las carencias de capacidad institucional y diseño de proyectos sobre la base de los mandatos y puntos fuertes institucionales.</li> <li>• Contratación de profesionales cualificados.</li> </ul>
Cartera	Medio	<ul style="list-style-type: none"> <li>• Seguimiento de la aplicación de las recomendaciones formuladas por las misiones y apoyo a la ejecución de los proyectos.</li> </ul>
Fiduciarios: gestión financiera*	Medio	<ul style="list-style-type: none"> <li>• Incorporación de medidas en el diseño de los proyectos y aplicación de esas medidas para garantizar la puesta en marcha a tiempo, el control interno adecuado y la auditoría, el uso de sistemas contables informatizados y la puntualidad de los informes financieros y las auditorías: <ul style="list-style-type: none"> <li>• descripción detallada de los procedimientos de gestión financiera;</li> <li>• formación del personal de los proyectos y contratación de miembros del personal cualificados;</li> <li>• evaluación del flujo de financiación y del control interno, presentación de informes y disposiciones organizativas durante la fase de diseño;</li> <li>• medidas adecuadas de control interno a todos los niveles;</li> <li>• adquisición e instalación de programas informáticos de contabilidad adecuados para apoyar la presentación de informes financieros correctos; y</li> <li>• evaluación completa de los riesgos de gestión financiera durante la fase de diseño e inclusión de los riesgos y planes de mitigación en el informe de diseño del proyecto.</li> </ul> </li> </ul>
Fiduciarios: adquisiciones y contrataciones	Medio	<ul style="list-style-type: none"> <li>• Aplicación de las normas sobre adquisiciones y contrataciones públicas en todas las operaciones de adquisición o contratación.</li> <li>• Apoyo al personal interno mediante formación en operaciones de adquisición o contratación.</li> </ul>
Medio ambiente y clima	Elevado	<ul style="list-style-type: none"> <li>• Integración de las medidas de adaptación al cambio climático y mitigación de sus efectos en todos los proyectos.</li> <li>• Aplicación de los Procedimientos del FIDA para la Evaluación Social, Ambiental y Climática.</li> <li>• Apoyo a los esfuerzos del Gobierno para buscar recursos financieros adicionales (ampliación del Programa de Adaptación para la Agricultura en Pequeña Escala), Fondo Verde para el Clima, Fondo para el Medio Ambiente Mundial).</li> </ul>
Sociales	Medio	<ul style="list-style-type: none"> <li>• Inclusión continua de mujeres, jóvenes y personas con discapacidad en todos los proyectos.</li> <li>• Prevención del uso de mano de obra infantil en las actividades del programa mediante una cuidadosa planificación de las intervenciones del programa y su armonización con el Plan Nacional para la Erradicación del Trabajo Infantil (2020-2025).</li> </ul>
Generales	Medio	<ul style="list-style-type: none"> <li>• Ejecución satisfactoria de todos los proyectos.</li> </ul>

\* Véase el resumen de cuestiones de gestión financiera en el apéndice IX para más detalles.

## COSOP results management framework

Country strategy alignment <i>What is the country seeking to achieve?</i>	Related SDG and UNSDCF 2022-2026 Objectives	Key COSOP results <i>How is IFAD going to contribute?</i>			
		<p><b>Overall goal.</b> To promote rural prosperity through generating inclusive and resilient livelihoods opportunities for smallholders, microentrepreneurs and marginalized groups.</p> <ul style="list-style-type: none"> <li>• CI 1: 8 million persons receiving services promoted or supported [disaggregated by gender (50% men and 50% women), and 60% youth (age 35 or below)].</li> <li>• Increase in HH income of 2,000,000 direct project beneficiaries disaggregated by three major target groups (smallholders, microentrepreneurs and marginalized groups).</li> </ul>			
<p><b>BDP 2100. Vision: Achieving a safe, climate-resilient and prosperous delta.</b> Goal 1: Eliminate extreme poverty by 2030; Goal 2: Achieve upper-middle-income status by 2030 and Goal 3: Being a Prosperous Country beyond 2041.</p> <p><b>Perspective plan 2041:</b> The two visions in PP2041 are: (a) Bangladesh will be a developed country by 2041, with per capita income of over US\$ 12,500 in today's prices, and fully in tune with the digital world; (b) Poverty will become a thing of the past.</p> <p><b>8<sup>th</sup> Five year plan (2020-2025).</b> To achieve overall objective of poverty free country in</p>	<p>SDG #1 <b>End poverty</b> <b>SDG # 13</b> Climate change <b>SDG # 6</b> Water and sanitation</p> <p>UNSDCF Strategic Priority 3: Sustainable, Healthy and Resilient Environment</p>	<p><b>Strategic objectives</b> <i>What will be different at the end of the COSOP period?</i></p> <p>SO 1: Climate change adaptation and mitigation capacities of rural vulnerable communities are strengthened through resilient infrastructure and climate smart agriculture.</p>	<p><b>Lending and non-lending activities for the COSOP period</b></p> <p>Lending/investment activities</p> <ul style="list-style-type: none"> <li>• Ongoing</li> <li>• Indicative</li> </ul> <p>Non-lending/non-project activities</p> <ul style="list-style-type: none"> <li>• CLPE</li> <li>• Partnerships</li> <li>• SSTC</li> </ul> <p>Knowledge management</p>	<p><b>Outcome indicators*</b> <i>How will the changes be measured?</i></p> <ul style="list-style-type: none"> <li>• CI 3.2.2. 500,000 Households reporting adoption of environmentally sustainable and climate resilient technologies and practices</li> <li>• CI 3.2.1. 10% of GEI emissions avoided/sequestered in comparison with the baseline or the BAU scenario.</li> </ul>	<p><b>Milestone indicators*</b> <i>How will progress be tracked during COSOP implementation?</i></p> <ul style="list-style-type: none"> <li>• CI 1.1.2: 40,000 ha Farmland under water-related infrastructure constructed/rehabilitated</li> <li>• CI 3.1.4. 100,000 ha Land brought under climate resilient management</li> <li>• CI 2.1.5: 600 km Roads constructed, rehabilitated or upgraded</li> <li>• CI 3.1.1. 400 Groups supported to sustainable manage natural resources and climate related risks.</li> <li>• CI 3.1.2: 1.0 million Persons provided with climate information services (50% men and 50% women)</li> </ul>

<p>7FYP and 8FYP, GoB strategies are:</p> <ul style="list-style-type: none"> <li>• Employment generation and rapid poverty reduction</li> <li>• Inclusiveness in growth and prosperity</li> <li>• Sustainable development that is resilient to disaster and climate change</li> </ul> <p><b><u>The National Food and Nutrition Security Policy (NFNSP) (2020) and its action plan (2021-2030)</u></b> Recognizes the need for transformation of food systems</p> <p><b><u>National Pathway Document for the UN Food Systems Summit (2021)</u></b>. To adopt sustainable, inclusive, and resilient climate change pathways, and extend social protection for the poor and vulnerable</p> <p><b><u>Climate Change Strategy and Action Plan (2009)</u></b> Developing a low-carbon development pathway and a climate resilient economy with six strategic priorities including food security and infrastructure.</p>	<p>SDG #8 <b>sustainable economic growth and productive employment</b></p> <p><b>SDG # 2</b> End hunger</p> <p>SDG # 5 <b>gender equality</b></p> <p>UNSDCF <b>Strategic Priority 1: Inclusive and Sustainable Economic Development</b></p> <p>UNSDCF <b>Strategic Priority 2: Equitable Human Development and Well Being</b></p>	<p>SO2: Rural smallholders, microentrepreneurs and marginalized groups have enhanced access to finance, technology and markets to diversify their economy and generate rural employment.</p>	<p>Lending/investment activities</p> <ul style="list-style-type: none"> <li>• Ongoing</li> <li>• Indicative</li> </ul> <p>Non-lending/non-project activities</p> <ul style="list-style-type: none"> <li>• CLPE</li> <li>• Partnerships</li> <li>• SSTC</li> <li>• Knowledge management</li> </ul>	<ul style="list-style-type: none"> <li>• CI2.2.1.100,000 New jobs created (at least 30% women and 40% youth).</li> <li>• CI 2.2.2. 500,000 Supported rural enterprises reporting an increase in profit (at least 30% women and 40% youth managed enterprises).</li> <li>• CI 2.2.5. 10,000 Rural producers´ organizations reporting an increase in sales.</li> <li>• CI 1.2.4. 500,000 Households reporting and increase in production.</li> <li>• CI 1.2.5. 250,000 Households reporting using rural financial services.</li> <li>• CI 2.2.6. 0.5 million Households reporting improved physical access to markets, processing and storage facilities</li> <li>• CI 1.2.9: 0.5 m Households with improved Knowledge, Attitudes and Practices (KAP)</li> <li>• Policy 3: 10 Number of existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment</li> </ul>	<ul style="list-style-type: none"> <li>• CI 2.1.2. 100,000 Persons trained in income-generating activities or business management.(at least 30% women and 40% youth)</li> <li>• C 2.1.3. 10,000 Rural producers´ organizations supported</li> <li>• CI 1.1.3. 500,000 Rural producers accessing production inputs and/or technological packages (at least 30% women and 40% youth)</li> <li>• CI 1.1.5: 250,000 Persons in rural areas accessing financial services (savings, credit, insurance, remittances, etc.) (at least 30% women and 40% youth)</li> <li>• CI 2.1.5.600 km Roads constructed, rehabilitated or upgraded</li> <li>• CI 2.1.6. 50 Market, processing or storage facilities constructed or rehabilitated.</li> <li>• CI 1.1.8. 10,000 Households provided with targeted support to improve their nutrition.</li> <li>• Policy 1: 20 Number of policy-relevant knowledge products completed</li> </ul>
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\*all the indicators will be disaggregated by gender and youth.

## Transition scenarios

*Bangladesh* has recently embarked on a graduation process from the LDC category. This expected transition to a developing country status will take place over an extended preparatory period of five years (the standard period is of three years) and as such will largely coincide with the present COSOP timeframe. The transition scenarios underpinning this COSOP are mainly defined based on the country's ability in maintaining its preferential access to export markets. The latter access tends to be constrained as graduation implies a progressive loss of LDC-specific special and differential treatments. Another key factor underpinning the transition is the ability of the country to regain the pace of the Pre-Pandemic economic growth at around 7 percent. Recurrent COVID-19 waves are derailing economic momentum amid generally low vaccination rates. The post -Pandemic recovery trajectory will largely dependant on stepping up the pace of vaccination as well as on fostering growth in key sectors, including the agricultural one. The latter sector which accounts for about 13.7 % of GDP will continue to employ about half of the workforce over the COSOP lifetime. While the LDC graduation process comes with a series of challenges, its successful conclusion will confer to the country a seal of global approval for development achievements and project positive signals to domestic and foreign investors regarding the country's business environment.

Table 1

### Projections for key macroeconomic and demographic variables<sup>a</sup>

Case	Base	High	Low
Average GDP growth (2022. – 2026..)	5.7	7.2	5
GDP per capita (2026..)	2530	3250	3000
Public debt (% of GDP) (2022.- 2026..)	32.5	32	33.1
Debt service ratio (2023..)	72.3	64	79.2
Inflation rate (%) (2025..)	5.5	5,4	5,6
Rural population	Current 101,8 mil (in 2020) (End of COSOP period): 100.3 Annual growth rate: - 0.25 %		
Investment climate for rural business <sup>b</sup>	(3.8/6) The 2021 RSPA score for Bangladesh stands at 3.8, slightly above the APR average score of 3.6. IFAD's Rural sector performance assessment (RSPA) measures the quality of countries' policies and institutions in the rural sector, for achieving rural development and rural transformation benefitting the poor. Bangladesh scored relatively high related to clusters #1 and # 4 of the RSPA index respectively covering the quality of policies and frameworks for ARD and access to agricultural input and output markets. The relatively low score on accountability, transparency and corruption weighted down on the overall RSPA score.		
Vulnerability to shocks	(5/6) Based on the ND-GAIN index score of 36.5 (combining a score of 0.543 on vulnerability and a score of 0.274 on readiness), The high vulnerability and low readiness scores of Bangladesh place it in the upper-left quadrant of the <u>ND-GAIN Matrix</u> . The country has both a great need for investment and innovations to improve readiness and a great urgency for action. Bangladesh is the 26 <sup>th</sup> most vulnerable country and the 24 <sup>th</sup> least ready country.		

#### Footnotes:

<sup>a</sup> Suggested data sources: World Bank's "Global Economic Prospects", with 2-year projections; IMF Article IV consultations, with 2-year projections; Economic Intelligence Unit (EIU) "Country Forecasts" with 4-year projections.

<sup>b</sup> Rating (1-6), based on justified qualitative assessment. Source RSPA

<sup>c</sup> Rating (1-6), based on justified qualitative assessment of vulnerability to climate change; food price shocks; political risk.

The country development trajectory could play out according to the following three alternative scenarios, principally based on macroeconomic factors, including debt sustainability.

**Base scenario:** Following the 2020/2021 covid-induced deceleration, real GDP growth continues to hover around an average of 5.7 percent over the COSOP period. Policy reforms continue to be put in place, but domestic and external factors make it difficult to generate very rapid growth. Public and publicly guaranteed debt as a share of GDP continue to relatively low (the updated debt sustainability analysis (DSA) capturing the impact of the COVID-19 pandemic shocks shows that Bangladesh remains at low risk of debt distress).

**High scenario:** In the best-case scenario, strong remittance inflows and preservation of the country position in key export markets will accelerate the economy's recovery. Vaccinating the population will reduce economic gaps and mortality. Public debt will remain sustainable over the long-term. The country will manage to successfully graduate from the UN's Least Developed Countries (LDC) by the 2026 through a gradual transition to higher-value goods and services as well as by proactively offsetting any loss of preferential trade arrangements, including for agricultural products. Under this scenario, authorities remain committed to promoting inclusive growth while strengthening financial and external stability, maintaining fiscal sustainability, and improving governance. The projected GDP growth rate under this scenario is estimated to be 7%. Furthermore, addressing Bangladesh's vulnerability to climate change and natural disasters will enable the country's resilience to future shocks. Shifting to green growth would ensure the long-term effectiveness of development outcomes for future generations.

**Low scenario:** Under the low case scenario, a prolonged COVID-19 outbreak would delay and slow down the recovery of exports and remittance inflows. Domestically, a larger COVID-19 outbreak could necessitate more stringent containment measures by authorities, causing disruption of supply chains, weakening household consumption, and delaying the implementation of development projects further pushing the most vulnerable population towards poverty and food insecurity. In the face of increased government borrowing, the already-weak banking sector may face new challenges in maintaining asset quality and providing necessary support to the private sector. Under this scenario, economic growth will decelerate to an average annual rate of 5 percent, significantly below the pre-COVID-19 growth performance. Debt service ratio are expected to pick up. However, public debt and inflation will remain firmly under control owing to the overall sound macroeconomic fundamentals even under this low case scenario.

### **IFAD Implications on IFAD's Country Programme**

#### **(a) Lending terms and conditions**

- Bangladesh is a lower middle-income country that is currently receiving loans on blended terms in under the PBAS window. Blend terms come with a maturity period of twenty-five (25) years including a grace period of five (5) years starting from the date of approval by the Executive Board. Given the projections of its per capita income growth, it is highly unlikely that the country will transition to less concessional terms during the present cosop period. Bangladesh is also eligible for access to BRAM (Borrowed Resources Access Mechanism). Lending terms under BRAM offered to Bangladesh are ordinary terms/Category 1 with maximum maturity period of thirty-five (35) years, including a grace period of maximum ten (10) years, subject to a maximum average repayment maturity of twenty (20) years. These BARM terms offered to LICs and LMICS are subject to the standard maturity premium differentiation, which together with the other elements of the pricing structure, will ensure a minimum cost recovery of IFAD's cost of funding the borrowed resources. In all presented scenario, debt sustainability remains low and the country's creditworthiness will allow it to absorb all available IFAD resources (both under PBAS as well as BRAM) if it wishes so.

#### **(b) COSOP priorities and products (e.g., investment projects, policy engagement, reimbursable technical assistance)**

It expected that COSOP priorities and associated products will remain highly relevant irrespective of transition scenarios. However, given the slightly less concessional resources available under BRAM, the country might choose to forgo them. In that case, the overall investment envelope will be significantly lower than the one available under the previous IFAD 11 lending cycle. This would entail changes in the number and size of investment projects to be included in the pipeline over the COSOP period. Furthermore, given the country current focus on charting sector-based pathways for a

*smooth LDC graduation, IFAD will need to be more proactive in policy engagement to better accompany country's efforts towards a more sustainable and inclusive rural transformation.*

*(c) Co-Financing opportunities and partnerships*

*Due to higher government revenues, domestic co-financing and partnership opportunities should increase under the high scenario. The low case, on the other hand, would limit co-financing opportunities both domestically and internationally.*

## Agricultural and rural sector issues

1. Agriculture: Ecology and Soil. Bangladesh forms the largest delta in the world, which is flat throughout and stretches from near the foot-hills of the Himalayan Mountains in the north to the Bay of Bengal in the south. The vast plain is washed by mighty rivers- the Meghna, the Padma, the Jamuna and the Karnafuli and their numerous tributaries. Onrush of rain waters in the summer causing overflows of the banks and flooding of low and outlying areas every year. The land use pattern of the country is influenced by agro ecology, soil physiographic and climatic factors. The total land area has been classified into thirty agro ecological zones which are grouped into twenty major physiographic units. But broadly the country is flat with patches of high-land such as three hill districts (Chittagong Hill Districts), north western Barind Tract, Madhupur Tract, and low-lying *haor* (north eastern districts). The famous Sundarban mangrove forest and forest in Chittagong are major forest areas which cover about 9% of the total land area. Results of reconnaissance soil surveys conducted in the recent past have enabled scientists to divide the country into 19 soil type units.
2. Agricultural seasons. The country grows a variety of crops which are broadly classified, according to seasons in which they are grown, into two groups: (a) Kharif (kharif-1: 16 March to 15 July, and Kharif-2: 16 July-15 November) are grown in the spring or summer season and harvested in late summer or in early winter; and (b) Rabi (16 November to 15 March) crops are sown in winter and harvested in the spring or early summer. Kharif are mainly rain fed and rabi crops are irrigated. Rabi is the main production season for rice (60% of total production), vegetables, lentils/pulses, and root crops production.
3. Farm HHs. The Agricultural Survey 2019 reports the following key findings: a) the country has 35.53 million households of which 29.62 million (83.37%) and 5.91 million (16.63%) are in rural and urban areas respectively; b) 16.56 million farm households 16.56 million, 4.02 million HHs have no farm land, 6.76 million HH leased land for farming, and 9.09 million HHs mainly depend agricultural labour as main source of income; and c) 0.99 million HHs are designated as fisheries HHs (fishers) whereas 1.61 million HHs have land for fisheries.
4. Land size is highly fragmented: 12.81 million are smallholders (less than 2.49 acres) whereas 10.28 million of smallholdings (80.24%) own less than 1.49 acres.
5. Major crops<sup>49</sup>. As reported by GoB agriculture sector survey the country has the following major agricultural production: cereals (rice, wheat); pulses and oil seeds; spices and condiments; jute; tea; year-round fruits and vegetables; and fisheries and livestock.
6. Structural change in Bangladesh economy<sup>50</sup>. Agriculture sector contributes about 13.02 percent (p) FY 2019-20 to the country's Gross Domestic Product (GDP) and employs around 40.60 percent of total labour force (Source: Labor Force Survey 2016-17).<sup>51</sup> An important change is seen in the composition of GDP: Bangladesh economy's structure has been constantly shifting from agriculture to industry (including manufacturing) and services. In FY2011, agriculture, industry and services were 19.9% 30.4% and 49.7% of GDP respectively. In FY2019, agriculture, industry and service sector was 13.65%, 35%, and 51.35% respectively, that is, agriculture is declining as percent whereas industry and services are on the rise. The trend is expected to continue where service and industry sectors will be the main sectors of the economy although agriculture still employs highest number of labor. Within agriculture, fisheries and livestock subsectors have been posting growth of more than 6% and 3% respectively. Both these subsectors are enjoying commercial investments led by small/micro entrepreneurs. Similar, subsectors are also found in industry and services for example, manufacturing, agro-processing, construction, hotel/restaurants, and transportation. All these subsectors employ a large number of semi-skilled and skilled human resources.
7. Evolution of IFAD projects in Bangladesh. Historically, IFAD projects contributed to priorities of the smallholders, poor and vulnerable communities and complimented GoB's efforts for poverty alleviation. The projects of 1990s and early 2000s were implemented by GoB's main line agencies such as DAE and DoF under the Ministry of Agriculture and Ministry of Fisheries and mostly limited to extension services, training and demonstration of technologies/techniques to enhance agricultural productivity. Microcredit was managed by projects which was found unsustainable. IFAD in the following decade as well as under a number of on-going projects moved to assist smallholders and the poor by developing rural infrastructure that contributed to agriculture as well as overall rural economic growth, and to support commercialization of agriculture by providing technologies, improving access to market and vastly expanding access

<sup>49</sup> Agriculture Statistical Year Book 2020. Bangladesh Bureau of Statistics, Ministry of Planning, GoB.

<sup>50</sup> Source: Bangladesh Bank Quarterly Report Q3 FY2020 and Bangladesh Bank Annual Report 2012

<sup>51</sup> Bangladesh Agricultural Statistical Year Book 2019-2020.

to finance. Value chain development approach for farm and non-farm sectors have been successfully adopted. Due to its projects with PKSF, microfinance has become sustainable for IFAD's projects. The rural infrastructure projects through LGED incorporated climate resilience features that ensured sustainability, helped transform rural areas and contributed further investment in agriculture and other sectors. With changes in demand and priorities of the poor and smallholders and GoB, IFAD plans to complement Bangladesh's march to prosperity.

8. Agriculture: primary commodity production to processing. The economy and food security is still dependent of agriculture: about 40% of total employment is in agriculture; Bangladesh has almost achieved rice self-sufficiency; horticulture, livestock and fish production are most profitable rural businesses that have posted high growth; and Bangladesh is number 4 in pond fish production in the world. With increasing demand from urban population these subsectors are drawing more and more investments. Besides, deployment of new production and processing technologies are improving productivity and adding additional value in the production chain. Agri-business including agri-processing (food products) is becoming an important sector for investment and employment.
9. But challenges are also manifold: a) decline of cultivable land are at the rate of 0.5% per year due to expansion homesteads and other physical development, loss due to natural hazards and climate change; b) production and supply of safe foods is a major consumer concern; c) narrow basket of commodities; and d) extension and other support services such as insurance, health care of livestock sector are still weak. These challenges, however, provide opportunities for future IFAD interventions.
10. Constraints in agricultural sector to raise farm income: Aside from the broad challenges mentioned above, enterprise and farm level issues are also creating bottlenecks: a) a lot of improvements are needed in seed, farming, and irrigation to increase farm productivity; b) input costs are high compared to farm price; c) access to finance is easy but cost of fund is high for loans from MFIs, and access to commercial bank loans is limited for smallholders; c) quality of farm produces needs improvement; d) high transportation cost as farms are often far from city centers; e) limited climate resilient infrastructure in climate change vulnerable areas, f) limited access to affordable extension and business services; and g) access to market including international market and market information is limited; and f) bad weather (drought and excessive rains) plays important roles during kharif season.
11. Some of the above issues have been addressed in value chain projects (for example, IFAD funded projects). Projects' assistance come in various forms: developing capacities of producer groups and value chain cluster & processing centres, gathering farmers and value chain actors, adapted package of climate smart and market oriented practices, accessible and relevant financial services, technological training, introduction of high value commodities, improvement in seed and other inputs, access to market, extension service and uptake of relevant technological innovations (e.g. fish platform in NATP2). The value chain development of agricultural projects are enhancing agricultural productivity, commercialization and diversification of agriculture, and improving and expanding agricultural research system in the country.
12. Agricultural marketing: Agricultural marketing in Bangladesh historically dominated by a huge network of small traders, locally known as bepari, who buy either from rural markets (haat bazaar) or directly from farm-gates, and sort, aggregate, do some rudimentary packaging and transport them to large wholesale markets in cities or factories for processing. These beparis, hundreds of thousands of them, who are also from rural areas, perform important roles of providing marketing information and nature of demand, and sometimes finance farmers on behalf of large wholesalers (known as aratdar). The process has been made highly efficient due to wide use of cellphones by small traders and producers. Normally cash payment is the main mode of transaction. Large food processing companies also depend of small traders for supplying commodities (e.g. spices, fruits, milk, fish) to them. Contract farming is not popular except in case of tobacco because of one product and one buyer in case of tobacco, and some selected hybrid seeds where seed companies buy back all seeds.
13. Private sector in agriculture. Agricultural production in Bangladesh is fully privatized. Millions of farmers, traders and retailers are the most important private entities. Gradually large private companies are emerging in food processing sector who are buyers for farmers and sellers of processed food items, mostly spice, cereal, biscuits, lentil/pulse, oil, daily products, small amount of processed fish and meat. With urbanization and increase in income, the demand for processed food is expected to gradually rise. For example, milk producers of PACE project supply to large milk processors.
14. Extension services: Public and private sector organizations. The most prominent agricultural extension departments are as follows: Department of Agricultural Extension (DAE) for cereal

(mainly rice) and other crops including horticulture; Department for Livestock Services (DLS) provides animal husbandry and vet services; Department of Fisheries (DOF) enforces regulations regarding open water fisheries and provides extension services of culture fisheries; and Bangladesh Agricultural Development Corporation (BADC) is currently mainly in small amount of seed production. BADC used to supply seed, fertilizer and irrigation but all such activities are now almost privatized. But the influence and dominance of these institutions are waning fast as private sector as well as NGOs are providing more effective services in some areas. For example, seeds and extension services for horticulture is by and large privatized. Promotion and extension services for fisheries are mainly by fish hatchery owners, large successful farmers, feed sellers and NGO-managed projects. Similarly, vaccination services for poultry sector is managed by farm owners or private individuals, but DLS is still dominating vet services of large animals. Private input sellers such as pesticide, feed, medicines, fertilizer, seeds, seedlings (plant nursery owners), fish/poultry hatchery owners are major providers of technical information and will be more so in future. Successful farmers are more credible regarding technical information to their neighbors than formal institutional providers. However, such private led extension services may have more difficulties to service poorest and most remote rural households as well as to incorporate climate change, nutrition services or promote more agro-ecological production relying on locally made bio inputs. In addition, extension embedded in sales of private inputs can also give rise to conflicts of interests and Bangladesh face issues regarding quality of chemical inputs. Therefore, it is crucial to further work on the role of public extension to facilitate more inclusive public-private partnership and to invest in private extension for emerging green and nutrition sensitive production. For instance, PACE and NATP2 have investing in local service and input providers that produce and sells bio-inputs and nutrition sensitive crops. NATP2 has been piloting farmer information centres, commodity processing centres and fish platforms which can facilitate such articulation between public extension, farmer groups and private extension workers. Government could also invest in mechanisms to enhance quality assurance in such private extension for instance by promoting certified providers, training of trainers, food safety.

15. Academic and research institutions. Public sector agricultural universities and technical institutions are backbone of technical education (Bachelor, Master's and Doctoral degrees) and training. Similarly, public sector research agencies such as Bangladesh Rice Research Institution (BRRI) and Bangladesh Agricultural Research Institution (BARI) are two premier public institutions for research in respective areas. Besides, there are specialized agencies for spice, horticulture, jute, sugarcane and soil testing, and cotton research. Bangladesh has separate livestock and fisheries research institutions that perform useful works in respective fields. But research agenda is often determined by the institutions themselves where inputs from industry is limited. Several projects such as NATP2 and PACE have partnered with such institutions to improve research-extension-value chain linkages and develop participatory research meeting smallholder needs and value chain to facilitate scaling of such innovations.
16. Policy and regulatory issues: The laws and regulations are supportive of the country's private sector investments in general. The government provides subsidy for fertilizer, diesel and bank interest farming sector to support agriculture sector. The existing regulations also support environmental protection, protection of rivers, water bodies but enforcement of these regulations is weak. Recently the government has established Bangladesh Food Safety Authority to ensure supply of safe foods in the market. But this new institution is yet to be fully effective. The Bangladesh Standards and Testing Institution (BSTI) is the national agency for testing and certification of selected processed food products.
17. Micro-finance services. Microfinance institutions are the main source of agricultural finance. Of the total disbursement in FY2019-20, 49.8% was for agricultural production followed by 26.68% for trading/shops, 4.11% for transport and communication, 3.33% for small & cottage industries, 0.82% for social sector and 15.20% for others. The loans for trading also indirectly support agriculture because a significant part of these loans are for agri-commodity trading. Although Bangladesh microfinance has large outreach in marginal and farming families, the financial products need further customization.
18. Commercial banks in agricultural finance<sup>52</sup>. In FY2020-21, six state-owned commercial banks, 2 specialized banks, 39 Bangladeshi private banks, and 8 foreign commercial banks disbursed BDT 255.1 billion as agricultural and rural loans to 3.05 million borrowers. Of these borrowers, 2.24 million were marginal and small farmers who received BDT 176.4 billion. Several commercial banks have significant NGO-MFI linkage program where MFIs borrow from commercial banks to on-lend to marginal and small farmers. Under this program, in FY2020-21,

<sup>52</sup> Agricultural and Rural Finance Policies and Programmes in FY2021-22. Bangladesh Bank (Central Bank).

commercial banks loaned BDT 92.8 billion to 1.61 million women. As part of restoration of agricultural sector affected by COVID-19, Bangladesh Bank launched BDT 50 billion fund for commercial banks and BDT 30 billion funds for NGO-MFIs that have been disbursed in FY2021-22. Private commercial banks do not have strong rural presence and do not find small loan profitable. They are reaching the poor and farming communities through NGO-MFIs.

19. **Small, Micro and Cottage Enterprises:** According to the SME Policy 2019 of the government, the country has 7.8 million small and microenterprises in the country as quoted from Economic Census 2013 of Bangladesh Bureau of Statistics (BBS), and the sector contributes to 25% of GDP. According to Economic Census 2013, the country has a total of 7.82 million enterprises of which 7.806 million are SME and cottage industries. The majority are cottage industry 6.84 million (87.52%), which are family owned and managed enterprises and mostly informal in nature. Of the total enterprises, 2.23 million (28.5%) are in urban areas and 5.589 million (71.5%) are in rural areas. A total of 24.5 million persons (20.45 million men, i.e., 83.46%, and 4.05 million women, i.e., 16.53%) are employed of which 53.75% are by cottage industries and 82.97% are employed by SME and cottage industries together. This clearly shows the dominance of SME and cottage industries in the country. Although the survey is 10 years old, the proportions of various categories of industries are expected to remain same. If a 6% annual growth is assumed (same as average GDP growth of the country for the same period), the estimated total number of enterprises will be 13.99 million of which SME and cottage industries will be 11.62 million. According to Labor Force Survey 2018, about 85% of people are employed by informal sector and 15% are employed by formal sector. Note that the microfinance sector uses a different definition<sup>53</sup> of microenterprises (MEs) to suit the microcredit program. If compared with the definition of the government, the MEs of microfinance will mostly fall under the definition of cottage industries and the rest will be smaller than that.
20. **PKSF's lending during COVID-19 pandemic.** PKSF is an important refinance source for MFIs in the country. IFAD has been partnering with PKSF for more than a decade that has allowed IFAD to reach the smallholders with financial and non-financial services effectively as PKSF operates as an apex agency with a large network of NGO-MFI partners. PKSF has been effective during the pandemic by providing the smallholders their much-needed finance to continue and restore production. In addition to its normal loan operations through 200 partner organizations, PKSF has received BDT 5,000 million from the government as additional capital for microfinance operations. PKSF disbursed the full amount to its selected Pos (128 Pos) by May 2021 under a special program titled Livelihood Restoration Loan Program (LRL). The Pos of PKSF disbursed BDT 6,335 million by revolving this fund to 0.184 million poor microentrepreneurs with an average loan size of BDT 134,400. The GoB has also approved additional BDT 5,000 million to PKSF to support poor people for the restoration of economic activities under a COVID-19 stimulus package.

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<sup>53</sup> Definition of Industries in Industrial Policies 2016 of GoB:

**Small industry**

Manufacturing: Permanent asset including replacement cost but excluding land and building is more than Taka 0.75 crore but less than Taka 15 crore or employs 31-120 people.

Service sector. Permanent asset including replacement cost but excluding land and building is more than Taka 0.1 crore but less than Taka 2 crore or employs 16-50 people.

**Micro industry**

Manufacturing: Permanent asset including replacement cost but excluding land and building is between Taka 1.0 million to Taka 7.5 million or employs 16-30 people.

Service sector. Permanent asset including replacement cost but excluding land and building is less than Taka 1 million or employs maximum of 15 people.

**Cottage industries**

Permanent asset including replacement cost but excluding land and building is less than 1.0 million or employs a maximum of 15 persons including family members.



## SECAP background study

### Introduction

1. Social, environmental and climate sustainability is critical for achieving the objectives of IFAD and its partners. IFAD's Social, Environment and Climate Assessment Procedures (SECAP)<sup>54</sup> offer a framework and process for managing risks and impacts, and integrating mainstreaming priorities on Environment and Climate, Gender, Nutrition and Youth<sup>55</sup> into new IFAD-supported investments.
2. This SECAP Background Study provides context and orientation to the Bangladesh Country Strategic Opportunity Programme (COSOP) 2023-2028. It provides a synthesis of the current situation, analyzes trends, risks and opportunities on thematic areas that will orient IFAD's investments in Bangladesh. Based on this, it provides strategic recommendations for consideration in the COSOP and identifies activities to be supported during the COSOP period.
3. This Background Study was carried out in tandem with the design of the COSOP. It was informed by i) desk review of relevant national policies and strategies, ii) consultations with development partners, (iii) analysis of background sectoral studies on environment, social and climate aspects, IFAD projects and country programme evaluations.

### Part 1 – Situational analysis and main challenges

#### Socio-economic situation

4. **Bangladesh has seen decades of steady progress in economic growth and poverty reduction, up to 2019.** From being the world's seventh-lowest ranked country in Gross Domestic Product (GDP) per capita in 1975, Bangladesh had decades of continuous economic growth, leading it to achieve lower middle income country status in 2015. In its Vision 2041, the GoB plans to achieve the status of Upper Middle-Income Country by 2031 and that of High-Income Country in 2041<sup>56</sup>.
5. The incidence of poverty at the upper national poverty line declined from 48.9% in 2000 to 20.5% in 2018. Using the international poverty line of US\$1.90/day, poverty declined from 34.2% in 2000 to 14.3% in 2016<sup>57</sup>. These advances in poverty reduction are driven by various government strategies, including the improved provision of basic services (electricity, drinking water and sanitation, education)<sup>58</sup> in order to reduce fertility and infant mortality, improve nutrition and life expectancy. Other successful strategies include the wide promotion of microfinance programs through NGOs (estimated to have reduced poverty by 10% in two decades<sup>59</sup>), and reduced vulnerability to natural hazards as evidenced by the reduction of number of casualties by major cyclones.

<sup>54</sup> SECAP 2021 Edition, <https://www.ifad.org/en/secap>

<sup>55</sup> See IFAD's Framework for Implementing Transformational Approaches to Mainstreaming Themes: Environment and Climate, Gender, Nutrition and Youth, <https://webapps.ifad.org/members/eb/128/docs/EB-2019-128-R-6.pdf>

<sup>56</sup> GoB (2021). Perspective Plan of Bangladesh 2021-2041, <http://oldweb.lged.gov.bd/UploadedDocument/UnitPublication/1/1049/vision%202021-2041.pdf>

<sup>57</sup> Note that the Bangladesh national poverty lines (lower and upper) are based on household consumption expenditure (from the Household Income and Expenditure Survey) and are different for rural and urban people, while the international poverty lines are uniform and based on per capita income.

<sup>58</sup> World Bank. 2019. Bangladesh Poverty Assessment: Facing old and new frontiers in poverty reduction.

<sup>59</sup> Khandker et al. (2016). Beyond Ending Poverty: The Dynamics of Microfinance in Bangladesh. World Bank. <https://openknowledge.worldbank.org/handle/10986/24669>

6. Progress on poverty reduction did slow down in the 2010s, primarily attributed to a decline in job growth, with agricultural employment contracting by 2% between 2010 and 2016. Regional disparities are also visible, with east and central Bangladesh achieving much more progress than the west and the northwest even experiencing increased poverty rates (see figure 1). These regional differences are attributed to the west generally having a larger share of households engaged in agriculture, lower educational levels and different demographics.

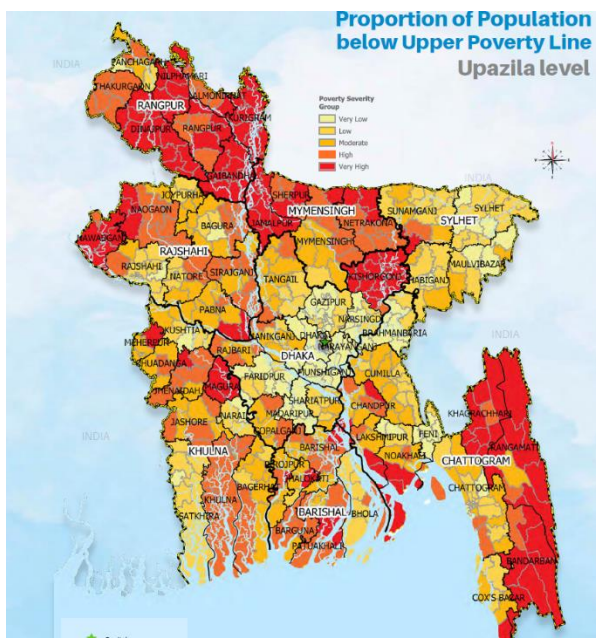


Figure 1: Estimates of poverty at national upper poverty limits per Upazila, in 2016. Source: Bangladesh Bureau of Statistics (2020)

7. **COVID-19 had a severe effect on the economy and appears to have caused a strong regression in poverty reduction, though post-lockdown rebound effects are visible.** The pandemic induced a marked deterioration in the overall economic trends with substantial drop in GDP growth (3.5% in 2020 compared to average 6.9% between 2010-2019). While there is no full picture on the impacts of the pandemic on poverty, initial surveys showed a strong regression resulting in millions of ‘new poor’. A BRAC-PPRC study estimated that an additional 19.5% of households were below the upper national poverty line in August 2021 due to the pandemic, to join the 20.5% of households already below that line before the pandemic<sup>60</sup>. Rebound effects were visible after the first lockdown was lifted in 2020, but a second lockdown in 2021 had again significant effects (see figure 2). In the BRAC-PPRC study, longer-term effects were most pronounced for the non-poor income category and for informal workers. Across income groups, levels of private debt doubled. COVID-19 also caused the country’s first large-scale urban to rural migration since the 1960s: 28% of study respondents migrated from urban slum to rural areas after the first lockdown and 10% remained in the rural area by mid-2021.

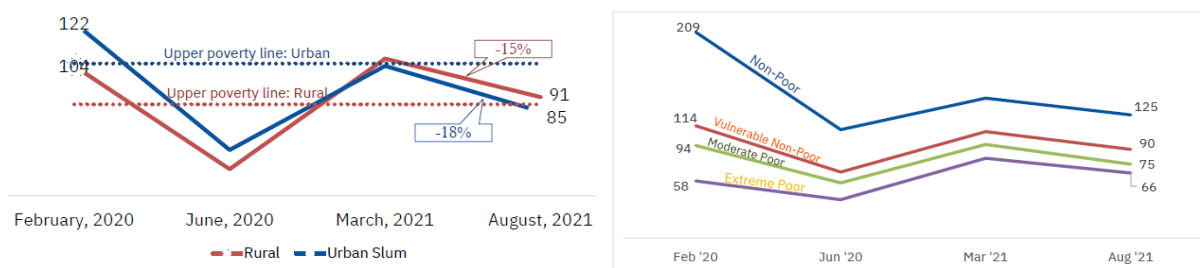


Figure 2 Left: Poverty trends plotted against national urban / rural poverty lines, showing lockdown and rebound effects. Right: Effects of COVID-19 on different income groups. Vertical axis in both graphs is per capita income in BDT (Feb 2020 constant). Source: Rahman et al. (2022).

8. The COVID-19 pandemic has caused most of the agriculture producers, processors, traders and transporters of the productive chains (perishable products of agriculture and livestock) to have experienced income losses due to interruptions in supply and reduced demand. Rural

<sup>60</sup> Rahman et al (2022). Recovery With Distress: Unpacking COVID-19 Impact on Livelihoods and Poverty in Bangladesh. <https://bigd.bracu.ac.bd/publications/recovery-with-distress-unpacking-covid-19-impact-on-livelihoods-and-poverty-in-bangladesh/>

households had to reduce their food consumption, mainly in those households where the woman is the head of household, with little education, young and with temporary labour<sup>61</sup>.

9. Studies reported a rise in hunger and undernutrition both in urban and rural areas: a decrease in food expenditure by 28% and 22% in urban and rural areas respectively<sup>62</sup>; 9 out of 10 households experienced some degree of negative shock on incomes during the lockdowns, possibly resulting in lower food intakes<sup>63</sup>; and 12% of extreme poor households suffered from hunger in June 2020. The government responded with direct assistance for the poor (cash and rice distribution) and several financial ‘incentive packages’ for the private sector, agricultural sector and microfinance sector.
10. **The agricultural sector’s relevance for the overall economy is limited and declining, but it remains a critical sector for the rural poor.** The contribution of the agricultural sector to GDP stands at 13.7%, and the sector contributed less than half a percent to GDP growth between 2015-2019. Still, with about 80% of the population living in rural areas, 41% of the total population is active in the agricultural sector<sup>64</sup>. Moreover, 46% of rural households in the poorest quintile derive labour income only from agriculture. Nearly all of Bangladesh’s poverty reduction between 2010 and 2016 (90%) took place in rural areas. The largest share of public expenditure for agriculture goes to price support, income subsidization and input subsidies. Approximately 65% of the rural population is landless or functionally landless (owning less than 0.2 hectares of land).

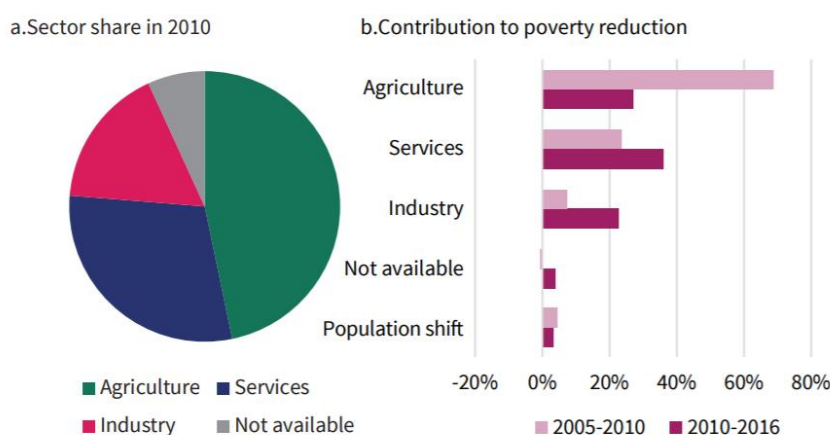


Figure 1 Poverty reduction across sectors in rural areas, 2005 – 2016. Source: World Bank (2019)<sup>65</sup>

11. Over the last two decades rural communities have gradually moved from subsistence farming to commercial farming and non-farm micro-enterprises. Smallholders are adopting new agricultural and information technologies and management practices. Financial services, mainly savings and credit, have dramatically improved due to microfinance although micro-insurance service is yet to make any meaningful inroad.
12. **Strong improvement in educational outcomes is an important driver of household poverty reduction.** Bangladesh has made noteworthy gains in education, demonstrating the fastest growth in the South Asia region. Secondary net enrollment rate increased from 50%

<sup>61</sup> ADB Institute. 2021. Changes in the Rural Economy in Bangladesh under COVID-19 Lockdown Measures: Evidence from a Phone Survey of Mahbub Hossain Sample Households. <https://www.adb.org/publications/changes-rural-economy-bangladesh-under-covid-19-lockdown-measures>

<sup>62</sup> Bidisha, SH et al. (2021) Assessing Food Poverty, Vulnerability and Food Consumption Inequality in the Context of COVID-19: A Case of Bangladesh, <https://link.springer.com/article/10.1007/s11205-020-02596-1>.

<sup>63</sup> Ahmed, F., et al. (2021). Determinants and Dynamics of Food Insecurity during COVID-19 in rural Bangladesh. <https://www.sciencedirect.com/science/article/pii/S0306919221000439>

<sup>64</sup> Gautam and Faruqee (2016) Dynamics of Rural Growth in Bangladesh: Sustaining Poverty Reduction. <https://openknowledge.worldbank.org/bitstream/handle/10986/24544/9781464808760.pdf?sequence=2>

<sup>65</sup> World Bank (2019) Bangladesh Poverty Assessment: Facing old and new frontiers in poverty reduction.

<https://documents1.worldbank.org/curated/en/793121572582830383/pdf/Bangladesh-Poverty-Assessment-Facing-Old-and-New-Frontiers-in-Poverty-Reduction.pdf>

to 72% between 2000 and 2016, and access to tertiary education went from 1% to 16% over the same period. Bangladesh has a 75% literacy rate in 2018 (76% for male and 70% for female). Literacy rates are particularly high among the lower age quantiles of the population, with 93% of people between 15-24 years being literate. High literacy rates strongly correlate with high financial literacy rates and financial well-being.

13. **Bangladesh is making good progress on various gender-related indicators, but significant gaps remain.** The country has reached gender parity in primary and secondary education and maternal mortality has declined by 66% over the last decades. Participation of women in economic life (formal and informal) has increased for different reasons: intentionally, due to the improvement of education and access to financial services (promoted by NGOs and the Government), and unintentionally, as a result of the impacts negative effects of climate change on agriculture, which pushes rural women to look for informal jobs to contribute to the family economy.
14. Despite progress, multiple important challenges remain. The problem of gender-based violence persists, even more so in a context of poverty and malnutrition. Rural Bangladesh has an extremely high rate of sexual violence against women (49.7% of rural women reported to have experienced sexual intimate partner violence), with nearly 30% of women being coerced into their first sexual intercourse<sup>66</sup>. There is a well documented association between gender-based violence and household food security<sup>67</sup>. Women and girls tend to have limited access and control over resources and finances. Their resulting dependency can put them at increased risk of sexual assault and exploitation. These findings demonstrate the need for programs and activities that contain transformative approaches of power inequality between women and men<sup>68</sup>, while bearing in mind that any intervention that seeks to change power relations, may also inadvertently create risks for these women which needs to be carefully analyzed and mitigated<sup>69</sup>.
15. Microfinance is an area where the participation of women is very high. Only between 20% and 30% of women actually use the financing themselves (the rest pass it on to male family members)<sup>70</sup>, although women claim it gives them a new status. Beyond the access to and control over microfinance, the accompanying support services such as community organization, family planning and disaster management are strongly associated with improvements in women empowerment. Microfinance in that sense, has been a vehicle for services that address gender norms that may hinder women from becoming more empowered<sup>71</sup>. Such effects were particularly seen in group-based lending schemes.
16. **Youth are experiencing the effects of slower job creation.** Young people between the ages of 18 and 35 (GoB definition) make up more than 33 percent of the total population. The percentage of people aged 15-29 who are not in education, employment or training is 30%, of which 87% are female. This percentage has increased since 2010, primarily attributed to the slowdown in job creation, particularly in the agriculture, ready-made garments and textile sectors. Unemployment is higher in rural areas compared to urban areas. Unemployed youth make up the large majority of total unemployment (79.6%).
17. Rural youth migrate to cities in search of employment to help their parents who have lost their crops and land (on the coasts and riverbanks) and to improve their quality of life. Young people generally do not have the conditions (land, resources, and assets) to build up their own rural enterprises. The majority of educated youth pursue jobs with the government, and about 20%

<sup>66</sup> WHO (2012) Understanding and addressing violence against women.

[https://apps.who.int/iris/bitstream/handle/10665/77434/WHO\\_RHR\\_12.37\\_eng.pdf](https://apps.who.int/iris/bitstream/handle/10665/77434/WHO_RHR_12.37_eng.pdf)

<sup>67</sup> Coates et al. (2010). Domestic violence against women is associated with lower household food security in rural Bangladesh [https://faseb.onlinelibrary.wiley.com/doi/abs/10.1096/fasebj.24.1\\_supplement.104.1](https://faseb.onlinelibrary.wiley.com/doi/abs/10.1096/fasebj.24.1_supplement.104.1)

<sup>68</sup> IFAD (2019). Mainstreaming Gender-transformative Approaches at IFAD – Action Plan 2019-2025.

<sup>69</sup> Lentz (2018). Complicating narratives of women's food and nutrition insecurity: Domestic violence in rural Bangladesh. <https://www.sciencedirect.com/science/article/pii/S0305750X17303819>

<sup>70</sup> Sector study carried out by IFAD (2022).

<sup>71</sup> CGAP (2021): Has Microcredit Empowered Women in Bangladesh? Yes, But not by Itself. <https://www.cgap.org/blog/has-microcredit-empowered-women-bangladesh-yes-not-itself>

of all youth are interested in working overseas<sup>72</sup>. Every year, more than 400,000 workers leave Bangladesh for overseas employment adding up to an estimated 10 million Bangladeshi now overseas, but they are often faced with high fees for migration, lack of information on risks, and exploitation and abuse while overseas<sup>73</sup>. Remittances from overseas migrant workers were estimated at US\$24 billion in 2020 (7% of GDP). COVID-19 has caused many migrant Bangladeshi workers to become jobless and face deportation from their host countries.

18. A study carried out in 2021<sup>74</sup> provides further in-depth insights into youth employment challenges, and recognizes the critical role of professional skills for employment. Only 1.7% of the total working age population has participated in formal training outside of the general school system. The vast majority of young employed persons join the labour market without skills and take a long time to learn, while formal training could drastically accelerate the process and also build new skillsets that respond to changing requirements in the economy. Equally for people already employed, processes for formally recognizing skills and re-education into new skillsets could enhance employability and labour conditions. Within the agricultural sector, specific subsectors are most likely to be able to create demand for skilled labour. This includes poultry and livestock, pond fisheries and horticulture. As production enterprises grow, there will also be more demand for related skilled service providers, such trainers, vaccinators and input sellers.
19. **Decent work and harmful child labour.** Decent work - productive work for women and men in conditions of freedom, equity, security and human dignity as defined by the ILO – is a key topic of attention for Bangladesh. With the rapid rise of the ready-made garment industry and associated challenges in providing safe and equitable working conditions, the GoB and development partners have been working to build protection systems and ensure the rights of workers. The Decent Work Country Program 2022-2026 focuses on inclusiveness of the labour market, to provide opportunities for youth and marginal groups. Child labour is still widely present in Bangladesh, primarily as a necessity driven by household poverty. The COVID-19 crisis, with the economic effects and the long-term closing of schools, has increased the number of children working under hazardous conditions in industry and agriculture. In response to this, the GoB has stepped up its efforts broadening the types of work to be considered harmful for children, and in early 2022 also ratified the Minimum Age convention as final remaining ILO Fundamental Instrument<sup>75</sup>.
20. **Indigenous people and ethnic minorities.** Bangladesh has around 30 small ethnic minorities with Santal, Orao, Chakma, Marma, Garo, Khashia, Tripura, Monipuri, and Rakhain being the main groups in terms of numbers. The Santal and Orao populations live in North-western districts (Barind Tracts) and Chakma, Marma and Tripura people live in three hill districts (Chittagong Hill Tracts). Agriculture is the main source of livelihood for ethnic minorities who are gradually entering in trade and other service sectors because their livelihoods are being affected by environmental and problems and climate change (climate migration). The government recognizes that the ethnic communities of Bangladesh are the most deprived of economic, social, cultural and political rights, mainly due to their ethnic condition, having committed in the 8FYP actions in favor of their fundamental rights and social security, together with the empowerment of their social, cultural and traditional identities.
21. **Marginalized groups and persons with disabilities.** The GoB's 8FYP identifies a number of marginalized groups. These include the Dalit communities, also called "disappeared poor", who face a myriad of challenges including untouchability, social exclusion, lack of self-esteem and dignity, forced eviction from the land, lack of access to support services and lack of access to government services. Social boycotts and forced labor are often imposed on Dalits as a means of controlling and exploiting their work. Another marginalized group is those people living with HIV/AIDS, male and female sex workers and transgender, who suffer social exclusion and access to services. Persons with disabilities constitute another major group of

<sup>72</sup> BRAC (2019). Youth of Bangladesh: Agents of Change? [https://www.brac.net/program/wp-content/uploads/2019/07/YOUTH-SURVEY-2018\\_full.pdf](https://www.brac.net/program/wp-content/uploads/2019/07/YOUTH-SURVEY-2018_full.pdf)

<sup>73</sup> ILO (2022) Labour migration in Bangladesh. <https://www.ilo.org/dhaka/areasofwork/labour-migration/lang--en/index.htm>

<sup>74</sup> Alamgir (2021) Project Concept Note: Professional Development Program for the School Dropout Youth.

<sup>75</sup> See [https://www.ilo.org/global/standards/subjects-covered-by-international-labour-standards/child-labour/WCMS\\_840125/lang--en/index.htm](https://www.ilo.org/global/standards/subjects-covered-by-international-labour-standards/child-labour/WCMS_840125/lang--en/index.htm)

marginalized people (9% of the total population, including 3 million children); around a third of all households is estimated to have a disabled member, which is thought to be increasing with the aging of the population. The prevalence of severe or acute disability is reported to be 1.51%. Disability is more prevalent in the rural area and primarily characterized by physical disability and visual disability. People with disability are reported to have less access to education and income generating activities compared to people without disabilities. There is also a gender disparity, with women with disabilities reporting lower rates of marriage and higher rates of divorce compared to men with disabilities<sup>76</sup>.

22. **Food and nutrition security.** Although food security has greatly improved due to the reduction in poverty prior to the pandemic, the country is far from achieving its maternal, infant and young child nutrition objectives. While there is still significant ground to cover, the most recent pre-COVID-19 data on stunting and wasting showed continuous progress since 2004 with stunting estimated at 28% (UNICEF data, Multiple Indicator Cluster Survey 2019), thereby being on track to reach the SDG 2030 target on stunting reduction<sup>77</sup>. The progress is largely attributed to the provision of diversified foods, improved sanitation and women's empowerment<sup>78</sup>. In terms of micronutrients, the severity of deficiencies has declined since the 1980s. However, a significant proportion of preschool-age children remains with deficiencies in vitamin A (21 %), zinc (45 %) and vitamin D (40 %) and about one-third of these children are anaemic<sup>79</sup>. There is furthermore a high prevalence of zinc deficiency among women, and about half of pregnant and lactating women are anaemic as well. More than 50% of women suffer from chronic energy deficiency.
23. Reasons for malnutrition in rural areas of Bangladesh include (i) food insecurity and (ii) inadequate dietary practices. At the same time, there has been a rapid increase in overweight and obesity from 10.7 % in 2004 to 25.1% in 2014. This is mostly due to the increased consumption of trans-fats, ultra-processed foods and sugar sweetened beverages. The prevalence of underweight status remained high in rural areas, the prevalence of overweight increased rapidly in both rural and urban areas<sup>80</sup>.
24. While Bangladesh has made important progress in terms of productivity and food self-sufficiency, including grains, vegetables and fish, there are still important steps to be taken to improve food security. The Global Hunger Index evaluated the hunger situation to be serious in 2019, and that 14.7% of the population is undernourished.
25. **Food safety and health.** Food safety is a serious concern in Bangladesh, with inappropriate use of pesticides and ripening chemicals being some of the main problems facing the agricultural sector, posing health risks for domestic consumers and preventing export. Studies have reported a high prevalence of acute watery diarrhea, increase of enteric fever and acute hepatitis, and a high incidence of disease-causing microbes in street-vended food<sup>81</sup>. Inadequate handling of pesticides is leading to pesticide poisoning and a reported significant number of deaths as a result, though there is no nationally representative data<sup>82</sup>. Introduction of food safety standards such as GlobalGAP has been pursued over recent years, however this effort needs to be integrated into a wider effort. Beyond regulatory interventions, market demands for safe food do not reach the majority of smallholder farmers<sup>83</sup>. FAO has set up the Food Safety Network<sup>84</sup> to improve food safety in Bangladesh, aimed at introducing improved

<sup>76</sup> Bangladesh Bureau of Statistics (2015). Disability in Bangladesh: Prevalence and Pattern.

<http://203.112.218.65:8008/WebTestApplication/userfiles/Image/PopMonographs/disabilityFinal.pdf>

<sup>77</sup> See <https://www.gainhealth.org/media/news/bangladesh-will-truly-be-seen-developed-country-when-it-vanquishes-undernutrition>

<sup>78</sup> See <https://www.orfonline.org/research/breakout-nation-the-nutrition-transformation-of-bangladesh-57408/>

<sup>79</sup> See <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5465809/>

<sup>80</sup> See <https://www.cambridge.org/core/journals/public-health-nutrition/article/double-burden-of-underweight-and-overweight-among-women-of-reproductive-age-in-bangladesh/E1ECEADA8D289817EB9347287D8884C9>

<sup>81</sup> Feed the Future (2021). Food Safety System in Bangladesh: Current Status of Food Safety, Scientific Capability and Industry Preparedness. <https://ag.purdue.edu/food-safety-innovation-lab/wp-content/uploads/2021/01/FSIL-Food-Safety-System-in-Bangladesh.pdf>

<sup>82</sup> Biswas et al (2014). A review on Impact of Agrochemicals on Human Health and Environment: Bangladesh Perspective. <https://www.researchgate.net/publication/275659333>

<sup>83</sup> BoP Innovation Center (2015). [The impact of food standards on inclusive growth in agriculture: the case of Bangladesh](https://www.boipic.org/impact-of-food-standards-on-inclusive-growth-in-agriculture-the-case-of-bangladesh)

<sup>84</sup> See <http://www.fao.org/in-action/food-safety-bangladesh/en/>

guidelines and training of farmers, consumer awareness, inspection and enforcement. In terms of COVID-19 impact on food safety, some of the key risks identified include the lack of cold chains; an underdeveloped food processing sector; insufficient availability of personal protective equipment in food processing factories.

26. **Citizen engagement, social accountability and grievance redress mechanisms.** The GoB and major NGOs in Bangladesh have over the past year increasingly adopted new ways of better engaging citizen, improving social accountability and providing grievance redress mechanisms. Most ministries and projects have institution and/or project-level grievance redress mechanisms, often also replicated at lower levels. At the national, cross-governmental level, the Cabinet Division of the GoB has set up the Platforms for Dialogue<sup>85</sup> to facilitate these processes and act as an overall grievance redress mechanism. Furthermore, the Bangladesh Accord on Fire and Building Safety prompted by the Rana Plaza disaster in 2013, has been widely recognized to have instituted an accessible, rights-based and confidential complaint mechanism<sup>86</sup>, which has inspired similar actions in other sectors.

**Environment and climate context, trends and implications**

27. **Bangladesh is predominantly a riverine, deltaic country,** with around 80% of its surface classified as floodplains and having an extensive coastal area, jointly forming the Bangladesh Plain. Being part of the world’s largest delta, the country has been formed over centuries from sediments deposited by the Ganges, Brahmaputra and Meghna (GMB) river system, which converge on the Bengal Basin. There are only a few non-plain areas in the country, notably the Chittagong Hills in the southeast and the highlands in the northwest. Bangladesh’s alluvial soils are highly fertile, but vulnerable to floods as well. Flooding is highly common phenomenon in Bangladesh, and in many ways society has adjusted to these natural dynamics. Nevertheless, floods still present a major risk to human lives and economic activity. The 1998 flood inundated about 75% of the country including Dhaka, made 30 million people homeless and killed over a thousand people. Other major natural hazards in Bangladesh include cyclones and tornadoes, equally presenting a major risk to human lives and the economy. The number of casualties resulting from natural hazards is however steadily decreasing.



Figure 3 Map of Bangladesh with identification of hotspot areas in the Bangladesh Delta Plan 2100

28. **Bangladesh faces both water excesses and shortages.** During the annual monsoon period, the rivers of Bangladesh flow at some 140,000 m<sup>2</sup>/s, while during the dry period this only amounts to 7,000 m<sup>2</sup>/s. More than 60 % of the net arable land, some 91,000 km<sup>2</sup>, is cultivated in the rainy season despite the possibility of severe flooding, and nearly 40 % of the land is cultivated during the dry winter months. Water resources management

<sup>85</sup> See <https://www.p4dbd.org/>

<sup>86</sup> Business and Human Rights Resource Centre (2019): Calling for Remedy. [https://media.business-humanrights.org/media/documents/files/documents/Calling\\_for\\_Remedy\\_5-14.pdf](https://media.business-humanrights.org/media/documents/files/documents/Calling_for_Remedy_5-14.pdf)

interventions have therefore aimed at both providing flood protection and drainage during the rainy season, and irrigation facilities for the expansion of winter cultivation. Major water control projects have been implemented by the government to provide irrigation and flood control. In addition, thousands of tube wells and electric pumps are used for local irrigation.

29. Water quality is a particular topic of attention. Especially tanneries and shoes and leather production sites are known to have a risk of water pollution, which concentrated in industrial belts and urban growth centers due to inadequate regulation and compliance. Through the emission of both organic and inorganic substances, water quality and ecosystem quality is severely affected, while also negatively affecting the health of people working and living in the vicinity.
30. **Forests and mangroves.** Bangladesh has three categories of forests based on topographic conditions: (i) hill forests, moist tropical evergreen and semi-evergreen forests comprising more than half of the country's total forest resources and carrying high ecological importance; (ii) Plain Sal Forests, Tropical Moist Deciduous forests that have been reduced to only scattered and degraded patches; and (iii) Littoral Mangrove Forests, of which the Sundarbans area is the most prominent (see below). In the period of 2001 to 2020, Bangladesh lost a total of 197.000 ha of tree cover (10% of total), which equals 103 MT CO<sub>2</sub> emissions. The overwhelming majority of tree cover loss (93%) was in the Chittagong region. To improve forest protection and restoration, Bangladesh has amongst others set up a network of Social Forestry projects that involves communities with a legally binding benefit sharing mechanism. The region also features significant coastal afforestation programs.
31. **Fish resources.** Fisheries resources, both brackish and freshwater, in the coastal areas are remarkable. Bangladesh has the highest per capita consumption of fish-based animal protein on the planet. The Jashore District is famous for breeding freshwater fish and catering to the entire country with fish fingerlings. The introduction of aquaculture in coastal areas has had serious ecological effects. Vast areas previously used for crop agriculture have been transformed into intentional, perennially waterlogged landscapes to boost shrimp farming, prompting new legislation to avoid further damage. At the same time, shrimp farming as a major export commodity is equally found to be relevant for local food consumption and for the enhancement of nutritional status, especially for poorer households<sup>87</sup>.
32. **Protected areas.** Bangladesh has a total of 45 protected areas, including sanctuaries, national parks and community conservation areas. A review of the effectiveness of protected area management showed that the regulatory framework is generally adequate, albeit with a small number of loopholes. Enforcement of those rules is however found to be very weak due to limited budgets, staff and a lack of planning. Human intrusion and disturbance is identified as the main threat (24%) identified by managers of those protected areas, followed by biological resource use (22%), agriculture and aquaculture (17%) and residential / commercial development (17%). A particularly important area for natural resources and conservation is the *Sundarbans* area, a mangrove area of about 10.000 km<sup>2</sup> spanning both Bangladesh and India. The whole Sundarbans area is intersected by an intricate network of interconnecting waterways, of which the larger channels are often a mile or more in width. The Sundarbans Reserve Forest (SRF), the wildlife sanctuaries and the ECA are managed through collaborative management or co-management – a shared governance system that involves the community as environmental stewards sharing the management responsibilities with the BFD and DoE.
33. **Wildlife.** Bangladesh was once home to a large number of species that have currently reduced to a much smaller number primarily concentrated in the Sundarbans and Chittagong Hills. Species include the Bengal Tiger, Asian Elephant, Gibbon and Asian Black Bear. Bangladesh is a priority country of the Global Tiger Action Plan; therefore, the Sundarbans as the home of Bengal Tiger attracts added global attention. Bangladesh's only Marine Protected Area, the Swatch of No Ground (SoNG), is a continuum of the protected area network ecologically linked to the Sundarbans.

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<sup>87</sup> Manun, A-A. et al (2021). Export-Driven, Extensive Coastal Aquaculture Can Benefit Nutritionally Vulnerable People. <https://www.frontiersin.org/articles/10.3389/fsufs.2021.713140/full>



34. **Current climate.** Bangladesh falls under monsoon influenced tropical climate area with an average annual rainfall of 2,700 mm, over 85% of which falls during June and October. Average day time temperature varies between 23 to 27°C, while the average night time temperature ranges between 18 and 22°C. While winters are generally dry and mild, summer months are wet and moist, the relative humidity is generally over 85% during monsoon season. During late April and mid-November, the sea surface temperature often rises above a threshold of about 27°C, which creates an ideal climatic condition to form tropical low and depressions. Sometimes, such tropical weather fronts give rise to the formation of cyclones and super cyclones.
35. **Natural hazards.** Bangladesh as a whole is highly prone to natural hazards including cyclones, storm surges, floods, landslides, earthquakes, tsunamis, sea-level rise and increasing saltwater intrusion. On an average, one major cyclone hits Bangladesh in every three years. It is believed that the shallow continental shelf, the high tidal range and the inverted funnel shape of the Bay play significant roles to 'guide' tropical cyclones towards the low-lying delta. Most of the casualties/fatalities and destruction associated with cyclones happen as a result of the accompanying water surge and high storm waves that sweep away and drown people. The degree of destruction and the number of casualties/fatalities depend on the time when a cyclone occurs, and on the topography and geomorphological conditions of where it strikes. Although cyclone-related human deaths have been reduced significantly due to improved warnings and pre-hazard preparedness programmes, cyclones in the past have killed many coastal Bangladeshis. Furthermore, lightning strikes cause over 200 lives every year, the majority of whom are farmers, and the frequency of lightning strikes is reported to have increased due to increased temperatures, linked to climate change<sup>88</sup>.
36. **Climate change trends and predictions.** Temperatures have increased by about 0.3 – 0.5°C between 1960 and 2010 and is expected to increase by 1.4°C in the RCP 4.5 scenario and by 2°C in the RCP 8.5 scenario by 2050<sup>89</sup>. Although the total average rainfall does not show any discernible change, the micro-structure of monsoon has been exhibiting important changes. For example, the rainfall is exhibiting a bi-modal distribution over monsoon, the first peak coming a lot earlier than expected (shifted from middle of July to early June). There are increasing numbers of extreme rainfall episodes during the monsoon with prolonged rainless days in between, while the late-October rain (Kaitani) has almost disappeared. For some districts in particular, it has been observed that rainfall in the pre-monsoon and winter season had a decreasing trend whereas it had an increasing trend during monsoon and post-monsoon seasons<sup>90</sup>. Overall, mean annual rainfall is expected to rise by 74mm between 2040 and 2059. However, it should be noted that trends in future precipitation in Bangladesh are highly uncertain.
37. **Climate change impacts.** Bangladesh has a relatively high climate risk exposure, particularly related to cyclones, river flooding and coastal inundation, but it has also developed significant knowledge on climate change adaptation. Much of the country has some exposure to water-related climate risk such as increasing floods and increasing intrusion of saline seawater. Subject to various climate change scenarios, sea level rise is expected to inundate 120,000 km<sup>2</sup> by 2050; 14% more of the country may become extremely prone to floods by 2030. Coastal salinity problems will likely worsen as changing rain patterns reduce the amount of dry season water supply from upstream river sources.

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<sup>88</sup> ICCCAD (2021) A Study on Environment and Climate Context, Trends and Implications. Sectoral study prepared for IFAD COSOP.

<sup>89</sup> WBG Climate Change Knowledge Portal (CCKP, 2021). Climate Data: Projection. Bangladesh. <https://climateknowledgeportal.worldbank.org/country/bangladesh/climate-data-projections>

<sup>90</sup> Rahman et al. (2009) Trend Analysis of Climate Change and Investigation on Its Probable Impacts on Rice Production at Satkhira, Bangladesh.

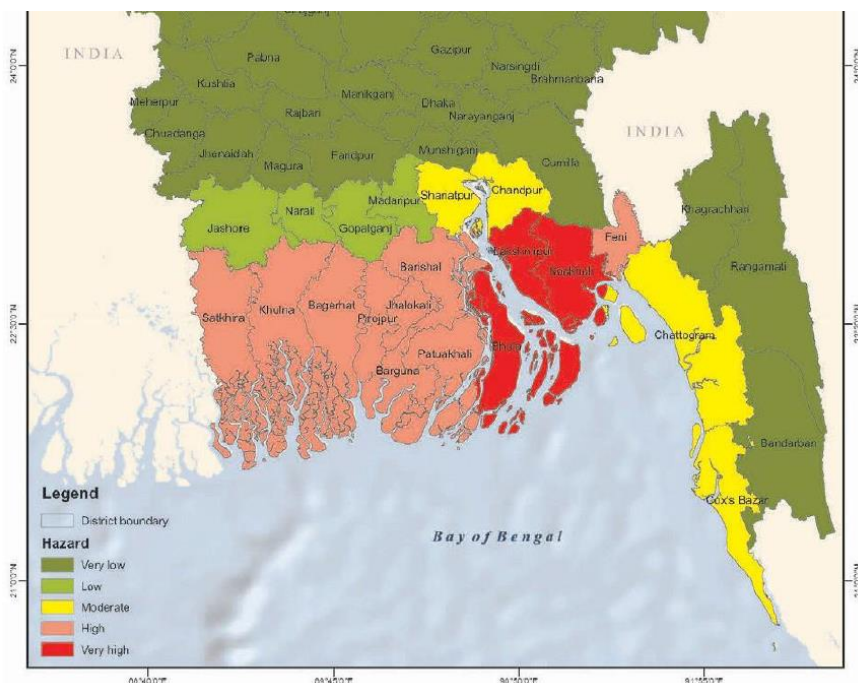


Figure 2 Sea level rise hazard index for southern Bangladesh. Source: ICCAD (2021)

38. Increasing salinity and mean temperatures have generally negative effects on agriculture. Overall, crop production might be reduced by 30% by the end of the century; rice production could fall by 8%, and wheat production by 32% by 2050. The increase in the number of very hot days in Bangladesh under all RCP scenarios is likely to have significant production costs, especially when combined with increased frequencies of heat wave and drought. For some crops, such as Boro rice, the benefits of increased atmospheric CO<sub>2</sub> emissions may offset yield losses, for others, such as wheat, significant declines are expected<sup>91</sup>. When other drivers are factored in there is strong evidence that net rice production is likely to decline significantly as a result of climate change. Winter crop production would be seriously hampered due to a warmer and drier environment during non-monsoon seasons, while moisture stress might force farmers to reduce the area under irrigated rice cultivation. In November 2019, the Bangladesh parliament unanimously declared climate change a 'planetary emergency', serving as a call to action for other nations on the urgency of emission reduction as well.

<sup>91</sup> Thomas, T., Mainuddin, K., Chiang, C., Rahman, A., Haque, A., Islam, N., Quasem, S., Yan, S. (2013). Agriculture and adaptation in Bangladesh: Current and projected impacts of climate change. International Food Policy Research Institute. [https:// papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2310087](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2310087)

Table 1 Overview of potential impacts of climate change on agriculture in Bangladesh. Source: ICCAD (2021)

Climate Variables	Potential Impacts on the Agriculture Sector
<b>Temperature changes</b>	
Increases in very hot days and heat waves	Modification in crop suitability and productivity (heat stress) Increase in weeds, crop pests and disease outbreaks Changes in crop water requirements. The quantity and quality of yield depend on the number of days that a crop is exposed to temperatures exceeding specific thresholds during critical growth stages (i.e., flowering, pollination, fruiting, or grain filling)
Fewer cold days and nights	Increased yields in colder environments Reduction in the risk of frosts and subsequent crop failure
Increase in intense precipitation events	Damages to crops Increased water-logging, inability to cultivate lands Damage to drainage systems due to flooding Increased extent and intensity of erosion and water-logging. Increased pest incidence
Increase in drought conditions	Lower yields from crop damage, stress, and/or failure Loss of arable land as a result of land degradation Loss of arable lands Increased competition for water Increased risk of food insecurity
Increase in the frequency of floods	Crop failure and damage to crops due to flooding Yield decreases Increased risk of health hazard due to lack of nutrition
More frequent strong tropical cyclones	Damages to crops and rural infrastructure Frequent occurrence of cyclonic hazard de-motivates farmers to continue farming
Sea level rise and storm surges	Damage to crops and rural infrastructure due to flooding Seawater intrusion, loss of arable land, salinization of water supply (groundwater in particular)
Increase in CO <sub>2</sub> concentration	Increased biomass production and increased physiological efficiency of water use in crops and weeds Increased efficiency of water used by crops. Potentially increased weed to compete with crops

39. Climate change impacts are also seen in the public health domain. A one degree increase in temperature is found to increase the likelihood of contracting a waterborne disease by 4.2 percentage points, and the likelihood of contracting a respiratory illness by 5.7 percentage points<sup>92</sup>.
40. **Climate change adaptation.** Notwithstanding the severe impacts of climate change in Bangladesh, there is also a long history of dealing with a changing, dynamic environment in the country. The concrete impacts of climate change already caused a considerable amount of *autonomous* adaptation amongst farmers across Bangladesh, involving changes to livelihood assets and income generating activities<sup>93</sup>. It has also prompted many climate change related strategies and projects to be implemented across Bangladesh. In 2018, Bangladesh finalized the Bangladesh Delta Plan 2100, which provides an overarching view of water-related adaptation strategies (referenced in the next section).

**Institutions and legal framework**

**Institutions, policies and regulatory frameworks**

41. **Gender.** The Constitution of Bangladesh lays down the general principles regarding the protection of women from all forms of discrimination and the promotion of their equal participation. Bangladesh ratified the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) in 1984. The GoB adopted a National Women Development Policy in 2011 with an accompanying Action Plan to guide implementation thereof. This commits the government, amongst others, to operationalize gender-sensitive

<sup>92</sup> Mahmud et al (2021) Infected and Stressed by Climate Variability: New Empirical Evidence from Bangladesh. World Bank Group. <https://openknowledge.worldbank.org/handle/10986/36506>

<sup>93</sup> University of Leeds (2016) [Autonomous adaptation to riverine flooding in Satkhira District, Bangladesh: insights for transformation.](#)

- planning and budgeting, ensuring equal pay in all sectors, enhance women leadership in the political arena, and build productive capacity of women more generally. Parliament has 50 reserved seats for women (in addition to 300 general seats), and local governments have a quota on the representation of women in councils.
42. The Ministry of Women and Children Affairs is tasked with the empowerment of women and children through a mainstreaming approach, combined with a variety of cross-governmental structures such as a high-level National Council for Women and Children Development, comprising ministers, secretaries, MPs and prominent women. Other line ministries and departments, such as the LGED, have adopted their own gender policies and action plans tailored to their sectors. Such cross-governmental structures also exist at local government level, through the Women In Development Coordination Committees. The Ministry of Women and Children's Affairs that manages eight Comprehensive Crisis Centers at division levels to provide information and services to victims of violence, however, there are very few reported cases and much less those that have followed legal processes.
43. **Environment.** The National Environmental Policy (1992) has a dual objective of ensuring protection and sustainable management of the environment. It identifies and regulates activities that may degrade the environment and ensures the sustainable and environmentally sound use of natural resources. The National Environmental Management Plan (1995)<sup>94</sup> is a broad set of programs aimed to implement this policy. The Environmental Conservation Act (1995)<sup>95</sup> and accompanying Rules (1997)<sup>96</sup> have a specific objective of setting the standards and procedures to prevent pollution of the environment. It is therefore an important piece of legislation that guides the execution of project screening, assessment and monitoring, and empowers the Ministry of Environment, Forests and Climate Change to exercise its role. It also provides the legal basis for the protection of ecologically critical areas.
44. The National Water Policy (1999)<sup>97</sup> focuses on protection, restoration and enhancement of water resources; protection of water quality; provision of sanitation and potable water; and the participation of local communities in water development projects. The Bangladesh Delta Plan 2100 (2018) defines the strategy to ensure long term water and food security, economic growth and environmental sustainability while reducing vulnerability to natural disasters and building resilience to climate change. At national level, the BDP2100 comprises the following strategies: (i) protecting economic strongholds and critical infrastructure; (ii) equipping the flood management and drainage schemes for the future; (iii) safeguarding livelihoods of vulnerable communities; (iv) balancing supply and demand for freshwater; and (v) maintaining water quality. Region or hotspot-specific strategies are included in Table 1.

*Table 2 Hotspot-specific strategies in the Bangladesh Delta Plan 2100*

<b>BDP2100 Hotspots</b>	<b>Main Strategy</b>
<b>Coastal zone (27.000 km<sup>2</sup>)</b>	Combating storm surge and salinity intrusion through effective management of existing polders, reclaiming new land and conservation of the Sundarbans
<b>Barind and drought prone areas (23.000 km<sup>2</sup>)</b>	Balancing supply and demand for sustainable and inclusive growth, minimizing losses due to floods and drainage congestion and ensuring water supply and sanitation
<b>Haor and Flash Flood Areas (17.000 km<sup>2</sup>)</b>	Protect agriculture and vulnerable communities from floods, integrated water/land resource management and management of sustainable ecosystem and biodiversity

<sup>94</sup> <http://documents1.worldbank.org/curated/en/329001468741610744/pdf/multi-page.pdf>

<sup>95</sup> <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC042272>

<sup>96</sup> <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC019918/>

<sup>97</sup> <http://nda.gov.bd/en/c/publication/national-water-policy-1999>

<b>Chattogram Hill Tracts (13.000 km<sup>2</sup>)</b>	Ensure water security and sustainable sanitation, maintain ecological balance, biodiversity and values and development of multi-purpose resources management system
<b>River Systems and Estuaries (35.000 km<sup>2</sup>)</b>	Provide adequate room for the rivers and infrastructure to reduce flood risk, appropriate sediment management and effective river and estuaries management in the newly accredited char areas
<b>Urban Areas (20.000 km<sup>2</sup>)</b>	Integrated and sustainable use of urban land and water resources, improved utility services, conserve and preserve urban wetlands and ecosystems

45. **Protected areas and biodiversity.** The National Forest Policy (1979) focuses on the preservation and scientific management of forestlands, the designation of forests as national forests, the organizational and research needs to protect the forests and the preservation of wildlife. The updated Wildlife Act of 2012 provides the legal underpinning of the management protected areas and sets several definitions on technical aspects such as buffer zones and lists of protected species. The 2<sup>nd</sup> National Biodiversity Strategy and Action Plan of Bangladesh (2016 – 2021)<sup>98</sup> is a guiding framework for biodiversity conservation, ensuring sustainable use of natural resources and protecting the diversity of flora and fauna and habitats.
46. **Fisheries.** The National Fisheries Policy (1998), Inland Capture Fisheries Strategy (2006) and National Shrimp Policy (2014)<sup>99</sup> guide the overall fisheries sector in the country were heavily drawing from the open capture fisheries in the region. The Shrimp Policy in particular, seeks to avoid the damaging environmental impact that the shrimp industry has caused in other countries, by limiting the size of shrimp enclosures and by requiring clearance from the Department of Environment to operate in mangrove areas.
47. **Climate.** The Bangladesh Climate Change Strategy and Action Plan (2009)<sup>100</sup> prioritizes adaptation and disaster risk reduction and has been complemented by programs and plans in six strategic areas<sup>101</sup>, including food security and infrastructure. Widespread adaptation efforts are now underway through for instance the national solar energy roadmap 2021-2041, the mainstreaming of climate resilient infrastructure engineering design policies, and the creation of the Bangladesh Climate Change Trust Fund. A National Adaptation Plan is currently being developed, as a successor to the National Adaptation Programme of Action (2009)<sup>102</sup>.
48. Bangladesh submitted its initial Nationally Determined Contribution (NDC) to the Paris Agreement on September 21, 2016, followed by an interim NDC 2020 on December 31, 2020, and an Updated Nationally Determined Contribution on August 26, 2021<sup>103</sup>. It sets out its commitment towards a low-carbon development pathway with a greenhouse gas (GHG) emission target of 6.7% (28 Mt CO<sub>2eq</sub>) by 2030 compared to the business-as-usual scenario, going up to 15.1% (62 Mt CO<sub>2eq</sub>) reduction subject to financial, technical and capacity building support from both national and international partners. In agriculture, the largest increase in emissions is expected from agricultural energy use (see Table 2). The NDC includes relevant mitigation targets in agriculture achieved through investments in solar irrigation pumps, methane reduction from rice fields, mini biogas plants and low-emission dairy development. At the adaptation level the key activities related to agriculture and food security foreseen are focus mainly on increasing food productivity and sustaining growth in the face of the adverse effect of climate change. The GoB's 3<sup>rd</sup> communication to the UNFCCC further highlights

<sup>98</sup> <https://www.cbd.int/doc/world/bd/bd-nbsap-v2-en.pdf>

<sup>99</sup> GoB (2014). Bangladesh National Shrimp Policy, Ministry of Fisheries and Livestock

<sup>100</sup> See [https://www.iucn.org/downloads/bangladesh\\_climate\\_change\\_strategy\\_and\\_action\\_plan\\_2009.pdf](https://www.iucn.org/downloads/bangladesh_climate_change_strategy_and_action_plan_2009.pdf)

<sup>101</sup> Bangladesh Climate Change Strategy and Action Plan 2009 (2009). Ministry of Environment and Forest, Government of Bangladesh.

<sup>102</sup> See <https://unfccc.int/resource/docs/napa/ban02.pdf>

<sup>103</sup> GoB (2021) Revised NDC submission to the UNFCCC

[https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Bangladesh%20First/NDC\\_submission\\_20210826revised.pdf](https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Bangladesh%20First/NDC_submission_20210826revised.pdf)

important adaptation activities in the areas of climate resilient crop varieties, water resources management and enhanced agricultural subsidy programs including crop insurance<sup>104</sup>.

*Table 3 Greenhouse Gas emission reduction scenario from the NDC. \* = corrected calculation.*

UNFCCC sector	Sub-sector	Emissions Business-As- Usual in 2030 (% increase from 2012)	NDC Target 2030 - Unconditional	NDC Target 2030 - Unconditional + Conditional
<b>Energy</b>	Agriculture	10.16 MT (272%)	9.37 MT	8.55 MT*
<b>AFOLU</b>	Agriculture & Livestock	54.64 MT (19%)	54 MT	53.6 MT
	Forestry	0.37 MT (0%)	0.37 MT	0.37 MT

49. **Youth.** There are a range of government policies and programmes that explicitly target youth, as well as a large number that have a strong effect on youth without explicitly targeting them. The National Policy for Youth (2017) aims to ensure special support is provided to rural youth with opportunities to boost the rural economy (including with lease of government owned Khaas farmland, ponds and 'Jolmohal). The National Education Policy is equally important for youth. Initiatives are now underway to particularly strengthen tertiary education in the country. The Ministry of Youth and Sports is the responsible line ministry to address youth issues. The government also established the Sheikh Hasina National Youth Development Institute in 2017, tasked to conduct research, training and facilitating constructive activities. Other relevant policies include the National Skills Development Policy (2011), which puts special emphasis on the training and learning of youth, women, low-skilled people and people with disabilities.
50. **Decent work and harmful child labour.** The Decent Work agenda is a shared objective across government, private sector and civil society. The Decent Work Country Program 2022-2026 thereby involves the GoB, the Bangladesh Employers' Federation, the National Coordination Committee for Workers' Education and the Industrial Bangladesh Council. In the GoB, the Ministry of Labour and Employment is responsible for employment and to protect the interests of workers. The same Ministry is also spearheading the National Child Labour Welfare Council, which prepared the National Plan to Eliminate Child Labour (2020-2025)<sup>105</sup> as an implementation mechanism to the National Child Labour Elimination Policy (2010)<sup>106</sup>. The National Plan involves a broad range of line ministries, whereas international agencies such as the ILO are providing support.
51. **Indigenous peoples and ethnic minorities.** The government does not recognize indigenous peoples as "indigenous", but instead identifies "tribes, minor races, sects and ethnic communities" in Article 23A, and obliges the state to protect and develop their unique local culture and traditions, the protection against all forms of exploitation (article 14), the prohibition of discrimination on the grounds of religion, race, caste, sex or place of birth (article 28); and equal opportunities in public employment, while allowing the State to adopt special provisions to guarantee adequate representation of these sectors of the population (article 29). Bangladesh is a signatory to major international human rights instruments that are directly or indirectly relevant to the rights of tribal/indigenous peoples, such as ILO Convention 107 on Tribal Populations.
52. **Persons with disabilities.** Bangladesh has ratified the UN Convention on the Rights of Persons with Disabilities (in 2008). The country's Constitution (1972) guarantees the basic

<sup>104</sup> GoB (2018) 3<sup>rd</sup> National Communication of Bangladesh to the UNFCCC.

[https://unfccc.int/sites/default/files/resource/TNC%20Report%20%28Low%20Resolution%29%2003\\_01\\_2019.pdf](https://unfccc.int/sites/default/files/resource/TNC%20Report%20%28Low%20Resolution%29%2003_01_2019.pdf)

<sup>105</sup> See

[https://mole.portal.gov.bd/sites/default/files/files/mole.portal.gov.bd/project/6038e47e\\_5792\\_45f4\\_8fc0\\_958f113443f9/NPA.pdf](https://mole.portal.gov.bd/sites/default/files/files/mole.portal.gov.bd/project/6038e47e_5792_45f4_8fc0_958f113443f9/NPA.pdf)

<sup>106</sup> See

[https://mole.portal.gov.bd/sites/default/files/files/mole.portal.gov.bd/policies/7e663ccb\\_2413\\_4768\\_ba8d\\_ee99091661a4/National%20Child%20Labour%20Elimination%20Policy%202010%20\(English\)%2010.pdf](https://mole.portal.gov.bd/sites/default/files/files/mole.portal.gov.bd/policies/7e663ccb_2413_4768_ba8d_ee99091661a4/National%20Child%20Labour%20Elimination%20Policy%202010%20(English)%2010.pdf)

human rights of every citizen and prohibits any form of discrimination between social groups, including persons with disabilities. The Rights and Protection of Persons with Disabilities Act (2013) provides for specific measures such as accessibility provision in public spaces and equal opportunities in employment, while equally requiring persons with disabilities to register for identity cards to be able to track their enrolment in educational institutions and their access to jobs<sup>107</sup>. The Ministry of Social Welfare is responsible for advancing the rights of persons with disabilities, and within that Ministry the National Foundation for the Development of Disabled Persons is actively providing support, including through Services and Assistance Centres in all districts.

53. **Nutrition.** The Food and Nutrition Security Policy (2020)<sup>108</sup> is the primary policy for nutrition and builds on an array of past policies, such as the National Food Policy (2006), National Nutrition Policy (2015), National Social Security Strategy (2015), and the National Agricultural Policy (2018). This new policy includes the following strategic objectives: 1) to ensure availability of safe and nutritious food for healthy diets, 2) to ensure access to safe and nutritious food at an affordable price, 3) to enhance the consumption and utilization of healthy and diversified diets for achieving nutrition improvements, 4) to increase access to nutrition-sensitive social protection and safety nets across life cycle with a focus on vulnerable groups and regions, 5) to strengthen cross-sectoral food and nutrition security governance, coordination, capacity building and partnership for effective policy implementation. The new policy is, in contrast to its predecessors, designed to cut across the mandates of a dozen ministries and apply a nutrition lens in various sectoral strategies.

#### Relevant programmes and partnerships

54. Given the size of the country and the broad range of development challenges, the number of relevant programmes and partnerships are equally vast. This section therefore merely provides a selection of some of the programmes and partnerships that are deemed most relevant to the strategy as laid out in the COSOP 2023-2028, and the issues identified in this SECAP Background Study.
55. **Extended Community Climate Change Project – Flood (ECCCP-Flood, 2019-2024)**<sup>109</sup>. This project, implemented by PKSF and financed by the Green Climate Fund, works on the interface of community-driven investments in climate change adaptation and social protection programmes. One of the specific interventions is to establish Climate Change Adaptation Groups at community level.
56. **Climate Smart Agriculture and Water Management Project (2021 – 2026)**<sup>110</sup>. This project, funded by the World Bank and carried out by the Bangladesh Water Development Board, Department of Agricultural Extension and Department of Fisheries shares similarities with the current IFAD-funded portfolio and offers opportunities for cross-learning. It includes climate smart agriculture research and extension and the development of an interactive voice response system for citizen and community engagement, which could be relevant for the IFAD-funded portfolio
57. **'My Village, My Town'**. This government-led initiative aims to reduce the gap between cities and rural areas, by bringing essential facilities such as improved roads, drinking water, healthcare services and education to villages. A pilot project was initiated in 15 villages in 2020. The project may provide relevant entry points and learnings for IFAD-supported projects in terms of improving access to healthcare and in terms of educating youth and creating job opportunities.
58. **Strengthening Women's Ability for Productive New Opportunities (SWAPNO, 2014-2022) programme**<sup>111</sup>. SWAPNO was a gender based social security project targeting 65,000 ultra-poor rural women who are widowed, divorced, abandoned, or left with a disabled

<sup>107</sup> SIDA (2014) Disability Rights in Bangladesh. <https://cdn.sida.se/app/uploads/2021/05/10142908/rights-of-persons-with-disabilities-bangladesh.pdf>

<sup>108</sup> <http://fpmu.gov.bd/agridrupal/sites/default/files/file/policy/NFNSP-2019-Draft-English.pdf>

<sup>109</sup> See <https://www.greenclimate.fund/project/sap008>

<sup>110</sup> See <https://projects.worldbank.org/en/projects-operations/project-detail/P161534>

<sup>111</sup> See <https://www.bd.undp.org/content/bangladesh/en/home/projects/strengthening-womens-ability-for-productive-new-opportunities.html>

husband. The project aims to uplift these women out of extreme poverty through productive and sustainable livelihoods. Under the auspices of National Social Security Strategy (NSSS) of Bangladesh government, SWAPNO was implemented jointly by Local Government Division and UNDP. SWAPNO's intervention follows a graduation model that encompasses livelihood promotion, financial inclusion, social protection, and social empowerment. The women are employed for a specific period under public works. Simultaneously, training is provided to improve self-confidence, leadership, financial literacy, basic numeracy, savings, and spending. This process is followed by livelihood training based on their interests and local market opportunities to begin micro-enterprises or find formal employment. After completing their employment tenure, they can access funds to invest in their enterprises.

59. **Feed the Future Bangladesh Livestock and Nutrition Activity (2015-2021)**<sup>112</sup>. This project worked to sustainably increase livestock productivity, marketability and consumption of livestock products for one million livestock producing households. It will feature a strong digital technology enabled component and it will work across public and private sectors.
60. **Resilience, Entrepreneurship and Livelihood Improvement Project (2021-2026)**<sup>113</sup>. This project, to be implement by the Social Development Foundation under the Ministry of Finance and funded by the World Bank, aims to improve livelihoods of the poor and extreme poor, enhance their resilience and support rural entrepreneurship in project areas. It will scale up the approach piloted by the Nuton Jibon Livelihood Improvement Project in targeting the poor and the poorest, and work on graduating them out of poverty through income-generating activities, skills development and employment support.

### Strategic recommendations

#### Lessons learned

61. **Targeting vulnerable areas and ensuring longer-term climate resilience.** IFAD-supported projects have successfully targeted the worst poverty stricken and climatically vulnerable areas of the countries<sup>114</sup>. At the same time, experiences from both the natural variability in the delta river ecosystem as well as climate change impact projections demonstrate that significant parts of the country, including areas where IFAD-supported interventions take place, may not be protected from being rendered inhabitable or infertile for agricultural development.
62. **Rural finance programs are successful conduits for broader engagement on social, environmental and climate issues.** A large share of IFAD-supported interventions in Bangladesh relate to rural finance programs. Beyond improving access to finance alone, these programs are usually accompanied by training events and other engagements that equally serve as a way to promote broader issues, from gender-related activities to nutrition and disaster management.
63. **Better inclusion and equitable participation of ethnic minorities and prevention of child labour is possible through careful planning of interventions.** IFAD has, through the Indigenous Peoples Assistance Service (IPAF) supported the Chittagong Hill Tracts Rural Development project. This project has demonstrated how social inclusion in development projects can be improved, by developing comprehensive social inclusion plans. Similar strategies can be applied to target marginalized groups and people with disabilities, as well as to ensure the prevention of harmful child labour.
64. **Projects can effectively promote 'safe' agricultural products in clusters, but farmers face constraints on the demand market as well as on input provision to scale up further.** Under the IFAD-supported PACE project, a value chain subproject was carried out specifically to promote safe vegetables around urban areas<sup>115</sup>. It was found that by bringing together different actors in clusters, including organic input suppliers, technical staff and market actors, the entire production system could be changed. By being able to tap into

<sup>112</sup> See [https://pdf.usaid.gov/pdf\\_docs/PA00XRQQ.pdf](https://pdf.usaid.gov/pdf_docs/PA00XRQQ.pdf)

<sup>113</sup> See <https://projects.worldbank.org/en/projects-operations/project-detail/P175820>

<sup>114</sup> IFAD (2021) Bangladesh COSOP Completion Review 2021

<sup>115</sup> Sectoral study carried out for the IFAD COSOP.



premium markets and recognizing cost savings from more efficient application of inputs, farmers now demand safe inputs. However, the larger demand for safe vegetables across the country is still limited, and so is the provision of safe inputs.

65. **General improvements in nutrition-related health indicators may have plateaued, creating a need for new, tailored approaches.** Bangladesh has made significant progress in nutrition-related indicators such as stunting, which is to a large degree attributed to improved incomes, education and healthcare as well as smaller family sizes. A recent study found that such broad-based improvements may however have plateaued, leaving still high levels of stunting in the more difficult to reach, chronically poor areas, while at the same time new challenges in nutrition are rising<sup>116</sup>. This implies that new community-based strategies are needed to target more explicitly those groups with tailored nutrition-related interventions.

#### **Strategic orientation, actions and monitoring**

66. Based on the analysis carried out in this SECAP Background Study, this section lists the SECAP-related recommendations for the strategic orientation of the Bangladesh COSOP 2023 – 2028, specific actions and the associated core indicators for monitoring:
67. **Ensure enhanced climate change adaptation strategies are underlying all IFAD-supported interventions while also actively promoting a low-carbon emission development pathway.** Climate change adaptation aspects are already integrated into most IFAD-supported programs in Bangladesh. They could benefit from further enhancement, including through (i) better understanding the interplay between measures to improve climate resilience of specific project activities, e.g. flood-protected infrastructure or climate-smart agriculture, and the adaptation or coping strategies of the target groups; (ii) strengthening capacity to ensure localized adaptation strategies can be adopted, e.g. improving the analysis of local impacts of climate change and adopting area-based adaptation strategies where for instance climate-resilient irrigation infrastructure development is combined with improved submergible roads and climate smart agriculture, (iii) increasing the emphasis on climate smart agriculture, for instance by introducing stress tolerant varieties and promoting leguminous crops to increase the water retention capacity of the soil and counter salinization; and (iv) setting up cross-project learning exchanges on climate change adaptation in collaboration with other relevant development partners specializing in these matters. In tandem, climate change mitigation efforts should be actively promoted wherever feasible, adopting the targets from the NDC and potentially from sectoral action plans as they are developed during the period covered by this COSOP.

*Associated indicators: CI 3.2.2. Households reporting adoption of environmentally sustainable and climate resilient technologies and practices; CI 3.1.4. Land brought under climate resilient management; CI 3.1.1. Groups supported to sustainably manage natural resources and climate related risks; CI 3.1.2. Persons provided with climate information services; CI 3.2.1. GHG emissions avoided/sequestered.*

68. **Further tailor the design of specific activities in IFAD-supported programs by reviewing and addressing the barriers for marginalized groups and persons with disabilities to participate and strengthen accountability practices.** IFAD-supported interventions in Bangladesh already have a strong targeting focus on the most vulnerable areas and are founded on participatory processes that aim to ensure all stakeholders in those areas can participate and gain benefits. To further enhance the participation of marginalized groups, IFAD-supported projects could review in more detail the design of specific activities, such as participatory rural appraisals or monitoring and evaluation strategies, to improve social inclusion, by explicitly looking at the marginalized groups including people with disabilities and reviewing the barriers they may face to participate in an equitable manner. This may be related to addressing the social norms underlying such activities but also the practical considerations in terms of timing, location and time burden of participation. IFAD-supported projects could use strengthened accountability and feedback mechanisms, including

<sup>116</sup> Nisbett et al (2017). Bangladesh's story of change in nutrition: Strong improvements in basic and underlying determinants with an unfinished agenda for direct community level support.  
<https://www.sciencedirect.com/science/article/pii/S2211912416301018>

but not limited to grievance redress mechanisms built on the evolving national and local structures, to validate the success of such inclusion measures.

*Associated indicators (to be disaggregated by target groups): CI 2.1.2. Persons trained in income-generating activities or business management; CI 1.1.3. Rural producers accessing production inputs and/or technological packages; CI 1.1.5: Persons in rural areas accessing financial services; CI 1.1.8. Households provided with targeted support to improve their nutrition.*

69. **Promote inclusive youth employment as a dedicated investment, with focus on professional skill development, job placement and self-employment, thereby promoting decent work.** While the current IFAD-funded project portfolio is generating economic opportunities in the rural areas including for youth, the inclusion of dedicated activities aimed at youth will help in increasing employment in this age group. The IFAD-funded HILIP-CALIP and PROVATI3 already have used such an approach, which can be replicated in future projects.

*Associated indicators (to be disaggregated by age group): CI2.2.1. New jobs created; CI 1.1.3. Rural producers accessing production inputs and/or technological packages.*

70. **Increase emphasis on promoting environmentally sustainable intensification of production (agricultural and non-agricultural), particularly with regards to nutrition and health impacts, while pursuing circular economy opportunities.** In pursuing increased productivity in both agricultural and non-agricultural sectors, IFAD-supported projects have an important role to play in ensuring environmental sustainability. This is for instance related to including provisions for avoiding the unnecessary, excessive or inadequate use of agrochemicals and the safe storage and application of agricultural inputs in general, the consideration of waste management capacities in the planning of project activities. It also concerns the topic of food safety and nutrition. This can be partially driven by market demand as demonstrated under PACE but it can, in areas where there is no such demand, also be achieved through capacity building, better design of interventions and enforcement of regulations, for instance by tracing pesticide residues. In the same vein, IFAD-supported projects can further expand the pursuit of circular economy opportunities. Some circular economy activities are already integrated in IFAD-supported projects, such as the use of biogas as source of renewable energy, but they could be further expanded to for instance consider alternative protein sources.

*Associated indicators: CI 3.2.2. Households reporting adoption of environmentally sustainable and climate resilient technologies and practices*

### **Potential for environment and climate co-financing**

71. Given the high vulnerability of Bangladesh to climate change, there are and will continue to be significant financial resources available for climate adaptation and mitigation-related co-financing from institutions such as the Green Climate Fund (GCF) and Adaptation Fund. Equally, environmental financiers such as the Global Environment Facility (GEF) are looking to ensure synergies with sectoral investments projects. IFAD, as accredited entity to those institutions, is therefore well positioned to mobilize environmental and climate co-financing.
72. Areas of high potential to mobilize such co-financing include:
- (a) **Innovative climate resilient production systems in the dynamic Char areas.** IFAD and the GoB have a track record of investing in the pioneering of innovative approaches, practices and technologies by combining climate resilient infrastructure with income generating activities and climate services, such as the provision of climate-informed agronomic advice. These projects are generating lessons on what investments are most suitable for the Char areas, as parts of a extremely dynamic ecosystem, and could be further scaled up through climate adaptation finance.
  - (b) **Promoting the adoption of multi-purpose nature-based solutions.** IFAD-supported projects in Bangladesh have experimented with the use of solutions inspired by nature, such as the planting of vetiver grass to stabilise slopes. These same solutions

can provide income-generating opportunities, such as the provision of fodder. And, even if the carbon benefits are modest, they provide ways to increase carbon storage and restore healthy soils. Such interventions can be scaled up to replace interventions with 'grey' infrastructure and can be supported through adaptation finance with some mitigation co-benefits.

- (c) **Supporting low-carbon pathways to better food systems.** In the transition of the agricultural economy to higher productivity, IFAD-supported projects can play a key role to ensure that low-carbon pathways are followed. This will strongly feature the use of renewable energy for rural enterprises (for water pumping and operating equipment) and the promotion of carbon-storing practices such as agroforestry, but may be extended to look at the larger food system to include the carbon footprint of inputs (such as fertilizers) and the remaining value chain towards the end consumer, including cold chains. For this purpose, IFAD-supported projects could seek to mobilize climate change mitigation co-financing, with climate change adaptation as co-benefit.

## COSOP preparation process

The steps and activities have been undertaken for preparation of COSOP 2023-28:

1. COSOP Completion Review: The most significant analysis for preparation of the present COSOP was done by producing CCR report of the previous COSOP 2012-2022. The CCR was completed by reviewing 13 projects (four projects initiated during the earlier COSOP 2006-2012 but completed during COSOP 2012-22 and seven nine on-going and two completed from the COSOP2012-2022 period. It was shared with all IFAD funded projects to receive comments and feedback. The CCR report went through an IFAD internal review process.
2. CCR Validated. The CCR report was presented to the Government (Economic Relations Division, Ministry of Finance) on 18 January 2022 at a validation workshop presided over by Ms Fatima Yasmin, Secretary, ERD. The report has been revised to incorporate feedback from the meeting.
3. Background studies. IFAD country office (ICO) has commissioned four background studies by independent consultants on a) climate change adaptation, b) Poverty, targeting, inclusion and gender, c) financial services and value chain development and application of ICTs, and d) climate resilient infrastructure. These studies analysed current and potential future situations of respective topics, consulted prominent government agencies in the respective area, consulted private sector and NGO-MFIs and sample beneficiaries. The findings have enriched the COSOP2023-28 process in determining Strategic Objectives and potential future areas of investments.
4. COSOP Mission. An IFAD mission was fielded during 20-31 January 2022 to prepare the COSOP report that consulted IFAD funded projects (that is, government departments), bilateral and multi-lateral development agencies, FAO, WFP, research organizations, ethnic minorities' representatives and NGO-MFIs. Due to the pandemic no field visits were undertaken during this mission. However, earlier supervision missions visited beneficiaries of the on-going projects.
5. Day-long Workshop. A day long workshop of was held on 23 January to share and review the findings of the background studies with all projects, IFAD mission members and IFAD Technical Leads, NGO-MFIs and other sector experts. The workshop highlighted issues critical in each area of study and recommended future interventions.
6. Workshop with representatives of ethnic minorities to capture demands and potential intervention methodologies 27 th of January
7. Wrap up meeting with ERD. A COSOP mission wrap- up meeting was held on 31 January 2022 with the Economic Relations Division (ERD) of the Ministry of Finance to share draft COSOP.
8. Meeting with the Minister of Finance. IFAD country program and COSOP was presented to the Minister of Finance, Government of Bangladesh on 2 February 2022 who appreciated IFAD's contribution in rural development and poverty alleviation and extended his support for COSOP.
9. Meeting with Minister of Agriculture. IFAD country program and COSOP was presented to the Minister of Agriculture, Government of Bangladesh on 9 February 2022 who appreciated IFAD's contribution in agricultural development and poverty alleviation and extended his support for COSOP.
10. Validation workshop. The draft COSOP was shared with a broader group of stakeholders at a validation workshop on 22 February 2022.
11. The COSOP was presented to the IFAD regional economist's network and inputs were incorporated.
12. Consultation with list A countries. A workshop was organized for list A countries to discuss the COSOP on the 7 th of March
13. Consultation with UN partners through the UNCT on the 4<sup>rd</sup> of April

## Strategic partnerships

<i>Partnering objectives</i>	<i>Partners/networks/platforms</i>	<i>Partnership results and outcomes</i>	<i>Justification for partnership</i>	<i>Monitoring and reporting (to be completed for CRR and CCR)</i>
<b>Engaging in policy and influencing development agendas</b>	UNCT Bangladesh	New UNSDCF 2022-2026 with IFAD participation. The UNSDCF articulates five Strategic Priority Areas for engagement: (i) inclusive and sustainable economic development; (ii) equitable human development and well-being; (iii) sustainable, resilient and healthy environment; (iv) transformative, participatory and inclusive governance; and (v) gender equality and eliminating gender-based violence.	Improve the joint effort for the development agenda in the 3 priority (1, 2 y 3) objectives and recommend ways to include target groups in the policy dialogues.	
	WFP – FAO	Political dialogue on food systems, climate change and target groups.	Improve the joint effort to strengthen the food system and inclusion target groups in the policy dialogues. WFP is producing a poverty map through an IFAD grant as a territorial planning tool.	
	Bangladesh Water Development Board	Development of resilient water infrastructure.	Increase strategies and actions on small-scale producers through reducing risks of climate change	
	LGED	Development of resilient communication, market, minor embankment and irrigation infrastructure.	Policy advocacy for rural infrastructure, minor irrigation, physical environment, and climate change issues.	
	PKSF	Development of demand driven microfinance services.	Policy advocacy for financial services, ICT applications in microfinance management, business promotion, poverty reduction, and environment/climate change issues.	
<b>Leveraging cofinancing</b>	WB	Resilience, Entrepreneurship and Livelihood Improvement Project. 2021 – 2026. \$500 million. Implementing agency: Social Development Foundation.	Common target group. The Program Development Objective is to improve livelihoods of the poor and extreme poor, enhance their resilience and support rural entrepreneurship in project areas.	
	WB	Program on Agricultural and Rural Transformation for Nutrition, Employment, and Resilience in Bangladesh. March 2022 estimated board date. \$500 million. Implementing agency: Ministry of Agriculture.	Synergy with SO of the COSOP. The proposed Program Development Objective is to enable resilient production and marketing of high-value, safe, and nutritious food in Bangladesh.	
	PKSF	Innovations in microfinance services for women and youth; and climate change adaptation. Is a current partnership of IFAD in Bangladesh.	Financial institution founded by the Government of Bangladesh to finance rural finance programs and build institutions and is located in Dhaka, Bangladesh. PKSF is accredited to access resources from the Green Climate Fund and is implementing a project <sup>117</sup> . PKSF has been mobilizing additional resources from AsDB, World Bank and GoB.	
	Asian Development Bank	Co-financing of projects.	Potential co-financier of projects in the new IFAD 12 portfolio.	
	Asian Infrastructure Investment Bank	Co-financing of projects.	Opportunities will be explored. AIIB and NDB, they have a lot of financial	

<sup>117</sup> Extended Community Climate Change Project-Flood (ECCCP-Flood): <https://www.greenclimate.fund/ae/pksf>

	(AIIB) and New Development Bank (NDB)		resources and can co-finance operations with IFAD. IFAD has a memorandum of understanding with the AIIB, and the Bangladesh country program offers a unique opportunity to concretely put the memorandum of understanding into practice.	
	GoN	Co-financing of projects.	Potential co-financier of projects in the new IFAD 12 portfolio.	
	DANIDA	Co-financing of projects.	Potential co-financier of projects in the new IFAD 12 portfolio.	
	GCF, GEF	Co-financing of projects.	Access to funding for environment and climate related co-financed projects to IFAD12 portfolio.	
	Spanish Trust Fund	Co-financing of projects.	Potential co-financier of projects in the new IFAD 12 portfolio.	
<b>Enabling coordinated country-led processes</b>	Coordination platform with Ministries Agriculture, Fisheries & Livestock, Local Government and Cooperatives, Water Resources, Financial Institutions Division of MoF	Coordination for the design and implementation of projects; COSOP design and reviews.	Increase impact of each project's activities and experiences.	
<b>Developing and brokering knowledge and innovation (including SSTC)</b>	LGED	Maintenance and protection of climate infrastructure, example Vetiver for slope (road, minor embankment, village protection). Is a current partnership of IFAD in Bangladesh.		
	WFP and FAO	Both agencies are direct implementing partners of two projects, WFP in PROVAT3 and FAO in SACP projects.	These organizations with a presence in Bangladesh have an experience and knowledge for IFAD projects.	
	CGIAR-IRRI-World fish	Research organizations	IFAD has established good partnerships with CGIAR institutes, such as IRRI and World Fish.	
	BRAC	International development organisation based in Bangladesh. In order to receive foreign donations to work in social development, social enterprises, investments and education.	Coordinate to deepen the "leave no one behind" approach as a model in IFAD's investments for the poorest.	
<b>Strengthening private sector engagement</b>	Non-financial and financial service providers.	Private sector is seen as buyers, and provider of technology, technical assistance and microfinances services.	Is limited but gradually expanding under two value chain projects – PACE and RMTP.	
<b>Enhancing visibility</b>	Ministries Agriculture, Fisheries & Livestock, Local Government and Cooperatives, Water Resources, Financial Institutions Division of MoF	Inclusion of financial linkages of the Micro enterprises, small and marginal farmers		

## South-South and Triangular Cooperation strategy

### I. Introduction

1. IFAD has increasingly tried to incorporate South-South and Triangular Cooperation (SSTC) in loan and grant financing activities, as a form of commercial and technical support making use of existing solutions. The projects and/or programmes financed by IFAD and in-country partners have developed approaches to provide technical cooperation based on reciprocal knowledge exchanges between peers.
2. The formulation of the new COSOP 2023-2028 for the People's Republic of Bangladesh facilitated an analysis of the country's economic and development context, identifying opportunities for SSTC activities. The exercise provides a clear idea of how other countries' experiences or resources can be harnessed, and how Bangladesh can share its own experiences and resources with others. SSTC thus is not only an instrument for sharing knowledge among countries; it is also a means to promote investments and financial flows to help countries in their development.
3. In the framework of the new COSOP, SSTC is important to show the results obtained from the rural development initiatives focusing on smallholder agricultural producers, and to highlight the actions and results of the progress achieved on the mainstreaming themes. This appendix presents potential areas for SSTC in Bangladesh as well as opportunities for partnerships that will be explored during the COSOP period. It is also important that SSTC activities are aligned with the key ongoing policies and programmes that are the focus of IFAD investments in Bangladesh.

### II. Opportunities for rural development investment promotion and technical exchanges

4. Bangladesh has established a South-South Cooperation Cell (SSCC) within the Economic Relations Division (ERD) of the Ministry of Finance, which coordinates SSTC activities. South-South Cooperation is included in the National Policy for Development Cooperation. The Access to Information (A2I) programme of Bangladesh is currently leading three platforms<sup>118</sup> following SSTC approaches to facilitate the exchange of knowledge, experiences and best practices and find innovative solutions. Bangladesh has also laid out its vision to utilize SSC in implementing SDGs<sup>119</sup>.
5. The strategic objectives proposed in the COSOP recognise not only IFAD's contributions in Bangladesh, but also the Government's special call to position itself as a provider of technical assistance and South-South Cooperation to other member countries in the region and beyond.

### III. SSTC engagement rationale

6. During the previous COSOP period, several SSTC initiatives were implemented. A few examples follow:
  - a. PACE project implemented by Palli Karma-Sahayak Foundation (PKSF) collaborated with the Vietnamese development organization Centre for Education and Community Development (CECD) and received technical support from Vietnamese experts to expand the crab culture sub-sector.
  - b. Hydroponic fodder, implemented by PKSF, was mentioned on the Rural Solutions Portal through a collaboration between APR, PMI and SSTC team.
  - c. Several stock-taking exercises on climate resilience were organized through an SKD-APR collaboration where 8 projects from Bangladesh, Bhutan, India, and Nepal shared lessons learnt.
  - d. The Bangladesh Rural Advancement Committee, more well-known by its acronym BRAC, provided its expertise on the Graduation approach in a collaboration with IFAD

<sup>118</sup> South-South Network for Public Service Innovation, Alliance for Asian Apprenticeship, and South-Asia Civil Registration Network.

<sup>119</sup> <https://a2i.gov.bd/publication/public-service-innovation/>

in Kenya. This model is being replicated to Tunisia through a new partnership with the Government of Tunisia.

7. The examples listed above show the potential of the activities within the Bangladesh PoLG. Future opportunities should target the area of post-harvest processing and value addition to serve both domestic demand and tap into export opportunities. Experiences of other Global South countries are seen as more relevant for Bangladesh as they involve similar levels of technology and required investment. Possible examples include fruit pulp processing (oranges and mangoes), coffee roasting and other high-value technologies, along with the setting up of various regulatory and certification bodies.

#### **IV. Partnerships and initiatives**

8. IFAD works with numerous partners in Bangladesh, many of which are interested in incorporating SSTC initiatives into their respective activities. Possible partners include DANIDA, GoN, Helvetas, JICA, AIB, IsDB and other bilateral organizations. These organizations have experience working in countries similar to Bangladesh, and can provide the linkages as well as funding to enable SSTC activities. It is important to keep in mind that this is not an exhaustive list, since new SSTC activities and partners can be identified by the Government and/or suggested by stakeholders during the implementation period.
9. SSTC work and targeting could be oriented towards vulnerable and traditionally excluded rural groups, including women, youth and indigenous peoples, as these are mainstreaming strategic and essential pillars in contributing to the reduction of poverty and malnutrition.
10. In terms of entrepreneurship, capacity-building, information technology and rural financing, there are opportunities to develop exchanges with other countries in the region that have obtained positive results in these areas. A partner for this has not yet been determined. In regard to market access and certifications, it is proposed that work be done with the ITC.
11. One example of SSTC is adaptation of graduation model in Tunisia that was successfully developed by BRAC, a famous Bangladeshi NGO.

#### **V. Conclusion**

12. SSTC responds to the growing interest of developing countries to share lessons learned through knowledge exchange, technology and experience, as well as promoting trade and investments. In this context, Bangladesh could certainly benefit from SSTC's technical cooperation aspects and promotion of investments.
13. Bangladesh has already developed interesting SSTC initiatives in recent years and should try to maximize existing experiences to expand the new intervention. In this regard, it will be critical to mobilise funds for SSTC initiatives. IFAD needs to set up appropriate and diversified financing options and an enhanced institutional architecture for SSTC.
14. Considering the Agenda 2030, and especially SDGs 1 and 2, and recognizing the great demand for technical knowledge and investment alternatives expressed by the government, IFAD is ready to continue to act as a knowledge intermediary and support the exchange of good practices and investment opportunities during the implementation of the new COSOP.



## Country at a glance

[Source: [Country portfolio summary](#)]

### Some Units of Measurement

1. 1 maund = 82.29 lb = 37.3241 kg
2. 1 kg = 1.0716916 seer = 2.2046226 lb.
3. 1 acre = 0.404686 Hectare
4. 1 bale of jute = 0.1814369 Metric Ton
5. 1 crore = 10 million
6. 1 lakh = 0.1 million
7. 1 mile = 1.6093 Kilometre
8. 1 kilometre = 0.6213712 mile
9. 1 square mile = 2.589988 sq. kilometre
10. 1 square kilometre = 0.3861022 sq. mile

Bangladesh									
Summary of IFAD Country Portfolio									
A. Project began in previous COSOP but completed during 2012-2022									
Name of the project	Implementing Agency	Start (Entry into Force)	End (Current Completion)	Total Cost (USD)	IFAD (USD)		Status	International Co-funding	International contribution in on-going projects (million \$)
					Grants	Loan			
1 SCBRMP	LGED	1/14/2003	3/31/2014	26,740,000	N/A	21,973,000	Financial Closure	N/A	
2 MIDPCR	LGED	9/22/2006	9/30/2013	43,893,684	N/A	24,946,873	Financial Closure	Netherlands	4,751,552
3 FEDEC	PKSF	1/8/2008	3/31/2014	57,786,875	N/A	35,030,946	Financial Closure	N/A	
4 NATP I	MoA	3/25/2008	12/31/2014	84,530,935	N/A	19,450,366	Financial Closure	World Bank	62,489,501
<b>Subtotal</b>				<b>212,951,494</b>		<b>101,401,185</b>			<b>67,241,053</b>
B. Projects under current COSOP (2012-2022)									
1 PSSWRSP	LGED	11/6/2009	6/30/2018	119,797,515		32,000,047	Financial Closure	ADB	55,000,329
2 CDSPIV	BWDB and others	5/9/2011	3/31/2022	139,152,001		67,930,048	On-going	Netherlands	21,492,741
3 HILIP-CALIP	LGED	7/18/2012	9/30/2021	133,309,182	16,090,727	71,139,932	On-going	Spanish Fund	29,745,137
4 CCRIP	LGED	6/28/2013	6/30/2019	150,053,320	1,007,502	60,011,411	Project Completed	Strategic Climat Fund	29,970,381
CCRIP								ADB	20,003,132
CCRIP								German credit Institution for Reconstruction	8,838,813
5 PACE	PKSF	12/11/2014	12/31/2022	129,787,650		58,074,650	On-going	Republic of Korea (Grant)	360,000
6 NATP II	MoA	8/7/2016	6/30/2023	220,400,000		23,800,000	On-going	World Bank	176,000,000
NATP II								USAID	7,400,000
7 PROVATI3	LGED	2/13/2018	3/31/2024	92,374,000	1,250,000	64,500,000	On-going	N/A	
8 SACP	MoA	8/1/2018	9/30/2024	110,715,000	2,000,000	66,500,000	On-going	Rural Poor Stimulus Facility (RPSF) Phase I	915,000
SACP								Rural Poor Stimulus Facility (RPSF) Phase II	1,092,379
9 RMTP	PKSF	12/3/2019	9/18/2025	200,000,000	1,000,000	81,000,000	On-going	Denmark	8,299,000
<b>Subtotal</b>				<b>1,295,588,668</b>	<b>21,348,229</b>	<b>524,956,088</b>	-	-	<b>359,116,912</b>
<b>TOTAL</b>				<b>1,508,540,162</b>	<b>21,348,229</b>	<b>626,357,273</b>	-	-	<b>426,357,965</b>

<b>Macroeconomic indicators</b>								
<b>Indicators</b>	<b>FY15</b>	<b>FY16</b>	<b>FY 17</b>	<b>FY 18</b>	<b>FY 19</b>	<b>FY 20</b>	<b>FY21(p)</b>	
Real GDP growth (base: 2005-6) (%)	6.55	7.11	7.28	7.86	8.15	3.51	5.47	
Real GDP growth (base: 2015-16) (%)	n.a	n.a	6.59	7.32	7.88	3.45	5.43	
CPI Inflation (average) (%)	6.41	5.5	5.94	5.78	5.47	5.65	5.56	
Gross Domestic Savings (%)	22.09	24.98	25.33	22.83	25.02	23.77	24.17	
Gross domestic investment (%)	28.89	29.65	30.51	31.23	31.57	30.47	29.92	
Current account balance (%)	1.79	1.92	-0.53	-3.49	-1.69	-1.46	-1.07	
Gross official reserves (in Billion USD)	25.02	30.18	33.41	32.94	32.72	36.04	46.39	
In terms of months of imports	6.5	7.2	6.6	6	6	6.1	6.9	
<b>Source: Bangladesh Bank</b>								
<b>Real GDP Growth by Sectors: Base 2005-06</b>								
	<b>FY15</b>	<b>FY16</b>	<b>FY 17</b>	<b>FY 18</b>	<b>FY 19</b>	<b>FY 20</b>	<b>FY21(p)</b>	
Agriculture (%)	3.3	2.8	3	4.2	3.92	4.59	3.45	
Industry (%)	9.7	11.1	10.2	12.1	12.67	3.25	6.12	
Services (%)	5.8	6.3	6.7	6.39	6.78	4.16	5.6	
GDP (at constant market price)	6.55	7.11	7.28	7.86	8.15	3.51	5.47	
<b>GDP composition by sector (%)</b>								
Agriculture (%)	16	15.4	14.7	14.23	13.65	13.74	13.47	
Industry (%)	30.4	31.5	32.4	33.66	35	34.78	34.99	
Services (%)	53.6	53.1	52.9	52.11	51.35	51.48	51.53	
Total	100	100	100	100	100	100	99.99	
<b>Source: Bangladesh Bank</b>								
<b>National Poverty Level</b>								
		<b>2016*</b>	<b>2018</b>	<b>2020</b>	<b>2021</b>			
Poverty rate (%)		23.2						
Extreme poverty rate (%)		12.9						

<b>Indicators</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Population (in million)</b>					
Both sexes	156.8	158.9	160.8	162.7	164.6
Male	78.6	79.6	80.5	81.4	82.4
Female	78.2	79.3	80.3	81.3	82.2
Intercensal growth rate	1.37	1.37	1.37	1.37	1.37
Country size (sq. Km)	147,570	147,570	147,570	147,570	147,570
<b>Population by Broad Age-groups (percent)</b>					
<b>Both sexes</b>					
0-14	31.7	30.8	30.8	29.3	28.8
15-49	52.6	53.7	53.6	54.4	54.6
50-59	7.9	7.8	8.1	8.3	8.7
60+	7.8	7.7	7.5	8	7.9
Total	100	100	100	100	100
<b>Fertility</b>					
<b>Crude Birth Rate (per 1000 population)</b>					
Total (both sexes)	18.9	18.8	18.7	18.5	18.3
<b>Infant Mortality Rate (per 1000 live births)</b>					
Total - Both Sexes	30	29	28	24	22
<b>Under 5 Mortality Rate (per 1000 live births)</b>					
Total - Both sexes	38	36	35	31	29
<b>Maternal Mortality Ratio (per 1000 live births)</b>					
Total (urban+rural)	1.93	1.81	1.78	1.72	1.69
<b>Expectation of Life at birth (Years)</b>					
Men	69.1	69.4	70.3	70.6	70.8
Women	71.6	72	72.9	73.5	73.8
BBS	Bangladesh Sample Vital Statistics				



## Financial management issues summary

COUNTRY		Bangladesh		CONCEPT NOTE			
<b>A. COUNTRY PORTFOLIO PERFORMANCE</b>							
<b>Country – FM KPIs:</b>							
<i>FM Inherent Risk:</i>		<b>High</b>		<p>The Transparency International Corruption Perception Index (CPI) score for Bangladesh in 2021 is 26 and ranked 147th out of 180 countries. In 2019 and 2020, Bangladesh was ranked at 146th with same score index of 26. Like the last year, Bangladesh is again the second-worst performer in curbing corruption among the South Asian countries, with Afghanistan being the worst. It shows that the progress in anti-corruption efforts and reform is slow and have not yet effective.</p> <p>Public Financial management (PFM). The latest Public Expenditure and Financial Accountability (PEFA) assessment report for Bangladesh was published in 2016. It indicates that seven performance indicators improved, fourteen remain the same and seven deteriorated since the last PEFA of 2010. Controls in budget execution, reporting, accounting and audit remain weak.</p> <p>According to the May 2020 Joint World Bank-IMF Debt Sustainability Analysis (DSA) , Bangladesh remains at a low risk of external and a low overall risk of debt distress. Despite the economic shock caused by COVID-19, external debt indicators are below their thresholds and the public debt level is below the benchmark under the baseline and stress test scenarios. Bangladesh GDP growth rate dropped from 8.2% in 2019 to 5.2% in 2020 mainly as an impact of COVID-19 pandemic. However, the GDP growth for 2021 is projected at 7.2%</p>			
<i>1Country Disbursement Ratio (rolling-year)</i>		19.80%					
<i>Outstanding Ineligible Expenditure</i>		-					
<i>Outstanding Advances (Projects in Expired Status)</i>		-					
<i>Applicable PBAS cycle:</i>		IFAD12					
<i>PBAS Available allocation:</i>		-86,276,985					
<p>1Corporate Disbursement Ratio Methodology considers ASAP, AFD, IFAD, KFW and SPA financing sources only.</p>							
<b>CURRENT LENDING TERMS</b>		Blend					
<b>B. PORTFOLIO, FM RISK &amp; PERFORMANCE</b>							
<b>Existing Portfolio:</b>							
Project	Financing instrument	FLX Status (2)	Lending Terms	Currency	Amount (millio	%Disb	Completion date

					n)		
CDSP IV	200000289800	DSBL	HIGHLY CONCESSIONAL BY CURRENCY	USD	13.8	18.65	30/03/2022
CDSP IV	200000289900	DSBL	BLEND TERMS BY CURRENCY	USD	6.8	33.58	30/03/2022
HILIP - CALIP	G-C-ASP-847-A	DSBL	ASAP GRANTS	XDR	9.9	96.66	29/06/2022
HILIP - CALIP	G-I-C-847-	DSBL	LOAN COMPONENT GRANTS	XDR	0.63	80.97	29/06/2022
HILIP - CALIP	L-E--3-	DSBL	HIGHLY CONCESSIONAL TERMS 0.75 pc	EUR	21.4	100	29/06/2022
HILIP - CALIP	L-I--847-	DSBL	HIGHLY CONCESSIONAL TERMS 0.75 pc	XDR	34.45	95.82	29/06/2022
PACE	200000072200	DSBL	HIGHLY CONCESSIONAL TERMS 0.75 pc	XDR	26.35	99.04	31/12/2022
PACE	200000083500	DSBL	SUPPLEMENTARY FUNDS GRANTS	USD	0.36	100	31/12/2020
PACE	200000366600	DSBL	HIGHLY CONCESSIONAL BY CURRENCY	USD	9.04	22.13	31/12/2022
PACE	200000366700	DSBL	BLEND TERMS BY CURRENCY	USD	9.04	22.13	31/12/2022
NATP 2 - BD	200000072100	DSBL	HIGHLY CONCESSIONAL TERMS 0.75 pc	XDR	17	85.81	29/06/2023
SACP	200000229300	DSBL	HIGHLY CONCESSIONAL TERMS 0.75 pc	USD	64.5	41.21	29/09/2024
SACP	200000229400	DSBL	LOAN COMPONENT GRANTS	USD	2	66.5	29/09/2024
SACP	200000347000	DSBL	SUPPLEMENTARY FUNDS GRANTS	USD	0.92	100	29/09/2024
SACP	200000392500	DSBL	SUPPLEMENTARY FUNDS GRANTS	USD	1.09	100	30/03/2022
PROVATI	200000212400	DSBL	HIGHLY CONCESSIONAL TERMS 0.75 pc	USD	63.25	36.42	30/03/2026
PROVATI	200000212500	DSBL	LOAN COMPONENT	USD	1.25	100	30/03/2026

			GRANTS				
RMTP (PKSF)	200000309800	DSBL	LOAN COMPONENT GRANTS	EUR	0.9	0	31/12/2025
RMTP (PKSF)	200000309900	DSBL	HIGHLY CONCESSIONAL BY CURRENCY	EUR	48.1	15.88	31/12/2025
RMTP (PKSF)	200000310000	DSBL	BLEND TERMS BY CURRENCY	EUR	23.75	32.16	31/12/2025
RMTP (PKSF)	200000358300	DSBL	SUPPLEMENTARY FUNDS GRANTS	EUR	6.69	20	31/12/2025
WR2CC - ASAP2 Grant	200000346800	DSBL	SUPPLEMENTARY FUNDS GRANTS	USD	0.4	90	29/06/2022

Project	Project FM risk rating	Performance Score: Quality of Financial Management	Performance Score: Quality & Timeliness of Audit	Performance Score: Disbursement Rate	Performance Score: Counterpart funds
CDSP IV	Substantial	Moderately Unsatisfactory	Mod. satisfactory	Highly Unsatisfactory	Moderately Unsatisfactory
HILIP - CALIP	Moderate	Satisfactory	Mod. satisfactory	Moderately Unsatisfactory	Satisfactory
PACE	Low	Satisfactory	Satisfactory	Satisfactory	Moderately Satisfactory
NATP 2 - BD	Substantial	Satisfactory	Mod. unsatisfactory	Moderately Satisfactory	Moderately Satisfactory
SACP	Moderate	Moderately Satisfactory	Mod. satisfactory	Moderately Satisfactory	Satisfactory
PROVATI	Substantial	Moderately Unsatisfactory	Mod. satisfactory	Moderately Unsatisfactory	Moderately Satisfactory
RMTP (PKSF)	Moderate	Moderately Satisfactory	Satisfactory	Moderately Satisfactory	Moderately Satisfactory
WR2CC - ASAP2 Grant	Low	Not Specified	Not Specified	Not Specified	Not Specified

*The Bangladesh portfolio currently consists of seven ongoing projects and one project under design stage (CDRS). IFAD has received a request from the government to extend CDSP for another 27 months with the new project completion and the financial closing dates to 30/06/2024 and 31/12/2024.*

*ICP is in place at central level. The use of country public financial management systems is extensive for donor-funded projects, especially in relation to budgeting, fund flows, accounting and the audit. Budgeting processes are overall well functioning but deficiencies have been noted related to reporting especially at early stage of the project implementation. Internal controls and internal audit also remain an area of substantial weakness across the Bangladesh portfolio. All donor funded projects are audited by FAPAD on a yearly basis. Its performance, in terms of quality and timelines, has improved in recent years.*

*The portfolio currently contains three projects with substantial FM inherent risk (CDSP IV, NATP 2 - BD,*



and PROVATI), three projects with Moderate risk (HILIP CALIP, SACP and RMTP) and two projects with low risk (PACE and WR2CC-ASAP2 Grant).

*Lesson learned:*

- *Finance staff capacity skill need to be strengthened.*
- *Internal control and internal audit functions are in need of improvement;*
- *Computerized accounting system for project need to be procured at early stage*
- *Timelines of financial reporting*
- *Timelines of audit report and follow up of findings/recommendation*

*Mitigation measures:*

- *The main mitigation strategy for financial management includes detailing of financial management procedures, making the PMO responsible for consolidation, reporting of the financial statement; provide training to project staff, and hiring qualified staff for the project.*
- *Assess the fund flow, internal control and reporting arrangement during the design*
- *Efficient organizational arrangements are essential for smooth project implementation*
- *Adequate internal control measures should be introduced and used at all levels*
- *Procure and set-up of appropriate accounting software able to produce the financial reporting meeting the government and IFAD requirements, which include recording counterpart funding (both in-kind materials and labour and cash) contributions.*

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