
President's report

Proposed loan

People's Republic of Bangladesh

Programme on Agricultural and Rural Transformation for Nutrition, Entrepreneurship and Resilience

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Action: The Executive Board is invited to approve the recommendation contained in paragraph 68.

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Programme delivery team

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Map of the programme area



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.
Map compiled by IFAD | 09-08-2022

Financing summary

Initiating institution:	World Bank
Borrower/recipient:	Ministry of Finance
Executing agency:	Ministry of Agriculture
Total programme cost:	US\$1,343 million
Amount of IFAD loan:	US\$43 million
Terms of IFAD loan:	Blend: 25 years, including a grace period of 5 years, with a service charge of 0.75 per cent and interest rate of 1.25 per cent per annum in special drawing rights (adjustments for single-currency loans)
Cofinancier:	International Development Association
Amount of cofinancing:	US\$500 million
Terms of cofinancing:	Loan
Contribution of borrower/recipient:	US\$800 million
Cooperating institution:	World Bank

I. Context

A. National context and rationale for IFAD involvement

National context

1. Bangladesh has made rapid social and economic progress in recent decades, reaching lower-middle-income status in 2015. The national poverty rate fell from 48.9 to 24.5 per cent between 2000 and 2016, while extreme poverty declined from 34.3 to 13.0 per cent. However, the pace of poverty reduction has slowed in recent years even as growth accelerated.
2. GDP growth declined to 3.4 per cent in 2020 as a result of COVID-19 restrictions but rebounded in financial year (FY) 2021 and FY 2022, reaching an estimated 7.2 per cent in FY 2022 as private consumption and investment increased. At the same time, inflation rose to 7.5 per cent (July 2022), up from 5.3 per cent in the previous year, following the global surge in commodity prices caused by the war in Ukraine, which disproportionately impacted poor people.
3. In 2019, 20.5 per cent of the population were living below the poverty line, with 10.5 per cent living in extreme poverty. The national rate of undernourishment was 9.7 per cent (15.9 million) during the period 2018 to 2020, and the rate of severe food insecurity was 10.5 per cent. The rate of moderate or severe food insecurity stood at 31.9 per cent, although data indicate a gradual diversification of diets.
4. To attain upper-middle-income status by 2031, Bangladesh needs to create jobs and employment opportunities by developing a competitive business environment, diversifying exports, investing in human capital, building efficient infrastructure, strengthening the financial sector and establishing a policy environment that attracts private investment.

Special aspects relating to IFAD's corporate mainstreaming priorities

5. **Women.** Employment opportunities for women are limited: the labour-force participation rate of rural women is 38.6 per cent compared to 80.3 per cent for men. Women are employed in low-paying jobs, with men, on average, earning 21 per cent more in the rural sector. Women bear most of the responsibility for caring for their families and have limited access to and control over resources and finances. Social and cultural norms still impede women from selling goods in markets or participating in economic activities outside the homestead.
6. **Youth.** The percentage of people aged 15 to 29 who are not in education, employment or training is 30 per cent, of whom 87 per cent are female. This percentage has increased since 2010, with unemployment higher in rural areas compared to urban areas. Young people generally lack the means (land, resources and assets) to build their own rural enterprises.
7. **Nutrition.** [A Multiple Indicator Cluster Survey from 2019](#) found that 28 per cent of preschool children were stunted, 23 per cent were underweight, around 10 per cent were classified as suffering from wasting and 2.4 per cent of children under five years of age were found to have micronutrient deficiencies and to be at risk of malnutrition. More than half of all women in Bangladesh suffer from chronic energy deficiency, and 36.7 per cent of women of reproductive age have anaemia.
8. **Climate.** [An Asian Development Bank integrated assessment model \(2014\)](#) found that losses from climate change could reach up to 9 per cent of GDP per year. Mean temperatures are expected to rise and annual rainfall is expected to increase, lengthening the monsoon season, heightening the chances of flooding and altering cropping calendars. Rising sea levels threaten coastal areas in the form of the loss of land and salinization of groundwater. These impacts could eventually lead to 13 million [internal climate change migrants by 2050](#).

Rationale for IFAD involvement

9. The Government of Bangladesh approached IFAD to support its flagship sectoral transformation programme led by the World Bank, given the strong partnership between the two entities. There is close alignment between the objectives of the Programme on Agricultural and Rural Transformation for Nutrition, Entrepreneurship and Resilience (PARTNER) and IFAD's [country strategic opportunities programme \(COSOP\) for Bangladesh 2023-2028](#), as PARTNER will promote diversification, food safety, entrepreneurship and resilience in the agrifood value chains of Bangladesh.
10. IFAD participated actively in the overall programme design and worked closely with the World Bank and the Government throughout the process. IFAD will also leverage its experience in results-based lending (RBL) cofinancing agreements such as the [Agriculture and Livestock Competitiveness Programme for Results](#) in Senegal.
11. By cofinancing PARTNER in the amount of US\$43 million, IFAD will be able to introduce a programme-for-results (PforR) mechanism into its portfolio in Bangladesh and extend its experience in RBL. Most importantly, it will allow IFAD to play an influential role in changing the agricultural sector in Bangladesh through increased visibility and a voice in policy dialogue, despite contributing only 3.2 per cent of total costs.
12. The PforR approach is well-suited to support the implementation of the [National Agriculture Policy – Plan of Action \(NAP-PoA\)](#). The NAP-PoA was developed for an initial five-year period from 2021 to 2025, while the overall NAP provides policy orientation for the 10-year period 2018 to 2028. PARTNER will also be the first RBL operation in agriculture in Bangladesh, marking a historical milestone.

B. Lessons learned

13. The [COSOP completion review for Bangladesh \(2022\)](#) concluded that IFAD projects in Bangladesh have contributed to (i) poverty reduction by creating employment opportunities and a supportive ecosystem for rural enterprises; (ii) supporting comprehensive interventions in rural livelihoods, services and infrastructure; (iii) promoting climate adaptation and sustainable livelihoods for rural poor people; and (iv) adopting a value chain development approach leading to a direct rise in income for a large number of beneficiaries.
14. IFAD projects successfully reached the country's most poverty-stricken and climatically vulnerable areas and included ultra-poor, marginal and small-scale farmers and women as a majority of beneficiaries. Climate-resilient livelihoods promoted under [CDSP-IV\(AF\)](#), [HILIP-CALIP](#) and [PROVATI](#)¹ have produced excellent results.
15. IFAD has drawn on its experience from ongoing projects like [PACE](#), [NATP2](#) and [SACP](#),² which empower farmers engaged in subsistence agriculture to participate in market-oriented production systems and coordinate with other value chain stakeholders. Value chain approaches to farm and non-farm business development, combined with financial services (for example, in [FEDEC](#) and [RMTP](#) projects³), have successfully diversified incomes and transformed livelihoods.

¹ CDSP-IV(AF) = Char Development and Settlement Project IV; HILIP-CALIP = Haor Infrastructure and Livelihood Improvement Project; PROVATI = Promoting Resilience of Vulnerable through Access to Infrastructure, Improved Skills and Information.

² PACE = Promoting Agricultural Commercialization and Enterprises Project; NATP2 = National Agricultural Technology Programme – Phase II Project; SACP = Smallholder Agricultural Competitiveness Project.

³ FEDEC = Finance for Enterprise Development and Employment Creation Project; RMTP = Rural Microenterprise Transformation Project.

II. Programme description

A. Objectives, geographical area of intervention and target groups

16. **The goal** of PARTNER is to bring about a transformational shift in agriculture in support of diversification towards high-value crops and ensuring food and nutrition security, and to build long-term sector resilience to climate change.
17. **The development objective** is to promote diversification, food safety, entrepreneurship and climate resilience in the agrifood systems of Bangladesh through three results areas (RAs), namely: (i) promoting sustainable and nutritious food production; (ii) increasing entrepreneurship and access to services along the value chains; and (iii) modernizing institutions and policies for agriculture transformation.
18. In line with IFAD guidelines, the targeting strategy is based on geographical and self-targeting mechanisms. It is estimated that approximately 5,000,000 small-scale farmers will benefit from PARTNER activities, of which at least 40 per cent will be women and 50 per cent will be youth. PARTNER will be implemented nationwide.

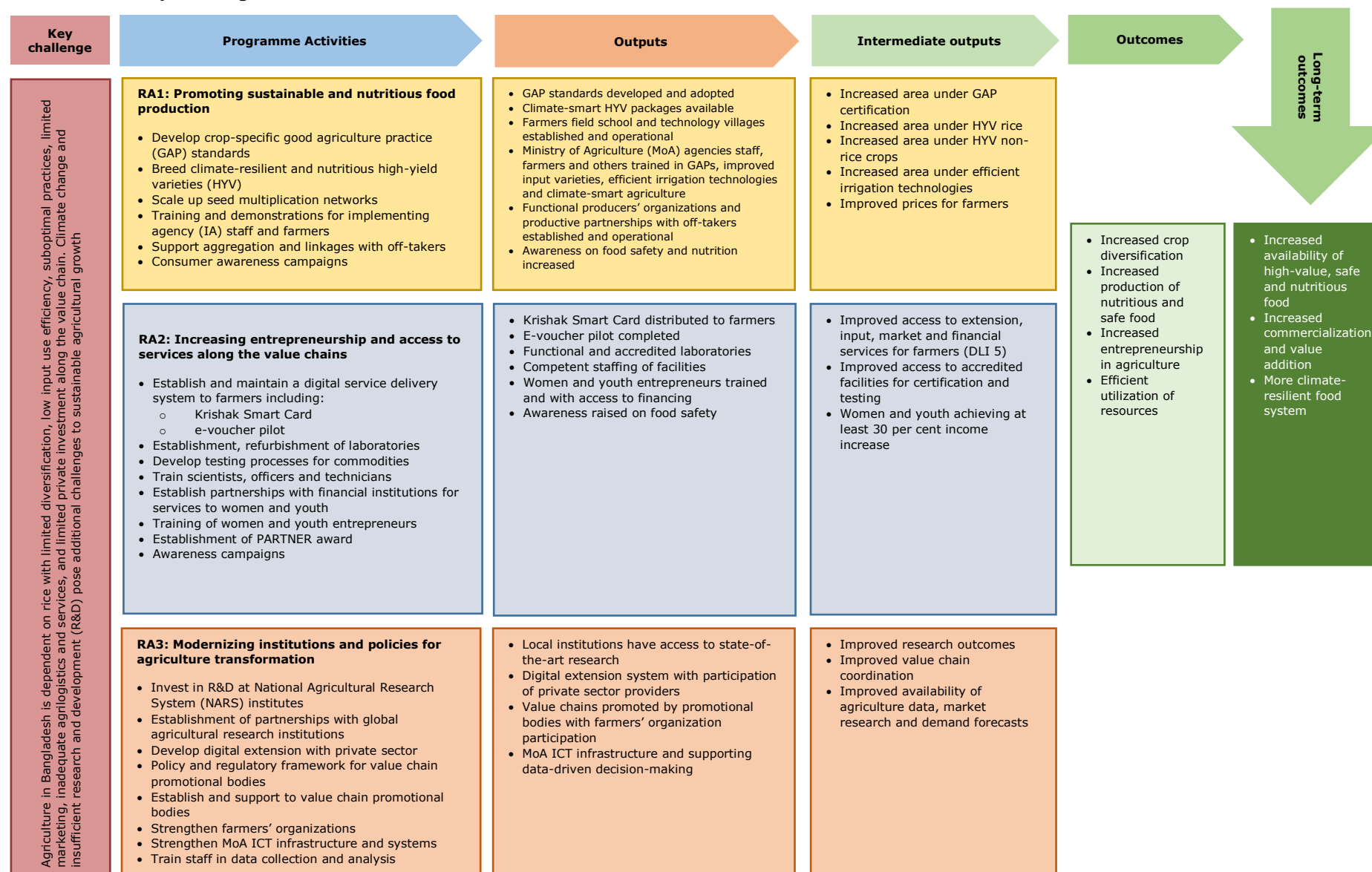
B. Components, outcomes and activities

19. The three RAs (listed below) form the basis of the programme components. They are further divided into 10 disbursement-linked indicators (DLIs).
 - (i) **RA1: Promoting sustainable and nutritious food production.** RA1 aims to increase the productivity of all key crops such as cereals, pulses, fruit, vegetables and spices, promoting agricultural diversification, enhancing farm food safety and building climate resilience in the sector.
 - (ii) **RA2: Increasing entrepreneurship and access to services along the value chains.** RA2 aims to make the provision of services and subsidies to farmers more efficient, help with the reform of the food safety system by strengthening the national testing laboratories and promote access to better markets.
 - (iii) **RA3: Modernizing institutions and policies for agriculture transformation.** RA3 aims to reform the agricultural research, education and extension system; improve value chain coordination and promotion; and enhance the efficiency, effectiveness, coordination and information management of agricultural policies and programmes.

C. Theory of change

20. The programme's theory of change is presented in Figure 1. The programme will focus on: (i) the declining area of agricultural land available to feed a growing population; (ii) rice-centric production systems, with limited crop diversification; (iii) the decreasing rate of return on rice production vis-à-vis horticultural production; and (iv) the continuing prevalence of malnutrition. Addressing these issues requires reorienting the strategic priorities of the agricultural sector towards more rapid diversification while also reducing yield gaps in rice production. This will be achieved by focusing on investments in research, extension services, food safety, value chain organizations, entrepreneurships and input use efficiencies to promote diversification in the sector. PARTNER also includes a pilot to test e-vouchers for efficient input subsidy delivery mechanisms to generate lessons for repurposing the ongoing fertilizer subsidy programme. This approach will safeguard past achievements in ensuring food security while injecting new momentum into agricultural transformation and building the sector's climate resilience. Formal tracking for climate finance, however, has been waived.

Figure 1
PARTNER's theory of change



D. Alignment, ownership and partnerships

21. PARTNER will respond to Bangladesh's policy goals and contribute to key strategic priorities as outlined in the [8th Five Year Plan](#) – namely to reduce extreme poverty to 5 per cent and moderate poverty to 12 per cent (Sustainable Development Goal [SDG] 1) – by financing a subset of the sectoral plan of action (NAP-PoA) of the Ministry of Agriculture (MoA).
22. It is aligned with the [Bangladesh Delta Plan 2100](#), which aims to achieve long-term water and food security, economic growth and environmental sustainability while effectively reducing vulnerability to climate change and other challenges faced in the Delta. The [Perspective Plan of Bangladesh 2021-2041](#) and the [United Nations Sustainable Development Cooperation Framework \(2022-2026\)](#) are other guiding documents.
23. PARTNER will contribute to achieving SDG 1 through a sustainable increase in the incomes of poor farmer families and young rural entrepreneurs and to SDG 2 by improving food and nutrition security of beneficiary households. The programme will also contribute to SDG 5 and SDG 13 with its different activities and initiatives.
24. The DLIs have a clear linkage with the [IFAD Strategic Framework 2016-2025](#) and IFAD's COSOP for Bangladesh. The 4 DLIs (1-4) under RA1 are linked with IFAD strategic objective (SO) 1) and DLIs 5, 7 and 9 are linked with IFAD SO2 as well as the SO2 of the COSOP.

E. Costs, benefits and financing

Programme costs

Financing and cofinancing strategy and plan

25. PARTNER will be implemented from 2023 to 2028, with a total budget of US\$1.343 billion. The International Development Association (IDA) will contribute US\$500 million (37.2 per cent) and IFAD will contribute US\$43 million (3.2 per cent). The Government's contribution will cover the remaining US\$800 million, comprising the available budget of the Ministry of Agriculture's ongoing and approved programmes, which are aligned with PARTNER's RAs (US\$625 million), and an incremental contribution of US\$175 million. The World Bank's policies for financing taxes will apply to all programme expenditures, including those cofinanced by IFAD. Table 1 below details PARTNER's financing.

Table 1
Summary of PARTNER's financing plan
 (Millions of United States dollars)

<i>Source</i>	<i>Amount</i>	<i>Share of total financing (%)</i>
1. Government of Bangladesh	800	59.6
1.1. Available budget of the Government's ongoing and approved programmes	625	46.6
1.2. Incremental budget	175	13.0
2. Development partners	543	40.4
2.1. World Bank-IDA	500	37.2
2.2. IFAD	43	3.2
Total	1 343	100

Table 2
Programme costs by results area, DLI and financier
 (Thousands of United States dollars)

Results area (Component)	Disbursement linked indicator (DLI) (Subcomponent)	Allocation		
		Total	IDA	IFAD
RA1: Promoting sustainable and nutritious food production	DLI 1 – Development, roll out, and adoption of GAP standards in fruit and vegetable production (hectare)	59 730	55 000	4 730
	DLI 2 – Development and adoption of high-yielding rice varieties (hectare)	55 386	51 000	4 386
	DLI 3 – Crop diversification towards non-rice cereals, pulses, oilseeds, and horticulture crops (hectare)	65 160	60 000	5 160
	DLI 4 – Adoption of improved and efficient irrigation technologies by farmers (hectare)	59 730	55 000	4 730
RA2: Increasing entrepreneurship and access to services along the value chains	DLI 5 – Expansion of digital agricultural service provision through “Krishak Smart Card” (number)	70 590	65 000	5 590
	DLI 6 – Promotion of the accreditation of seed certification and food safety testing processes (number)	34 752	32 000	2 752
	DLI 7 – Promotion of agrifood entrepreneurship for youth and women (number)	42 354	39 000	3 354
RA3: Modernizing institutions and policies for agriculture transformation	DLI 8 – Increase of R&D activities for new technologies and innovations along with development of an operational evaluation system for NARS institutes and extension services (percentage)	99 912	92 000	7 912
	DLI 9 – Establishment and operationalization of value chain promotional bodies for select commodities (number)	30 408	28 000	2 408
	DLI 10 – Improvement of quality information system (agricultural statistics and market research services including foreign markets) (number)	24 978	23 000	1 978
Total allocation		543 000	500 000	43 000

Table 3
IFAD programme cost by results area and DLIs and by programme year (PY)
 (Thousands of United States dollars)

Results area	DLI	PY1	PY2	PY3	PY4	PY5	Total
RA1: Promoting Sustainable and Nutritious Food Production	DLI 1	258	516	1 204	1 032	1 720	4 730
	DLI 2	241	877	877	877	1 514	4 386
	DLI 3	-	1 032	1 135	1 135	1 858	5 160
	DLI 4	344	0	877	877	2 632	4 730
RA2: Increasing entrepreneurship and access to services along the value chains	DLI 5	430	387	1 290	1 935	1 548	5 590
	DLI 6	-	396	550	1 419	387	2 752
	DLI 7	-	490	1 006	1 084	774	3 354
RA3: Modernizing Institutions and policies for agriculture transformation	DLI 8	791	1 582	1 582	1 582	2 374	7 912
	DLI 9	430	-	791	1 187	-	2 408
	DLI 10	-	439	662	662	215	1 978
Total allocation		2 494	5 719	9 976	11 791	13 020	43 000

Disbursement

26. Disbursement will be contingent upon the Government furnishing satisfactory evidence of achievement of the respective disbursement-linked results (DLRs), verified by an independent verification agency (IVA) to IFAD and the World Bank.
27. The World Bank will review each withdrawal application and advise IFAD to make the necessary payment, if any. IFAD resources will be allocated across all 10 DLIs with a pari passu disbursement mechanism to be applied for each withdrawal application. All withdrawals will be made into a Government single treasury account (consolidated fund) in Bangladesh Taka maintained at the Bangladesh Bank.

28. PARTNER will provide an advance of up to US\$135 million equivalent (of which US\$10 million will be from IFAD). The advance will be adjusted against disbursements due when the DLRs are achieved, or in the later years of the programme. Advance amounts recovered will become available for additional advances. If DLRs are not achieved, the advance must be refunded.

Summary of benefits and economic analysis

29. Two methodologies were used to evaluate PARTNER's economic impact: (i) a social accounting matrix (SAM) simulation; and (ii) an ex ante economic analysis. Both yielded positive results.
30. PARTNER's investment will increase Bangladesh's GDP by 0.33 per cent. By injecting a lump sum of US\$718 million into the exogenous investment accounts for the agricultural sector, the SAM multiplier model provides that the economy will be boosted by US\$1.12 billion of additional GDP or 0.33 per cent of the FY 2020/21 GDP.
31. PARTNER yields an economic internal rate of return of 33 per cent and an economic net present value of US\$1.902 billion (using a 15 per cent discount rate).
32. PARTNER is a net carbon sink compared to the control, with 59,241,057 tonnes of carbon dioxide equivalent (tCO₂e) emissions over 20 years and about 2,962,053 tCO₂e per year. However, gross emissions are positive, with 126,365,259 tCO₂e over 20 years. Improved water management in irrigated rice had the largest mitigating effect, with a reduction of about 87.8 million tCO₂e emissions.

Exit strategy and sustainability

33. In PforRs, initial funding comes from national sector budgets, which ensures the availability of funds. A maximum of 25 per cent of the financing from the World Bank and IFAD will also be disbursed as an advance at the start-up of this programme. Regular missions and a system of checks and balances are being put in place to ensure that public budget allocations and incurred expenditures align with the programme's ambition.

III. Risk management

A. Risks and mitigation measures

34. As per IFAD's project design guidelines of May 2022, the risk for type-C projects is addressed by the initiator, in this case the World Bank. A summary is provided in appendix III.
35. IFAD's Social, Environmental and Climate Assessment Procedures (SECAP) do not have specific guidance for PforR or RBL operations. In line with SECAP requirements for the design review meeting, the project delivery team has prepared an offline SECAP screening.
36. Institutional capacity for implementation and sustainability risk is "substantial". Coordination of various line agencies under MoA will be challenging, but mitigation measures include an institutional framework that combines a programme coordination unit (PCU) housed in the Department of Agricultural Extension (DAE) and agency programme coordination units (APCUs) in each of the seven implementing agencies (IAs) with clear responsibilities for delivery of specific DLIs. The institutional capacity assessment also identified associated capacity-building needs for the MoA and the seven IAs.
37. **Fiduciary risk (substantial).** Procurement risk is "substantial", accounting for possible delays at the start of procurement and weak capacity in implementing procurement processes such as bid evaluations and contract management. The inherent financial management (FM) risk is also "substantial" given that many line agencies under MoA will be engaged in implementation and procurement processes. This will be mitigated with the following: (i) dedicated staff with training on FM and

procurement in all APCUs, and a comprehensive FM operation manual; (ii) implementing the integrated Budget and Accounting Classification Manual under the programme; (iii) preparing and implementing an internal audit modernization plan, including risk-based internal audits; (iv) regular reconciliation; and (v) constitution of an audit observation resolution committee at the MoA to meet twice annually to take appropriate action in resolving any serious financial irregularities of the programme.

Table 4

Overall risk summary

<i>Risk areas</i>	<i>Inherent risk rating</i>	<i>Residual risk rating</i>
Country context	Substantial	Moderate
Sector strategies and policies	Moderate	Moderate
Environment and climate context	High	Substantial
Programme scope	Substantial	Moderate
Institutional capacity for implementation and sustainability	Moderate	Low
Financial management	Substantial	Moderate
Project procurement	Substantial	Moderate
Environment, social and climate impact	Moderate	Low
Stakeholders	Moderate	Moderate
Overall	Substantial	Moderate

B. Environment and social category

38. The World Bank carried out an [Environmental and Social Systems Assessment \(ESSA\)](#) to identify potential risks and opportunities. The assessment reviews relevant government systems and procedures for addressing environmental and social (E&S) issues associated with PARTNER. The ESSA describes the extent to which the Government's E&S policies, legislation, programme procedures and institutional systems are consistent with the six core principles of the [World Bank Guidance](#) on E&S management in PforR operations.
39. PARTNER will exclude any activity that may have significant adverse E&S impacts that are sensitive, diverse or unprecedented.

C. Climate risk classification

40. The IFAD climate risk classification does not apply. IFAD will adhere to ESSA procedures. The World Bank assesses the climate risk as high.

D. Debt sustainability

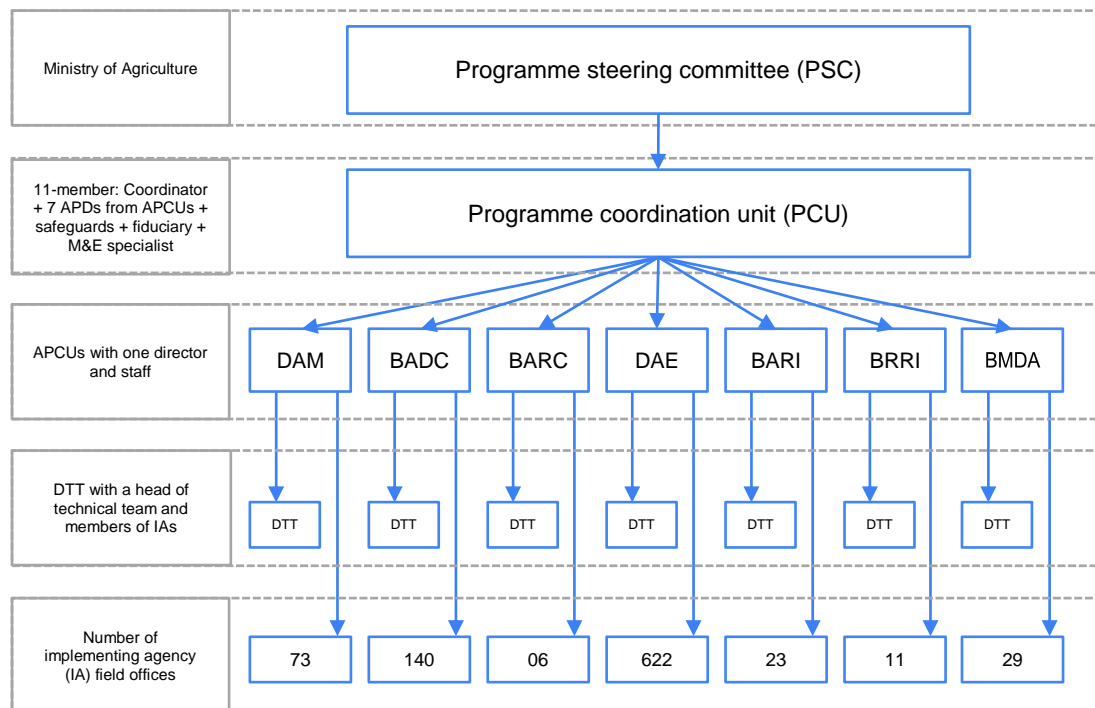
41. According to the [April 2022 Joint World Bank – International Monetary Fund Debt Sustainability Analysis](#), Bangladesh remains at low risk of external and overall debt distress. Despite a lower debt-carrying capacity threshold, external and domestic debt indicators are below their respective thresholds under the baseline and stress test scenarios due to a downward revision from strong to medium.

IV. Implementation**A. Organizational framework****Programme management and coordination**

42. PARTNER will use the government system for implementation, oversight, FM, procurement, safeguards, monitoring and evaluation (M&E) and reporting arrangements. The programme steering committee (PSC), the PCU and APCUs, and the DLI technical teams (DTTs) implementing and monitoring PARTNER will be composed almost exclusively of existing staff of the seven IAs who will be asked to contribute to PARTNER in addition to their current responsibilities (Figure 2).
43. The PSC, headed by the Secretary of MoA and composed of IA heads, will provide overall strategic guidance, approve annual budget and activity plans, monitor

overall implementation progress, facilitate inter-agency coordination, and resolve any outstanding issues requiring higher-level decisions.

Figure 2
PARTNER institutional framework



Note: DAM: Department of Agricultural Marketing; BADC: Bangladesh Agricultural Development Corporation; BARC: Bangladesh Agricultural Research Council; DAE: Department of Agricultural Extension; BARI: Bangladesh Agricultural Research Institute; BRRRI: Bangladesh Rice Research Institute; and BMDA: Barind Multipurpose Development Authority.

Financial management, procurement and governance

44. The World Bank conducted an integrated fiduciary systems assessment for PARTNER comprising separate assessments of the risks and mitigation measures relating to procurement, FM, governance and corruption aspects.
45. The FM assessment was prepared and based on the [Public Expenditure and Financial Accountability assessment \(2016\)](#) and indicative score of Bangladesh in 2021, plus implementation updates on the [Public Financial Management Reform Action Plan](#) (2018-2023). It also synthesizes the outcomes of consultations held with the key stakeholders.
46. Based on the initial findings, the assessment concluded that the programme fiduciary system is adequate, which would provide reasonable assurance that the financing proceeds will be used for intended purposes.
47. DAE will submit withdrawal applications for DLI advances and DLI values for each indicator upon achievement of DLRs.
48. Programme expenditure will be channelled through the iBAS++ budgeting system, which will also be used to prepare the programme's annual financial statements.
49. The procurement systems have been found to provide reasonable assurance in support of achieving the programme's results. In addition, the assessment considered how Bangladesh's governance systems manage the risks of fraud and corruption and how such risks will be mitigated.
50. There will be no large value procurement activity under PARTNER. The IAs will report to the World Bank if any large contracts appear during implementation.

Fiduciary systems and contract management reports will be monitored throughout implementation to identify any large value contracts.

51. The PARTNER programme audit will be carried out by the Foreign Aided Projects Audit Directorate, and the Comptroller and Auditor General.
52. Considering the size of the programme and the auditor's capacity, it was agreed that the audit duration would be nine months. IFAD Executive Board approval for an exemption to section 9.03(b) of the IFAD General Conditions is being sought to submit annual audited financial statements nine months after each fiscal year-end. Audit reports, including internal audit reports and management letters, will be made available to IFAD. Should delays arise, IFAD will apply remedies in coordination with the World Bank.
53. The World Bank's Anti-Corruption Guidelines for PforRs (2016) shall apply to PARTNER. The Government of Bangladesh will use its own country systems to take appropriate measures to prevent fraud and corruption connected with the programme and to remedy or prevent its recurrence.

Target group engagement, feedback and grievance redress

54. A preparatory study has been carried out to establish a grievance redress system (GRS). Comments from the World Bank are being taken into account.
55. Communities and individuals who believe they are adversely affected by PARTNER's activities, as defined by the applicable policy and procedures, may submit complaints to the existing programme grievance mechanism or the [World Bank's GRS](#).

B. Planning, monitoring and evaluation, learning, knowledge management and communications

56. The PARTNER results framework, which includes a set of results indicators and an M&E plan, was reviewed during the pre-appraisal design mission. The mission agreed on programme development objective indicators, intermediate results indicators and DLIs to measure results. IFAD's core indicators have been incorporated into the results framework and identified as such in the logical framework of the Operational Results Management System (ORMS). Details of results indicators are provided in the programme appraisal document (PAD).
57. Verification protocols for DLIs are detailed in the PAD. In addition to the IVA review, the World Bank and IFAD will review the evidence for DLIs during implementation to determine if they have been met. The process will also provide feedback for course correction during implementation.

Innovation and scaling up PARTNER features a number of innovations, including introducing smart cards, improved seed varieties (high-yield, nutrient-dense, low-carbon, stress-tolerant, hybrid and so on) and research and development on modern farming technologies. All these innovations have the potential for scaling up and are aligned with the NAP-PoA.

C. Implementation plans

Implementation readiness and start-up plans

59. PARTNER is expected to use the Government's existing M&E, procurement and fiduciary systems to execute the NAP-PoA. Further details on the start-up activities will be detailed in the programme implementation manual prior to start-up.

Supervision, midterm review and completion plans

60. While the World Bank will be formally responsible for supervising PARTNER, supervision missions will be coordinated with IFAD and the Government. A mission will be undertaken at least once every 12 months, with regular follow-up on progress reports and results.

61. PARTNER's results-based approach requires improved M&E capacity during implementation. A multi-tier mechanism led by the PCU and involved IAs will receive technical assistance during the programme to enhance M&E capacity. A PARTNER-supported management information system will support the PCU.
62. The midterm review (MTR) will be organized at the beginning of year three of programme implementation. The MTR will be conducted according to World Bank procedures. IFAD will participate in the review to ensure alignment with relevant policies and procedures.
63. The Government will initiate the programme completion review (PCR) according to IFAD and World Bank guidelines. The PCR will be reviewed by the three parties and will document the achievement of the overall targets and project objectives, lessons learned during implementation and possibilities for scaling up.

V. Legal instruments and authority

64. A financing agreement between the People's Republic of Bangladesh and IFAD will constitute the legal instrument for extending the proposed financing to the borrower/recipient. A copy of the negotiated financing agreement is attached as appendix I.
65. The World Bank and IFAD will sign a letter of appointment to implement PARTNER.
66. The People's Republic of Bangladesh is empowered under its laws to receive financing from IFAD.
67. I am satisfied that the proposed financing will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.

VI. Recommendation

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

RESOLVED: The Fund shall provide a loan on blend terms to the People's Republic of Bangladesh in an amount of forty-three million United States dollars (US\$43,000,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Alvaro Lario
President

Negotiated financing agreement

Program on Agricultural and Rural Transformation for Nutrition, Entrepreneurship, and Resilience (PARTNER)

(Negotiations concluded on 26 April 2023)

Loan No: _____

Program on Agricultural and Rural Transformation for Nutrition, Entrepreneurship, and Resilience ("PARTNER" or "the Programme")

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

and

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

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

Whereas the Borrower has requested a loan from the Fund for the purpose of financing the Programme described in Schedule 1 to this Agreement;

WHEREAS, the Programme shall be co-financed by the International Development Association ("the Association" or "IDA") with the amount of five hundred million United States dollars (USD 500 000 000 – "IDA Financing"). The Borrower and the International Development Association have entered into a Financing Agreement dated _____ to provide financing for the Programme ("IDA Agreement");

Whereas, the Fund has agreed to provide financing for the Programme;

Now Therefore, the Parties hereby agree as follows:

Section A

1. The following documents collectively form this Agreement: this document, the Programme Description and Implementation Arrangements (Schedule 1), the Allocation Table (Schedule 2) and the Special Covenants (Schedule 3).
2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of December 2022, and as may be amended hereafter from time to time (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement, and all provisions thereof shall apply to this Agreement, except for the provisions identified in Section E paragraph 4 below. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein, unless the Parties shall otherwise agree in this Agreement.
3. The Fund shall provide a Loan (the "Financing") to the Borrower, which the Borrower shall use to implement the Programme in accordance with the terms and conditions of this Agreement.

Section B

1. The amount of the loan is thirty-one million nine hundred fifty thousand Special Drawing Rights (SDR 31 950 000).
2. The Loan is granted on blend terms, and shall be subject to interest on the principal amount outstanding and a service charge as determined by the Fund at the date of approval of the Loan by the Fund's Executive Board. The interest rate and service charge determined will be fixed for the life cycle of the loan and payable semi-annually in the Loan Service Payment Currency, and shall have a maturity period of twenty-five (25) years, including a grace period of five (5) years starting from the date of approval of the Loan by the Fund's Executive Board.
The principal of the Loan granted on blend terms will be repaid in equal instalments.
3. The Loan Service Payment Currency shall be in United States dollars.
4. The first day of the applicable Fiscal Year shall be 1 July.
5. Payments of principal and interest and service charge shall be payable on each 01 April and 01 October.
6. All withdrawals from the Loan Account will be made into a consolidated fund account (Treasury Account) in Bangladesh Taka maintained at the Bangladesh Bank. The Borrower shall inform the Fund of the detail bank information.
7. The Borrower shall provide counterpart financing for the Programme in the amount of eight hundred million United States dollars (USD 800 000 000) comprising the available budget of the Ministry of Agriculture's (MoAs) ongoing and approved programmes that are aligned with PARTNER's Result Area.

Section C

1. The Lead Programme Agency shall be the Ministry of Agriculture (MoA).
2. The following are designated as additional Programme Parties: Department of Agricultural Extension (DAE) as the lead implementing agency; Bangladesh Rice Research Institute (BRRI), Bangladesh Agricultural Research Institute (BARI); Bangladesh Agricultural Research Council (BARC); Bangladesh Agricultural Development Corporation (BADC); Barind Multi-Purpose Development Authority (BMDA); Department of Agricultural Marketing (DAM).
3. The Programme Completion Date shall be 31st December 2028, or a later date agreed upon by the Parties.

Section D

1. The Financing shall be administered and the Programme supervised by the International Development Association as the Cooperating Institution.

Section E

1. The following are designated as additional grounds for suspension of this Agreement:
 - (a) The Programme Operations Manual (PIM or POM) and/or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior agreement of the Fund/IDA and the Fund, after consultation with the Borrower, has determined that it has had, or is likely to have, a material adverse effect on the Programme.

- (b) In the event that the Borrower did not request a disbursement of the Financing, following the first 18 months, for a period of at least 12 consecutive months without justification.
 - (c) the Letter of Appointment with IDA, as further defined in Article III of the General Conditions, has failed to enter into full force and effect within 180 days of the date of this Agreement, and substitute funds are not available to the Borrower.
 - (d) the right of the Borrower to withdraw the proceeds of the IDA Financing has been suspended, cancelled or terminated, in whole or in part, or the IDA Financing has become due and payable prior to the agreed maturity thereof; or any event has occurred which, with notice or the passage of time, could result in any of the foregoing.
2. The following are designated as additional grounds for cancellation of this Agreement:
- (a) In the event that the Borrower did not request a disbursement of the Financing for a period of at least 12 months without justification; and
 - (b) The IDA Agreement shall have been cancelled.
3. The following are designated as additional conditions precedent to withdrawal:
- (a) The Letter of Appointment, as further defined in Article III of the GCs / or the Co-financing Agreement has entered into full force and effect;
 - (b) Withdrawal conditions for IDA Financing have been fully complied with; and
 - (c) The Government has furnished satisfactory evidence to IDA and IFAD that it has achieved the Intermediate Results Indicators of the respective Disbursement-Linked Results (DLRs), set out in Annex to Schedule 2 verified through an Independent Verification Agency (IVA).
4. The following provisions of the General Conditions of IFAD shall not apply to this Agreement:
- (a) Section 2.01 (Financing Closing Date): Financing Closing Date means the date on which the right of the Borrower to request withdrawals from the Loan Account ends, which is six months after the Programme Completion Date of 31 December 2028 or such later date as the Fund may designate by notice to the Borrower;
 - (b) Section 7.05 (Procurement): for purposes of this Agreement, all goods, works and consulting services to be financed out of the proceeds of the Loan shall be subject to the IDA Agreement, as may be amended from time to time. (d) Article 9 (Financial Reporting and Information): the financial reporting system of the Borrower shall be in accordance with Section ____, Schedule ____ of the IDA Agreement; and
 - (c) Article 8.03 (Progress Reports and Mid-Term Reviews): The MTR will be conducted according to IDA Agreement and the WB's applicable procedure, and IFAD will participate in the review to ensure alignment with IFAD's relevant policy and procedures; and.

- (d) Article 9.03 (Audit of Accounts): The audited financial statements shall be submitted by the Borrower nine months after each fiscal year-end, to align with the IDA timeframe for audit report submission.

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

For the Borrower:

[click and type title of the representative]
[click and type the name and address of the ministry]

For the Fund:

[click and type Title]
International Fund for Agricultural Development
Via Paolo di Dono 44
00142 Rome, Italy

If applicable, the Parties accept the validity of any qualified electronic signature used for the signature of this Agreement and recognise the latter as equivalent to a hand-written signature.

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

PEOPLE’S REPUBLIC OF BANGLADESH

"[Authorised Representative Name]"
"[Authorised Representative title]"

Date: _____

INTERNATIONAL FUND FOR
AGRICULTURAL DEVELOPMENT

Alvario Lario Hervas
President

Date: _____

Schedule 1

Programme Description and Implementation Arrangements

I. Programme Description

The Programme shall be the same as described in Schedule 1 of the IDA Agreement, as such may be amended by the Parties thereto from time to time.

The Programme shall be implemented in accordance with the provision of Schedule 2 of the IDA Agreement, as such may be amended by the Parties thereto from time to time.

Schedule 2
Allocation Table

1. *Allocation of Loan Proceeds.* (a) The Table below sets forth the Categories of Eligible Expenditures to be financed by the Loan (including the Disbursement Link Indicators as applicable) ("Category") and the allocation of the amounts to each category of the Financing. The amount allocated will be disbursed with the IDA financing for this programme on a *pari passu* basis applied at each disbursement.

(Including Disbursement Linked Indicator as applicable)	Allocated- Inclusive of Taxes (Expressed in SDR)
(1) DLI#1 - Development, rollout, and adoption of GAP standards in fruit and vegetable production	3 500 000
(2) DLI#2 - Development and adoption of high yielding rice varieties	3 250 000
(3) DLI#3 - Crop diversification towards non-rice cereals, pulses, oilseeds, and horticulture crops	3 850 000
(4) DLI#4 - Adoption of improved and efficient irrigation technologies by farmers	3 550 000
(5) DLI#5 - Expansion of digital agricultural service provision through 'Krishak Smart Card'	4 150 000
(6) DLI#6 - Promotion of the accreditation of seed certification and food safety testing processes	2 050 000
(7) DLI#7 - Promotion of agri-food entrepreneurship for youth and women	2 500 000
(8) DLI#8 - Increase of R&D activities for new technologies and innovations along with development of an operational evaluation system for NARS institutes and extension services	5 900 000
(9) DLI#9 - Establishment and operationalization of the value chain promotional bodies for select commodities	1 800 000
(10) DLI#10 - Improvement of quality information system (agricultural statistics and market research services incl. foreign markets)	1 400 000
TOTAL AMOUNT	31 950 000

Achievement of DLI/DLRs

The formula to calculate the achievement of DLIs/DLRs is set out in Annex A to Schedule 2.

Financing of taxes

To adopt a harmonized policy on taxes to the Bank, IFAD financing will be used to finance taxes in line with Borrower's regulation.

ANNEX A TO SCHEDULE 2 – Disbursement-Linked Indicators, Disbursement-Linked Results

D L I	DLR	DLR value in SDR (IFAD)	Disbursement rules (IFAD)	Unit of measu re	Scal able ?	Target ⁴ (not cumulative)					Total target (cumulative)
						Year 1	Year 2	Year 3	Year 4	Year 5	
DLI1. Development, roll-out and adoption of GAP standards in fruits and vegetables production											
	1.1 GAP standards and protocols for fruits and vegetables developed and approved by MoA	318 000	63,600 for each 3 new protocols	Number of protocols	Yes	6	9				15
	<i>Disbursement (SDR)</i>					127 200	190 800	-	-	-	318 000
	1.2 Farmers and certification staff trained in GAP certification	637 000	63,700 for every new 200,000 farmers trained (in total 318,500) and 63,700 for every new 300 staff trained (in total 318,500)	Number of farmers/staff	Yes	Farmers: 100,000 Staff: 500	Farmers: 200,000 Staff: 500	Farmers: 300,000 Staff: 500	Farmers: 400,000		Farmer trained = 1,000,000 / Staff trained = 1,500
	<i>Disbursement (SDR)</i>					63 700	191 100	254 800	127 400	-	637 000
	1.3 Area under fruits and vegetables with GAP certification	2 545 000	127,250 for each additional 15,000 Ha	Ha	Yes			75 000	75 000	150 000	300 000
	<i>Disbursement (SDR)</i>					-	-	636 250	636 250	1 272 500	2 545 000
DLI total allocation (in SDR)		3 500 000				190 900	381 900	891 050	763 650	1 272 500	3 500 000
DLI2. Development and adoption of high-yielding rice varieties											

⁴ DLRs which are time-bound, i.e., are required to be performed by the time set out in the matrix, are indicated with *. Any other DLRs with no * are not time-bound and may be achieved by the Closing Date.

	2.1 Stress-tolerant and nutrient-dense rice varieties generated	1 785 000	357,000 for each new variety	Number of varieties	Yes		1	1	1	2	5
	<i>Disbursement (SDR)</i>					-	357 000	357 000	357 000	714 000	1 785 000
	2.2 Network established and operational for seed multiplication and marketing	575 000	115,000 for additional 10t Breeder Seeds (BS), 800t Foundation Seeds (FS), 1,000t Certified Seeds (CS)	Number of tons of seeds	Yes		BS-10t /FS-800t / CS-1,000t	BS-10t /FS-800t / CS-1,000t	BS-15t /FS-1,200t / CS-1,500t	BS-15t /FS-1,200t / CS-1,500t	BS-50t /FS-4,000t / CS-5,000t
	<i>Disbursement (SDR)</i>					-	115 000	115 000	115 000	230 000	575 000
	2.3 New area under high-yielding rice varieties	890 000	178,000 IFAD for each additional 40,000 Ha	Ha	Yes	40 000	40 000	40 000	40 000	40 000	200 000
	<i>Disbursement (SDR)</i>					178 000	178 000	178 000	178 000	178 000	890 000
DLI total allocation (in SDR)		3 250 000				178 000	650 000	650 000	650 000	1 122 000	3 250 000
DLI3. Crop diversification towards non-rice cereals, pulses, oilseeds and horticulture crops											
	3.1 Stress-tolerant and nutrient-dense varieties developed and on-farm trial for non-rice crops conducted	1 155 000	77,000 IFAD for each new variety	Number of varieties	Yes		3	4	4	4	15
	<i>Disbursement (SDR)</i>					-	231 000	308 000	308 000	308 000	1 155 000
	3.2 Seed/saplings/propagative material multiplication and marketing network (including private sector participation) established and operational	577 500	115,500 for additional 10t BS, 800t FS, 1,000t CS	Number of tons of seeds	Yes		BS-10t /FS-800t / CS-1,000t	BS-10t /FS-800t / CS-1,000t	BS-15t /FS-1,200t / CS-1,500t	BS-15t /FS-1,200t / CS-1,500t	BS-50t /FS-4,000t / CS-5,000t
	<i>Disbursement (SDR)</i>					-	115 500	115 500	115 500	231 000	577 500

	3.3 New area under non-rice cereal, pulses, oil crops, fruits, and vegetables	2 117 500	423,500 for each additional 40,000 Ha	Ha	Yes	20 000	30 000	40 000	50 000	60 000	200 000
	<i>Disbursement (SDR)</i>					-	423 500	423 500	423 500	847 000	2 117 500
DLI total allocation (in SDR)		3 850 000				-	770 000	847 000	847 000	1 386 000	3 850 000
DLI4. Adoption of efficient irrigation technologies by farmers											
	4.1 Policy/Regulatory framework & strategic plan developed	258 000	258,000 for Yes	Yes/No	No	Yes					Yes
	<i>Disbursement (SDR)</i>					258 000	-	-	-	-	258 000
	4.2 New area under efficient irrigation technologies	3 292 000	658,400 for each additional 20,000 Ha	Hectare (Ha)	Yes			20 000	30 000	50 000	100 000
	<i>Disbursement (SDR)</i>					-	-	658 400	658 400	1 975 200	3 292 000
DLI total allocation (in SDR)		3 550 000				258 000	-	658 400	658 400	1 975 200	3 550 000
DLI5. Expansion of digital agricultural service provision through KSC											
	5.1 Policy/Regulatory framework developed	319 000	319,000 for Yes	Yes/No	No	Yes					Yes
	<i>Disbursement (SDR)</i>					319 000	-	-	-	-	319 000
	5.2 Digital extension services delivered and e-voucher pilot for new input subsidy mechanism implemented	958 000	1) Upazilas covered by digital extension = 63,800 for every new 100 upazilas; same payment for the remaining 95 Upazilas from 401 to 495 2) Upazilas where e-subsidy pilot conducted = 127,800 for every 3 new Upazilas	Number of upazilas	Yes	Digital extension: 10 / e-subsidy:0	Digital extension: 50 / e-subsidy:0	Digital extension: 200 / e-subsidy:7	Digital extension: 235 / e-subsidy:8		Digital extension: 495 / e-subsidy:15
	<i>Disbursement (SDR)</i>					-	-	383 200	574 800	-	958 000

	5.3 Farmers receiving services (extension support, input subsidy support, and credit support) through KSC	2 873 000	287,300 for every new 500,000 farmers	Number of farmers	Yes		500 000	1 000 000	1 500 000	2 000 000	5 000 000
	<i>Disbursement (SDR)</i>					-	287 300	574 600	861 900	1 149 200	2 873 000
DLI total allocation (in SDR)		4 150 000				319 000	287 300	957 800	1 436 700	1 149 200	4 150 000
DLI6. Promotion of the accreditation of seed certification and food safety testing processes											
	6.1 Laboratories established (including refurbished/upgraded) with adequate HR and equipment	1 474 000	294,800 for every 2 labs established	Number of labs	Yes		2	3	5		10
	<i>Disbursement (SDR)</i>					-	294 800	294 800	884 400	-	1 474 000
	6.2 Accredited testing processes for agricultural commodities in testing labs	576 000	57,600 for every 2 new processes accredited	Number of processes	Yes			4	6	10	20
	<i>Disbursement (SDR)</i>					-	-	115 200	172 800	288 000	576 000
DLI total allocation (in SDR)		2 050 000				-	294 800	410 000	1 057 200	288 000	2 050 000
DLI7. Promotion of agri-food entrepreneurship for youth and women											
	7.1 Partnerships with businesses for OTJ training and PARTNER award mechanism established	577 000	57,700 for every 3 new MoUs	Number of MoUs	Yes		10	10	10		30
	<i>Disbursement (SDR)</i>					-	173 100	173 100	230 800	-	577 000

	7.2 Youth and women entrepreneurs trained (including OTJ training) in commercial agriculture, agribusinesses, new agricultural innovations, and agricultural services	1 923 000	192,300 for every new 2,000	Number of youth and women	Yes		3 000	5 000	6 000	6 000	20 000
	<i>Disbursement (SDR)</i>					-	192 300	576 900	576 900	576 900	1 923 000
	DLI total allocation (in SDR)	2 500 000				-	365 400	750 000	807 700	576 900	2 500 000
DLI8. Increase of R&D activities for new technologies and innovations along with development of an operational evaluation system for NARS institutes and extension services											
	8.1 Increase in R&D budget for NARS institutes	2 950 000	590,000 for achieving following levels of R&D budget: Target 1: 110 percent of baseline budget; Target 2: 121 percent of baseline budget; Target 3: 133 percent of baseline budget; Target 4: 146 percent of baseline budget; Target 5: 161 percent of baseline budget	Percentage	Yes	110	121	133	146	161	161
	<i>Disbursement (SDR)</i>					590 000	590 000	590 000	590 000	590 000	2 950 000
	8.2 MoUs/agreements on research collaboration with research labs and on scaling up NARS's research outcomes with MoA agencies and the private sector	2 950 000	590,000 for every 5 new MoUs/agreements	Number of MoUs/agreements	Yes		5	5	5	10	25
	<i>Disbursement (SDR)</i>					-	590 000	590 000	590 000	1 180 000	2 950 000
	DLI total allocation (in SDR)	5 900 000				590 000	1 180 000	1 180 000	1 180 000	1 770 000	5 900 000

DLI 9. Establishment and operationalization of VC promotional bodies for select commodities											
	9.1 Policy and regulatory framework developed and adopted by MoA	322 000	322,000 for Yes	Yes/No	No	Yes					Yes
	<i>Disbursement (SDR)</i>					322 000	-	-	-	-	322 000
	9.2 VC-specific promotional bodies for at least five commodities established and operational	1 478 000	295,600 for every new body	Number of bodies	Yes			2	3		5
	<i>Disbursement (SDR)</i>					-	-	591 200	886 800	-	1 478 000
DLI total allocation (in SDR)		1 800 000				322 000	-	591 200	886 800	-	1 800 000
DLI10. Improvement of quality information system (agricultural statistics and market research services incl. foreign markets)											
	10.1 Upazilas with staff equipped in high-quality data collection capacity	792 000	158,400 for every 100 new Upazilas; same payment for the remaining 95 Upazilas from 401 to 495	Number of upazilas	Yes		100	200	195		495
	<i>Disbursement (SDR)</i>					-	158 400	316 800	316 800	-	792 000
	10.2* Biannual Agricultural Policy Notes (including market forecasts) prepared and published	608 000	152,000 for every Yes (=publish 2 bi-annual notes in a given year)	Yes/No	No	No	Yes	Yes	Yes	Yes	Yes
	<i>Disbursement (SDR)</i>					-	152 000	152 000	152 000	152 000	608 000
DLI total allocation (in SDR)		1 400 000				-	310 400	468 800	468 800	152 000	1 400 000
		31 950 000				1 857 900	4 239 800	7 404 250	8 756 250	9 691 800	31 950 000

Schedule 3

Special Covenants

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

1. The Program expenditure financed by IDA, IFAD, and GoB will be channelled through Treasury Single Account using iBAS for initial recording of expenditure. iBAS++ will be used to prepare the Annual Program Financial Statements.

2. To facilitate the implementation of each of the Programme Implementing Entity's respective part of the Programme, the Borrower shall make part of the proceeds of the Financing available to each Programme Implementing Entity under a subsidiary agreement between the Borrower and each Programme Implementing Entity, under the terms and conditions set out in the IDA Agreement.

3. *Planning, Monitoring and Evaluation.* The Borrower shall ensure that (i) a Planning, Monitoring and Evaluation (PM&E) system shall be established within twelve (12) months from the date of entry into force of this Agreement.

4. *Gender and youth.* The Borrower shall ensure that the concerns of women and youth are given due consideration in implementing the Programme and that the quotas for women and youth participation established in the Programme Operations Manual are met.

5. *Ethnic Sects and Communities Concerns.* The Borrower shall ensure that the concerns of Ethnic Sects and Communities (ESC) are given due consideration in implementing the Programme and, to this end, shall ensure that:

- (a) the Programme is carried out in accordance with the applicable provisions of the relevant ESC national legislation;
- (b) ESC are adequately and fairly represented in all local planning for Programme activities;
- (c) ESC rights are duly respected;
- (d) ESC, participate in policy dialogue and local governance;
- (e) The terms of Declarations, Covenants and/or Conventions ratified by the Borrower on the subject are respected;
- (f) The Programme will not involve encroachment on traditional territories used or occupied by indigenous communities.

6. *Environmental, Social and Climate Safeguards.* The Borrower shall ensure that the Programme will be implemented in compliance with the safeguards provisions specified in the IDA Agreement and shall ensure that: (a) all Programme activities are implemented in strict conformity with the Borrower's relevant laws/regulations (b) all Programme activities give special consideration to the participation and practices of ESC population in compliance with IFAD Policy, (c) Free Prior Informed Consent is obtained from all persons whose access to land and resources may be affected or hindered by Programme activities.

In the event of unforeseen land acquisition or involuntary resettlement under the Programme, the Borrower shall immediately inform IDA and the Fund and prepare the necessary planning documents, to be disclosed on IFAD website and at local level; (d)

women and men shall be paid equal remuneration for work of equal value under the Programme; (e) recourse to child labour is not made under the Programme; (f) fair treatment, non-discrimination, and equal opportunity of Programme workers (g) the measures included in the Gender Action Plan prepared for the Programme are undertaken, and the resources needed for their implementation are made available, in a timely manner; (h) all necessary and appropriate measures to implement the Gender Action Plan to ensure that women can participate and benefit equitably under the Programme are duly taken; and (i) easily accessible and responsive Programme-level grievance redress mechanism is established and operates effectively.

7. *Fraud and Corruption.* The Borrower shall ensure that the Programme is carried out in accordance with the provisions of the "World Bank's Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing", dated February 1, 2012, and revised on July 10, 2015. For the purposes of this Agreement, a finding of corruption pursuant to the provisions of the "World Bank's Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing" shall be deemed a finding of corruption under the "IFAD Policy on Preventing Fraud and Corruption in its activities and operations" as may be amended from time to time.

8. *Sexual Harassment, Sexual Exploitation and Abuse.* The Borrower and the Programme Parties shall ensure that the Programme is carried out in accordance with the provisions of the IFAD Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse, as may be amended from time to time.

Logical framework

Results Hierarchy	Indicators			
	Name	Baseline	Mid-Term	End Target
Outreach	1 Persons receiving services promoted or supported by the project			
	Males - Males			3 000 000
	Females - Females			2 000 000
	Total number of persons receiving services - Number of people			5 000 000
	1.b Estimated corresponding total number of households members			
	Household members - Number of people			5 000 000
	1.a Corresponding number of households reached			
Households - Households (disaggregated by gender of head)			1 111 111	
Project Goal				
Development Objective To promote diversification food safety entrepreneurship and resilience in the agrifood value chains of Bangladesh.	1.2.2 Households reporting adoption of new/improved inputs technologies or practices			
	Total number of household members - Number of people			4 500 000
	Households - Percentage (%)			
	Households - Number			1 000 000
Outcome Result Area 1: Sustainable and Nutritious Food Production	1.2.2 Households reporting adoption of new/improved inputs technologies or practices			
	Total number of household members - Number of people			4 500 000
	Households - Households			1 000 000
	Increased area of crops promoted by the project			
	Non-rice pulses oilseeds and horticulture crops - Area (ha)			200 000
	High-yielding rice varieties - Area (ha)			200 000
	Increased area under fruits and vegetables with GAP certification			
Area - Area (ha)			300 000	
Output Introduction of modern farming technologies and improved crop varieties	1.1.3 Rural producers accessing production inputs and/or technological packages			
	Total rural producers - (Number of people disaggregated by gender and age)			
	1.1.4 Persons trained in production practices and/or technologies			
	Total number of persons trained by the project - Number of people			1 000 000
	1.1.2 Farmland under water-related infrastructure constructed/rehabilitated			
	Hectares of land - Area (ha)			100 000
	Stress-tolerant and nutrient dense varieties developed			
	Non-rice crops - Number			15
Rice - Number			5	
Outcome	2.2.1 Persons with new jobs/employment opportunities			
	Males - Males			4 800

Result Area 2: Increasing Entrepreneurship and Access to Services along the value-chains	Females - Females			7 200
	Young - Young people			
	Total number of persons with new jobs/employment opportunities - Number of people			12 000
	1.2.5 Households reporting using rural financial services			
	Total number of household members - Number of people			450 000
	Households - Percentage (%)			
Output	2.1.2 Persons trained in income-generating activities or business management			
	Males - Males			8 000
	Females - Females			12 000
	Young - Young people			
	Persons trained in IGAs or BM (total) - Number of people			20 000
	1.1.6 Financial service providers supported in delivering outreach strategies financial products and services to rural areas			
	Service providers - Service Providers			35
Outcome	SF.2.1 Households satisfied with project-supported services			
	Household members - Number of people			
	Households (%) - Percentage (%)			80
	Increase in R&D budget for NARS Institutes			
	Budget Increase - Percentage (%)			61
	MoUs and agreements on research collaboration with international research labs and the private sector			
Output	2.1.3 Rural producers' organizations supported			
	Total size of POs - Organizations			
	Rural POs supported - Organizations			500
	Total number of members (disaggregated by gender and age)			
	Policy 1 Policy-relevant knowledge products completed			
	Number - Knowledge Products			20
	Policy 2 Functioning multi-stakeholder platforms supported			
	Number - Platforms			5

Integrated programme risk matrix

Country Context	Substantial	Moderate
Political Commitment	Substantial	Moderate
Risk: <p>The country will have its national election held on January 2024 and this might impact the project start up due to the changes made in civil administration and interim government arrangements three months prior to the elections.</p>	Substantial	Moderate
Mitigations: <p>1. Continuous monitoring and implementation support by the ICO and the World Bank on project performance monitoring and reporting. 2. The project DPP is expected to be approved by April 2023 which will minimise the risk of a delayed start up significantly. 3. Even if there is a change in government, the institutional policies and development plans is likely to remain unchanged (National Agricultural Policy, 8th Five Year Plan etc.) which will support a smooth project execution.</p>		
Governance	High	Substantial
Risk: <p>Government processes such as the preparation of the DPP, recruitment of key staff are cumbersome and can delay project start-up and implementation.</p>	High	Substantial
Mitigations: <p>(i) The ICO and the World Bank teams support the project and implementing agencies with the preparation of the relevant supporting documents for the government's internal processes, including DPP preparation (FAO TA) (ii) IFAD supports counterpart in its dialogue with the Ministry of Finance and planning commission, with regard to the DPP preparation.</p>		
Macroeconomic	Substantial	Moderate
Risk: <p>Real GDP growth is expected to slow to 6.1 percent in FY23 as import suppression measures disrupt economic activity. Higher inflation will dampen private consumption growth, following substantial energy price increases. Export growth is expected to slow, as economic conditions in key export markets deteriorate, while rolling blackouts, gas rationing, and rising input costs weigh on manufacturers. A gradual reduction in poverty is expected, declining from 10.4 percent in FY22 to 10.0 percent in FY23. Over the medium term, the balance of payments is projected to return to surplus as import growth moderates. Bangladesh's economy performed well during the COVID-19 pandemic compared to peer countries. Relatively low debt-to GDP provided a fiscal buffer, and a stimulus program protected manufacturing capacity. A robust recovery continued in FY22 as movement restrictions were lifted. Rising commodity prices and a surge in imports in the second half of FY22 resulted in a substantial Balance of Payments (BoP) deficit and accelerating inflation. A series of policy measures to suppress imports and preserve foreign exchange reserves is expected to dampen growth, including electricity cuts and reduced business hours. Addressing longstanding structural challenges would help sustain GDP growth over the medium term, including increasing domestic revenues, modernizing the tariff regime, resolving financial sector vulnerabilities, and improving the business climate.</p>	Substantial	Moderate

Mitigations: (i) The programme will significantly focus on strengthening institutional policies and all the DLIs have specific policy level targets to be achieved. (ii) Despite soaring inflation, the government has prioritized agriculture sector to the highest level and ensured uninterrupted supply of inputs. The project will further support this.		
Fragility and Security	Moderate	Low
Risk: Bangladesh is not in the list of the World bank fragile countries but there is subject to natural hazards which is elaborated in the sections below. In terms of security situation is also stable and no threat is envisaged.	Moderate	Low
Mitigations: Regular monitoring and supervision by the IFAD and WB country offices in Bangladesh		
Sector Strategies and Policies	Moderate	Moderate
Policy alignment	Low	Low
Risk: This risk is low considering Bangladesh has finalized its 8th five year plan in December 2020 that outlines the broad development objectives of the country including transformation of the agriculture sector.	Low	Low
Mitigations: (i) The project is actually supporting the National Agriculture Policy - Plan of Action (NAP-POA) and every DLI has actions to support new policy formulation (ii) IFAD has an active participation in the donor coordination group on agriculture that is chaired by the secretary of agriculture and FAO country rep. (iii) Consistent follow-up with the ministry, implementing agencies and PIUs assuring that the priorities of the implementing agencies and the donor agencies (IFAD, World Bank) remain aligned		
Policy Development and Implementation	Substantial	Moderate
Risk: 1. Some policies are outdated especially the ones governing the agricultural sector and food sector	Substantial	Moderate
Mitigations: (i) The ICO and World Bank actively participates in the working group to help ministry of agriculture update their policies and sector transformation plan. (ii) IFAD actively contributes to knowledge generation and policy advocacy through UNCT and donor coordination mechanisms. (iii) Each DLI includes Policy development activities and milestone to be achieved		
Environment and Climate Context	High	Substantial
Project vulnerability to environmental conditions	High	Substantial

Risk: 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. Therefore the inherent risk for vulnerability to environmental conditions is high.	High	Substantial
Mitigations: (i) Detailed mitigation measures are included in the CI's safeguard documents.		
Project vulnerability to climate change impacts	Substantial	Moderate
Risk: Key climate change impacts for the project are linked to sea level rise contributing to increasing floods and increasing intrusion of saline seawater in addition to flash flood, riverine floods, cyclone, tidal surge, drought etc. All climate-induced phenomena could have significant effects on agriculture, with increasing salinity and mean temperatures having generally negative effects.	Substantial	Moderate
Mitigations: (i) Detailed mitigation measures are included in the CI's safeguard documents		
Project Scope	Substantial	Moderate
Project Relevance	Moderate	Low
Risk: Lack of alignment with national and IFAD priorities might deviate the project objectives and results from the core PDO.	Moderate	Low
Mitigations: 1. The project is to provide support on NAP-POA implementation 2. The 3 RA and 10 DLIs are fully aligned to the national priorities and also with IFAD's latest COSOP.		
Technical Soundness	Substantial	Moderate
Risk: The lending instrument, PforR, is new to the client ministry and it will require significant technical assistance to the ministry to make them familiar with the implementation of a PforR operations. There is also risk of DLI specific targets not being achieved, resulting into not delivering the project's development objectives..	Substantial	Moderate
Mitigations: The project is designed to implement key elements of the GoB's strategy for agriculture development in Bangladesh. Thus, the design is not only comprehensive and supports the country's agricultural production system and its value chains, but it also fits country's diversified and challenging context. Going forward, technical capacity needs assessment will be conducted, and relevant risk mitigation measures will be incorporated into the Program design and implementation. The WB and IFAD Country Office will closely support and guide the project to remain on track and achieve its objectives.		
Institutional Capacity for Implementation and Sustainability	Moderate	Low
Implementation Arrangements	Moderate	Low

Risk: Coordination through various institutions under the MoA and weak capacity to implement the respective activities and achieve intended results.	Substantial	Moderate
Mitigations: This will be addressed through a PCU with strong leadership. A detailed institutional capacity assessment was undertaken during design to identify capacity building needs for both the ministry and the implementing line agencies. Mitigation measures to the risk associated with institutional and implementation arrangements will be proposed to enhance sustainability of the Program results.		
Risk: The pari-passu arrangement between financing institutes might result into complexity in terms of flow of funds and implementation of activities.	Moderate	Low
Mitigations: The IFAD financing is blended with the world bank financing across all the DLIs, meaning that there will be no specific activities financed by individual financiers and the flow of funds will be uniform. The same arrangements have been applied in the ongoing NATP-2 project and this has proven to be fully functioning.		
Risk: The selection of the IVA and the timing of the recruitment methodology/ process to validate that the targets are met , represent a high risks for project implementation.	Moderate	Low
Mitigations: IVA recruitment process as described in PAD		
Monitoring and Evaluation Arrangements	Moderate	Low
Risk: Precedence in Bangladesh for projects with multiple implementing agencies to work in silos. Consequently, PIUs might have different interpretations of indicators. There is also the risk of not having an M&E framework established that would aggregate data from all implementing entities at the PIU level. Failure to disaggregate data on youth and gender may also not give the correct picture of the project reaching its intended target groups.	Moderate	Low
Mitigations: (i) The IFAD finances SACP project has already developed an M&E system which is being replicated throughout the MOA projects, which provides consistency in data collection and reporting (ii) The Independent Verification Agency (IVA) will verify the project's reports on results and provide a detailed report which will be further validated jointly by IFAD and WB (iii) An M&E specialist from IFAD participates in the project supervision missions to support the PIU M&E unit on data generation and reporting.		
Project Financial Management	Substantial	Substantial
Project Organization and Staffing	High	Substantial

<p>Risk:</p> <p>The Program will be implemented by government agencies and semi-autonomous bodies of Ministry of Agriculture; DAE, DAM, BARI, BARRI, BARC, BADC, and BMDA and is reliant on the use of country systems. The MoA and some of the IAs have prior experience of implementing projects with World Bank and IFAD investment project financing (IPF) but none of them have experience in implementation of projects under PforR.</p> <p>Risk of inefficient and ineffective financial management arrangement due to the absence of experienced and qualified procurement and FM staff to meet the needs the program is recognised</p>	High	Substantial
<p>Mitigations:</p> <p>(i) Certify training on FM and procurement for staff in all levels. (ii) Prepare an updated FM operation manual and risk management manual. (ii) Mobilize additional financial management support through individual consultants of Project Coordination unit to enhance the capacity for smooth running of the financial management system for the Program.</p>		
Project Budgeting	High	Substantial
<p>Risk:</p> <p>The Program budget will be reflected in the Government's budget. The Detailed Project Pro forma of PARTNER in under preparation by the Government. Unique code for the PARTNER will be used by all implementing entities. The inclusion of all Program activities undertaken by DAE, BMDA, BADC, BARRI, BADC, BARI in the unique program code will enable effective monitoring of utilization of Program budget by each Program Implementing Agency. The following risks however are acknowledged:</p> <p>-Risk of inefficient allocation of budget due to lack of timely budget allocation to implementing agencies and inadequate coordination between budgeting processes and procurement planning. -Risk of delayed implementation of Program due to inefficient budget execution and duplicative institutional reporting arrangements</p>	High	Substantial
<p>Mitigations:</p> <p>(i) Institute arrangements in implementing agencies to ensure coordination between budget and procurement planning. (ii) Mainstream IBAS for recording and reporting Program expenditure for all implementing agencies. (iii) Ensure on-lending/granting arrangement with the off treasury PIUs (BARRI, BARI, BADC, BARC)</p>		
Project Funds Flow/Disbursement Arrangements	Substantial	Substantial

<p>Risk:</p> <p>The government maintains a TSA with the Bangladesh Bank for all central government. Technical information on each DLI with time-wise activities and verification protocol of results will be used to prepare funds allocation against each results area. Fund flow outlined in the Treasury Rules and Supplementary Rules will apply. As the program funds will use the Treasury Model, Funds will be channelled through the Government system of budgetary allocations to the Consolidated Fund and expenditure processed through the existing treasury system of the Government.</p> <p>Budget releases take place no less than two months into a financial year. Budget releases are based on an Annual Operational Plan (AOP) approved by the respective ministries. Generally, funds are released at 4 equal instalments based on the development part of AOP. After releasing funds from the Treasury Single Account to PIUs, the financial delegation as per the financial rules of GoB and the respective PIUs will be followed for the expenses incurred in the PIUs. Each PIU will submit payment requests to the Chief Accounts and Finance Officer of the MOA for processing payments through iBAS++ from the Treasury Single Account directly to the vendors for goods and services for the Program implementation.</p> <p>The activities of the program will not be free from seasonal impacts therefore equal instalments of fund releases may cause difficulty in managing expenses during peak season for works.</p>	Substantial	Substantial
<p>Mitigations:</p> <p>(i) The Finance Unit of implementing agencies and the CAFO of Ministry of Agriculture will consider implementing subordinate office/organizational unit dimensions of BACS under the Program. (2) Deepening the organizational segment from the MOA to the responsible implementing agencies (DAE, BMDA, BRR, BARI, BADC, BARC and DAM) will enhance managerial accountability of funds allocated to deliver on the specific allocation at the lowest organizational unit level to minimize the risk of delay in distribution of Program funds to the frontline units responsible for the DLIs.</p>		
Project Internal Controls	Substantial	Substantial
<p>Risk:</p> <p>Internal controls such as segregation of duties, authorization, supervision, budget controls are in place. The iBAS++ has the following in-built segregation of duties controls through its workflow. For all transactions, there are different levels of review and approval: entry, review, approval, activation (for reference data) with permission controlled through roles which are configured as privileges by a super user.</p> <p>The PAO will be responsible for observance and compliance of all relevant financial rules and regulations of the Program through the Program Director as the DDO. To maintain proper control, the PAO will receive regular Program Budget Execution Reports.</p> <p>The capacity of the internal audit function for the Program can be further enhanced. Internal audit units are not effective currently, internal audit activities consist primarily of exposed reviews focused on financial compliance. There is an on-going reform under the Bank finance PforR operation, Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS) to strengthen and transform traditional internal audit function to risk based internal audit.</p>	Substantial	Substantial

<p>Mitigations:</p> <p>(i) All PIUs, self-accounting entities will prepare and implement an internal audit modernization plan under the Program including by strengthening audit committees to enhance effectiveness of internal audit and institute risk-based internal audit.</p> <p>(ii) The proposed program will contribute towards enhancing the internal audit capacity of the PIUs. Some areas of focus for technical assistance include: (1) PFM training for internal auditors to broaden their knowledge for effective audit; (2) further training and pilot audits on focused areas such as IT audits based on the internal audit manual; (3) professionalization of the internal auditors by offering internationally recognized professional certification courses; and (4) introducing audit management software.</p>		
Project Accounting and Financial Reporting	High	Substantial
<p>Risk:</p> <p>The iBAS++, together with the BACS, will be used to prepare the Annual Program Financial Statements. Program expenditure financed by IDA, IFAD and GoB will be channeled through TSA using iBAS for initial recording of expenditure under the unique program code with separate organizational code for each of the agency. There will also be fund code for each source of financing. In addition, as a part of corporate reporting requirement, self-accounting entities will include the Program expenditure of their respective part in the annual financial statement of entity financial statement.</p> <p>The Cash Basis accounting is used in the public sector. There are no initiatives yet to align the cash basis with the IPSAS cash standard to further improve reporting and ensure uniformity with international standards and best practices. As per the Government Financial Regulations (GFR) the spending authority maintains a separate set of financial records mostly on manual bases while iBAS is maintained only at the level of the Accounts Offices.</p> <p>Risk of delays in Preparation of Financial Statement is recognised. Inefficient reconciliation processes between spending units and CAFO of MOA</p>	High	Substantial
<p>Mitigations:</p> <p>(i) iBAS++ will ensure timely preparation of Financial Statement for the Program. (ii) It was also agreed with the line ministry that the reconciliation process would be on a fast track to consolidate the FS within 3 months from the end of each FY. (iii) In Addition, there will be monthly reconciliation between PIU and CAFO within seven working days of the following Month. (iv) To facilitate the reconciliation, each PIU will assign a dedicated person to aide day to day accounting and financial reporting.</p>		
Project External Audit	Substantial	Substantial

<p>Risk:</p> <p>The PARTNER program audit will be carried out by the Comptroller and Auditor General (C&AG) constitutionally appointed by the President. Of the ten directorates, Foreign Aided Project Audit Directorate (FAPAD) has been mandated to carry out the audit of all donors funded development projects and programs including those having both foreign aid as well as GOB funding together. Moreover, RPA through GOB arrangements, where initially expenditure is made from government treasury against GOB budget provision and then actual expenditure is reimbursed by DPs in government treasury, are also audited by FAPAD because of involvement of both DP's and GOB funding. Currently, OC&AG is undergoing reform, whereby it is moving to an entity audit model by combining revenue and development expenditure in a single financial statement and will be audited by a single audit directorate. Program expenditure will be made using treasury system. A separate set of financial statement will be prepared based on iBAS for the program which will include all the economic codes to be agreed for the program. The independent auditor will pay special attention to the risks of material misstatement of the financial statements due to fraud.</p> <p>There are long pending audit observations from the external audit carried out by the Foreign Aided Project Audit Directorate (FAPAD) for the development projects. Audit observations resolution takes a long time, particularly, on the development projects in all PIUs. In the result-based program approach, the resolution may take even longer because of lack of ownership in fulfilling the requirements to resolve audit issues</p>	Substantial	Substantial
<p>Mitigations:</p> <p>(i) Submission of Program External Audit Report by March 31 each year. Necessary capacity building support will be obtained from the government to meet the deadline. Also, the new organization reform at C&AG office will make the respective directorate more focused on the program audits and therefore the delivery seems to be more efficient.</p> <p>(2) Strengthen the audit committee and establish processes and mechanisms for completing annual audit, including procurement audit and resolving audit observations. Constitution of Audit Observation Resolution Committee at the Ministry to meet twice annually with the aim to take appropriate action in resolving (Serious Financial Irregularity) SFI of the program annually.</p>		
Project Procurement	Substantial	Moderate
Legal and Regulatory Framework	Substantial	Moderate

<p>Risk:</p> <p>Public procurement is regulated by the Public Procurement Act 2006 with supplemental Public Procurement Rules 2008, e-GP Guideline and Delegation of Financial Power (DOFP). The PPA 2006 has been amended several times, by the Public Procurement (1st and 2nd Amendment) Act 2009, the Public Procurement (Amendment) Act 2010 and the Public Procurement (Amendment) Act 2016.</p> <p>Overall Strengths:</p> <ul style="list-style-type: none"> • Existence of a single legal framework (PPA 2006/PPR 2008) that governs the entire public procurement system across the country. • Existence of a well-functioning nodal procurement policy unit, Central Procurement Technical Unit (CPTU). • CPTU has a widely used website and updated regularly. • A widely used Electronic Government Procurement (e-GP) System managed by CPTU. 62% procurements of the country by value were processed through e-GP in FY19. • e-GP system is self-sustainable (earns revenue). • Existence of comprehensive e-GP Guidelines. • Freely accessible standard tender documents for Goods, Works and Services. • Mandatory provision to pre-disclose eligibility and qualification criteria during procurement process. • Existence of a comprehensive capacity development program. • Existence of well-defined procurement methods. • Open Tendering Method (OTM) is the preferred method and alternative methods need justification. 80% of goods and works contracts were processed through OTM in FY19. • Conflict of interest and impartiality certificate requirements by the Tender Evaluation Committee (TEC) members during tender evaluation. • Presence of a functional complaint redress system with an appeal mechanism. • Existence of separate Public Private Partnership (PPP) Act and Guidelines. <p>Overall Weaknesses:</p> <ul style="list-style-type: none"> • Use of price cap in national Open Tendering Method (OTM) for works (rejecting bids more than 10% below or above the estimated cost), in lieu of the intended objective of improved quality and timely completion of works, resulted in market distortion. For example, (i) the average number of participants per procurement package decreasing from 4.2 to 2; (ii) single tenders in OTM packages increasing from 20% to 50% and (iii) large bidders monopolizing the procurement market and small bidders getting marginalized. • The Limited Tendering Method (LTM) for national works procurement, targeted to encourage small and new bidders with provisions such as price cap, lottery to determine the winner in the case of tied bids and not requiring any past experience, is not consistent with international good procurement practices, and resulted in failed constructions, delays and cost-overruns. Bidders' interviews revealed that most of the new and small bidders are not getting the intended advantage as the large bidders can also participate in the procurement process. • The sanction/debarment process lacks independent review (decision by the head of the procuring agencies is final) except by way of appeal to the judiciary. In addition, absence of detailed procedure/guidelines for debarment causing inconsistent implementation by procuring agencies. • Sustainable public procurement has not yet found its way into the public procurement legislation and practices. 	<p>Substantial</p>	<p>Moderate</p>
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<p>Mitigations:</p> <p>Please reference detailed MAPS Assessment on the short, medium and long term mitigation measures proposed below:</p> <ul style="list-style-type: none"> - Remove ± 10% cap from Open Tendering Method (NCT) for works - Undertake following alternative solutions to tackle the issue of abnormally low bids: <ul style="list-style-type: none"> • Incorporate abnormally low bid identification provision based on formula • Increase performance guarantee based on formula • Imposition of milestone based liquidated damage to encourage timely completion of works contracts • Enhance contract management through electronic contract management of e-GP (with geo tagging) • Adopt output and performance-based contracting where feasible • Remove ± 5% cap and lottery from Limited Tendering Method • Assess how Limited Tendering Method can be used to give preferential treatment to small and medium sized bidders/enterprises, women-led enterprises and startups • Include definition of small and medium sized bidders/enterprises, women-led enterprises and startups in PPA/PPR and include this in the bidder registration process • Update rules to include provisions for promoting SMEs, women-led enterprises and startups • Introduce provision of annual enlistment for LTM bidders based on qualification/experience • Early release of bid security of the bidders except the top three bidders • Create a supplier database with unique identification of bidders and their beneficial owners. Track performance of the suppliers/contractors including specialized groups - Introduce suppliers/contractors’ development program <p>Streamline emergency procurement provision including complete delegation of the procurement responsibility to the implementing agencies (i.e., selection of procurement method, approval of bid evaluation report and contract), engage UN agencies as partners, use of request for quotation methods without any thresholds etc.</p> <ul style="list-style-type: none"> - Include Quality-Based Selection (QBS) method in the PPA 2006 and PPR2008 <ul style="list-style-type: none"> • Introduce independent debarment process and provision of temporary suspension by the HOPE • Prepare detailed guidelines on debarment procedures including protocol for sharing and receiving feedback on fraud and corruption issues from the Anti-Corruption Commission (ACC). • Publish the consolidated PPA 2006 and PPR 2008 documents in English in the CPTU website for international use. • Finalize all standard/model procurement documents, as listed in the PPR 2008. • Finalize Bangla translated versions of the standard documents • Prepare procurement manual for Goods, Works and Services for all methods of procurement. • Develop a contract management manual • Update e-GP user manual and manual on registration process incorporating recent changes. • Prepare a policy document with detailed implementation road map for sustainable procurement. • Include provision of sustainable procurement in the PPA 2006 and PPR 2008. • Include provision of evaluating bids on the basis of “most advantageous bid” instead of the current “lowest evaluated bid” to facilitate preferential treatment to high quality goods/works including energy efficient/low carbon emitting products, sustainable goods and works. • Update the relevant standard tender documents with provisions of 		
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sustainable procurement including maintaining environmental and social safeguard during construction. • Prepare guidance note on sustainable procurement explaining applicability and procedure of using sustainability considerations in procurement		
Accountability and Transparency	Substantial	Moderate
<p>Risk:</p> <p>Pillar IV MAPS Assessment takes aspects of the procurement system and governance environment to ensure that they are defined and structured to contribute to accountability, integrity and transparency.</p> <p>Overall Strengths</p> <ul style="list-style-type: none"> • Reasonably transparent process is followed in formulation of procurement legislation with consultation with large procuring agencies. • Adequate access to information in the procurement process. • Public Financial Management (PFM) system is governed by a set of strong legislative instruments with OCAG as the supreme audit organization. • Financial auditing carried out regularly which covers procurement. • Comprehensive procurement audit manual. • A strong anticorruption system is in place. • Presence of ethical standard in audits and public procurement (code of ethics) and national integrity strategy. • CPTU has developed and soft launched a citizen portal to disseminate procurement and contract management data following the Open Contracting Data Standard (OCDS) <p>Overall Weaknesses:</p> <ul style="list-style-type: none"> • Some transparency weaknesses - bidders not widely included in public consultation for legislation change. • Audit system is mostly external. <ul style="list-style-type: none"> o Internal control system is virtually absent. o accumulation of non-resolved observations. o Procurement performance audits not yet taking place. • Procurement complaint system is lengthy and takes 2-3 months' time to exhaust the entire process. <ul style="list-style-type: none"> o No mechanism for keeping review panel members up to date. o Complaint tracking mechanism not yet functional for e-GP • Inadequate monitoring of integrity in public procurement <ul style="list-style-type: none"> o no national statistics available on corrupt activities specific to procurement o no recognized role of civil society 	Substantial	Moderate

<p>Mitigations:</p> <p>Please reference detailed MAPS Assessment on the short, medium and long term mitigation measures proposed</p> <ul style="list-style-type: none"> - Use government tenderers' forums for wide consultation during amendment of procurement laws/guidelines - Launch citizen portal to share procurement and contract implementation data with the citizens following OCDS including facilities for data analytics based on key performance indicators. <p>Include citizen engagement provision in PPA2006/PPR2008</p> <p>Introduce standardized mechanism for internal control with the development of internal audit manual and module for training</p> <ul style="list-style-type: none"> - Introduce electronic mechanism for capturing audit data and resolution status - Carry out specialized procurement audits/ procurement performance audit especially in large agencies based on periodic risk assessment - Scale-up procurement training for the auditors with appropriate course content - Enforce the requirement of procurement post reviews through enhanced monitoring • Maintain an online data base for review panel cases including implementation status and decisions • Set a timeline to publish review panel decisions in the CPTU website - Arrange regular learning/discussion sessions on procurement issues for review panel members - Enhance e-GP's complaint handling module with facilities to track complaints and their resolution status - Reduce 4-tier complaint handling process to 2-tier process consisting review only at the PE and review panel levels <p>Introduce standstill period for large value/international procurements</p> <p>Introduce integrity module in e-GP (automatic identification of red flags during tender evaluation)</p> <ul style="list-style-type: none"> - Include comprehensive module on integrity and ethical aspects of procurement including identification of fraud and corruption red flags in the standard procurement training materials of CPTU - Include provision to earmark corruption related to public procurement in ACC database - Review the possibility of giving specific role to CSOs in public procurement 		
<p>Capability in Public Procurement</p>	<p>Substantial</p>	<p>Moderate</p>

<p>Risk:</p> <p>Bangladesh has a well-functioning nodal procurement policy agency, the Central Procurement Technical Unit (CPTU). CPTU was established in 2002 under the Implementation Monitoring and Evaluation Division (IMED) of the Ministry of Planning (MOP) to carry out procurement reform activities and regulate and monitor the country’s public procurement functions. It is planned to be converted into an independent government agency to be known as the ‘Bangladesh Public Procurement Authority (BPPA)’ to facilitate enhanced autonomy in executing its functions. It will be done through a separate act, Bangladesh Public Procurement Authority Act. The act has been drafted and widely consulted and now at the final stage of placement in the parliament for approval.</p> <p>Overall Strengths:</p> <ul style="list-style-type: none"> • CPTU has clear mandate to carry out public procurement reform and implementation of the reform agenda (being transformed to Authority). • Large procuring agencies are well organized, procurement functions are largely decentralized, and procuring entities’ functions are legally defined. • An institutionalized procurement capacity building program is in place. • e-GP generates KPI based procurement reports. • The medium term rolling budgetary framework (MTBF) provides indicative budget for procurement organizations for 3 years which helps agencies to plan their procurement. • An integrated budget and accounting system (iBAS ++) system in place and helps budget control and management. • Average days for payment to the contractors is mostly within acceptable limit. (Survey result: 77% responded bidders received payment within 30 days of bill submission) • CPTU has recently developed and soft launched a citizen portal to disseminate procurement and contract management data following the Open Contracting Data Standard (OCDS). The portal has facilities for data analytics based on key performance indicators. <p>Overall Weaknesses:</p> <ul style="list-style-type: none"> • CPTU is constrained by its capacity in terms of legal structure, autonomy in decision making, limited staffing, and inadequate analytical and research capability. It largely depends on external experts and outsourced firms which is inadequate to regulate and monitor public procurement for more than 1300 organizations.. • Procurement data analytics not systematically used for policy formulation. • Absence of data capture through open data format. • Proper integration of public procurement into the financial management system yet to take place. e-GP system does not yet have an interface with the iBAS++ system resulting in disconnect between procurement value with the budget and real expenditure. • Procurement performance is not generally part of results agreement of the Procuring Entities/Agencies/Ministries and therefore does not contribute to career advancement. • Less recognition of ‘procurement’ as a professional service. • Legal provision on advance procurement planning is absent, though practiced by some PEs, but feel discouraged. 	<p>Substantial</p>	<p>Moderate</p>
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<p>Mitigations:</p> <p>Please reference detailed MAPS Assessment on the short, medium and long term mitigation measures proposed</p> <ul style="list-style-type: none"> • Connect e-GP with iBAS++ to facilitate – (i) real time capturing of budget utilization, procurement commitment and procurement expenditure; (ii) monitoring and tracking of payment • Ensure generation of reports on payment delay (at national/agency/project/PE level) from the iBAS++ system • monitor the regular payment of bill to minimize the gap between submission of bill until the final payment. • Enhance existing e-GP procurement planning module to upload annual procurement plan covering e-GP and non e-GP procurements with updating functionality • Insert provision in the e-GP Guidelines/PPR 2008 to ensure mandatory uploading of all procurement packages in e-GP procurement plan of a PE or project as applicable. <p>Include advance procurement procedure in the procurement legislation Include provision in the legislation for mid-term strategic procurement plan Reduce the time gap between national budget and availability of the budget at PE level</p> <ul style="list-style-type: none"> • Prioritize formation of proposed Bangladesh Public Procurement Authority (BPPA) • Develop in-house institutional and technical capacity of BPPA (with a set of qualified, experienced and adequate number of trained officials) and gradual lessening of dependency on external support <p>Publish compilation of interpretations and clarifications provided by CPTU in official gazette</p> <ul style="list-style-type: none"> • Increase procurement approval thresholds at the agency and ministry level with enhanced accountability mechanism • Monitor compliance of the detailed procurement timeline given in PPR2008 • Adopt framework agreements at the level of the organization or ministry • Develop e-GP module for framework agreement and electronic catalogues/ e-market place • Develop guideline on using framework agreement <p>Include provision of electronic catalogue and e-market place in PPR2008/PPA2006</p> <ul style="list-style-type: none"> • Enhance the existing training program to include provision for more bidders' training • Launch online training module • Prepare strategic plan for procurement data management and analytics • Develop necessary data analytics and report generating provisions in e-GP including red flags <p>Prioritize implementation of 4 tier-based procurement competency and certification framework</p> <p>Include procurement performance as an indicator in the performance agreement for the ministry, agency and procuring entities</p> <p>Create a centralized procurement body at the central or regional level to procure commonly required items</p>		
<p>Public Procurement Processes</p>	<p>Substantial</p>	<p>Moderate</p>

<p>Risk:</p> <p>Public procurement in Bangladesh is now well established but remains mostly compliance based. The legal and regulatory framework is in place, there is an established regulator (CPTU) and a well performing e-GP system which is growing rapidly. Moreover, there is an extensive capacity development program. However, the emphasis has been given mainly on building this system and ensuring compliance with the essential requirements of the framework. There is scope to elevate the current system into a performance or output based system based on strategic vision and value for money consideration.</p> <p>Overall Strengths:</p> <ul style="list-style-type: none"> • Availability of an array of procurement methods including multi-stage procedures (pre-qualification, two stage tendering method) for large and complex procurement. • 62% procurements of the country by value were processed through e-GP in FY19. • Procurement lead time (invitation to contract signing) for all tenders decreased by 28% - from 86.7 days (FY12) to 62.2 days (FY19). • % share of awarded bids within original bid validity period increased to 90%. • % share of rejected bids decreased from 8% (FY12) to 3% (FY19). • Private sector is vibrant and competitive. • Citizen engagement in contract implementation monitoring is happening in 48 sub-districts with positive feedback. <p>Overall Weaknesses:</p> <ul style="list-style-type: none"> • 70% of contracts not completed on time - causing delay, cost overruns. • Absence of strategic procurement planning and analysis resulting in higher procurement cost and lower procurement performance. (e.g., too many small procurement packages for recurring items). • Procurement decision approval time for high value contracts (more than US\$ 6 million) is still high and a major source of delay for project implementation • Limited interaction with bidders: information and dialogue failures 	<p>Substantial</p>	<p>Moderate</p>
<p>Mitigations:</p> <p>Please reference detailed MAPS Assessment on the short, medium and long term mitigation measures proposed</p> <p>Roll out newly developed electronic contract management (e-CMS) module of e-GP and monitor contract management performance</p> <p>Scale up citizen monitoring of contract implementation</p> <p>Undertake capacity development program on contract management and e-CMS including focused training on works contract management</p> <p>Include legal provision for strategic procurement analysis and planning at the organization/sectoral level based on spend analysis, need analysis and market analysis to determine appropriate procurement size and method of procurement.</p> <p>Include legal provision for mandatory market analysis for high value and complex procurements before initiating the procurement process to better understand the market composition, qualification of the bidders and specifications of the product</p> <p>Prioritize formation of Bangladesh government tenderers' forum to facilitate regular interactions and dialogues with the bidding communities in a systematic way</p> <p>Regularly hold dialogues with bidders to let them know about the changes in the legal provision and receive their feedbacks</p> <p>Carry out regular online bidder surveys and opinion polls on specific topics</p> <p>Carry out sector analysis and engagement based on e-GP data</p>		
<p>Environment, Social and Climate Impact</p>	<p>Moderate</p>	<p>Low</p>

Biodiversity Conservation	Moderate	Moderate
Risk: There are moderate risks related to biodiversity conservation as project intervention could create specialization and mono cropping.	Moderate	Moderate
Mitigations: (i) Encourage the use of local/indigenous varieties. (ii) Promote crop rotation and climate tolerant varieties. (iii) Protect forests and wetlands that are critical habitats for endangered species. (iv) Prohibit introduction of exotic species.		
Resource Efficiency and Pollution Prevention	Substantial	Moderate
Risk: Project interventions could lead to increased waste water discharge into streams and pollution from small-scale agriculture.	Substantial	Moderate
Mitigations: The CI's safeguard policies contains detailed measures on protection against pollution.		
Cultural Heritage		No risk envisaged - not applicable
No Risk envisaged.		
Indigenous People	Moderate	Low
Risk: Around 45 indigenous communities are present in Bangladesh most of them living in the Chittagong Hill Tracts, greater Mymensingh, greater Rajshahi, greater Sylhet, Patuakhali and Barguna. IPs are part of the vulnerable population in the country, the program will deploy measures to ensure that they are well represented in program-related decision making, that negative impact is avoided and that benefits also reach these groups..	Moderate	Low
Mitigations: (i) There are no constrains for IPs to participate in project interventions and former projects by the implementing partner have equally targeted IPs. (ii) Project interventions are expected to result in increased incomes, increased food security and improved nutrition for all beneficiaries including IPs.		
Labour and Working Conditions	Moderate	Low
Risk: Unsafe and unhealthy working conditions could occur in the farms and agricultural activities which are either directly or indirectly supported by the project. However, this risk is considerate moderate as the risks are small and site specific.	Moderate	Low
Mitigations: (i) Site specific health and safety guidelines will be developed based on project interventions.		
Community Health and Safety	Moderate	Low

Risk: There are moderate risks around rural communities related to agricultural development, in particular relating to the use of agrochemicals and the consumption of unsafe food. The project will however be aimed at reducing the use of those agrochemicals and ensuring their proper handling, as well as work on safe food production, thereby reducing the residual risk.	Moderate	Low
Mitigations: (i) Adequate roll out of health and safety mechanisms. (ii) Build awareness among project beneficiaries on the importance of health and safety.		
Physical and Economic Resettlement		No risk envisaged - not applicable
No risk envisaged.		
Greenhouse Gas Emissions	Substantial	Low
Risk: potential and might also have significant potential for greenhouse gas emissions (e.g. beef, poultry, dairy, goats and rice). The program however includes measures to reduce emissions. Through those measures, the program is (by World Bank calculations) expected to be a net carbon sink.	Substantial	Low
Mitigations: (i) The ICO and the World Bank closely monitor and review the project's value chain activities and provide regular guidance and feedback on the potential opportunities to reduce greenhouse gas emissions		
Vulnerability of target populations and ecosystems to climate variability and hazards	Moderate	Moderate
Risk: Bangladesh overall has a high exposure and vulnerability to climate change. The project initiatives might get impacted by extreme climate events or natural hazards as the project areas are particularly vulnerable to tropical cyclones and other climatic incidents.	Moderate	Moderate
Mitigations: The project is promoting climate smart agriculture and climate adaptation more broadly, including agri insurance to safeguard the assets as well as economic stability of the beneficiaries in the event of climatic incidents.		
Stakeholders	Moderate	Moderate
Stakeholder Engagement/Coordination	Moderate	Moderate
Risk: Lack of proper stakeholder engagement/coordination may result into reduced ownership and underachievement of targets during the project life cycle.	Moderate	Moderate
Mitigations: The implementing agencies have a strong foot hold in the project areas and this can be leveraged to build multi dimensional stakeholder engagement and synergy.		
Stakeholder Grievances	Moderate	Moderate

Risk: Although the implementing ministry is familiar with the grievance redress mechanisms, the risk is moderate as a new mechanism needs to be established.	Moderate	Moderate
Mitigations: The CI has the capacity and expertise to support with GRM.		