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BANGLADESH Country Snapshot

The World Bank Group



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COUNTRY SNAPSHOT

Rapid growth has propelled Bangladesh from low-income to low-middle-income country (LMIC) status, as FY2014 per capita gross national income (GNI) of \$1,080 crossed the middle-income country threshold of \$1,046. Per capita income continued to increase in FY2015 to \$1,220. Gross domestic product (GDP) grew well above the average for developing countries in recent years, averaging 6.2 percent since 2010, with services and industry accounting for the bulk of the growth. While Bangladesh has achieved its ambition to reach middle-income status by 2021, the 50th anniversary of its independence, the challenge will be to further accelerate growth so that it moves well past the threshold and further up the income range of LMICs.

Several factors are behind the resilience of Bangladesh's economy, against the backdrop of a volatile global economy. Robust macroeconomic fundamentals at the onset of the financial crisis, strong growth of exports and remittances, and relatively under developed and insulated financial markets have played an important role. Bangladesh's exports doubled their world market share between 1995 and 2012. The ready-made garment (RMG) sector has been a key contributor, with its share of total exports accounting for more than 80 percent in FY2014. Bangladesh is now the world's second largest garment exporter, making it unique among low-income countries because of the high share of manufactured goods in its exports (90 percent vs. ~20 percent in comparator countries in 2012).

Progress on reducing extreme poverty and boosting shared prosperity through human development and employment generation has continued. This needs to be further consolidated in the near term by sustaining GDP and remittances growth, creating jobs, containing inflation, and making progress on improving the quality of service delivery in health and education. Private investments need to increase significantly to achieve the government's 7 percent growth target for FY2016. At the same time, the quality of public investment needs to be substantially enhanced to alleviate the infrastructure constraints on private investments and to expand service delivery. Moving forward in the immediate future, stronger attention is needed to: (i) swiftly complete the transition in the garment industry; (ii) finish critical ongoing road development projects; (iii) enact the Public-Private Partnership (PPP) law; and (iv) facilitate building Special Economic Zones (SEZs).

ECONOMIC OVERVIEW

BANGLADESH	
	2014
Population, million	158.5
GDP, current US\$ billion	173.1
GDP per capita, current US\$	1092

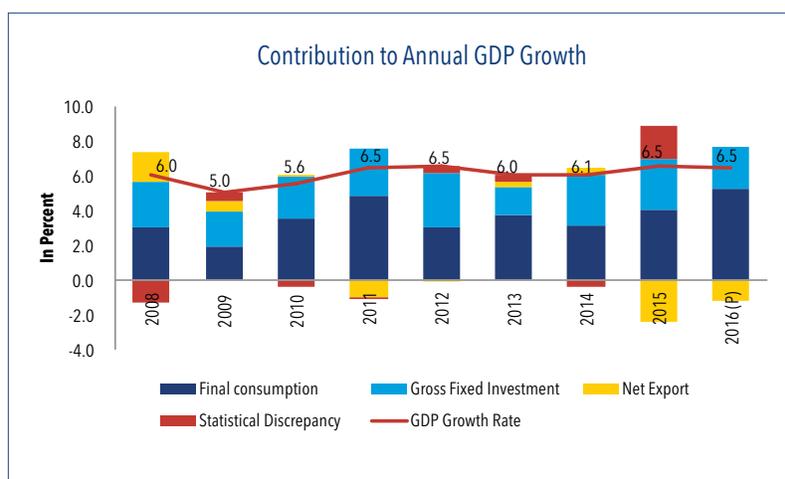
Sources: World Bank, WDI, and Macro Poverty Outlook

With the return of some degree of political stability since April 2015, domestic economic activity, which had been disrupted between January and March, has picked up. The Bangladesh Bureau of Statistics' preliminary 6.5 percent gross GDP growth estimate

for FY2015 (July 1, 2014 to June 30, 2015) shows a stronger economy relative to FY2014 despite political turmoil, depressed export growth, only a modest rebound in remittances, and continued weakness in the private sector credit growth. Agricultural production has been healthy and services have recovered with domestic demand regaining strength. These alone cannot explain why growth in FY2015 was higher than FY2014.

Recent Developments

Macroeconomic stability was sustained. Bangladesh was not affected by recent turmoil in emerging and developed markets. Headline inflation evolved along the projected path toward 6.5 percent in FY2015 from 7.4 percent the year before.



However, non-food inflation has risen in the first half of 2015. Banks' lending rates have declined, the exchange rate has been stable, and foreign reserves have crossed \$26 billion. The fiscal deficit was contained at around 3.6 percent of GDP in FY2015. The FY2016 budget targets 5 percent deficit with 23.1 percent growth in expenditures and an ambitious 27.6 percent revenue growth target. Broad money growth fell short of the 16.5 percent Monetary Policy Statement target, primarily reflecting weak demand for credit both from the private sector and the central government. The (trade-weighted) real effective exchange rate (REER) has appreciated by 14.4 percent in last 12 months ending August 2015, despite a stable nominal taka-dollar exchange rate, because of 15.9 percent appreciation of taka-euro nominal rate and higher domestic inflation relative to inflation in Bangladesh's trading partner countries. Weaknesses in financial regulations have continued.

Outlook

With political stability in the near-term, growth in FY2016 is projected at 6.5 percent, driven by stronger consumption and export growth. Bangladesh is not at significant risk from contagion related to recent turmoil in international financial markets or slower growth in China. Income and REER elasticity of demand for export are low. Only 2.3 percent of exports go to China. Bangladesh's capital account is not open. Non-resident investor presence in Bangladesh's financial market is very limited. The recent reopening of Saudi and UAE markets to Bangladeshi labor may help regain re-

mittance growth momentum, although the decline in oil prices may weaken labor demand in these markets. The risks of inflation remain non-trivial.

The Medium-Term Macroeconomic Framework presented with the FY2016 budget is achievable if the structural reforms in infrastructure management and business regulation are implemented. However, achieving the 7 percent GDP growth target while reducing inflation to 6.2 percent

during FY2016 will be challenging. All evidence suggest Bangladesh's potential GDP growth rate is no more than 6.5 percent given its demographics, feeble state of physical infrastructure, and lingering political uncertainties. Macroeconomic management will have to include strong surveillance of the economy's proclivity to overheat if growth diverges above the potential rate and adjust the policy instruments accordingly.

The FY2016 budget is expected to boost growth directly through consumption and indirectly by facilitating exports and private investment.

It has increased public pay and allowances by 57.3 percent and promised to complete a number of large ongoing investment projects this year. In education, health and social protection, there is a decline in the level of spending relative to the total size of the FY2016 budget. That does not bode well for human development and might slow the pace of poverty reduction. Central government bank borrowing requirements may exceed the budget target due to likely shortfall in revenue collection, aid disbursement, and non-bank borrowing targets. The budget deficit may rise in FY2016, but the debt level is currently at a low risk of distress. The monetary program envisages accommodating the central government bank borrowing target without monetizing it.

Challenges

Bangladesh's progress on structural reforms has remained slow. Structural reforms are particularly challenging in the following areas:

(annual percent change unless indicated otherwise)

	2012	2013	2014	2015 f	2016 f	2017 f
Real GDP growth, at constant market prices	6.5	6.0	6.1	6.5	6.5	6.7
Private Consumption	4.1	5.1	4.0	5.4	6.5	6.6
Government Consumption	3.1	5.8	7.9	9.4	20.2	12.8
Gross Fixed Capital Investment	10.6	5.4	9.9	9.6	7.4	7.6
Exports, Goods and Services	12.5	2.4	3.2	-3.7	8.5	10.5
Imports, Goods and Services	10.5	1.2	1.2	7.5	12.0	11.5
Real GDP growth, at constant factor prices	6.7	6.1	6.2	6.5	6.5	6.7
Agriculture	3.0	2.5	4.4	3.0	7.3	6.7
Industry	9.4	9.6	8.2	9.6	7.0	8.1
Services	6.6	5.5	5.6	5.8	6.0	5.9
Prices						
Inflation (GDP price deflator)	8.2	7.2	5.8	5.7	9.4	9.3
Inflation (Consumer Price Index)	8.7	6.8	7.3	6.4	6.5	6.7
Inflation (Private Consumption Deflator)	9.9	6.8	7.4	6.4	8.1	7.3
Inflation (Consumer Price Index)	8.7	6.8	7.3	6.4	6.5	6.7
Current Account Balance (% of GDP)	-0.3	1.6	0.8	-0.8	-0.4	-0.6
Fiscal Balance (% of GDP)	-3.5	-3.9	-3.5	-3.6	-4.6	-4.4

Sources: World Bank, Macroeconomics and Fiscal Management Global Practice.
Notes: f = forecast. In annual percent change unless indicated otherwise.

Financial. There has been no visible reduction in nonperforming loans as habitual defaulters continue their delinquent behavior with impunity. Inaction on making the defaulters accountable has not helped change the game.

Energy. Bangladesh has not made use of this opportunity either to build fiscal space, which would allow an effective counter-cyclical response in the

event of an economic slowdown, or to invest in infrastructure or human capital.

Fiscal. Reforms to improve the effectiveness of public expenditure and revenue administration are badly needed.

Administrative. Much of the reform agenda, including a broad-based reform of state-owned enterprises, remains to be implemented.

RECENT SECTOR DEVELOPMENTS

Poverty Reduction and Shared Prosperity

Bangladesh has achieved commendable progress in poverty reduction and is on track to achieve the Millennium Development Goal (MDG) of halving the incidence of extreme poverty. Projections using 2010 Household Income and Expenditure Survey (HIES) data indicate that the national poverty rate fell to 24.8 percent in 2015, less than half the 58.8 percent rate in 1991-1992. Poverty headcount based on \$1.25 per day purchasing power parity is projected to fall from 43.5 percent in 2010 to 36.5 percent in 2017. This steady reduction is mainly attributable to improvements in the farm income of rural households. Indeed, the main contributor to poverty reduction between 2005 and 2010 was labor income, driven by increases in farm income. In addition, the estimated patterns in poverty reduction are reinforced by the decline in food price inflation from 8.6 percent in FY2014 to 6.7 percent in FY2015.

Consumption inequality in Bangladesh remains low and very stable. Consumption inequality as measured by the Gini index was estimated at 31 percent and 30 percent in 2005 and 2010, respectively. Growth incidence curves in 2005-2010 reveal that consumption growth was pro-poor – that is, poorer households benefited from a larger rise in per capita consumption than those at the top of the distribution. The per capita consumption of the bottom 40 percent is likely to have continued to increase over the past year, responding to the increase in rural wages, expansion in agricultural output, and reduction in food prices. Yet, differences in agricultural wages of male and female agricultural workers remain very high. During the high agricultural season in FY2015, the average wage for female workers in the divisions of Barisal, Khulna, and Rajshahi was only 197 Taka/day compared to 295 Taka/day for male workers.

GNI per capita has grown rapidly because of growth in GDP per capita and remittance per capita. Sustained acceleration of GDP growth, declining population growth rate and continued growth of the stock of Bangladeshis working

abroad contributed to growth in GNI and remittance per capita. Most recent research evidence reconfirms that remittances contribute significantly to poverty reduction – directly by augmenting the income of the receiving families and indirectly by contributing to local level development.¹

Infrastructure

Access to infrastructure in Bangladesh is an important determinant of both agricultural and non-farm incomes in rural areas. To date, Bangladesh's investment in infrastructure has been low. Public investment in (hard) infrastructure was less than 2 percent of GDP, and it lags behind its regional competitors in infrastructure quality. (Table) By contrast, total investment in hard infrastructure in China, Thailand, and Vietnam exceeded 7 percent of GDP. Those countries also invested another 7-8 percent of GDP in education, training, and health. Unless infrastructure bottlenecks in Bangladesh are addressed in a timely manner, they risk becoming increasingly important constraints limiting future growth prospects. The World Bank Group (WBG) estimates that in order to reach sustained 7.5-8.0 percent growth rates, significant increases in investment are required to at least 33 percent of GDP, including an increase in infrastructure investments to around 10 percent of GDP per year.

Energy

Even though electricity generation capacity has doubled since 2009, Bangladesh continues to face significant power shortages. While installed capacity increased from 4,900 megawatts (MW) in 2009 to 11,200 MW today, available capacity is only around 7,700 MW, which is inadequate to sustain middle- or high-level economic activity for a nation of almost 160 million people. At the same time, only 60 percent of the population had access to electricity, and per-capita electricity consumption of 294 kilowatt hours (kWh) per year was one of the lowest in the world. As a result, the availability and reliability of power is a key concern for businesses. In the 2014 *Doing Business* report, Bangladesh was

1 Professor Tasneem Siddiqui and Dr. Raisul Awal Mahmud, Key Findings, Impact of Migration on Poverty and Local Level Development, August 31, 2014.

INFRASTRUCTURE QUALITY IN BANGLADESH LAGS BEHIND ITS REGIONAL COMPETITORS

Country	Country Ranking	Infrastructure Score (Overall)	Electricity	Roads	Railroad	Port
China	46	4.7	5.2	4.6	4.8	4.6
Thailand	48	4.6	5.1	4.5	2.4	4.5
Sri Lanka	75	4.0	4.8	5.1	3.7	4.2
Vietnam	81	3.7	4.2	3.2	3.0	3.7
India	87	3.6	3.4	3.8	4.2	4.0
Cambodia	107	3.1	3.0	3.4	1.6	3.6
Pakistan	119	2.7	2.1	3.8	2.5	4.4
Bangladesh	127	2.5	2.5	2.9	2.4	3.7
Myanmar	137	2.1	2.8	2.4	1.8	2.6

Source: World Economic Forum, Global Competitiveness Report 2014-15; Ranking out of 144 countries.

also ranked the lowest out of 189 economies on the “getting electricity” indicator. There was a 22 percent shortfall in meeting peak capacity in FY2013, and a 13 percent shortfall in meeting non-peak demand. At the same time, energy demand is projected to rise nearly five-fold to over 190 terrawatt (TW) hours by 2030.

Gas is critical for the power sector in Bangladesh, since it fuels 70 percent of generation. Exploration of additional domestic gas is now a priority, particularly offshore. In the meantime, liquefied natural gas (LNG) imports will likely be required soon to fuel existing gas-fired plants as well as those under construction. Given Bangladesh’s over-reliance on natural gas, power supply diversification is also a key need. Other issues facing the power sector include: (i) the dual challenge of massive investment in new capacity while simultaneously facing an increasing cost of supply; (ii) enhancing private-sector investment (despite early success in attracting private investors, only one new large independent power producer has started operation in Bangladesh in the last decade); (iii) raising current end-user gas prices to parity with prices in neighboring countries and regional benchmarks; and (iv) managing the increase in fuel oil use by rental power plants and independent power companies that has resulted in a nearly three-fold increase in the average cost of power supply. The World Bank Group is actively engaged in the energy sector through technical assistance in the gas sector as well as financing support for generation

capacity, off-grid rural electrification through solar home systems, renewable energy investments, and rural transmission and distribution.

Inland Connectivity and Logistics

Improving connectivity is key for Bangladesh to accelerate the economic transformation of its rural areas. Rural road investments in Bangladesh have reduced poverty significantly through higher agricultural production, higher wages, lower input and transportation costs, and higher output prices, and also led to more girls’ and boys’ schooling. Adequate attention to ensuring this network is properly maintained and developed and further integrated with the larger transport network remains an important public policy priority. In particular, Bangladesh needs to move away from the “build, neglect, rebuild” mindset, and instead ensure enough funding is available for maintenance. In addition to investments in rural roads, the country also needs to improve east-west connectivity, particularly connecting the southwest to Dhaka.

Bangladesh can enhance its international competitive edge by improving logistics. Chittagong port, which handles nearly 85 percent of the country’s merchandise trade, is constrained by labor problems, poor management and lack of modern equipment, and is the only major port in South Asia that has not implemented the landlord port model. Similarly, railway and road networks con-

necting the ports with hinterland are underdeveloped and beset with logistical problems that impose significant costs on firms. Air transport is also inefficient, due to congestion and lack of capacity at the air terminal. The Dhaka-Chittagong corridor is Bangladesh's most important trade link, but it is extremely congested and its current performance hinders export growth. Bangladesh stands to benefit from improved physical connectivity with India, and an important priority is to remove the policy constraints to seamless cross-border movement of cargo. The World Bank is supporting rural connectivity in Bangladesh through investments in rural road across 26 districts. In addition, it plans to finance improvements to the Dhaka-Chittagong Inland Waterway, which accounts for 80 percent of inland waterway traffic.

Regional and Global Integration

Export-led growth has served Bangladesh well, and there is potential for further expansion in this crucial area. Bangladesh's strong success in exports has primarily been based on low-skill, low-wage-based competitiveness in garments, which dominate the export basket. However, this strategy does not guarantee continued growth in exports, given the pressures of global competition and the possible emergence of future competitors with a better wage-productivity combination. The example of Vietnam shows the benefits of accelerated export-oriented development, moving in the space of 25 years from being one of the poorest countries in the world to a lower-middle-income one, with foreign direct investment (FDI) and trade playing a dominant role in the economy. Vietnam's exports and imports each form 90 percent of GDP, with exports more than seven times as much per capita as in Bangladesh today. Bangladesh is well placed to expand manufacturing exports given its geographic proximity to two of the world's most populous countries, as well as other fast-growing economies. In addition, attracting more FDI in the country would help upgrade technology and enhance export market linkages, improving upon an area where Bangladesh has had only limited success to date.

Bangladesh needs an export-led strategy that builds on existing labor-embedded exports and focuses on diversifying products, skills, and markets. Faster export growth will require both

consolidating on strengths in RMG through further expansion and moving to higher-value garments, as well as a gradual diversification into other manufacturing areas such as pharmaceutical products, non-leather footwear, light-engineering goods, ship-building, information technology, and IT-enabled services. The World Bank's 2013 Diagnostic Trade Integration Study outlines a four-pronged strategy to enhance the integration of Bangladesh's economy with regional and global markets: (i) breaking into new markets through better trade logistics and exploitation of regional trading opportunities; (ii) breaking into new products through a more neutral and rational trade policy, concerted efforts to spur private investment, and strategic development and promotion of services trade; (iii) improving worker and consumer welfare; and (iv) building a more supportive environment for export growth, including strengthening the institutional capacity for strategic policymaking aimed at increasing international competitiveness and bringing focus and coherence to the government's reform efforts. Improving the business environment is an important World Bank Group priority in Bangladesh. The Bank Group is providing an integrated package of financing and advisory support focused on trade policy, trade facilitation and behind-the-border reforms, building on the 2013 trade study. This includes supporting government efforts to develop economic zones using PPPs, including last-mile infrastructure.

Urbanization

Urban population growth in Bangladesh has recently been faster than in most other South Asian countries, with employment opportunities being by far the most important attraction for incoming migrants from rural areas and other smaller urban settlements. Export-led growth has been a powerful engine for job growth in Bangladesh's urban areas. The "pull effects" of export-sector jobs in urban areas have also created additional employment opportunities for the poor in construction and transport, which have been powerful drivers of poverty reduction. But the adverse consequences of rapid urbanization, such as the fast-deteriorating living conditions, are now becoming prominent and need to be addressed. Estimates by the United Nations Economic and Social Commission for Asia and the Pacific indicate that about 70 percent of the urban population in Bangladesh lives in slums with

poor quality housing. In addition, improving urban transport in response to increasing congestion has emerged as a key challenge. Both economic performance and general livability of urban settlements has been adversely impacted due to inadequate and poor quality of urban transport infrastructure and services. Developing transport systems requires policy and institutional reforms to ensure better planning and coordination among government departments and agencies entrusted with their completion. Institutional development programs are required to re-align institutions to urban transport functions and strengthen their capacity.

Improved municipal governance and revenue enhancement will be key to improving productivity, livability, and inclusiveness of urban settlements. Municipal governments in Bangladesh are heavily dependent on central government grants, which account for over 85 percent of their development expenditures. The financial resource for urban development is very limited: less than 1 percent of GDP is spent on urban infrastructure development. Local governments in Bangladesh would benefit from greater financial autonomy and responsibility and a review of the municipal service provision models, especially service providers' institutional capacity and performance. World Bank lending operations are supporting municipalities and local governments to strengthen their institutional capacity and governance with the aim of enhancing their public service delivery role.

Adaptive Delta Management (ADM)

Bangladesh's major rivers and its long shoreline on the Bay of Bengal have shaped its comparative advantage and determined the location, nature, and pace of its development. The rivers have conferred unquestionable benefits to transport, trade, agriculture, and livelihoods, but also pose significant risk through recurrent floods, erosion and water pollution. These risks will grow greater with climate change, raising the frequency and severity of extreme events. In fact, in 2014 Bangladesh was ranked the most climate-vulnerable country in the world. For Bangladesh, growth will be sustainable only if it accompanied by better resource management and particularly adaptive delta management. The threats to the Bangladesh delta, which encompasses two-thirds of the coun-

try, are existential, particularly when they are exacerbated by climate change. Adaptive delta management should be integrated in all aspects of planning and sector development—including agricultural practices, water supply and sanitation, the placement of energy and transport infrastructure, and the location of public and private infrastructure.

The government has adopted the Bangladesh Delta Plan 2100, an integrated and holistic long-term plan to ensure safe living and sound economic development in Asia's largest and the world's most populated delta country. A key aspect of this endeavor will be the adoption of an adaptive delta management approach to enable robust decisions to be made that affect all aspects of life and livelihood development, based on several future scenarios. Adaptive delta management will help to ensure that investments in all sectors anticipate long-term uncertainties in climate change and socio-economic growth, and limit over- or under-investment. The World Bank, along with the Government of Netherlands, is supporting the government in developing the Delta Plan 2100. The WBG support is aligned with the ADM principle, with activities focused on boosting Bangladesh's resilience to natural disasters, improving the management of water and natural resources and promoting climate-smart agriculture.

Since nearly half the labor force in Bangladesh continues to be employed in agriculture, and much of that labor force is poor, delta management needs to continue to support higher land productivity, crop diversification, and reduced vulnerability. Bangladesh has done well in agricultural productivity growth – largely on account of technical change. Key drivers have been liberalization of input markets, adoption of modern varieties, increasing use of machinery, greater access to markets and a hike in the price of agricultural products. An important priority for Bangladesh is to shift away from a relatively narrow focus on staple crop productivity towards meeting the fast-growing demand of Bangladeshis for a more diverse, sophisticated, and nutritious diet. There is significant potential to further increase productivity and incomes in agriculture while making it more climate-resilient and nutrition-sensitive. In addition to increased agricultural productivity and diversification, the main drivers of growth in the

rural non-farm sector will likely remain connectivity and proximity to urban areas.

Financial Sector

The ability of financial institutions in Bangladesh to deliver long-term financing, vital for sectors like energy and transport, has been constrained. This has inhibited long-term investments by households and the ability of firms to invest in capital upgrading and technology, and expand and grow businesses and jobs at a faster pace. As a consequence, private investment in Bangladesh, at 19 percent of GDP, is lower than in India (at 23 percent of GDP) or East Asia. To develop a long-term sustainable financing market will require well-functioning insurance, pension, and bond markets. In addition, the insurance sector's weak regulatory and supervisory framework needs to be tackled to manage risks for a more diverse financial system. Financing for other underserved market segments also require attention. Funding for small and medium-sized firms and for farmers remains constrained due to lack of capacity, credit market infrastructure, information asymmetries and risk aversion.

A sound and stable financial sector is an important prerequisite for Bangladesh to increase its financial intermediation in a sustainable manner. State-owned commercial banks (SOCBs) today account for a quarter of the banking system's assets (compared with three-quarters 20 years ago). Their sub-optimal performance adversely impacts overall efficiency of the financial sector and leads to fiscal costs for the government. The SOCBs are constrained by weak corporate governance and poor asset quality, and have been the subject of loan scams and embezzlements. While SOCBs continue to enjoy high public confidence, these vulnerabilities could lead to continued costs and inefficiencies. In addition to improving the SOCB's corporate governance and financial performance, measures to enhance internal controls, appraisal systems, and the overall regulatory and supervisory capacity of the banking sector will be vital for the sector's stability. Through financing and advisory services, the World Bank Group is supporting government efforts to strengthen the foundations of Bangladesh's financial system and markets and increase financial intermediation.

Education

While Bangladesh achieved remarkable success in enhancing access and equity in education, striving to universalize access for the remaining hard-to-reach children is an important policy imperative. Notwithstanding Bangladesh's notable achievements in nearing universal access to primary education, attaining gender equity at the primary and secondary education levels well ahead of the Millennium Development Goal (MDG) target for 2015, marked reduction in repetition and drop-out rates, and reasonably high levels of completion in primary education, the gross enrollment rates of the poor lag those of the non-poor. Out of 10 primary students who enter school in Bangladesh, only about seven or eight students reach grade 5, and only five students reach grade 10. Children living in urban slums in particular suffer from both demand and supply-side constraints.

Improving skills and productivity are crucial to Bangladesh's quest to accelerate economic growth and create more and better jobs in the formal sector for its expanding workforce. Ensuring further improvements in the quality of education can help propel the economy into the next phase of higher productivity-led growth. Improvement in quality of education has a much larger impact on economic and social development than increases in access without increases in quality. Yet learning achievements continue to be quite low in Bangladesh: a recent assessment of literacy and numeracy in grade 5 indicates that only 25 and 33 percent of grade 5 students master Bangla and Mathematics competencies, respectively, with students from poor households generally doing much worse. Learning inequities begin early, and continue throughout students' lifetimes. Nearly 90 percent of the labor force in Bangladesh is informal and has low levels of education; less than 5 percent of the current workforce has tertiary education. Due to lack of standards and limited partnerships with the active labor market, technical and vocational education and training and the higher education system in Bangladesh are not equipped to respond to changes in demand and quality standards both in the domestic labor market and overseas where the vast majority of Bangladesh's emigrant workers are employed in low-skilled jobs. As the leading development financier in Bangladesh, the

WBG is providing financing across all the education sub-sectors, including primary, secondary, tertiary, and vocational training. In addition, the Bank will, for the first time, support colleges in the areas of quality, governance, and management.

Health

Bangladesh has made remarkable progress on most health outcomes, especially maternal and child health, and is on track to achieve the MDG goals 4 (reduce child mortality) and 5 (improve maternal health). The maternal mortality ratio has declined by 40 percent since 2001, to 194 deaths per 100,000 live births in 2010. The under-5 child mortality rate has declined by 29 percent since 2004, to 53 deaths per 1,000 live births in 2011. These achievements are the result of health policies related to immunization, oral rehydration salt therapy, and family planning, and can also be attributed to non-health policies and interventions, such as the increase in female literacy, access to microcredit, access to safe drinking water, and rural infrastructure development.

However, health outcome gaps vary considerably by income group, and the health system now faces new challenges due to rapid urbanization, shifts in the burden of disease, and climate change. For example, the percentage of children who are stunted among the poorest quintile (above 50 percent) is much higher than the national average. Moreover, health outcomes for the poor in Dhaka are worse than they are for the rural poor, especially among those living in urban slums. Changing patterns of employment also pose new challenges—for instance, the RMG work environment exposes workers to health hazards that may result in injuries, respiratory diseases and other ailments. Communicable diseases such as respiratory infections and tuberculosis were among the predominant causes of death in the country in 2010. However, Bangladesh is undergoing a rapid demographic and epidemiological transition, with an increasing adult and elderly population and the associated increase in chronic or non-communicable diseases, including injuries. Against this backdrop, total public and private health expenditure, as a share of GDP, is one of the lowest in the region. Bangladesh spent 3.5 percent of its GDP on health in 2012, much lower than the average for low-income countries (5 percent). Complemented by strong

donor support, the World Bank is supporting to a sector-wide approach (SWAp) in health, designed to strengthen the government's health systems and improve health services, particularly for the poor.

Gender Inclusion

Despite high levels of poverty, political turmoil and frequent natural disasters, Bangladesh stands out in South Asia with impressive gains in gender equality. One remarkable achievement has been in girls' education—though gains in health have been equally impressive. Bangladesh dramatically lowered its fertility rates, from 6.1 children per woman in 1971 to about 2.3 children today. The gender gap in infant mortality has closed and overall child mortality rates have rapidly come down, due to good immunization coverage, diarrhea control and water and sanitation facilities. Bangladesh also shows progress in the more stubborn area of maternal mortality. One of the most dramatic transformations in the past decade has been women's enhanced role in the economy. The female labor force participation rate has increased rapidly since 2003 and is expected to rise further in the coming years due to ongoing socioeconomic transformation at home and increased demand for labor intensive goods from abroad. Female employment has been particularly robust in some sectors, including in the garment industry and public service sector (teaching and health care). Quotas that were established for women in local governments in 1990s have transformed power relations at the local level, as female elected leaders have grown in experience.

But a number of challenges remain: early marriage of young girls, especially among the poor, poses a significant constraint to increasing female labor force participation. Early marriage also leads to early motherhood, resulting in a vicious cycle of poor families having children with poor health and education outcomes, and further impoverishment. Where possible, the Bank is integrating gender sensitive designs in its operations to ensure women benefit from targeted interventions, particularly in public service delivery. In addition, a gender and social inclusion report is under preparation that will survey the status of women and inform the design of future lending and knowledge activities.

THE WORLD BANK PROGRAM IN BANGLADESH

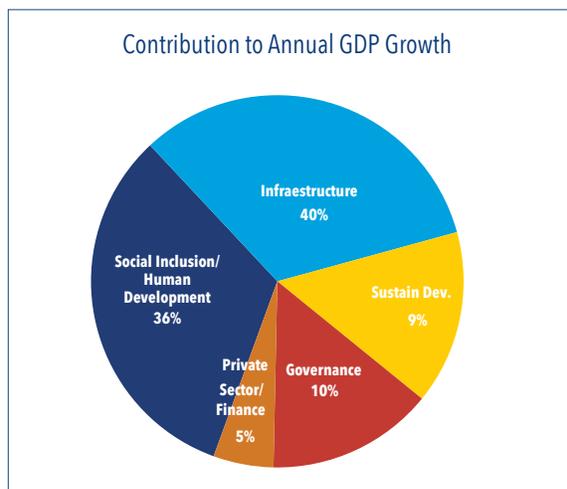
Bangladesh joined the International Development Association (IDA) in 1972, one year after the country's independence. IDA has consistently been the most significant development partner in volume terms, providing more than \$18.9 billion in support for policy reforms and investment projects in Bangladesh and accounting for more than one-quarter of all foreign aid to the country during this period. Under the IDA17 cycle, which spans FY2015-2017, Bangladesh is the largest recipient of IDA resources, with an indicative total allocation of about SDR 2.8 billion (\$3.9 billion equivalent) or 9 percent of all IDA17 resources.

A new Country Partnership Framework (CPF) is to be delivered in FY2016. It will prioritize Bank support to address priority policy areas identified in the Systematic Country Diagnostic: (i) five transformational priorities, which are critical for accelerating Bangladesh's progress towards the twin goals (energy; inland connectivity and logistics; regional and global integration; urbanization; and adaptive delta management), as well as: (ii) foundational priorities, which are important prerequisites for sustained growth (macroeconomic stability; human development; and institutions and business environment). The CPF is aligned with the government's planning cycle and will support select national priorities identified in the 7th Five Year Plan for FY2016-2020.

The current IDA portfolio consists of 36 projects, for a total commitment of \$8.34 billion (end June 2015). The recipient-executed Trust Fund (TF) portfolio consists of 24 grants (13 of which are stand-alone and 11 co-finance IDA operations) for a total TF commitment of \$516 million. The IDA and TF portfolio is concentrated in human development (36 percent) and infrastructure (40 percent) interventions, with the remaining 24 percent divided among private sector, governance, and sustainable development.

Seven projects with a commitment value of \$1.9 billion were approved in FY2015. The projects focused on: scaling up support for primary education; expanding cyclone shelter coverage in vulnerable zones; providing income/nutritional support

to poor mothers with young children; promoting rural livelihoods for extremely poor and vulnerable households; supporting agricultural innovation; building urban readiness for earthquake disasters; and bringing longer-term financing to private-sector, export-oriented firms.



Portfolio performance is generally satisfactory, with about 80 percent of projects greater than \$5 million rated in the satisfactory range. Disbursements reached some \$950 million, with a disbursement ratio of 20 percent by the end of June 2015.

IDA and the International Finance Corporation (IFC) are collaborating in both advisory services and investment finance. Joint advice has been concentrated on economic zones, export-processing zones, banking-sector reforms and tax modernization. IFC and IDA are also actively engaged in supporting efforts to attract foreign investors relocating from China, with the goal of drawing 15 million jobs to Bangladesh.

Advisory Services and Analytics

The World Bank is regarded as a source of high quality analysis on key development themes. In the past year, key outputs included a Country Diagnostic paper, public expenditure update, energy-sector analysis, and a report on climate change impacts and adaptation.

- **Systematic Country Diagnostic (SCD, July 2015).** This desk review synthesizes infor-

mation from a number of reports and consultations with local experts and identifies the creation of more and better jobs as the key challenge for eliminating poverty and boosting shared prosperity in Bangladesh. Jobs remain a critical concern in the country: the labor force is growing by 3.1 percent per annum—1.3 times the South Asian average and 1.7 times the global average—and 21 million people are projected to enter the working-age population over the next decade. To address this challenge, the SCD classifies priority areas of action into two categories: the first is foundational priorities, which are important prerequisites for sustained growth; and the second is transformational priorities, which consist of five key areas (energy; inland connectivity and logistics; regional and global integration; “livable” urbanization; and adaptive delta management). Action on both these priority areas over the next three to five years could significantly accelerate Bangladesh’s progress towards eliminating poverty and boosting prosperity for the poorest.

- **Public Expenditure Review Update** (June 2015) found that contingent liabilities continue to pose fiscal sustainability risks and that large and regular adjustments between the original and revised development budget continue to be an issue. New trends have become more prominent including: (i) growing interest costs, which now absorb a quarter of recurrent expenditures and dwarf spending on health or social welfare; (ii) large subsidies, particularly toward agriculture and energy, which may be inefficient in terms of targeting the poor and achieving increased (agricultural) output; and (iii) an apparent disconnect regarding the maintenance budget, which has remained flat in real terms for a decade despite the expanding infrastructure base. Deeper analysis is required in a number of areas including pensions, the cost and distribution of tax expenditures, the efficiency of subsidies, how to contain interest costs, and the links between the investment and maintenance budgets.
- **Energy Sector Analytical Program** consists of a series of papers addressing issues related to the power and upstream fuels (gas) sectors in Bangladesh. The work is ongoing and is concentrated in three main clusters of inquiry: (i)

issues related to supply and demand (long-term power options, strategy for expansion of power-generation capacity, dispatch efficiency, revenue requirements for financial sustainability and implications for tariffs, economy-wide impact of tariff increases, and potential gains from energy efficiency); (ii) gas-sector status and potential (supply and pricing issues, enhancing exploration by improving the competitiveness of Bangladesh’s production-sharing contracts); and (iii) the institutional and governance framework for the sector. In addition, analysis is underway to characterize energy poverty in Bangladesh and to evaluate the welfare impact of rural electrification/access and improved reliability of transmission.

- **Climate Change Impacts and Adaptation.** The Bank has completed a number of studies this past year with support from the Bangladesh Climate Change Resilience Fund, including: (i) “Urban Flooding of Greater Dhaka Area in Changing Climate: Vulnerability, Adaptation and Potential Costs”, which analyzed the capacity of the Dhaka metropolitan area to address current climate variability, predicted climate change-induced flooding and waterlogging, forecast changes in the depth and duration of location-specific waterlogging, and estimated potential damage. It also aimed to identify adaptation options and define key policy priorities for decision makers in dealing with the impacts of climate change; (ii) “Making Climate Data Relevant to Decision Making in Bangladesh: Spatial and Temporal Downscaling,” which produced downscaled general circulation models projections for temperature and precipitation for Bangladesh on a spatial grid of 0.5° in latitude by 0.5° of longitude (approximately 50 by 50 kilometers) for the time periods 1961–1999, 2046–2065, and 2071–2100. In addition, as Bangladesh is highly vulnerable to climate change, the Bank has also been providing non-lending technical assistance related to soil and river salinity levels, which are expected to increase over the next 35 years.
- **Delta Management 2100:** The Bangladesh Delta, a mega-delta, is Asia’s largest and the world’s most populated delta. In June 2015, the Bank entered into a tripartite partnership with the Governments of Bangladesh and the Netherlands (“Towards Resilient and Sus-

tainable Delta Management for a Prosperous Bangladesh”) to facilitate the preparation and implementation of the Bangladesh Delta Plan 2100 (BDP 2100). The BDP 2100 aims to create a long-term vision for delta management, prepare for different scenarios and responses, identify and organize government institutions to address challenges, and create and facilitate a long-term investment program bolstered by private-sector participation and development partners. Currently, the Bank, in cooperation with the IFC/2030 Water Resource Group, is working on assessing opportunities to transform its long-term engagement based on the delta principles of “anticipation”, “adequacy”, “flexibility” and “concerted action” and help to spur the pathway to an adaptive management of the Bangladesh Delta.

INTERNATIONAL FINANCE CORPORATION (IFC)

IFC in Bangladesh focuses on sustainable private-sector development by providing financing and offering advisory support, including facilitating improvements in doing business and promoting competitiveness of small and medium enterprises (SMEs). IFC draws on its global and local experience and provides a combination of investments and advisory services to its clients in the country.

IFC has a large Advisory Services program in Bangladesh, with approximately \$13 million a year in funding provided by the UK Government, the European Union (EU), the Danish, the Dutch and other donor financiers. IFC works in areas that are important for the Bangladesh economy, such as agriculture, infrastructure, financial markets, and energy efficiency.

The Bangladesh Water Partnership for Cleaner Textile is a program that aims to enhance the long-term competitiveness (global license to operate) and environmental sustainability of the textile wet processing sector in Bangladesh by working in partnership with buyers to support factories in specific geographic clusters to reduce their water footprint. The program directly supports factories in setting and achieving cleaner production objectives.

IFC presently has 20 investment clients with a committed portfolio of approximately \$800 million (of which financial institutions represent 56 percent, telcoms 30 percent, agribusiness 4 percent, and textiles 3 percent). Until 2013, IFC investments averaged \$100 million a year. Last year, IFC committed \$747 million, including mobilization, with a goal of approximately \$1 billion a year by 2015.

KEY HIGHLIGHTS

- IFC portfolio grown eight times in past five years to approximately \$800 million in disbursed and outstanding investments, loans, equity and guarantees.
- IFC financing over 1,000 MW of base power supply.
- IFC financing an offshore LNG terminal that will increase country’s gas supply 25-30 percent.
- IFC facilitating regional discussions with Nepal and Bhutan (and hopefully Myanmar) as well as India to further regional power trade.
- IFC financing up to \$300 million in domestic power transmission improvements.

i. Energy and Infrastructure

IFC has had significant engagement, progress, and results in the energy and infrastructure space during the 2011-2015 Country Assistance Strategy period. While the results were seen more recently in the last couple of fiscal years, IFC has had a sustained effort and engagement over the last three to four years. IFC has had a strong pipeline of power-generation projects. It has already committed to two power projects for 450 MW and in the coming months expects to commit to two more for an additional 595 MW. All of these projects are gas-fired. IFC has also begun to engage with the government as well as the private sector on renewable energy power generation projects, particularly in utility-scale solar power. IFC is also mandated by PowerGrid Bangladesh, the state-owned power transmission monopoly, to provide and arrange \$300

million in financing to meet various corporate capital expenditures to expand and strengthen the grid. With Bangladesh's domestic gas resources currently being limited, IFC has a two-pronged approach to support greater supply of natural gas to Bangladesh by: (i) supporting upstream gas companies; and (ii) arranging for LNG regasification infrastructure to supplement domestic gas supply with imported LNG. IFC is working on two LNG regasification projects, one offshore with Exceleerate Energy and the other onshore in collaboration with the Power Division of the Ministry of Power, Energy and Mineral Resources. Each of these LNG projects, once completed, will have the capacity to re-gasify sufficient gas for 3,000 MW of power generation. Both of these LNG initiatives are currently being carried out through IFC InfraVentures. IFC has also facilitated memorandums of understanding between private hydro developers in Nepal and the Government of Bangladesh for the purchase of hydropower from Nepal that will be wheeled through India to Bangladesh.

Lighting Asia Bangladesh, a joint initiative of IFC and Germany's GIZ, aims to provide access to lighting in off-grid areas by catalyzing the private-sector-driven Pico PV systems market in Bangladesh. The objective of this effort is to provide cleaner, safer, and better lighting options to the approximately 70 million off-grid and 60 million grid-connected households across Bangladesh. The off-grid and underserved communities are meeting their lighting needs by burning fossil fuels like kerosene and diesel that are inefficient, uneconomical, unhealthy, environmentally damaging, and dangerous.

IFC has also been active in the telecom space, having committed \$345 million in financing for Grameenphone in FY2012. It is currently working with other operators, such as Robi Axiata, and a commitment is expected in the coming months.

ii. **Expanding the Availability and Affordability of Finance**

Since 1990, IFC has been involved as an equity investor to Bangladesh's first leasing company, first mortgage finance company, first independent power project, first SME bank, first private

equity fund, the first ever foreign direct investment in the insurance sector, and the first mobile payment platform. IFC provides debt, equity, and guarantee products in sectors such as financial markets, infrastructure, agribusiness, and manufacturing, and in companies that generate employment, fuel growth, and spur innovation.

Improving business environment: IFC partners with different government agencies to carry out transformative reforms that help create an enabling business environment for domestic and foreign enterprises. In keeping with the government's agenda for a "Digital Bangladesh," IFC's projects promote efficiency and transparency in public-sector agencies through e-governance, for example, establishing the online tax payment portal, and automating registration process of businesses. As a result of IFC's efforts, Bangladesh has leaped ahead 21 places from the previous year in the ease of starting a business ranking of Doing Business Report 2014. IFC has also supported the adoption of alternative dispute mechanisms (arbitration and mediation) in Bangladesh to relieve pressure on the court system and accelerate appeals procedures. It has also helped form Business Initiative Leading Development (BUILD), which is a platform for public-private dialogue, with support from key private-sector agencies. Responding to BUILD's recommendations, the government has carried out 24 business reforms to date. In order to strengthen the capacity of the bureaucracy, IFC has helped introduce both the Regulatory Impact Assessment, which will help review the impact of new laws and regulations, and business process re-engineering, which will deal with the measures in issuing licenses and permits under any law.

In the past year, IFC has also initiated interventions in the agribusiness sector by partnering with the Ministry of Agriculture. Under this initiative, several policies and acts will be reviewed and updated to improve the seed industry, upgrade food safety standards, and attract both domestic and foreign investment.

iii. **Promoting Sustainability in Agriculture**

Bangladesh has been identified as one of the most vulnerable countries to climate change

threats. To help ensure food security and climate change adaptation, IFC is working with partners and farmers in the seeds sector, supporting climate-resistant agriculture. In the poultry sector, IFC helps farmers convert poultry waste to electricity, creating an alternative energy source for farms. IFC also trains farmers in farm management to improve their competitiveness and access to finance. A leading Bangladesh agriculture company was the first in the private sector to use the IFC-managed Global Agriculture and Food Security facility.

iv. Promoting Clean Growth

To reduce environmental degradation and ensure sustainability, IFC is promoting cleaner production and resource efficiency in the textiles and apparel sector. The first phase of a cleaner production project with 18 factories in Bangladesh led to savings of \$2 million and 1.26 million liters of water through resource efficiency measures. Estimates show that if the industry's 1,700 textile wet-processing units adopt cleaner production measures, they can save up to \$70 million and 10.5 billion liters of water a year – important savings in a country where 31 million people do not have access to clean water.

v. RMG Worker Safety

Investment: The Bangladesh RMG sector (representing 78 percent of overall national exports and 15 percent of GDP) has been facing increased scrutiny by different stakeholders following the tragic RMG factories incidents. IFC has established a comprehensive sectorial program of up to \$50 million for five years, which is the first long-term funding by IFC for the banks in Bangladesh. IFC is to provide long-term funding to five local partner banks, which is to be exclusively used for on-lending to RMG factories to strengthen safety infrastructure. This program is a prerequisite for helping Bangladesh to maintain global market position and save invaluable human lives. This program expected to be a testament to IFC's ability to find a private-sector-driven, sustainable-funding solution to a need that is a national priority.

Advisory: Factory disasters that hit Bangladesh in 2012 and 2013 have prompted IFC to combine its advisory and investment expertise

to identify innovative ways to further help the RMG sector improve worker safety. While audits and supervision are important to ensure environmental and social compliance, IFC sees a real need to assist suppliers on two main fronts: providing them with affordable sources of financing, which can be invested in factory upgrades; and creating the right financial incentives to encourage them to make such investments.

In an effort to address these gaps, IFC partnered with international apparel brands to roll out a new kind of supplier financing product. For the very first time, IFC is offering a direct financial incentive to improve environmental and social standards in the RMG industry through IFC's \$500 million Global Trade Supplier Finance program. IFC offers lower interest rates to suppliers who score better under a sophisticated evaluation system for labor, health, safety, and environmental performance. Specifically, the program will work on a sliding scale. As suppliers improve their environmental and social performance against the evaluation system, they will be rewarded with lower interest rates on this working-capital-type product provided by IFC. In a nutshell, the higher the supplier's evaluation score, the more they will save. This partnership with brands represents a win-win solution for all parties involved, including international buyers who have been under increasing pressure to improve safety and working conditions in their supply chains.

In addition, IFC has been spearheading a number of partnerships to make transformational changes in the garment sector's supply chain.

In November 2013, IFC and the International Labour Organization (ILO) launched the Better Work Bangladesh program. The objective of the program is to provide assessments of factory compliance with national law and international core labor standards, publish transparent public reporting on findings, and provide advisory support for factories to make necessary improvements. The program was launched following an 18-month collaboration with the government to implement changes to the national labor law and develop the government's Framework for Continuous Improvement. This partnership between government, employers,

unions, buyers, and other industry stakeholders will focus on promoting sustainable change in the sector by helping factories address working conditions, and to build factory-level capacity for labor administration and worker-management relations.

In December 2014, IFC partnered with VF Corp -- a global apparel and footwear powerhouse -- to establish a \$10 million corporate guarantee to finance factory upgrades to improve building and fire safety. This mechanism helps VF Corp suppliers access low-cost loans facilitated by IFC and backed by a corporate guarantee from VF Corp. The loans must be used to remedy issues highlighted in the corrective action plans from the Alliance building and fire safety inspections to improve worker safety in supplier factories.

The banks will on-lend to factories to make the necessary fire and electrical safety upgrades identified in the Accord and Alliance corrective action plans. With this facility, IFC will play a key role in addressing RMG workers safety by providing low-cost, longer-term financing to a wide range of factories through local banks.

vi. Trade Finance

Global Trade Finance Products (GTFP) and Working Capital Systemic Solution (WCSS) programs have been running successfully in Bangladesh for many years.

Through GTFP, IFC provides guarantees, taking political and commercial payment risk of

international trade transaction undertaken by Bangladeshi commercial banks. GTFP's aim is to promote foreign trade and it offers a range of solutions that will facilitate foreign trade. GTFP plays an important role as foreign counterparts remain cautious about taking exposures on Bangladesh. More than \$1.3 billion of trade flow has been supported under GTFP in the last decade.

The WCSS facility meets the needs of SME exporters that require US dollar working capital to import capital machinery and raw material. The WCSS program was originally launched with three portfolio clients (BRAC Bank, Eastern Bank and Southeast Bank) for a total of \$80 million. In the last five years, through the WCSS facility, IFC has been able to support over \$350 million in access to finance to SMEs.

MULTILATERAL INVESTMENT GUARANTEE AGENCY (MIGA)

MIGA's current portfolio in Bangladesh consists of one active project with a total guarantee amount of \$251 million. It was approved in 2012 to support a financing package arranged by HSBC of the United Kingdom to Ashuganj Power Station Company Limited, a state-owned utility. The financing is for the construction of the 450-MW combined-cycle gas-fired Ashuganj South power plant, which is expected to provide nearly 12,000 households with electricity. MIGA's contribution will provide coverage against the risk that sovereign financial obligations will not be honored, for a period of up to 13.5 years.

CLEAN AIR AND SUSTAINABLE ENVIRONMENT (CASE) PROJECT

KEY DATA:

Approved: May 12, 2009

Effective: Aug 19, 2009

Closing: Dec 15, 2016

FINANCING (\$ MILLION)

Financier	Financing	Disbursed	Undisbursed
IDA Credit	62.2 ^a	55%	45%
GoB	9		
Total cost	71.2		

a Indicates the amount at signing (equivalent to SDR 42.2 million at signing).

PROJECT BACKGROUND:

Brick fields expel into the air more than 9.8 million tons of greenhouse gases annually, due to a combination of old technology, weak environmental legislation and enforcement, and a lack of corporate responsibility. Meanwhile, growing numbers of motorized vehicles are clogging up roads and contribute further to poor air quality. Brick kilns and motor vehicles contribute up to 60 percent of fine particulate pollution in Dhaka during the dry season.

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS:

The Clean Air and Sustainable Environment (CASE) Project aims to improve air quality and safe mobility in Dhaka through the implementation of demonstration initiatives in urban transport and brick-making.

CASE components include:

- Encouraging the adoption of cleaner and more energy-efficient brick manufacturing technologies such as converting to improved kiln alternatives and launching 12 demonstration projects. The project also encourages research into alternatives to bricks such as micro-concrete, while helping the government strengthen environmental laws and providing support for the newly established Air Quality Management section responsible for air quality monitoring, data analysis, and reporting.
- Promoting safe pedestrian mobility in Dhaka by rehabilitating and improving sidewalks with drainage, constructing foot bridges; improving traffic management by upgrading intersections, installing traffic signals and training police in enforcing them; supporting studies for Bus Rapid Transit (BRT) Line 3.

RESULTS:

- Installation of 11 Continuous Air Quality Monitoring Stations (CAMS) in eight cities to monitor major air pollutants and generate real-time air quality data.
- Completion of eight clean and energy-efficient brick kiln pilots, with another two underway.
- Air Quality Index (AQI) regularly published in project website (www.case-moef.gov.bd).
- Brick Manufacturing and Kiln Construction Control Act approved in 2013 and the relevant rules at the final stage of preparation.
- Completion of 60 kilometers of sidewalk and road improvement, and 35 intersection improvements.
- Construction of 19 footbridges, with four others being built.
- Installation of 62 traffic signals connected with solar panel and battery.
- Designing of BRT Line 3 underway.

IMPLEMENTING AGENCY:

Ministry of Environment and Forest, Department of Environment, Dhaka South and North City Corporations, and Dhaka Transport Coordination Authority.

KEY PARTNERS:

Not applicable.

CLIMATE CHANGE RESILIENCE FUND (BCCRF)

KEY DATA:

\$184 million Multi-Donor Trust Fund.
Established May 31, 2010.
End disbursement June 30, 2017.

FINANCING

Recipient executed projects (Active):	Approval	Closing
Multipurpose Cyclone Shelter Construction	Aug, 2011	Dec 31, 2015
Community Climate Change	July 2012	Dec 31, 2016
Solar Irrigation	Sept, 2012	Dec 31, 2016
Climate-Resilient Participatory Afforestation and Reforestation	Feb. 2013	Dec 31, 2016

BACKGROUND:

Bangladesh is one of the countries most vulnerable to the potential impacts of climate change. To address this challenge, Bangladesh launched its Climate Change Strategy and Action Plan (BCCSAP) in 2009 to build a medium- to long-term program for enhancing resilience to climate shocks and facilitating low carbon and sustainable growth. To support implementation of the BCCSAP, seven development partners established the Bangladesh Climate Change Resilience Fund (BCCRF) in 2010, with the World Bank acting as trust fund administrator. About \$130 million has been received to date. The fund will close in June 2017.

FUND OBJECTIVE:

The objective of the BCCRF is to support implementation of the BCCSAP, a 10 -year program (2009-2018) aimed at building the capacity and resilience of the country to meet the challenge of climate change. Sectoral ministries are implementing four investment projects: (i) cyclone shelters (\$25 million); (ii) solar irrigation (\$10 million); (iii) afforestation (\$33.8 million); and (iv) community climate change (\$12.5 million). A number of studies on climate change have also been undertaken.

EXPECTED RESULTS:

- 61 new multipurpose cyclone shelters built in climate-vulnerable areas.
- 45,000 farmers provided with access to clean energy services for irrigation pumping.
- 17,000 hectares of land reforested or afforested.
- 40,000 climate vulnerable people receive resilient investments/advice to build climate adaptive capacity.

IMPLEMENTING AGENCY:

- Local Government Engineering Department – Multipurpose Cyclone Shelter
- Palli Karma-Sahayak Foundation – Community Climate Change Project
- Infrastructure Development Company Limited – Solar Irrigation
- Department of Forestry –Afforestation and Reforestation

KEY PARTNERS:

U.K. Department for International Development, European Union, Sweden, Australia, Denmark, Switzerland, United States.

COASTAL EMBANKMENT IMPROVEMENT PROJECT-PHASE 1

KEY DATA:

Approved: June 26, 2013
Effective: Nov 24, 2013
Closing: Dec 31, 2020

FINANCING (\$ MILLION):

Financier	Financing*	Disbursed	Undisbursed
IDA Credit	375	2%	98%
GoB			
CIF	25	0%	100%
Total cost	400		

PROJECT BACKGROUND:

Bangladesh's coastal zone spans over 580 kilometers and includes territory where 28 percent of the population resides. A higher percentage of the population lives below the absolute poverty line in the coastal area than in the rest of the country. A recent World Bank study on the cost of adapting to extreme weather estimated that eight million people are currently vulnerable to inundation depths greater than three meters due to cyclonic storm surges. This number will increase to 13.5 million people by 2050. There is an urgent need to rehabilitate and upgrade protection polders – areas of low-lying land - and enhance the resilience of coastal areas to cyclones, tidal and flood inundations, and salinity intrusion.

The Coastal Embankment Improvement Project-Phase 1 (CEIP1) was approved in June 2013 and has been effective since November 2013. The main design and supervision firm are in place, the tender for the construction of the first phase of polder investments has been evaluated and works implementation is expected to start by the upcoming dry season (November 2015). The bid documentation for the construction of the second phase of polder construction is currently being prepared and is expected to be advertised by the end of 2015.

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS:

CEIP1 aims to: (i) increase the area protected in selected polders from tidal flooding and storm surges, which are expected to worsen due to climate change; (ii) improve agricultural production by reducing saline water intrusion in selected polders; and (iii) improve the government's capacity to respond promptly and effectively to a crisis or emergency.

It calls for upgrading Bangladesh's embankment system by increasing the area in polders protected from tidal flooding and frequent storm surges. This would provide direct protection to those living within the polder boundaries and enhance the resilience of coastal areas to cyclones, tidal and flood inundations, and salinity intrusion. This, in turn, will enhance people's livelihoods through increased agricultural production during normal weather as well as reduced loss of life, assets, crops, and livestock in the event of a disaster.

EXPECTED RESULTS:

- Rehabilitation of 17 polders in six coastal districts: Bagerhat, Khulna, Satkhira, Barguna, Patuakhali, and Pirojpur.
- Improved protection for 760,000 people living within polder boundaries.
- Poverty reduction and stimulated economic development from facilitating the growth of farm and non-farm activities in the coastal area.

IMPLEMENTING AGENCY:

Bangladesh Water Development Board.

KEY PARTNERS:

Pilot Program for Climate Resilience (a fund within the Climate Investment Fund Framework).

WATER SUPPLY IMPROVEMENT AND SANITATION PROJECT

KEY DATA:

Approved: June 23, 2010
Effective: Oct 25, 2010
Closing: Dec 31, 2018

FINANCING (\$ MILLION):

Financier	Financing*	Disbursed	Undisbursed
IDA Credit	157.8	15%	85%
GoB	16.7		
Total cost	174.5		

**Project restructuring included cancellation of \$14.5 million of IDA credit*

PROJECT BACKGROUND:

Chittagong, Bangladesh's second-largest city, suffers from inadequate water production and sewerage systems. The port city's water production capacity is only 40 percent of the estimated demand, and the pipe network is run down. A large percentage of the city continues to access water through shallow tube wells. The quality of this underground water is questionable, with high salt and iron levels posing health risks to the public. In addition, very little investment has been made into sanitation and storm water drainage since the late 1980s. Chittagong still does not have a water-borne sewage system or effective storm-water drainage service. The Chittagong Water Supply and Sanitation Authority (CWASA) lacks both the capacity and finance to establish these systems. The Bank helped CWASA develop its institutional capacity development program launched in June 2012.

The Chittagong Water Supply Improvement and Sanitation Project was restructured in February 2014 following the mid-term review held in December 2013. This included a small cancellation and a reduction in the scope of investment activities. In June 2015, the project was restructured a second time to extend the closing date of the project to December 31, 2018.

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS:

The project aims to increase access to safe water and improve CWASA's institutional capacity and investment planning for sanitation and drainage in Chittagong.

It supports major interventions in treated water production, transmission and distribution including the construction of a water treatment plant in CWASA's development plan and the rehabilitation and extension of the water distribution system. The support includes studies to update the sewerage master plans and drainage master plans for Chittagong, as well as capacity building at operational levels to improve the efficiency of overall service delivery

Project performance is primarily driven by major works packages that account for about 80 percent of the restructured project.

ACHIEVED AND EXPECTED RESULTS:

- Contract awarded for Kalurghat Booster Station, Modunaghat Water Treatment Plant, distribution and transmission mains.
- Contracts for all key technical assistance activities, including for the sanitation and drainage master planning and for utility modernization, have been signed and are advancing well.
- 100 percent of all project funds are now committed.
- Water now available in five low-income communities.
- 150,000 people with access to improved water sources.
- Cover 85 percent of CWASA's operation and maintenance cost from direct water sales revenue.
- Prepare \$150 million of priority sanitation and drainage investments for financing.

IMPLEMENTING AGENCY:

CWASA.

KEY PARTNERS:

CWASA.

DISABILITY AND CHILDREN-AT-RISK PROJECT

KEY DATA:

Approved: July 1, 2008
Effective: Jan 22, 2009
Closing: June 30, 2016

FINANCING (US\$ MILLION):

Financier	Financing	Disbursed	Undisbursed
IDA Credit	17.2	41%	59%
GoB			
Total cost	17.2		

BACKGROUND AND OBJECTIVES:

The Government of Bangladesh implements numerous programs to address vulnerability and poverty, including safety nets, social care services, and microfinance, among others. However, several particularly marginalized groups remain excluded from the coverage of such interventions. Prominent among such groups are persons-with-disabilities (PWDs) and children-at-risk. Lack of access to services results in PWDs being excluded from broader social and economic participation, with negative impacts on family livelihoods and productivity. The costs of reversing the effects of negative human development outcomes later in life far outweigh the costs of providing quality social care to young children at an early stage, particularly for the poor and vulnerable.

The Disability and Children-At-Risk Project (DCAR) was originally approved in 2008 with the objective of expanding the coverage, use, and quality of social care services for persons with disabilities and children at risk as a means of promoting equity and social inclusion. However, in 2009, shifting priorities at the Ministry of Social Welfare (MoSW) necessitated a significant restructuring of the project. This restructuring was driven by a policy decision to strengthen and scale up public social welfare institutions and service delivery systems, as well as on the implementation arrangements.

Since the original change in design, the project has been restructured two more times (2013 and 2015) to cancel 43 percent of the originally committed amount due to the design changes as well as slow implementation progress, and to extend the original closing date.

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS:

DCAR aims to expand coverage and improve the quality of services for PWDs and children at risk by strengthening and scaling up government service delivery systems. The project comprises two components:

Component 1: Strengthening Disability Services: This component provides support to the Jatiyo Protibondhi Unnayan Foundation (JPUF) in expanding the coverage of its Disability Service Centers (DSCs) providing upgrades to technical facilities, financing diagnostic and therapeutic interventions and assistive devices for PWDs, providing training for service providers and relevant stakeholders, and establishing outreach services to cater to PWDs in remote rural areas of the country.

Component 2: Strengthening Children-At-Risk Services and Social Welfare Program Administration. This component provides support to the Department of Social Services (DSS) in establishing and operating Integrated Child Protection Service Centers (ICPSCs), including crisis management, psychosocial counseling, and re-integration services for children-at-risk, as well as providing training for service providers and relevant stakeholders. This component is also financing the development of a management information system to administer major programs implemented by MoSW.

KEY ACHIEVEMENTS:

- Establishment of 50 DSCs (using project financing) providing services to 30,000 PWDs in addition to 53 government-financed DSCs catering to 98,000 PWDs. Female clients make up 44 percent of overall coverage (data as of June 2015).
- Establishment of 11 ICPSCs providing services to 3,200 children-at-risk. Female children make up half of overall coverage (data as of December 2014).
- Procurement of 20 mobile rehabilitation vans to extend disability services to remote rural locations.
- Ongoing development of a management information system to administer DSCs, ICPSCs, and major programs implemented by MoSW.

IMPLEMENTING AGENCY:

- JPUF (Component 1)
- DSS (Component 2)

DHAKA WATER SUPPLY AND SANITATION PROJECT

KEY DATA:

Approved: Dec 2, 2008
Effective: Mar 17, 2009
Original Closing: June 30, 2013
Rev. Closing: Dec 31, 2015

FINANCING (\$ MILLION):

Financier	Financing*	Disbursed	Undisbursed
IDA Credit	83.09	54%	46%
GoB	16.7		
Total cost	99.79		

**Project restructuring included cancellation of \$65.34 million of IDA credit and extension of the closing date to Dec. 31, 2015*

BACKGROUND AND OBJECTIVES:

Dhaka's growing population of 15 million is placing serious strains on the city's ability to provide basic water, sanitation, and drainage services. Dhaka Water Supply and Sewerage Authority (DWASA) provides water services to about 70 percent of the population of Dhaka City. However, the quality of these services is inadequate and uneven. In some areas (especially slum areas), services are non-existent. The existing sewerage network covers only about 30 percent of the city area.

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS:

The Dhaka Water Supply and Sanitation project aims to improve storm-water drainage in select catchments in Dhaka, and to improve DWASA's planning capacity.

It supports the ongoing rehabilitation work in parts of the Khilgaon-Basabo, Abdullahpur, Shutivola, Shahjadpur, Baunia, Digun, Mohakhali and Gerani canals in a bid to improve storm-water drainage and minimize urban flooding, particularly in the eastern part of Dhaka. In addition, it supports the construction of two storm-water pumping stations. The project also has completed preparation of the Dhaka sewerage master plan, drainage master plan, and low-income customers service improvement plan, as part of the initiative to improve DWASA's planning capacity.

The sewerage master planning has led to the identification of key future wastewater collection and treatment investments in the city. Engineering designs and corresponding bidding documents for \$45 million of priority sewerage and wastewater treatment interventions also have been prepared, with work continuing on other steps for institutional strengthening of DWASA.

RESULTS:

- Rampura pumping station was commissioned in August 2015.
- Kamlapur pumping station is nearing completion and will be commissioned by November 2015.
- Improved drainage facilities are benefiting three million of the targeted four million people.
- Permanent storm-water pumping capacity has increased by 25 cubic meters, and is expected to reach the 40 cubic meters target by project closing.
- The capacity of rehabilitated drainage canals has increased by 150 cubic meters, more than half the target of 250.
- All four master plans have been prepared. The sewerage master plan has been approved by the board. Drainage master plan, the low-income customer's service improvement plan, and the organizational restructuring action plan will be approved by DWASA's board by project closing.

IMPLEMENTING AGENCY: IF RELEVANT

DWASA.

KEY PARTNERS:

Not applicable.

EMERGENCY 2007 CYCLONE RECOVERY AND RESTORATION PROJECT

KEY DATA:

Approved: November 06, 2008
Effective: December 24, 2008
Closing: December 31, 2017

FINANCING (\$ MILLION):

Financier	Financing	Disbursed	Undisbursed
IDA	324	56%	44%
GoB			
BCCRF	25	80.7%	19.3%
GFDDR	3	100.0%	-
KfW Parallel Fin.	4.86	100.0%	-
Total Project Cost	356.86	59%	41%

PROJECT BACKGROUND:

On November 15, 2007, Cyclone Sidr made landfall across the southern coast of Bangladesh, causing extensive damage to lives and property. Overall, around 30 districts and nine million people were affected by the storm. Total damage and losses caused by 2007 Cyclone Sidr were estimated about \$1.7 billion.

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS:

The objective is to support government efforts to facilitate restoration and recovery from the damage to livelihoods and infrastructure caused by Cyclones Sidr in 2007 and Aila in 2009, and build long-term preparedness through strengthened disaster risk reduction and management. The project has six components: (i) restoration of the agriculture sector in Sidr/Aila-affected areas; (ii) improvement of existing multipurpose shelters and construction of new disaster shelters; (iii) rehabilitation of coastal embankments; (iv) strengthening the capacity of the government's disaster risk reduction management; (v) monitoring and evaluation to ensure effective implementation of the sub-projects; and (vi) a project management component to support the government in coordinating all project-related activities, strategic studies for the preparation of future operations for the long-term disaster risk reduction program, and technical assistance and training, as well as providing emergency support for future disasters during implementation.

RESULTS:

- Activities to restore the agriculture sector (under the first component of the project) were completed successfully in June 30, 2014. At component closing, the activities exceeded beneficiary targets, with crops by 33 percent, livestock by 13 percent and fisheries by 30 percent.
- Rehabilitation work on the existing 257 shelters has been completed, along with construction of 164 new shelters.
- Repair work on the 260 kilometers of coastal embankments has been completed.
- According to a household survey completed in 2014 in the project sites, the majority of the project beneficiary households have reported an increase in their income in the past season and there has been an approximately 10 percent reduction in poverty incidence due to project interventions.
- The project has also delivered feasibility reports for future investment projects (components four and six). Of those, the River Management Improvement Project is being prepared and the Multipurpose Disaster Shelter Project, Coastal Embankment Improvement Project, and the Modern Food Storage Project are being implemented.

IMPLEMENTING AGENCY:

Local Government Engineering Department, Bangladesh Water Development Board, Disaster Management Bureau, Departments of Agriculture Extension, Fisheries and Livestock, respectively, of the Ministries of Local Government, Water Resources, Disaster Management; and Ministries of Planning, Agriculture, and Fisheries and Livestock.

KEY PARTNERS:

Bangladesh Climate Change Resilience Fund, Global Facility for Disaster Reduction and Recovery, and KfW.

HIGHER EDUCATION QUALITY ENHANCEMENT PROJECT

KEY DATA:

Approved: Mar 17, 2009
Effective: May 13, 2009
Closing date under Additional Financing (AF): December 31, 2018
PDO & IP ratings: MS, MS



FINANCING:

Financier	Financing*	Disbursed	Undisbursed
IDA Credit (Orig.)	81	99.8%	0.2%
GoB	10.8		
Total cost	91.8		
IDA Credit (AF)	125	32%	68%
GoB (AF)	21.3		
Total Cost (AF)	146.3		
Total (Orig. + AF)	238.1		

INTRODUCTION:

The Bangladesh government allocates about 2.2 percent of gross domestic product to education, but just 0.2 percent is dedicated to tertiary education. With 85 percent of the tertiary education budget feeding into recurring expenditures, development programs for promoting and establishing research and innovation in higher education institutes (HEIs) remain under-funded. Additionally, there is still no effective mechanism linking university research with industry and business at home or abroad. Low connectivity and inadequate information and communication technology penetration further limit knowledge exchanges and collaboration among HEIs and their researchers with local and global research platforms.

PROJECT DEVELOPMENT OBJECTIVE:

To improve the quality and relevance of the teaching and research environment in higher education institutions by encouraging both innovation and accountability within universities, and by enhancing the technical and institutional capacity of the higher-education sector.

PROJECT DESCRIPTION:

The project promotes academic innovation among eligible public and private universities through a competitive funding mechanism known as the Academic Innovation Fund (AIF). Based on a set of selection criteria, the AIF is granted through four windows: (i) improvement of teaching and learning; (ii) enhancement of research capabilities at the universities; (iii) university-wide innovations including establishment of Technology Transfer Office; and (iv) innovation and university-industry collaboration. The project also supports the establishment of quality assurance mechanisms at national and institutional levels for the tertiary education sector. In addition, the project has established the Bangladesh Research and Education Network (BdREN), which connects universities to high-speed data communications network, enabling teachers, researchers, and students to access the latest knowledge, inter-university video classes and engage in collaborative research. The University Grant Commission Digital Library has also been established and is operational with public and private universities.

RESULTS ACHIEVED:

- 329 academic innovation grants awarded to 27 public and nine private universities through three rounds. Five university-industry collaboration grants to spur innovation have been awarded.
- The AIF grants have supported research and innovations (including enhanced methods for breast cancer detection, vaccination for farm animal disease, etc.) as well as dissemination of new knowledge through production of 120 peer-reviewed academic journals.
- BdREN connectivity is fully functional at the University Grants Commission (UGC) and in six universities.
- Fifteen percent of students and faculty members have advanced Internet connectivity.
- UGC Digital Library is fully operational, providing 41 member universities (32 public, nine private) access to over 30,000 e-resources (research databases, e-journals, e-books).

IMPLEMENTING AGENCY:

UGC, Ministry of Education

HEALTH SECTOR DEVELOPMENT PROGRAM (HSDP)

KEY DATA:

Approved: May 26, 2011

Effective: Oct 23, 2011

Closing: Dec 31, 2016

FINANCING (\$ MILLION):

Financier	Financing*	Disbursed	Undisbursed
IDA Credit	358.06	92%	8%
GoB	5,844		
Cofinancing	1,817		
Total Cost	8,019		

PROJECT BACKGROUND:

Bangladesh has made remarkable progress in improving the health of the population, especially women and children. The country is on track to achieve child and maternal mortality Millennium Development Goals. Significant achievements have been made in the control of communicable diseases. The country conducted the world's largest measles-rubella campaign earlier in 2014, covering 53 million children. The World Health Organization recently declared Bangladesh a polio-free zone. Still, considerable development challenges remain in the health sector. Non-communicable diseases represent a growing share of the total Burden of Disease. In addition to the increasing burden of cardiovascular diseases and injuries, figures for malnourished women and children in Bangladesh, although in decline, still remain very high. There is also a growing concern about the rise in overweight individuals. Public spending on health is low in comparison to other countries, with out of pocket expenditures at 63.35 percent of total health spending. Catastrophic health expenditures push people into poverty. The population is rapidly urbanizing -- creating new challenges for the delivery of social and health services, particularly to the urban poor. Despite high treatment success rates for tuberculosis, case detection rates are very low. The health workforce is both insufficient and inefficiently distributed, the provision of health services is fragmented, and the quality of health care needs improvement.

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS:

The Health Sector Development Program (HSDP) aims to enable the Government of Bangladesh to strengthen health systems and improve health services, particularly for the poor. It supports the government in providing essential health services, including reproductive health, family planning and antenatal care; scaling up emergency obstetric and newborn care services; and ensuring 24-hour services in district hospitals and selected health centers. The project also aligns multiple development partners to the country's priorities in health, nutrition, and population, and uses country systems for implementation and monitoring. It strengthens health-sector planning and resource management, human resource development, pharmaceuticals management, health information systems and the maintenance of health care facilities. In addition, HSDP seeks to improve the control and treatment of both communicable and non-communicable diseases through the provision of vaccinations, scaling up HIV/AIDS interventions for the most-at-risk groups, and improving the quality of treatment for tuberculosis and the control and treatment of malaria in 13 highly endemic areas. For non-communicable diseases, HSDP aims to improve awareness of cardio-vascular disease risks, provide better diagnosis and management of diabetes, and improve screening for cancer.

RESULTS:

- Reduced maternal mortality by 40 percent, down to 194 deaths per 100,000 live births in 2010.
- Child mortality has reduced by more than 50 percent, to 46 deaths per 1,000 live births in 2014.
- Helped bring basic vaccination coverage of children younger than 23 months to approximately 84 percent in 2014.
- Skilled birth attendants were at 42.1 percent of births in 2014, up from 18 percent in 2007.
- About 93 percent of the detected New Smear Positive TB cases have been successfully treated as of 2014.

IMPLEMENTING AGENCY:

Ministry of Health and Family Welfare.

KEY PARTNERS:

Department of Foreign Affairs, Trade and Development, KfW of Germany, Swedish International Development Cooperation Agency, U.K. Department for International Development, U.S. Agency for International Development, U.N. Population Fund, Embassy of the Kingdom of the Netherlands.

INTEGRATED AGRICULTURAL PRODUCTIVITY PROJECT

KEY DATA:

Approved: Sept 12, 2011

Effective: Sept 12, 2011

Closing: Sept.30, 2016

FINANCING (\$ MILLION):

Financier	Financing	Disbursed	Undisbursed	Financier
IDA Credit (incl GAFSP)	46.3	37.75	18.48%	81.52%
GoB	17.2			
Total cost	63.5			

PROJECT BACKGROUND:

Agriculture provides livelihoods more than 60 percent of the population of Bangladesh. Despite Bangladesh's success in reaching near self-sufficiency in food production, people living in the flash flood and drought-prone districts in the northwest and the saline-affected tidal surge areas in the south struggle to earn a living or produce enough food to eat. These regions suffer from higher poverty than the national average. The link between unfavorable agricultural environments, where farmers lack knowledge and technology, and chronic poverty, coupled with food insecurity, is abundantly clear in these areas.

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS:

The project aims to enhance the productivity of agriculture (crops, livestock, and fisheries) in selected agro-ecologically constrained and economically depressed areas.

It seeks to use technology and training to enhance agricultural production in the northern and southern districts affected by flash floods, drought and tidal surge areas affected by saline. The project focuses on alleviating poverty and increasing food security through increased production of major crops such as cereals, diversification of high-value non-cereal crops such as fruits and vegetables, and development of non-crop agriculture such as fishery, poultry, and livestock. Livelihood Field Schools improve farmers' understanding and skills base, and also demonstrate the use of improved technologies. The project also aims to release new and improved crop varieties and more productive fish species, and help farmers increase crop intensity by conserving and utilizing surface water and improving the availability and efficient use of irrigation water.

RESULTS:

- The Department of Agriculture Extension formed 7,200 Livelihood Field Schools and conducted more than 38,000 demonstrations on various crops and improved technologies.
- The Department of Fisheries formed 2,100 fish farmer groups and conducted 5,880 demonstrations on improved fish varieties and production technologies.
- Improved agricultural technologies adopted by more than 208,000 farmers, including improved irrigation for 23,312 hectares.
- Release for use of 17 improved production packages for crops and nine for aquaculture, as well as 11 improved various crop varieties (four improved varieties of Wheat, one hybrid of mustard, one pulses and five new rice varieties);
- The Bangladesh Agricultural Development Corporation processed 3,000 tons of certified seeds in new facilities.

IMPLEMENTING AGENCY:

Ministry of Agriculture and Ministry of Fisheries and Livestock.

KEY PARTNERS:

Global Agriculture and Food Security Program, Australia, Canada, Japan, Republic of Korea, the Netherlands, Spain, United Kingdom, United States, U.N. Food and Agriculture Organization.

INVESTMENT PROMOTION AND FINANCING FACILITY (IPFF)

KEY DATA:

Approved: May 2, 2006

Effective: Aug 24, 2006

Closing: Dec 31, 2015

FINANCING (\$ MILLION):

Financier	Financing	Disbursed	Undisbursed
IDA Credit	306	75%	25%
GoB	60		
Local Intermediary	190		
Total cost	556		

BACKGROUND AND OBJECTIVES:

Bangladesh's aspiration to become a middle-income country has been constrained by the large gap in infrastructure investment. Bridging the infrastructure gap has two major challenges: (i) low country capacity to conceptualize, design, and contract infrastructure ventures; and (ii) lack of long-term financing for successful closure of the infrastructure investment proposals. Key infrastructure ministries/agencies of the government have a long way to go before they can gather adequate technical and financial capacity to develop and implement the required infrastructure projects. Fiscal constraints on the government add on to financing side of the problem. As such, Government of Bangladesh has adopted the policy of promoting private sector participation in key infrastructure sectors, including energy and power, roads and bridges, information and communications technology, inland container terminal, river port and sea-port infrastructure. Public-private partnership (PPP) has been identified as an important tool to leverage the technical, financial, and project management resources of the private sector. Although the Private Sector Investment Guideline (PSIG) 2004 encouraged the private sector, it did not provide for support to feasibility studies, transaction management, and other upstream activities associated with infrastructure investment proposals. The country's commercial-bank-dominated financial sector has historically been lending for shorter terms spanning over one - three years. Limited financial capacity, risk of asset liability mismatch, and lack of integration to international debt markets have constrained the local financial institutions' ability to finance infrastructure projects for longer terms such as 10 to 15 years. As a consequence, infrastructure development programs, which are long-term in nature, had been suffering and the country needed Internal Development Association support with new lending facility to bridge the infrastructure gap.

This project was taken up to increase private-sector investment in infrastructure by working with key government agencies and local financial institutions (FIs), selected based on pre-set eligibility criteria. Under the facility, the FIs apply to Bangladesh Bank, the project's implementing agency, for partial debt financing, which they on-lend to private-sector sponsors awarded or licensed to implement infrastructure sub-project.

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS:

The objectives of the project are: (i) to supplement the resources of local financial institutions to provide long-term finance for infrastructure investment proposals; and (ii) to promote the role of entrepreneurs in infrastructure development. To this end, apart from the main on-lending component, the project provides for technical assistance in two streams: for institutional strengthening of the PPP Office of Government, and for development of pipeline sub-projects by supporting upstream activities including feasibility studies, transaction support, and preparation of bid documents. The overarching goal is to increase eligibility of the sub-projects for IPFF funding and impart good practices in project development in Bangladesh.

RESULTS:

- Delivery of 10 fully operational power plants, adding 478 megawatts (MW) of electricity to the national grid, with another 100 MW coming by December 2015.
- Financing of three central water treatment plants in export processing zones of Chittagong, Adamjee and, Comilla.
- Support to a nationwide fiber optic cable network sub-project, which will expand Internet outreach and speed, and an inland container terminal in Chittagong,

IMPLEMENTING AGENCY:

Bangladesh Bank, the central bank of the country.

KEY PARTNERS:

PPP Office of the Government, key infrastructure ministries.

DENTIFICATION SYSTEM FOR ENHANCED ACCESS TO SERVICES (IDEA) PROJECT

KEY DATA:

Approved: May 10, 2011
Effective : August 28, 2011
Closing: December 31, 2017



Citizens at an NID Registration Center
Photo: Mia Harbitz

FINANCING (\$ MILLION):

Financier	Financing	Disbursed	Undisbursed
IDA Credit	173	34%	66%
GoB	24		
Total cost	197		

BACKGROUND AND OBJECTIVES:

The IDEA Project aims to establish a secure, accurate, and reliable national identification (NID) management system in Bangladesh to serve as the basis for more efficient, inclusive, and transparent service delivery. It aims to: (i) build and strengthen the NID system; (ii) develop the capacity of National Identity Registration Wing (NIDW) to provide identity verification services; (iii) support Bangladesh Election Commission in issuing smart NID cards with robust security features; and (iv) develop capacity over the longer term to integrate the new ID system into a wide range of both public and private services. It contributes to enhance the data quality to facilitate online as well as off-line NID verification services. The smart NID cards usher in a new avenue for effective and reliable off-line verification service. The agencies delivering services to citizens in Bangladesh can now greatly reduce their transaction costs by efficiently identifying their clients and maintaining their own databases of customers.

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS:

The project's objective is to establish a secure, accurate, and reliable national identification system in Bangladesh to serve as the basis for more efficient and transparent service delivery. The components of IDEA Project include: putting in place the regulatory framework, which has already been achieved; the management of the NID verification system and the management of producing and distributing smart NID cards; and capacity building, communication, and overall project management.

RESULTS:

- The enrollment of the citizens older than 18 in the NID database has become nearly universal. There is biometric data for over 96 million citizens in the database.
- The National Board of Revenue (NBR) is providing an electronic-Taxpayer's Identification Number (e-TIN) to the eligible citizens based on the NID database. This has enabled less duplication of TINs, which has led to a reduction in taxpayers' number from 3 million records in 2013 to 1.8 million in 2015. Using the NID system, there is a scope of widening the tax base by bringing eligible citizens under the coverage of the tax network.
- Using the online NID verification system, Bangladesh Bank's (BB) Credit Information Bureau is now able to authenticate the identity of the citizens who have applied for different types of loans from the financial institutions. The BB can effectively and transparently identify an individual's credit worthiness; also citizens' access to credit facilities has become easier now.
- The BRAC Bank Ltd. and Dutch Bangla Bank Ltd., two leading private-sector commercial banks, have started using identity verification through the NID system. This will enable poor people to open bank accounts and, hence, remove constraints to accessing different financial services, in particular, the mobile financial services and safety net schemes of the government.
- The Passport Authority is verifying identity of the citizens who apply for passports. The verification service enables citizens to effectively assert their identity as a Bangladeshi and allows the poor to effectively access overseas employment opportunities managed by the government.
- The 17-digit NID number containing year of birth and geographical information of a citizen has been replaced by a 10- digit unique NID number. This change will contribute to the integration of different agencies providing citizen services and will safeguard the privacy of citizens' core data.

IMPLEMENTING AGENCY:

National Identity Registration Wing, Bangladesh Election Commission

KEY PARTNERS:

Not applicable.

INCOME SUPPORT PROGRAM FOR THE POOREST

KEY DATA:

Approved: December 16, 2014

Effective: April 16, 2015

Closing: June 30, 2020

FINANCING (\$ MILLION):

Financier	Financing	Disbursed	Undisbursed
IDA Credit	\$ 300	5.0	295.0
GoB	\$ 3.37	0	3.37
Other	\$ 0	0	0
Total cost	\$ 303.37	5.0	298.37

PROJECT BACKGROUND AND OBJECTIVE:

Although Bangladesh has made remarkable progress in poverty reduction and human development outcomes, extreme poverty and vulnerability remain stubborn problems. The country ranks sixth in the world on prevalence of stunting. The incidence of low birth weight is also among the highest at 22 percent, with maternal under-nutrition at about 24 percent. The poor, in particular, primarily experience under-nutrition. Despite the country's achievements of increased access to education and gender parity, there are also marked disparities in participation and educational attainment rates for children in poor communities compared to their non-poor counterparts. Thus, improving nutrition and cognitive development opportunities for poor children is critical to arrest intergenerational transmission of poverty and presents an early window of opportunity to address inequality and improve outcomes for children later in life. Failure to invest adequately in the wellbeing of children from an early age has long-term implications for children and society as a whole, because it increases the likelihood of poverty in adulthood and perpetuates intergenerational transmission of poverty. By focusing on lifecycle vulnerabilities, social protection can serve to address vulnerabilities associated with a particular stage in life.

In order to address these challenges, the government will be implementing the International Development Association-supported Income Support Program for the Poorest Project -- a co-responsible cash transfer program that will provide income support to poor mothers in selected locations while: (i) increasing the mothers' use of Child Nutrition and Cognitive Development services; and (ii) enhancing local-level capacity to deliver safety nets.

Quarterly cash transfers will be made to eligible households based on their fulfillment of co-responsibilities linked to the growth and development of their young children (up to age 5). These include: (i) utilization of antenatal care services up to four times during pregnancy; (ii) use of growth monitoring and promotion services; and (iii) attendance at child nutrition and cognitive development awareness sessions. The average size of the monthly benefit is between \$15-23, depending on the beneficiary profile, and falls within 20 percent of the estimated monthly per capita expenditure of the target population. In keeping with the government's family planning policy, only the first and second born children will be eligible, to help prevent distorted incentives.

The project will also provide technical assistance to the implementing agency to facilitate administration and implementation of the cash transfer program, which includes building partnerships with the Ministry of Health and Family Welfare for the use of community clinics to deliver services and with the Ministry of Post and Telecommunications for the use of biometric Post Office cash cards for beneficiary payments. A robust monitoring and evaluation framework has also been designed to assess progress in achieving the project's objectives through third party monitoring and evaluate the impact of cash transfers on household poverty and children's health outcomes.

RESULTS:

- Project locations have been identified based on poverty and malnutrition criteria. The project will be implemented in 42 upazilas (sub-districts) across northern Bangladesh reaching up to 600,000 mothers and their families.
- Preparation activities are ongoing, with staffing and procurement activities underway. Conditional Cash Transfer program operations are tentatively scheduled to begin in July 2016.

IMPLEMENTING AGENCY:

Local Government Division.

KEY PARTNERS:

The Children's Investment Fund Foundation has recently approved \$1.1 million towards the cost of the impact evaluation of the project. Innovations for Poverty Action has also expressed interest in partnering on the project evaluation and discussions are ongoing. Several trust funds have also been secured to provide technical assistance to the project, including the Early Learning Partnership and Rapid Social Response funds.

LEVERAGING ICT FOR GROWTH, EMPLOYMENT, AND GOVERNANCE

KEY DATA:

Approved: Sep 20, 2012
Effective: Jan 24, 2013
Closing: Dec 31, 2017

FINANCING:

Original Loan/Credit Amount: SDR 44,200 (\$ 70 million)
Revised Loan/Credit Amount: SDR 39,997,500 (\$ 56.25 million)^a

Financier ^b	Financing (\$, millions)	Disbursed	Undisbursed
IDA Credit	56.25	22%	28%
GoB			
Total cost	57.25		

PROJECT BACKGROUND:

Bangladesh's information and communications technology (ICT) industry has developed over the past decade.

The government has also actively promoted its Digital Bangladesh program, which has generated high expectations among citizens. However the information technology (IT) industry sub-sector has remained relatively nascent as compared to the telecommunications sub-sector, with total industry output estimated at \$300 million per annum. The government also recognizes the need to leverage electronic government (e-government) for public services delivery and to facilitate its reform efforts. However the lack of shared IT hosting infrastructure, governance policies, and standards and structures present a major barrier to providing seamless electronic services and improving the public sector's effectiveness and efficiency.

This project will support the development of Bangladesh's IT/IT Enabled Services (ITES) industry as the country possesses a comparative advantage in the sub-sector, and the industry has been proven to have significant development impact in other developing countries. The project will also establish e-government foundations and institutional capacity for the government to leverage this proven approach to support public sector modernization.

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS:

The project aims to catalyze growth of Bangladesh's IT and enabled services industry for employment creation and export diversification, and to establish basic e-government foundations to support public-sector modernization. The project's two main components are: (i) IT/ITES industry development^c and (ii) e-government. The first component will increase the competitiveness of Bangladesh's IT/ITES industry by increasing the quantity and quality of skills, awareness and perception of the country. This includes IT/ITES training for workers and middle management, institutional capacity building, and industry development strategy, branding and promotion. The second component will provide critical e-government technological foundations to support public-sector modernization and the e-government agenda for the years ahead, and build the human capacity to leverage technology within government. This includes expansion of the national datacenter, training on e-government for relevant public officials, and establishing shared policies, standards and guidelines in enterprise architecture, interoperability framework, and cybersecurity.

EXPECTED RESULTS AND ACHIEVEMENTS:

- Creating 30,000 direct IT/ITES jobs: Created 6,000 jobs to date.
- Improving Bangladesh's ranking on the World Economic Forum's Network Readiness Index by at least five places: Improved global ranking of 109 in 2015, from 115 in 2012 and 113 in 2013.
- Percentage of ministries using two or more e-government technology foundations established under the project: 11 percent of 50 percent to date.

IMPLEMENTING AGENCY:

Bangladesh Computer Council

KEY PARTNERS:

Not applicable.

MODERN FOOD STORAGE FACILITIES PROJECT

KEY DATA:

Approved: December 30, 2013

Effective: 27 May 2014

Closing: June 30, 2020

FINANCING (\$ MILLION):

Financier	Financing	Disbursed	Undisbursed
IDA Credit	210	5%	95%
Beneficiaries	5		
Total cost	215		

PROJECT BACKGROUND:

Despite strong economic growth and a steady decline in poverty in Bangladesh over the past decade, natural disasters regularly cause serious damage to the country's infrastructure and agricultural sectors, severely affecting food access and food availability for the poor and vulnerable. The expected increase in the frequency and intensity of weather-related shocks makes it imperative that the government enhance its preparedness to address food insecurity in disaster-prone areas. The Public Food Distribution System (PFDS) is a core element of the government's food security strategy. The modern food storage facilities proposed for construction under this project could considerably improve the efficacy of the government's emergency response and recovery efforts in disaster-prone areas, and if grain stocks are properly managed, could enhance the efficiency of its PFDS at the same time.

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS:

The project's overall objective is to increase the grain reserve available to households to meet post-disaster needs and improve the efficiency of grain storage management.

Components include improving the storage capacity for grain by financing the construction of modern steel silos for rice and wheat that will be built in accordance with social and environmental sustainability parameters and safeguards compliance criteria. In addition, the project will facilitate households' access to domestic silos for food grain and seed storage to improve household-level food security during and after natural disasters. It also will finance investments in small-scale storage at the rural household level, which is expected to bring important benefits to the farming community in the form of safer storage of rice seed. Another component will finance costs required to ensure adequate overall management of the project, monitoring and evaluation of the activities implemented, and capacity enhancement of selected stakeholders.

EXPECTED RESULTS:

- Increased emergency grain storage capacity in central and household level storage (370,000 metric tons at the end of the project).
- Direct project beneficiaries, (10 million, of which half are female).
- Reduction in grain storage and handling losses in public storage facilities (by 50 percent).

IMPLEMENTING AGENCY: IF RELEVANT

Ministry of Food, Directorate General of Food.

KEY PARTNERS:

Not applicable.

MULTIPURPOSE DISASTER SHELTER PROJECT (MDSP)

KEY DATA:

Approved: December 16, 2014
Effective: April 1, 2015
Closing: September 30, 2020
PDO and IP ratings: S and S

FINANCING (\$ MILLION):

Financier	Financing	Disbursed	Undisbursed
IDA Credit	375.00	2.18%	97.82%
GoB	1.70	36.6	1.6
Total Cost	376.70		

PROJECT BACKGROUND:

The longitudinal position of Bangladesh, combined with its proximity to the Bay of Bengal and the Indian Ocean, generate a tropical monsoon-type climate, prone to cyclones, flooding, and drought. Bangladesh is also at risk for earthquakes and tsunamis, sitting at or near the juncture of several active tectonic boundaries. Cyclones typically affect Bangladesh in the fall and spring, the intervals between the dry season and the monsoon season. North Indian Ocean tropical cyclones occur at least 500 kilometers (km) from the equator, a necessary prerequisite for a strong enough Coriolis force to sustain a low pressure center. Intensification of the storm transpires as gradient wind balance concentrates latent heat near the core. Cyclones move northward where, almost every year, at least one makes landfall in Bangladesh.

The coast of Bangladesh is approximately 710 km long and is home to nearly 40 million people. Cyclones affect the region with strong winds accompanied by powerful storm surges and widespread inundation over a vast area. After the severe cyclone of 1970, which killed an estimated 300,000 people, the Government of Bangladesh pledged to improve protection of the coastal population. In the subsequent decades, the government constructed a network of cyclone shelters in the coastal areas, and developed an early warning system for local communities called the Cyclone Preparedness Program (CPP). Between 1970 and 2007, around 1,700 cyclone shelters were constructed, with the aim of providing protection from high winds and storm surges common during cyclones. The growing network of cyclone shelters and the community-based early warning system has served to save lives and assets in the event of a natural disaster.

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS:

The development objective of this project is to reduce the vulnerability of the coastal population across selected coastal districts of Bangladesh to natural disasters. This will be measured through an increase in the demand met for multipurpose disaster shelters in targeted districts. The objective will be achieved by improving existing multi-purpose shelters, constructing new disaster shelters, and improving roads and connectivity in the area.

The Multipurpose Disaster Shelters Project (MDSP) is a large-scale, disaster risk mitigation infrastructure project that strengthens emergency preparedness and will significantly reduce vulnerability to climate change and natural disasters. This builds on initial phases of interventions in multipurpose disaster shelters advanced under Emergency 2007 Cyclone Recovery and Restoration Project (ECRRP), considered the first phase of investments. The project is expected to have an impact on long-term disaster resiliency in Bangladesh, focused particularly on the coastal region. MDSP would focus on meeting these high priority needs by providing construction of 552 new shelters and the improvement of 450 existing shelters. The project will also invest in connecting roads and communication networks to shelters, increasing accessibility and effectiveness. It is expected that by safeguarding lives and assets, the project will contribute to goals of continued growth and shared prosperity.

EXPECTED RESULTS:

The project is expected to benefit nearly 14 million people living in the nine coastal districts of Bangladesh by improving access to safe havens in the event of a natural disaster. This would serve to build the resilience of local communities to such natural calamities, and help to speed recovery by protecting critical assets. In addition, the project aims to construct multipurpose buildings, especially primary schools, and will thereby benefit the primary school age populations in these districts.

IMPLEMENTING AGENCY:

Local Government Engineering Department, Ministry of Local Government, Rural Development and Cooperatives.

MUNICIPAL GOVERNANCE AND SERVICES PROJECT (MGSP)

KEY DATA:

Board approval: January 14, 2014
Effectiveness date: April 6, 2014
Closing date: June 30, 2020

IDA Financing: \$410 million
Disbursement: \$38 million

IMPLEMENTING AGENCIES:

Local Government Engineering Department (LGED)
Bangladesh Municipal Development Fund (BMDF)



Stakeholders holding a workshop to define their urban local body's Capital Investment Plan (CIP). The CIP is meant to identify municipal infrastructure priorities that could be financed by the MGSP.

PROJECT BACKGROUND:

Bangladesh is one of the most densely populated and rapidly urbanizing countries in the world. The population density and high urban growth are putting great pressure on basic urban services, particularly on local governments, district towns or municipalities and city corporations that are entrusted to provide such services. Bangladesh has 331 urban local bodies (ULBs), comprising 10 city corporations and 321 municipalities. Despite progress in the decentralization reform agenda, the capacity of these urban institutions is still weak: they have limited fiscal autonomy and decision-making powers, inadequate own-source revenues, and weak systems of accountability. Infrastructure in these ULBs is very inadequate, and whatever assets they have are poorly maintained, if at all. The MGSP is designed to address weak governance and help infrastructure development and maintenance in participating ULBs. It is designed to provide incentives to ULBs that demonstrate significant improvements in planning, financial management, and accountability. The project is reaching out to ULBs through the Local Government Engineering Department (LGED) (for 26 selected ULBs in the Dhaka-Chittagong growth corridor) and through the Bangladesh Municipal Development Fund (BMDF) (under a grant-loan-equity subproject financing scheme) for ULBs that meet creditworthiness criteria. The project is also pursuing intensive capacity-building activities to enable ULBs to perform better and carry out their functions effectively. It also features a contingent emergency response component to enable ULBs to carry out disaster response activities if needed.

PROJECT DEVELOPMENT OBJECTIVES AND IMPLEMENTATION PROGRESS:

The project development objective is to improve municipal governance and basic urban services in participating ULBs, and to improve the government's capacity to respond effectively to emergencies. Into its second year of effectiveness, the project has initiated implementation of a number of small-scale infrastructure investments in the participating ULBs. These are mostly micro drains, road resurfacing, and construction of kitchen markets. In the 26 LGED ULBs, the operation and maintenance (O&M) activities were supported on pilot basis, i.e., to allow these ULBs to prioritize O&M activities through planning and integrating O&M costs into their annual budget programs. Procurement of consultants to carry out activities that relate to the performance enhancement components (e.g., performance assessment, capacity-building consultants) as well as to prepare the BMDF road map for improving its operations is underway. Preparations for the conduct of third party monitoring have been initiated while the Country Investment Plan process has been carried out to improve the quality of subprojects to be supported by the MGSP. Improvements in the execution of the O&M component are also being discussed with the ULBs. Bottlenecks in the procurement of key project inputs will need to be addressed to ensure that the project can achieve its objectives and keep implementation on track.

NATIONAL AGRICULTURAL TECHNOLOGY PROGRAM – PHASE II

KEY DATA:

Approved: Jun 5, 2015
Effective: N/A
Closing: September 30, 2021

FINANCING (\$ MILLION)

Financier	Financing	Disbursed	Undisbursed
IDA Credit	176.60	0	176.06
IFAD	23.86	0	23.86
USAID	7.43	0	7.43
Govt.	6.50	0	6.50
Total cost	214.0	0	214.0

**\$ millions; as of June 30, 2015; revised amount after partial cancellation;*

BACKGROUND AND OBJECTIVES:

National Agricultural Technology Program Phase II Project (NATP-2) builds on the successes of its predecessor NATP. It will support the government's strategic priorities in agriculture, i.e., increasing production, achieving food security, supporting adaptation to climate change, and enhancing nutrition through safer and more diversified food. The overarching principle of NATP-2 is to promote a more demand-driven approach to improvement of agricultural technology and modernization of on-farm practices that takes into account the growing demand from consumers for safer food, as well as the needs of farmers for more diversified production. NATP-II will contribute directly to the Ministry of Agriculture's (MoA) and the Ministry of Fisheries and Livestock's (MoFL) priority of increasing farm yields and diversifying agricultural production by improving agricultural research and extension. Its dual field-level strategy will deepen the interventions initiated by the previous project in existing sub districts and expand the geographic coverage to include new sub districts. NATP-II will cover 57 of the country's 64 districts and span a broad range of agro-ecological zones across Bangladesh. The project will be implemented over a six-year period in up to 270 of the country's 493 sub-districts (or upazilas); this includes 107 upazilas already covered under NATP, plus up to 163 new upazilas. The primary project beneficiaries will be smallholder farmers (i.e., small, marginal and landless farmers). The project will promote gender mainstreaming and women's empowerment to ensure that a significant proportion of direct beneficiaries are female. Other direct project beneficiaries include extension workers, agricultural researchers, and to a lesser extent, rural entrepreneurs.

PROJECT OBJECTIVE:

The project development objective for NATP-2 is to increase agricultural productivity of small holders' farms and improve small-holder farmers' access to markets in selected districts.

RESULTS:

- The project is not yet effective.
- The project was approved by the Board on June 5, 2015. Approval by the Government of Bangladesh was expected September 2015.

IMPLEMENTING AGENCY:

MoA, MoFL

KEY PARTNERS:

International Fund for Agricultural Development; US Agency for International Development.

NORTHERN AREAS REDUCTION OF POVERTY INITIATIVE

KEY DATA:

Approved: Oct. 27, 2011
Effective: Mar 25, 2012
Closing: Oct 31, 2017

FINANCING (\$29.29 MILLION)

Financier	Financing	Disbursed	Undisbursed
IDA Credit	29.3	61%	39%
GoB	7		
Misc.	3.5		
Total cost	39.8		

PROJECT BACKGROUND:

The garment industry in Bangladesh accounts for 75 to 80 percent of Bangladesh's export earnings, and has also played a significant role in providing economic benefits to poor and vulnerable women. Today, around 80 percent of the garment workers are female. Yet, the number of poor women from impoverished north-western districts joining the garments sector is much lower than the number of women garment workers from other parts of the country. Female garment workers constitute a highly vulnerable group, with few support systems in place that provide them adequate training or social services. For these women, their first few months in the city and at the factory are the most hazardous, deterring many women who are in desperate need of work from joining the industry.

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS:

The Northern Areas Reduction of Poverty Initiative (NARI) aims to recruit 10,800 women from five districts in northern Bangladesh for an orientation course to help them make informed decisions about beginning a new life in one of three export processing zones (EPZs) in Dhaka, Karnaphuli, or Ishwardi. The women will be settled into newly built complexes, with transitional housing facilities at dormitories, giving them time to develop social networks and support systems. The project also provides three months of training in skills for the garment industry, allowing women to enter factories as semi-skilled workers. Trainees also will receive life-skills training, covering topics such as adjustment to city life, savings and remittances, safety and security, rights and responsibilities at the work-place, finding appropriate housing, contract negotiation, and health and fertility.

RESULTS ACHIEVED:

- Three dormitories and training centers constructed.
- The Information, Education Campaign to raise awareness in source areas, orient and recruit beneficiaries launched and is nearing completion for the first group.
- Dialogue launched for partnering with the biggest brands and buyers (H&M, Walmart, Primark etc.) that source ready-made garments from Bangladesh to leverage corporate social responsibility (CSR) funds for the operating costs of the project, and link the beneficiaries of the project with ongoing CSR activities at the factory and community level.

EXPECTED RESULTS:

- The first 900 selected candidates will be inducted into the dormitories and training centers by mid-October 2015
- Around 10,800 women will gain formal employment, and networks will be established for continuing the flow of potential workers.
- Three months of training will be provided and the employment bureaus will place the trainees into employment.
- The women will also be accommodated in transitional housing facilities for six months.

IMPLEMENTING AGENCY:

Bangladesh Export Processing Zones Authority. Coordinating Ministry: Ministry of Labor and Employment.

KEY PARTNERS:

Bangladesh Garments Manufacturers and Exporters Association; Bangladesh Knit Manufacturers and Exporters Association.

NUTON JIBON LIVELIHOOD IMPROVEMENT PROJECT

KEY DATA:

Approved: February 25, 2015
Effective: August 03, 2015
Closing: June 30, 2021

FINANCING (\$ MILLION):

Financier	Financing*	Disbursed	Undisbursed
IDA Credit	200.00	0	0
GoB	20.00	0	0
Total cost	220.00	0	0

*\$ millions; as of June 30, 2015; revised amount after partial cancellation; For more information see the latest Implementation Status and Results Report

PROJECT BACKGROUND AND OBJECTIVES:

The Nuton Jibon Livelihood Improvement Project (NJLIP) is the follow-up project to the Empowerment and Livelihood Improvement "Nuton Jibon" project, also called Social Investment Program Project II (SIPP II), which will be closed on December 31, 2015. The predecessor project covered 3,262 villages in 16 districts where 92 percent of villages, (or 2,987 of the 3,262) are functioning in an inclusive, transparent, and accountable manner.

The project will work on: (i) second generation activities in nine districts supported by SIPP II; (ii) development of villages supported by SIPP II and new villages in seven districts; and (iii) development of villages in five new districts. A total of 4,315 villages (1,815 existing villages plus 2,500 new ones) will be covered under this project. The non-negotiable project principles would be inclusion, equity, participation, transparency, and accountability, in addition to the 10 golden rules called "Dosh Neeti".

The project objective is to improve the livelihoods of extreme poor communities and to strengthen the community institutions in selected districts.

RESULTS:

- Project Manuals – The project has completed a final set of project manuals for NJLIP. This includes: (i) a community operation manual; (ii) a project implementation plan; (iii) a human resource policy and manual; and (iv) a productive investment fund manual.
- Project Implementation Readiness – The project was declared effective on August 3, 2015. Reallocation of staff to all agreed positions is completed and the vacancies will be filled through competitive process. The Social Development Foundation (SDF) has agreed to maintain the staff positions as per the agreed organization chart. All manuals are being printed and were expected to be made available to all project staff by August 31, 2015. Counterpart funding from the Government of Bangladesh was expected by September 30, 2015.

IMPLEMENTING AGENCY:

SDF.

KEY PARTNERS:

Not applicable

PRIVATE SECTOR DEVELOPMENT SUPPORT PROJECT

KEY DATA:

Approved: Mar 1, 2011
Effective: Aug 3, 2011
Closing: June 30, 2016

FINANCING (\$ MILLION):

Financier	Financing*	Disbursed
IDA Credit	42.8	59.8%
GoB		
DFID	17.4	57.5%
Total Cost	60.2	59.1%

PROJECT BACKGROUND:

In order to stimulate Foreign Direct Investment (FDI) in export-oriented manufacturing, the Government of Bangladesh initiated an economic zones regime by enacting a law in 1980 under which Bangladesh Export Processing Zones Authority (BEPZA) was created. The objective was to promote investment, export, and job creation by providing serviced land, reliable infrastructure, and one-stop administrative support to the investors. Since then eight Export Processing Zones (EPZs) have been established across the country. Chittagong EPZ, the first economic zone in Bangladesh dedicated for export-oriented manufacturing industries, was established in 1983.

The EPZ model, catering mainly to export-oriented FDIs, has its limits in terms of cumulative impact and spillovers to the domestic economy by promoting better business environment to a broader investor clientele. As such, further improvements to the economic zones regime became an imperative for the economy to thrive. To meet the investment need of both overseas and domestic investors, the government moved into a more flexible and competitive Special Economic Zone (SEZ) regime and the Economic Zones Act sponsored by the World Bank Group was enacted by the Parliament in August 2010 and led to the creation of the Bangladesh Economic Zones Authority (BEZA).

The World Bank Group, together with UK's Department for International Development (DFID), is supporting the government in developing Economic Zones through Bangladesh Private Sector Development Support Project. This project aims to create jobs and accelerate growth by promoting diversified private-sector investment, local and foreign. Specifically it aims to: (i) improve the business environment and access to serviced land through Economic Zones; (ii) invest in training schemes to make human resources more responsive to enterprise needs; and (iii) supports local private-sector capacity through product/process quality improvements.

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS:

The project objective is to facilitate investment in growth centers in the emerging manufacturing and services sectors of the economy, with a view to generating employment.

The project promotes private sector investment by improving the business environment and access to industrial land through economic zones. It also supports the government in establishing private sector-led economic zones through public private partnerships.

RESULTS:

- Generated \$12 million in direct investment in the economic zones, against a target of \$10 million.
- Created 1,023 new jobs, of which 26.7 percent are for women, against a target of 2,000 jobs by June 2016 (30 percent for women).
- BEZA completed feasibility studies for four economic zone sites, with one in Mongla awarded to the private sector.
- BEZA also issued license to establish three private sector-led SEZs in different parts of Bangladesh.

IMPLEMENTING AGENCY:

Not applicable.

KEY PARTNERS:

DFID, BEZA, Economic Relations Division, High-Tech Park Authority, BEPZA

PUBLIC PROCUREMENT REFORM PROJECT II

KEY DATA:

Original Credit	Additional Financing
Approval July 5, 2007	May 9, 2013
Effective Sep 12, 2007	July 28, 2013
Closing Dec 31, 2016	Dec 31, 2016
Financing: 23.6 (\$M)	34.5 (\$M)

FINANCING (\$ MILLION):

Financier	Financing*	Disbursed	Undisbursed
IDA Credit	58.1	63.6%	36.4%
GoB	1.3		
Total cost	59.4		

PROJECT BACKGROUND:

Public procurement expenditures constitute over 70 percent of the annual development program (ADP) in Bangladesh. Thus procurement plays a pivotal role in the development agenda of the government. It is well documented that weaknesses in public procurement have a cumulative negative effect on investment and economic growth. Poor public procurement skews investment toward areas where rent-seeking is prevalent, rather than toward the areas that need it most for poverty reduction and development. Procurement was identified as the main reason for poor utilization of aid and development programs in the country. Given this context, the government initiated a systemic procurement reform in the country starting 2002, with the focus on legislation, followed by extensive capacity development, electronic procurement, and performance measurement.

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS:

The Public Procurement Reform Project II (PPRP-II) aims to improve the performance of the public procurement system, focusing largely on the key sectoral ministries and their implementing agencies. It follows on the successes of the first PPRP that supported the enactment of procurement laws and rules. The four components of PPRP II deal with comprehensive capacity development, procurement performance monitoring, electronic procurement, and social accountability.

Besides Central Procurement Technical Unit (CPTU), the nodal procurement agency, four key government agencies that share large part of the annual development program are involved – the Roads and Highways Department, Local Government Engineering Department, Bangladesh Rural Electrification Board, and Bangladesh Water Development Board. They processed over 90 percent of FY2015 procurement through electronic tendering with a target of 100 percent by 2016, including on-line procurement performance monitoring. In addition, PPRP-II has been implementing a comprehensive capacity-building program along with a social accountability and behavioral change communications campaign to demystify procurement at the grassroots level.

RESULTS:

- Invited over 90 percent of tenders through electronic procurement in four key agencies in 2014, up from 3 percent in 2012.
- Awarded 79 percent of small-value contracts at decentralized levels within the initial bid validity period in 2013, up from 10 percent in 2007.
- Published 100 percent of contracts awards in e-Government Procurement (eGP), up from 15 percent in 2007 in traditional/manual tender.
- Published 100 percent of tender invitations in e-GP in 2015, up from 70 percent in 2007 in manual tenders.
- Trained more than 11,000 officials; 6,500 of them were provided with a three-week procurement course.

IMPLEMENTING AGENCY:

CPTU, Implementation Monitoring and Evaluation Division.

REACHING OUT-OF-SCHOOL CHILDREN PROJECT II

KEY DATA:

Approved: Oct 2, 2012
Effective: Jan 30, 2013
Closing: Dec 31, 2017

FINANCING:

Financier	Financing	Disbursed	Undisbursed
IDA Credit	130	28%	72%
USAID	3.8		
BETF	7.5		
GoB	141.3		
Total cost			

PROJECT BACKGROUND:

In 2010, nearly five million primary school-aged children were out of school in Bangladesh – many of these children had never enrolled, while others had dropped out before completing the primary cycle due to poverty. Children from the poorest quintile were reported to be disproportionately left out of the schooling system. As a consequence, these children were deprived of an education, reducing their chances of finding higher-earning jobs that could lift them and their families out of poverty. Building on the success of the first Reaching Out-of-School Children (ROSC) project, ROSC II provides a second chance at primary education to restore that opportunity.

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS:

The project aims to improve equitable access, retention and completion in quality primary education for out-of-school children in selected under-served areas.

ROSC II reintegrates out-of-school children into the education system through learning centers called Ananda schools (schools of joy), which are established in selected upazilas (sub-districts) with high-poverty and low-enrollment and completion rates. As ROSC students tend to be older, teachers observe a flexible schedule, with students taught by a single class teacher until they are ready to join mainstream secondary schools. These centers also provide education stipends to students to lessen the financial burden on families, in addition to providing free books, stationery, and school uniforms. The project builds upon the experiences of both public and non-governmental organization (NGOs) provision of education and blends formal education with non-formal means of delivery to the young learners, providing them with an opportunity to complete grade five and transition to secondary education. The project also tries to empower disadvantaged rural communities to establish, own, and manage Ananda schools with support from the government and local education NGOs. In addition, the project aims to pilot initiatives in selected urban slums for child domestics, a pre-vocational skills training scheme for older ROSC students, and an Early Grade Reading program for current ROSC students.

RESULTS:

- Enrollment of 616,042 out-of-school children (49 percent girls and 87 percent from disadvantaged families) in 20,076 supported learning centers in 148 of the most disadvantaged upazilas and selected urban slums of Dhaka.
- Average grade retention rate stands at 62 percent, with the attendance rate at 86 percent and teacher absence rate below 15 percent.
- Most Ananda schools have water and sanitation facilities, and 80 percent of teachers at them are women.
- For the first time, ROSC students participated in the 2013 national learning assessment for primary level.

IMPLEMENTING AGENCY:

Directorate of Primary Education.

KEY PARTNERS:

USAID, Save the Children

REVENUE MOBILIZATION PROGRAM FOR RESULTS: VAT IMPROVEMENT PROGRAM

KEY DATA:

Approved: May 09, 2014
Effective: January 11, 2015
Closing: June 30, 2020
PDO and IP ratings: MS, MU

FINANCING (\$ MILLION):

Financier	Financing	Disbursed	Undisbursed
IDA Credit	60	18%	82%
GoB	13	0.4%	12.6%
Total cost	73		

PROJECT BACKGROUND:

Low revenue mobilization in Bangladesh is a critical constraint to the government's development aspirations. The level of tax collection was 10.4 percent of gross domestic product in 2012 and has remained at that level over the last few years. Additional problems in tax administration include manual systems, governance issues and lack of skilled staff. A new value-added tax law to take effect in 2016 will broaden the base, increase the VAT yield and contribute towards the establishment of a modern and service-oriented VAT administration. The program goes beyond the introduction of the new tax administration software. It supports the restructuring of the VAT wing and the re-engineering of key business processes and strengthens reporting to the public on performance and complaints-handling, along with providing greater transparency of the administration.

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS:

The objective is to improve revenue mobilization and transparency in the VAT administration.

The project seeks to strengthen organization of the core VAT functional areas including: VAT tax registration; tax return filing and processing; tax payment; taxpayer accounting; tax refund; tax audit; tax collection and enforcement; tax appeal; and taxpayer services. It also will develop and deploy an integrated VAT management system that will establish a central processing center and a contact center operated by the private sector on contract. In addition to enhancing revenue mobilization, the project supports the greater transparency of the VAT administration. This will be done through making the VAT wing fully compliant with the Right to Information Act, 2009.

RESULTS:

- Customizable Commercial Off-the shelf Software (COTS) procurement has been completed and a contract is due to signed by end September; (Disbursement Linked Indicator (DLI) 1.1.1)
- Project Management Consultancy contract was signed on July 15, 2015, and the winning vendor has already started operating within the Project Office; (DLI 1.2.1)
- Progress has been made with regards to other DLIs: DLI 5 with respect to increased transparency; and DLI 6 with respect to strengthening fiduciary capacity has been partially met with the project team reaching the 25 percent target of Nationally Competitive Bids using e-Government Procurement in fiscal years 2014/2015.
- The tender for the independent verification entity has been launched.

IMPLEMENTING AGENCY:

VAT Online Project Office, VAT Wing, National Board of Revenue.

KEY PARTNERS:

Not applicable.

RURAL WATER SUPPLY AND SANITATION PROJECT

KEY DATA:

Approved: Mar 22, 2012
Effective: May 13, 2012
Closing: June 30, 2017

FINANCING (\$ MILLION):

Financier	Financing	Disbursed	Undisbursed
IDA Credit	42.2	15%	85%
Communities	5.6		
GoB	2.7		
Total cost	50.7		

** Project restructuring included cancellation of \$25 million of IDA credit*

PROJECT BACKGROUND:

National rural water supply coverage in Bangladesh is estimated to be around 97 percent, but water quality issues and contamination by arsenic have effectively lowered this figure to around 83 percent. Arsenic is the single largest threat to safe water service provision in Bangladesh. The quality of sanitation coverage is another area of concern, with only 37 percent of latrines being hygienic. The poor infrastructure and facilities for water and sanitation services, along with increased demand, is making it difficult to provide reliable water and sanitation services.

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS:

The project aims to increase the provision of safe water supply and hygienic sanitation in selected rural areas of Bangladesh.

It calls for scaling up piped and non-piped water facilities to provide safe and clean water to villagers in some 383 Union Parishads (local governing units) with acute arsenic contamination and low coverage for safe water supply. The project also seeks to provide hygienic sanitation facilities, and is financing the construction of 35 piped water supply schemes and 14,000 water point sources in hot-spot upazilas (subdistricts) where piped water supply is not economically possible. To fight the poor sanitation, it intends to provide financial incentives for the poor to construct hygienic latrines, build local private-sector capacity so that markets can better react to rise in demand; and increase the government's role in ensuring that latrines are maintained and accessible to all. The project is financing installation of 50,000 latrines for selected poor households.

ACHIEVED AND EXPECTED RESULTS:

- 63,250 out of target 924,000 people in rural areas have been provided with access to improved water sources.
- 1,150 out of 14,000 improved community water points constructed under the project.
- 28,000 new piped household water connections to be provided from the project.
- 7,964 people out of 275,000 have been provided with access to hygienic latrines.
- Total 71,214 direct project beneficiaries out of target 1.2 million people in rural areas have been provided with access to improved water sources and hygienic latrines.

IMPLEMENTING AGENCY:

Department of Public Health Engineering.

KEY PARTNERS:

Not applicable.

RURAL ELECTRIFICATION AND RENEWABLE ENERGY DEVELOPMENT II

KEY DATA:

Original Credit Approved: Sep 20, 2012. Additional Financing Approved June 19, 2014
Effective: Feb 20, 2013. Closing: Dec 31, 2018

FINANCING (\$ MILLION):

Financier	Financing	Disbursed	Undisbursed
Financier	Financing	Disbursed	Undisbursed
IDA Credit	233.4	55%	45%
IDCOL	14.1		
BCCRF	10	7.93%	92.07%
USAID	7.6	41.95%	58.05%
KfW	10.7		
GPOBA	16.1	6.83%	93.17%
Local Beneficiaries	47.9		
NGO/Private Sector	89.1		
Funding Gap	6.2		
Total cost	435		

PROJECT BACKGROUND:

Only about 45 percent of rural households in Bangladesh have access to grid electricity, and even these consumers suffer frequent and prolonged power cuts. Currently, electricity supply is about 6,500-7,000 megawatts (MW), against a peak demand of about 8,500 MW. The dispersed nature of rural settlements and the numerous rivers that crisscross the country make grid electrification in many areas of Bangladesh both difficult and expensive. Despite steady progress in enhancing coverage, it is clear that reliance on grid electricity alone will not allow the Bangladeshi government to realize its vision of universal access to electricity by 2021.

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS:

The second Rural Electrification and Renewable Energy Development (RERED) project aims to increase access to clean energy in rural areas of Bangladesh.

It builds on the success of RERED I by supporting solar home systems and other renewable energy options in remote rural areas, where grid electricity is not economically or geographically viable. The World Bank initiative led to support from other donors, with more than 40,000 solar homes systems now being installed every month to make it the fastest-growing solar home systems program in the world. The implementing agency is the Infrastructure Development Company Ltd. (IDCOL), a government-owned financing institution, and 47 partner organizations (mostly non-government organizations) are installing solar home systems through a micro-credit scheme. The project is also supporting renewable energy-based mini-grids, solar irrigation pumps (replacing diesel pumps), dissemination of improved cook stoves, and biogas digesters for cooking following the same implementation model as that of the solar home systems.

RESULTS:

- Provided 3.77 million remote households and rural shops with solar home systems, with more than 40,000 systems now installed every month.
- Increased access to electricity in Bangladesh by 13 percent. Dissemination of improved cook stoves has started with a target of reaching one million rural households.

IMPLEMENTING AGENCY:

IDCOL, and Power Cell of the Ministry of Power, Energy and Mineral Resources.

KEY PARTNERS:

Asian Development Bank, Japanese International Cooperation Agency, KfW of Germany, the German Federal Enterprise for International Cooperation, Islamic Development Bank, U.S. Agency for International Development, Global Partnership on Output-Based Aid, Bangladesh Climate Change Resilience Fund.

RURAL ELECTRICITY TRANSMISSION AND DISTRIBUTION

KEY DATA:

Approved: February 27, 2014
Effective: September 16, 2014
Closing: June 30, 2020

FINANCING (\$ MILLION):

Financier	Financing	Disbursed	Undisbursed
IDA Credit	600	3.57%	96.43%
Government	237		
Total cost	837		

PROJECT BACKGROUND:

Only about 45 percent of rural households in Bangladesh have access to grid electricity, and even these consumers suffer frequent and prolonged power cuts. Currently, electricity supply is about 6,500-7,000 megawatts (MW), against a peak demand of about 8,500 MW. Despite the supply shortages, electricity availability and the number of consumers have grown steadily over the last decade because of reduced system loss and some added generating capacity. While the government and other sources made substantial investments to extend the rural low-voltage system network to support new connections, the rural medium-voltage distribution system and the associated transmission system received relatively less attention during the last decade of system load and grid expansion. As a result, the rural electricity system is now over-loaded and experiences frequent load-shedding, leading to higher technical losses and services interruptions.

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS:

The objective is to reduce system losses and enhance capacity in the rural distribution network, primarily in the eastern part of Bangladesh.

The project aims to rehabilitate and augment the distribution network of the Bangladesh Rural Electrification Board (BREB) in support of reducing systems losses and enhancing capacity for carrying electricity when additional power generation is available. The project is also expected to support transmission enhancements by the Power Grid Company of Bangladesh (PGCB).

RESULTS:

Construction work is yet to start. Procurement of line materials has started with \$64 million of line materials either awarded or evaluation completed. Bid documents for sub-stations are in the final stage of preparation.

IMPLEMENTING AGENCY:

BREB, PGCB.

KEY PARTNERS:

Not applicable.

SECOND LOCAL GOVERNANCE SUPPORT PROJECT

KEY DATA:

Approved: Nov 29, 2011
Effective: Feb 22, 2012
Closing: Nov 30, 2016



Women Participating in Project Meeting

FINANCING (\$ MILLION):

Financier	Financing	Disbursed	Undisbursed
IDA Credit	290	67%	33%
GoB	255.4		
Total cost	545.4		

PROJECT BACKGROUND:

Within Bangladesh's public sector, local governments have always been relatively minor players, with a tiny share of sub-national expenditure to the total government expenditure and a more trivial percentage of the total government revenue collected. Nonetheless, local governments – especially at the lowest tiers – are key features of the governance landscape. In recent initiatives, successive governments have affirmed their intent to devolve powers to lower levels and allocate more autonomy and resources to local governments. Changes have shown that empowered Union Parishads (UPs, the lowest tier of local governments) and engaged constituents can make effective decisions, both transparently and accountably. Consequently, there is an increasingly strong government-led push towards decentralization. The First Local Governance Support Project (LGSP I; \$170 million), the first nationwide effort to strengthen the local government system in Bangladesh, has been successful in achieving its development objectives of strengthening local governments that provide accountable services, and has created the space for deeper decentralization reforms.

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS:

The Second Local Governance Support Project (LGSP II), building upon the success of its preceding project LGSP I, aims to strengthen Union Parishads to become accountable and responsive, supported by an efficient and transparent intergovernmental fiscal system to Union Parishads. With a nationwide coverage to all 4,542 UPs (about 130 million people), LGSP II provides direct block grants to be distributed to the UPs with a clean audit issued by private auditors, along with full discretion to decide their spending priorities; and the project introduced a nationwide performance grant system with clear criteria and transparent assessment. Through a participatory process involving open planning and budget sessions, members can debate spending needs and question spending efficacy. The project strengthens the capabilities of UPs in participatory planning, budgeting, financial management and procurement, also ensures UPs are held accountable through independent audits and disclosure requirements.

RESULTS:

- Disbursed an equivalent of \$314.2 million through FY2015. Performance Based Grants disbursement (amount of \$38.8 million) has been made to better performing UPs from FY2013 to FY2015.
- Established a comprehensive management information system for strengthening capacity of monitoring, evaluating and supervising local governments.
- Strengthened the UP Help Line for grievance redress and established over 400 functional Women's Development Forums at the Upazila level.
- Enhanced capacity of UPs in managing their business in terms of preparing periodic plans and annual budgets, and selecting and implementing development schemes through a participatory process. Overall, a culture of accountability and transparency in service provision has been instilled at the local level.

IMPLEMENTING AGENCY:

Bangladesh Local Government Division, Ministry of Local Government, Rural Development & Co-Operatives.

KEY PARTNERS:

U.N. Development Program, U.N. Capital Development Fund.

SAFETY NET SYSTEMS FOR THE POOREST PROJECT

KEY DATA:

Approved: June 26, 2013
Effective: Nov 17, 2013
Closing: Dec 31, 2017

FINANCING:

Financier	Financing	Disbursed	Undisbursed
IDA Credit	500	10%	90%
GoB	2,172		
Total cost	2,672		

BACKGROUND AND OBJECTIVES:

Despite remarkable progress in poverty reduction, extreme poverty in Bangladesh remains high, with large numbers of people vulnerable to systemic shocks. The Government of Bangladesh recognizes that shocks and vulnerability are mainstream problems for the poor and currently implements several safety net programs as response measures. Well- designed and implemented safety nets not only reduce poverty and vulnerability but have shown to improve women's well being. Yet despite the numerous ongoing interventions, large numbers of poor people remain out of reach of safety nets. There is a scope for better targeting of benefits in some of the largest programs, improving delivery mechanisms and monitoring systems, as well as enhancing accountability measures. Cognizant of these challenges, the Ministry of Disaster Management & Relief (MoDMR), which implements approximately one-third of the country's social protection budget, is currently utilizing International Development Association resources to improve performance of its major programs. The Statistics & Informatics Division (SID) is also supporting this process, given its mandate to develop a national poverty database towards better targeting of social assistance, which in the medium term is also expected to improve the quality of a significant portion of public expenditure on safety net programs.

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS:

The Safety Net Systems for the Poorest (SNSP) project aims to improve the equity, efficiency, and transparency of major social safety net programs to benefit the poorest households. The project comprises three components, namely:

Component 1: Support to MoDMR Safety Net Programs by providing performance-based partial reimbursement of government spending under selected safety net programs.

Component 2: Strengthening of MoDMR Program Administration & Transparency by providing resources to improve implementation quality, including the development of management information systems, beneficiary outreach and engagement strategies, and training, towards the achievement of higher-level objectives.

Component 3: Development of the Bangladesh Poverty Database by providing resources to conduct a nationwide census, establish a comprehensive targeting system, and contribute to improving coordination among various safety nets implemented by different ministries.

KEY ACHIEVEMENTS

- Improved targeting of financial resources of major safety net programs.
- Improved field level implementation and monitoring capacity for major safety net programs.
- Approved operations manual for nationwide data collection for the Bangladesh Poverty Database (BPD).
- Preparatory activities underway for phase-wise data collection for the BPD.

IMPLEMENTING AGENCY:

Department of Disaster Management (Components 1 & 2) and Bangladesh Bureau of Statistics (Component 3).

KEY PARTNERS:

UK's Department of International Development – providing resources for monitoring safety net implementation performance and progress towards achieving project development objective results indicators.

SECONDARY EDUCATION QUALITY AND ACCESS ENHANCEMENT PROJECT

KEY DATA:

Approved: Jul 31, 2008
Effective: Sep 4, 2008
Closing Date: Dec 31, 2017

FINANCING (\$ MILLION):

Financier	Financing	Disbursed	Undisbursed
IDA Credit	395.60	50%	50%
GoB	40.0		
Total Cost	435.6		

PROJECT BACKGROUND:

Special measures taken over the last couple of decades have enabled more Bangladeshi children than before, especially girls, to continue their education at the secondary level. But it still remains a challenge for children from low-income families to access a good-quality education in Bangladesh.

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS:

The Secondary Education Quality and Access Enhancement Project (SEQAEP) aims to improve the quality of secondary education in Bangladesh, systematically monitor learning outcomes and increase access and equity in 215 project upazilas (sub-districts).

The project provides stipends and tuition to disadvantaged girls and boys based on proxy means-testing (PMT), in addition to incentives to students, teachers, and schools in 215 upazilas to encourage them to perform better. Eligible students receive stipends of \$15 to \$40 a year if they maintain 75 percent average attendance, achieve a passing grade in final examinations and remain unmarried until they complete Grade 10.

The project also includes measures to provide water and sanitation facilities in schools, and strengthen school management and accountability systems while helping to develop stronger reading habits. Financial rewards are given to the teachers and institutions that consistently increase the number of students appearing in and passing the Secondary School Certificate (SSC) examinations.

RESULTS:

- The pass rate in SSC examinations was higher than 85 percent.
- Supported 6.5 million student-years (55 percent girls) under the stipends program.
- More than 2,700 institutions were supported under the SSC institution award.
- Awarded more than 139,000 students for academic performance while supporting some 448,000 students in English and mathematics and about 968,000 students in developing a reading habit.

IMPLEMENTING AGENCY:

Directorate of Secondary and Higher Education, Ministry of Education

KEY PARTNERS:

Agrani Bank, Bishwo Shahitto Kendro, Local Government and Engineering Department, Directorate of Public Health and Engineering.

SECOND RURAL TRANSPORT IMPROVEMENT PROJECT

KEY DATA:

Approved: Sep 20, 2012
Effective: Nov 28, 2012
Closing: Apr 30, 2018

FINANCING (\$ MILLION):

Financier	Financing	Disbursed	Undisbursed
IDA Credit	302	21%	79%
GoB	115		
Total Cost	417		

PROJECT BACKGROUND:

Despite a wide road network and large investments in it, rural roads in Bangladesh need regular repair and rehabilitation. The quality, construction, and carrying capacity of parts of the secondary and tertiary road network are poor. In 2000, only 37 percent of the population lived within two kilometers (km) of an all-season road. About 13,000 km of upazila (sub-district) roads (out of 36,500 km) were all-weather standard, and most of the rural union roads remained unpaved. As a result, large portions of the secondary and tertiary road network remained impassable during the rainy season.

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS:

The second Rural Transport Improvement Project (RTIP II) aims to improve rural accessibility in project areas (covering 26 districts), and to strengthen institutional capacity for sustainable rural road maintenance. It builds on the success of RTIP 1, which covered more than 44,000 square km in 21 districts, in developing rural trade and transport infrastructure by focusing on the physical improvements of inter-linked roads, small bridges and culverts, growth center markets, and river jetties.

The project's improved roads, many built by destitute women, make it easier for children to go to school, expectant mothers to reach hospitals in an emergency, and local farmers and consumers to reach markets. It also has contributed to developing a comprehensive rural road transport safety framework to help reduce the alarming number of injuries and fatalities, and expanded coverage to improve road connectivity in the countryside

RESULTS:

- RTIP II has completed a total of 1,650 km of roads (against a target of 3,583 km)..
- 114 km of performance-based maintenance contract roads have been completed (a fourth of the target length of 450 km).
- Work on one pilot inland waterway and 16 Growth Centre Markets is ongoing.
- Local Government Engineering Department (LGED) has signed most of the consultancy contracts under the institutional strengthening and capacity building and governance component of the project. Implementation of those contracts is either ongoing or completed..

KEY PARTNERS:

LGED.

SIDDHIRGANJ POWER PROJECT

KEY DATA:

Approved: : Oct 30, 2008
Effective: Mar 31, 2009
Closing: June 30, 2018

FINANCING (\$ MILLION):

Financier	Financing	Disbursed	Undisbursed
IDA Credit	350	70%	30%
GoB	120		
Total Cost	470		

PROJECT BACKGROUND:

Electricity demand in Bangladesh has increased at an average rate of 10 percent per annum in recent years, with peak demand reaching about 9,250 megawatts (MW). Yet per capita generation remains among the lowest in the world (294 kilowatt hours), and present generation capability at 8,000 MW falls far short of peak demand. Although the supply situation has improved recently, load shedding and outages occur in irrigation/summer season that affect households, commercial enterprises, and industries. The sector is financially weak, access to capital is severely constrained and prices do not cover costs, necessitating large government subsidies to keep the key institutions operational. Increasing shortages of natural gas, the primary fuel for power generation, have added to the sector's challenges.

PRIMARY DEVELOPMENT OBJECTIVE AND COMPONENTS:

The Siddhirganj Power Project aims to increase electricity supply to the Bangladesh power-grid network by constructing a 335 MW combined cycle power plant, (CCPP) as well as an 11-kilometer 230-kilovolt power evacuation system, and a 60 km 30-inch gas transmission pipeline. The combined cycle design of the power plant is a comparatively cleaner technology with lower carbon emissions and higher thermal efficiency.

EXPECTED RESULTS:

In November of this year, the simple cycle power plant is expected to add 217 MW of electricity generating capacity to the national grid. The balance of plant of the combined cycle is scheduled to complete in August 2016 when it will add total 335 MW capacity to the grid. Construction of the power evacuation system is complete, and it is transferring 235 MW of electricity from the other power plants of Siddhirganj to the greater Dhaka area. The gas line is almost complete and has improved the gas supply situation in the Siddhirganj region. The government is working to secure an additional \$165 million to finance the additional capital cost of the CCPP and associated supports.

IMPLEMENTING AGENCIES:

Electricity Generation Company of Bangladesh, Gas Transmission Company Ltd., and Power Grid Company of Bangladesh.

KEY PARTNERS:

Not applicable.

SKILLS AND TRAINING ENHANCEMENT PROJECT

KEY DATA:

Approved: June 10, 2010
Effective: Aug 22, 2010
Closing: June 30, 2016 PDO and
IP ratings: S,S



FINANCING (\$ MILLION):

Financier	Financing	Disbursed	Undisbursed
IDA Credit	79	78%	22%
GoB	9		
Total cost	88		
TF	15	44%	56%

INTRODUCTION:

The Bangladesh economy has been registering steady economic growth of around 6 percent over the past decade. As local and global economic shifts continue toward industry and services, demand for skilled manpower is expected to rise at home and abroad. Bangladesh is a labor-surplus country, so the government is increasingly focusing on workforce development through technical and vocational education training (TVET). This is a timely response as the country prepares to accommodate and capitalize on the ongoing demographic dividend. However, poor training quality, low employability, and inadequate wages plague the TVET sector, requiring interventions for addressing these issues.

PROJECT DEVELOPMENT OBJECTIVE:

The project aims to strengthen selected public and private training institutions to improve training quality and employability of trainees, including those from disadvantaged socioeconomic backgrounds.

PROJECT DESCRIPTION:

The project is designed to address the key issues concerning TVET in a number of ways:

- Ensuring that the programs offered are relevant to labor market needs by incorporating views from industries and civil society.
- Helping to ensure teacher-trainer vacancies open for six months or more are filled.
- Supporting both public and private institutions, thereby creating a level playing field. The project breaks new ground in this way.
- Providing incentives. Based on performance indicators, training institutions will receive a \$200,000 performance grant, on top of their initial implementation grant of up to \$1 million. Institutions providing short courses receive \$250 per student, of which \$60 is stipend to the student. In addition, a 20 percent per student amount performance grant is offered to the institute for each trainee who is employed within six months of completing training.
- Providing stipends to students from disadvantaged socioeconomic backgrounds. Those receiving a stipend must maintain 75 percent annual attendance and 45 percent pass marks in the annual examinations.

RESULTS:

- 96,345 diploma students from 93 polytechnic institutions (43 of which are public) received stipends. The share of female beneficiaries increased from 10 to 15 percent after a universal female stipend was adopted.
- 980 full-time contractual teachers deployed in 50 public polytechnics, filling 95 percent of vacant teaching posts.
- 46,076 people, 25 percent of them women, received training from these providers.
- Recognition of Prior Learning (RPL), a program that certifies informal workers who have acquired skills from job experience or any other non-formal source, has been operationalized. Around 2,000 individuals have been assessed through RPL.

KEY PARTNERS:

Directorate of Technical Education, Bangladesh Technical Education Board, Bangladesh Bureau of Manpower Employment and Training; Department of Foreign Affairs and Trade of Canada.

STRENGTHENING PUBLIC EXPENDITURE MANAGEMENT PROGRAM (SPEMP)

KEY DATA:

Financing: \$110.9 million multi-donor trust fund

RECIPIENT EXECUTED PROJECTS (ACTIVE):

	Approved	Closing
Strengthening the Office of the Comptroller and Auditor General's Office	May 29, 2011	June 30, 2016
Strengthening Parliamentary Oversight	Aug.30, 2010	Dec. 31, 2015

PROGRAM BACKGROUND:

The main public financial management challenges are the development of a comprehensive, automated financial management information system with appropriate controls, the development of a new chart of accounts, low levels of professional budgeting, accounting and auditing capacity, a dual budgeting process, lack of timeliness in preparing audit reports and low capacity for budget oversight, and low levels of fiscal transparency. To address these challenges in a harmonized manner, five partners came together to establish a trust fund in 2008. To date, \$101 million has been received.

PROGRAM OBJECTIVES AND COMPONENTS:

The Strengthening Public Expenditure Management Program seeks to: (i) strengthen and modernize budget management institutions within the Government of Bangladesh, with a particular emphasis on introducing a performance orientation in public financial management; and (ii) improve the effectiveness of formal institutions of financial accountability through strengthening both the capacity of the Office of the Comptroller and Auditor General (OCAG) and the functioning of parliament bodies that deal with allocation and monitoring of government resources. The program financed:

- The now-closed Deepening Medium Term Budgeting Framework and Strengthening Financial Accountability project (\$52.5 million), which aimed to improve the financial management information system, introduce a multi-year perspective to budget preparation, provide professional training, and strengthen the macro-fiscal framework.
- The Strengthening of the Office of the Comptroller and Auditor General project (\$13.03 million), which intends to enhance the quality, scope and follow-up of audits, and create a cadre of internationally accredited professionals in OCAG.
- The Strengthening Parliamentary Oversight project (\$4.2 million), which provides technical support to the three financial oversight committees and the Parliamentary Secretariat.

The series of advisory services and analytics activities are underway: developing macroeconomic forecasting capacity at the Finance Division; strengthening budget management preparation in four key line ministries; launching a Public Expenditure and Financial Accountability (PEFA) assessment; developing a new public financial management strategy and roadmap; launching the public investment management reform roadmap; and developing the government performance management system. The SPEMP Trust Fund will close on December 2016.

RESULTS:

- Audit capacity strengthened, twinning arrangement signed between Supreme Audit Institution (SAI) of India and Bangladesh to generate greater collaboration between the two countries.
- 16 Financial Oversight Committee reports have been made available on the Parliament website against a target of 12. In addition, the new management information system is ready for user testing,
- Annual performance agreements (APAs) are completed for FY 2014/2015 and are currently under evaluation. FY 2015-2016 APAs being prepared.
- Training has been provided the macro forecasting wing of the Finance Division and the model further developed.
- PEFA assessment was launched.
- Technical assistance team has started inception phase for the supporting the budget preparation for four line ministries.

IMPLEMENTING AGENCIES:

OCAG.

Parliamentary Secretariat

KEY PARTNERS:

U.K. Department for International Development, Canadian International Development Agency, European Union, Danish International Development Agency and the Government of Netherlands.

STRENGTHENING REGIONAL COOPERATION FOR WILDLIFE PROTECTION IN ASIA

KEY DATA:

Approval: Apr 7, 2011
Effective: Jun 29, 2011
Closing: Dec 31, 2016

FINANCING (\$ MILLION):

Financier	Financing	Disbursed	Undisbursed
IDA Credit	36	12.20	10.69
<i>Note: Undisbursed figure reflects US\$-SDR fluctuations.</i>			
GoB			
Total Cost	36		

PROJECT BACKGROUND:

Illegal trade in wildlife is largely controlled by criminal gangs that poach flagship species, such as tigers and elephants in one country, stockpile them in another, and then trade them beyond the South Asia region. Thus, no single country can manage or eliminate poaching or the illegal wildlife trade on its own. Since wild animals cannot be confined to national boundaries, a single country also cannot manage a contiguous cross-border wildlife habitat effectively. This makes the control of the illegal trade of wildlife and wildlife parts a challenging multi-country affair.

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS:

The project aims to assist participating governments in building or enhancing shared capacity, institutions, knowledge and incentives to collaborate on tackling the illegal wildlife trade and other selected regional conservation threats to habitats in border areas. It has a two-pronged approach that calls for: (i) capacity building to address the illegal wildlife trade through regional cooperation; and (ii) habitat protection and management to generate regional conservation benefits and address the human-wildlife conflict.

Components are:

- Building capacity to address the illegal trans-boundary wildlife trade by bringing about regional collaboration in combating wildlife crime through strengthened legislative and regulatory frameworks and well-equipped specialized agencies and systems, as well as relevant training and awareness programs for staff responsible for enforcement of wildlife laws and regulations. Bangladesh and Nepal are participating in the first phase (with the Nepal project amounting to \$3 million) and Bhutan joined in the second phase.
- Promoting wildlife conservation in Asia through establishing a virtual regional center of excellence; improving existing park infrastructure; conducting species monitoring and recovery programs; preparing and implementing endangered species recovery plans; protecting inviolate areas for species conservation; implementing real-time field-based monitoring systems; developing landscape scale imaging platforms; strengthening enforcement of laws and regulations; and carrying out innovative research projects in wildlife conservation.

RESULTS:

- Drafted 18 rules for operationalization of Wildlife Conservation Act, 2010.
- Established a 24-hour hotline for reporting of illegal wildlife trafficking and other wildlife-related crimes to the Wildlife Crime Control Unit (WCCU) at the Forest Department Headquarter and Divisional Offices.
- WCCU arrested 375 wildlife offenders and rescued 6,183 birds, 9,539 reptiles, and 177 mammals.
- Completed the first census of Bengal tigers in the Sundarbans through a collaborative effort with the Wildlife Institute of India; estimated a tiger population of 106 in the Sundarbans using camera trapping method.
- Declared two Vulture Safe Zones in Bangladesh.
- Commenced implementation of 36 sub-projects aiming at improving the management of protected areas, conservation of flagship species and reduce human-wildlife conflict.
- Completed five Protected Area Management Plans and three Eco-Tourism Management Plans.
- Organized first regional thematic meeting on "institutional arrangements for wildlife crime control" in 2015.
- Provided support to the second Global Tiger Stock Taking Conference hosted by the Forest Department in 2014.
- Completed training on combating wildlife crime by 812 officials, certificate course on wildlife management by 30 Bangladesh Forest Department (BFD) officials and post graduate diploma by five officials at the Wildlife Institute of India.

IMPLEMENTING AGENCY:

BFD.

KEY PARTNERS:

Not applicable.

THIRD PRIMARY EDUCATION DEVELOPMENT PROGRAM

KEY DATA:

Approved: July 31, 2011

Effective: Dec 7, 2011

Closing: Dec 31, 2017

FINANCING (\$ MILLION):

Financier	Financing	Disbursed	Undisbursed
Original IDA Credit	300	87.95%	12.05%
Original Total cost	8,310		
Additional Financing	400	0%	100%
Revised Total Cost	9,810		

PROGRAM BACKGROUND:

Bangladesh had made remarkable progress in primary education in the last decade. The net enrollment rate (NER) reached around 98 percent while the gross enrollment rate (GER) reached above 108 percent in 2014, and gender parity was achieved. The completion rate was 79 percent in 2014 and the survival rate to Grade 5 is 81 percent. Despite the impressive progress, transition rate to secondary level remain a concern. Poverty along with educational background of the family, remoteness of the society, and distance from the school, were the main reasons for dropping out. The quality of education remained a bigger concern; many schools were overcrowded, while teacher qualifications and motivation remained low and exams mostly tested memory recall and rote learning.

PROGRAM DEVELOPMENT OBJECTIVE AND COMPONENTS:

The Third Primary Education Development Program (PEDP3) aims at increased participation and reduced social disparities in primary education, increased completion of primary education, improved quality of the learning environment, systematic assessment of student learning, and improved effectiveness of resource utilization at the primary education sector. The program has introduced a comprehensive set of reforms to upgrade the quality of learning for all children at the primary and preprimary level, strengthened capacity to provide high-quality data and utilization of information for effective results monitoring, brought disadvantaged children into pre-primary and primary education, and developed mechanisms for the public and private sectors to work more closely together in education service delivery.

The program builds on the experience and successes of previous programs but stands out from them because its financing is linked to specific results being achieved on the ground. Funds are disbursed when disbursement-linked indicators (DLIs) covering nine areas are met. The DLIs for quality enhancement cover: (i) development of an 18-month diploma program and teacher training; (ii) the development and incremental introduction of competency-based examinations; (iii) merit-based teacher and head teacher recruitment; and (iv) timely distribution of textbooks (within a month of the start of the academic calendar), including an updated curriculum. The DLIs supporting reduction in disparities include: (i) the widespread introduction of pre-primary education, especially in disadvantaged areas; and (ii) needs-based infrastructure development to reduce overcrowding in schools and improve the quality of the facilities as well as school-level planning. Two other DLIs are set for enhanced sector financing and effective program monitoring and reporting.

The World Bank is also the supervising entity for a Global Partnership for Education grant of \$100 million for PEDP3.

RESULTS:

- 31 out of the 36 DLIs met to date.
- Completion of two rounds of the National Student Assessment (Grades 3 and 5) in 2011 and 2013.
- Large-scale tryout of revised textbooks and teachers' editions (all subjects, Grades 1-5).
- Teacher recruitment and deployment completed according to merit-based recruitment procedures and on needs basis.
- International standard diploma in education piloted and expanded nationwide (accredited by the University of Dhaka).
- Launch of an on-line data collection and management system to help in the preparation of an online Annual Primary School Census and testing real time availability of the data.
- Use of existing country system and fiduciary arrangements.
- Launch of nationwide electronic government procurement for construction works.
- Over 90 percent of primary schools received textbooks within the first month of the academic year and the textbook distribution process is satisfactorily monitored through third party validation.

IMPLEMENTING AGENCY:

Directorate of Primary Education, Ministry of Primary and Mass Education.

KEY PARTNERS:

Asian Development Bank, UK's Department of International Development, European Union, Department of Foreign Affairs Trade and Development Canada, Department of Foreign Affairs and Trade, Australia, Swedish International Development Cooperation Agency, Japanese International Cooperation Agency, and UNICEF.

WATER MANAGEMENT IMPROVEMENT PROJECT

KEY DATA:

Approved: September 18, 2007

Effective: November 26, 2007

Closing: June 30, 2016

FINANCING:

Financier	Financing	Disbursed	Undisbursed
IDA Credit	94	92%	8%
GoB	8.8	70%	30%
Dev Partners	2.6	100%	
Total cost	105.4		

PROJECT BACKGROUND:

Bangladesh is the terminal floodplain delta of three large rivers: the Ganges, the Brahmaputra, and the Meghna – with over 90 percent of their catchment areas situated outside the country. Each year during the monsoon season, 20 percent to 30 percent of Bangladesh is flooded. While this creates opportunities for highly productive farming and fishing systems, these are balanced by the risks of deep flooding, erosion, and drainage. By contrast, in the post-monsoon period, soil-moisture content declines rapidly and the water deficit needs to be compensated by irrigation. Salinity intrusion, water-logging and the arsenic contamination of groundwater aquifers further exacerbate the problem. Much work has been done in recent decades to prepare for disasters, but water management remains a critical issue.

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS:

The Water Management Improvement Project (WMIP) aims to enhance water resources management in Bangladesh by upgrading infrastructure and institutions through rehabilitating damaged water infrastructure, piloting the role of local communities and enhancing the institutional performance of the principal water institutions, particularly the Bangladesh Water Development Board (BWDB) and the Water Resource Planning Organization (WARPO).

It supports the government's goal to decentralize the authority of the BWDB and hand over its management responsibilities to community organizations, where feasible. By taking the emphasis off flood control and focusing more on water management, the project shifts responsibility from technicians and bureaucrats to a wide variety of community stakeholders who may participate at any stage of the project development cycle. It also aims to rehabilitate the BWDB schemes damaged by the 2007 floods, and later by a 2009 cyclone, and to reform government institutions involved in the water sector by improving governance and transparency to enhance their ability to better manage water systems.

RESULTS:

- Repair or reconstruction of 716 kilometers (km) of embankments, 315 water control structures, 41 km of protective works and 341km re-excavation of canals.
- 500,000 households directly benefitted.
- Creation of 12 million person-days of employment.
- Formation of 785 Water Management Organizations (WMOs).
- National Water Resources Database (NWRD) and Integrated Coastal Resources Database (ICRD) have been updated.

IMPLEMENTING AGENCY:

Not applicable.

KEY PARTNERS:

BWDB, WARPO.

