

**PROJECT INFORMATION DOCUMENT (PID)
CONCEPT STAGE**

Report No.: AB6622

Project Name	Community Climate Change Program
Region	SOUTH ASIA
Sector	Other social services (34%); Flood protection (33%); General agriculture, fishing and forestry sector (33%)
Project ID	P125447
Borrower(s)	MINISTRY OF ENVIRONMENT AND FORESTS
	Ministry of Environment and Forests Bangladesh
Implementing Agency	
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Environment Category	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
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I. INTRODUCTION AND CONTEXT

A. Country Context

1. During FY01-09, Bangladesh's GDP grew by an average 5.8% per annum and the growth has been fairly stable (Bangladesh Country Assistance Strategy 2011-2014). Yet, it remains a low-income country with 40% of its population living in poverty.

2. With nearly 160 million inhabitants on a landmass of 147,570 km², Bangladesh ranked as the most climate-vulnerable country in the world.¹ Two-thirds of the country's land area is less than 5 meters above sea-level and is susceptible to river and rainwater flooding, particularly during the monsoon. Once every three to five years, up to two-thirds of Bangladesh is inundated by floods that cause substantial damage to infrastructure, housing, agriculture and livelihoods. Low-lying coastal areas are also at risk from tidal floods and severe cyclones. On average once every three years, a severe cyclone makes landfall on the Bangladesh coastline, creating storm surges that are sometimes in excess of 10 meters. Crops and livelihoods of the rural poor in the low-lying coastal areas are also devastated by saline water intrusion into aquifers and groundwater and land submergence. In addition, seasonal droughts occasionally hit the northwestern region.

B. Sector and Institutional Context

Sectoral Context

3. The frequency and intensity of these extreme climatic events are expected to increase because of climate change, with devastating economic, social and ecological consequences. In a 2010 report by the World Bank² it was predicted that climate change will decrease agricultural GDP by 3.1 % each year. Around 80% of total losses fall directly on household consumption and therefore have severe household welfare implications. The southern coastal and northwestern regions are expected to experience the largest income decline. Other impacts of more frequent and intense climatic events include: (1) loss of key economic infrastructure and livelihood resources; (2) saline water intrusion into coastal aquifers and areas; and (3) loss of biodiversity.

4. The risks from climate variability and change are geographically concentrated in six specific regions of the country, which also have higher concentrations of the poor, i.e. subsistence farmers, the rural landless, fishing communities, and urban poor. The areas are largely defined by their physiology and ecology and have varying climate change risks: (1) the South, Southwest, Southeast coastal region is at risk from increasingly frequent and severe tropical cyclones, sea level rise causing drainage congestion and saline water intrusion in surface, ground water and soil; (2) Northwest Barind Tract is prone to drought; (3) Northeast haor or freshwater wetland area is impacted by either delayed rainfall or early floods and sedimentation from erosion of the surrounding hill areas; (4) Central char and floodplains are prone to flooding, flash floods and river bank erosion; (5) Hill Tracts are prone to landslides; and (6) the urban areas are impacted by drainage congestion.

Government's strategy

5. The Government of Bangladesh (GOB) recognizes that climate change is both an environmental and developmental issue and it has prepared a number of strategic documents to guide the country's response to this issue. The National Adaptation Programme of Action (NAPA) prepared in 2005 and updated by the Ministry of Environment and Forests (MOEF) in 2009 identified key climate change issues and recommended 45 specific regional adaptation

¹ Climate Change Vulnerability Index 2011, Maplecroft

² The World Bank Group. 2010. *Economics of Adaptation to Climate Change*. Washington, DC: World Bank.

strategies targeting the coastal region, including marine and islands, Northeast, Northwest, Central, Charland/floodplain, and Southwest regions. The 2009 Bangladesh Climate Change Strategy and Action Plan (BCCSAP) prepared by GOB also reinforces the country's commitment to take all measures to protect people from the impacts of climate change and places adaptation as a priority. This strategy and action plan has the following six pillars: (1) address the impacts on food security, social protection and health; (2) strengthen further the country's comprehensive disaster management capacity; (3) climate proofing existing infrastructure; (4) improve research and knowledge management to predict the likely scale and timing of climate change on different sectors; (5) incorporate mitigation and low carbon opportunities for future growth; and (6) focus on capacity building and institutional capacity.

6. To support the implementation of the BCCSAP, GOB, in collaboration with development partners established a multi-donor trust fund entitled "Bangladesh Climate Change Resilience Fund (BCCRF)" in 2010 under MOEF's purview to finance interventions to strengthen the country's resilience to climate change. The United Kingdom, Sweden, European Union and Denmark have contributed a total \$110 million to the BCCRF, which is being administered by the World Bank.

7. The BCCRF is designed as a 'one-stop' mechanism for large-scale climate change financing in Bangladesh with **two windows**: an on-budget window for funding public sector projects; and, an off-budget window for funding projects from civil society organizations (CSOs). The objectives and guiding principles for the CSO window is outlined in the BCCRF implementation manual agreed upon by MoEF and the contributing donors. On May 19, 2011, the Governing Council of BCCRF designated Palli Karma-Sahayak Foundation (PKSF) as the implementing agency for the off-budget window of funding CSO sub-projects under the proposed Community Climate Change Project (CCCP). PKSF was established in 1990 as a not-for-profit organization by GOB, and has extensive community development experience and a nationwide network of partner organizations (POs) involved in poverty alleviation through sustainable employment generation for the poor. PKSF is a financial institution with experience in implementing projects supported by the World Bank, ADB, IFAD, DFID and other donors that target civil society and vulnerable groups. However, its focus has been mainly on micro-credit programs in metropolitan, urban and rural areas through predetermined POs. PKSF has 12 million clients throughout Bangladesh through their 200 partner organizations with 6000 branches, and 8 million indirectly through their other networks. PKSF also has a technical assistance program that provides training in livestock and crop sector etc. PKSF has implemented two World Bank funded projects – "Second Poverty Alleviation and Employment Promotion Project" of US\$105 million (1996) and Learning and Innovation Loan (LIL) for "Financial Services for the Poorest (FSP)" of US\$5 million (2002-2004). It is currently supporting the implementation of the "Emergency 2007 Flood Restoration and Recovery Assistance Program" of US\$15 million under the Social Investment Program Project (SIPPI).

C. Relationship to CAS

8. The proposed operation would support one of the four strategic objectives of the World Bank's Country Assistance Strategy for Bangladesh (2011-2014), specifically "Reduce environmental degradation and vulnerability to climate change and natural disasters".

Recognizing the importance of the sector to the development of Bangladesh, the Bank Group has proposed a lending program of US\$1.2 billion which comprises nearly 20% of Bank Group commitment for the 2011-2014 CAS period. This project aims to directly address three of the outcomes under the pillar - strengthened water resources management and coastal protection; reduced environmental degradation and strengthened natural resource management; and enhanced disaster preparedness.

II. Proposed Project Development Objectives

A. Proposed PDO

9. The Project Development Objective (PDO) of the proposed project is to *assist local communities to pilot grassroots interventions to reduce their vulnerability to selected climate change risks.*

B. Project Description [from section 3 of PCN]

Project strategy

10. The overall aim of the project is to fund CSO projects to implement community-driven climate change adaptation strategies that can be easily integrated into the lifestyle and daily livelihood activities of the people. *Priority will be placed on supporting adaptation strategies that build upon ongoing interventions, focusing on the five most impacted sectors affecting people's lives and livelihoods: (1) agriculture (crops, fisheries, livestock, marine fishing); (2) water (water logging, drinking water, urban drainage); (3) health; (4) infrastructure; and (5) life and property including migration.*

11. Due to the limited implementation period and funds, a decision will be made during further project preparation as to which particular zone(s) and sectors will be the focus of the activities of this project.

Description

Component 1: Competitive Grant Mechanism (approximately US\$10 million)

12. The objective of this component is to establish a financial mechanism to competitively provide grant funding through CSOs to support community-driven interventions on climate change adaptation. Indicative interventions to be financed would include technical assistance to operationalize the organizational set up for fund administration and to undertake due diligence on proposals submitted, grant disbursement, results monitoring, etc.

Component 2: Capacity building for local communities (Approximately US\$ 0.7 million)

13. The objective of this component is to build the capacity of local communities and relevant CSOs to identify, implement, and monitor the results of climate change adaptation interventions through participatory processes. Indicative interventions that the project would

finance include training in participatory planning processes and results monitoring, and appropriate technical skills. It would also finance cross-learning (visits) among the participating communities, and preparation of best practices notes and guidelines for dissemination. A comprehensive communication strategy will be developed to ensure that the lessons learnt will be widely disseminated to communities, other CSOs, and development partners.

Component 3: Project Management (Approximately US\$ 0.8 million)

14. The objective of this component is to provide technical and capacity building support, and incremental operating costs for the Project Management Unit to be established in PKSF to manage the fund and monitor the implementation of project interventions. The project would assist PKSF to develop an impact monitoring and learning mechanism to ensure that there is a constant feedback process to determine whether the funding mechanism is effective in: (i) channeling funds to community-level adaptation programs; (ii) being transparent; (iii) information dissemination; (iv) monitoring inputs, outputs and impacts. Monitoring will be conducted at three levels: (i) participatory monitoring at the community level; (ii) output/milestone, results and fiduciary monitoring; and (iii) independent third party impact monitoring. The impact monitoring will evaluate the effectiveness of the adaptation strategy for reducing the vulnerability of the community.

1. Safeguard policies that might apply

Safeguard Policies Triggered (<i>please explain why</i>)	Yes	No	TBD
Environmental Assessment (OP/BP 4.01)	X		
The possible sub-project activities are community-based adaptations focusing on food security, social safety and health, comprehensive disaster management, infrastructure, knowledge management etc. from the Civil Society Organizations (CSOs). No significant/longterm environmental impacts are anticipated from the project activities. Given that the sub-project is yet to be identified, each sub-project will be treated separately and given its own environmental screening as per World Bank guideline.			
Natural Habitats (OP/BP 4.04)		X	
Forests (OP/BP 4.36)		X	
Pest Management (OP 4.09)		X	
Physical Cultural Resources (OP/BP 4.11)		X	
Indigenous Peoples (OP/BP 4.10)	X		
If the program covers the entire country, including the Chittagong Hill Tracts, which are inhabited by the largest proportion of the country's indigenous population, it will trigger OP 4.10 on Indigenous Peoples. In various proportions, indigenous peoples (IPs) also live in most of the plains districts, including some areas in the coastal regions. Impacts and benefits for IPs will however depend upon actual adaptation measures proposed by CSOs.			

Safeguard Policies Triggered (please explain why)	Yes	No	TBD
Involuntary Resettlement (OP/BP 4.12)			X
The program will finance CSO proposals focused on community-based climate change adaptations for food security, social safety and health, comprehensive disaster management, infrastructure, knowledge management, etc. Whether or not the OP 4.12 on Involuntary Resettlement would apply will eventually depend on the actual adaptive measures proposed by CSOs. PKSf has nevertheless decided to develop a Social Management Framework (SMF), consistent with the Bank policies OP 4.10 and OP 4.12, to address social safeguard issues as and when they arise during implementation of any chosen adaptation measures for climate change. With principles, policies, guidelines and procedures, the SMF will help CSOs to prepare proposals, and PKSf to evaluate them, to ensure compliance with the Bank's social safeguard policies.			
Safety of Dams (OP/BP 4.37)		X	
Projects on International Waterways (OP/BP 7.50)			X
Projects in Disputed Areas (OP/BP 7.60)		X	

2. Tentative financing

Source:		(\$m.)
Borrower		0
Bangladesh MDTF for Climate Change		11.5
	Total	11.5

3. Contact point

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